

# Employment Outlook Quarter 3, 2015

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Spirit Of Enterprise Award

## EMPLOYMENT OUTLOOK Q3 2015 FORECAST



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### ECONOMIC OVERVIEW

Singapore's economy will continue to grow this quarter, albeit cautiously.

The strengthening of the Singapore dollar presents the following challenges to the business community:

- 1) More expensive to do business in Singapore
- 2) Less competitive export market
- 3) Higher labour costs

We are monitoring several world events with the potential to negatively impact the economic outlook. However, if managed well, we do not expect a major fallout. They are:

- 1) The Greek debt crisis: New rounds of bailout talks have stalled and the Greek crisis remains unresolved. Its potential fallout could filter to Asia.
- 2) Middle East Respiratory Syndrome Coronavirus: The MERS-CoV could turn into a pandemic if not contained, affecting travel and restricting the flow of tourists, which would adversely impact related industries in affected countries – with a knock-on effect on the rest of the world.
- 3) Middle East political crisis: An escalation of the crisis and spread of fundamentalist militancy to Southeast Asian countries could present a great threat to domestic and regional economies.

- 4) Natural disasters: The increasing incidences of earthquakes, floods, droughts and the like may affect the output of agricultural products and cause food prices to spike.

### GENERAL EMPLOYMENT OUTLOOK

We are of the opinion that the hiring outlook for Q3 will generally be more positive than in Q2, barring any of the aforementioned world events getting out of hand. Hiring will continue as many companies are not operating at optimum staffing strength, and some are even expanding their operations.

The unemployment rate should remain low, especially with companies growing more open to hiring senior citizens.

### INDUSTRY OUTLOOK

We anticipate that **IT** and **Healthcare** will continue to be the “hot” sectors enjoying strong hiring activity in Q3.

Conversely, companies in “sunset” industries such as Oil & Gas, Construction and low-cost Manufacturing will experience a hiring freeze or even layoffs.

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## RECRUITMENT & HUMAN RESOURCE TRENDS

- 1) **Outsourcing of HR Functions & Strengthening HR Practices:** More and more companies are realising the need to outsource their HR functions in addition to strengthening their own internal HR practices and processes in order to remain an attractive employer of choice to existing and prospective employees.

This has been made easier with SPRING Singapore's push for SMEs to receive greater financial support in their efforts to stay competitive and successful. PrimeStaff has been appointed by SPRING Singapore as a qualified service provider for HR Shared Services and we see this trend evolving.

## RECOMMENDATIONS FOR RECRUITERS / EMPLOYERS & JOB SEEKERS

Q3 is likely to be an "employee's market" as turnover is traditionally lower in Q3 because most employees who are eligible for the 13th month Annual Wage Supplement (AWS) will generally wait until the end of the year to receive their AWS before looking for a new job opportunity.

Additionally, there is still a big cry out for good people in certain sectors and industries such as Retail, Food & Beverage, IT, Health & Allied Healthcare, and some areas of Manufacturing (operators, technicians, etc)

In light of these market dynamics, these are some of PrimeStaff's recommendations for both recruiters/employers and job-seekers/employees for Q3 2015:

## For Recruiters / Employers:

While it is true that businesses are operating in a tight labour market and Singaporeans do generally shun menial jobs, many employers still report finding difficulty hiring professionals even at the senior level. The reality is that there is still some bias out there against flexi-work arrangements and the hiring of older and more experienced workers. So what should employers do?

- 1) **Develop & Promote from Within:** There is so much more employers can do to train and develop their staff. This is a powerful retention tool that HR should capitalise on.
- 2) **Apply Targeted Selection:** Define core and critical competencies necessary for the position instead of "nice to have" competencies.
- 3) **Engage Multi-Generational Workforce:** Learn to engage employees both young and old across all four generations currently in the workforce: Gen M, Y, X and the Baby Boomers.

*"Employers can do so much more to train and develop their staff, and promote them from within. This is a powerful retention tool that HR should capitalise on."*

### For Job-seekers/Employees:

Our advice for job-seekers and employees depends on which stage they are in their lives and how they can optimise learning opportunities while working. For instance, a young graduate is likely to move around to get more exposure. So if their employers don't provide a lot of opportunities and exposure to enable them to broaden their experience, they may leave for greener pastures. Whereas a Gen X worker may be quite comfortable in their jobs and may be more reluctant to leave a job so readily due to various commitments and obligations such as a home mortgage, etc.

In general, here are a few quick tips for job-seekers and employees:

1. **Stay Up-to-date:** Every employee should always adopt the philosophy of continuous learning and upgrading oneself throughout their careers. Broaden your know-how and ensure that you are up-to-date with your competencies. Know-how is just knowledge but competencies encompass actual application skills and the right attitude.
2. **Keep Networking:** A mindset that prizes networking will give you a competitive advantage and stand you in good stead to be headhunted or offered plum roles.

# LET US TAKE CARE OF ALL YOUR HUMAN RESOURCE NEEDS SO YOU CAN FOCUS ON WHAT MATTERS MOST, YOUR BUSINESS.

## ABOUT PRIMESTAFF MANAGEMENT SERVICES PTE LTD

Founded in 1994, PrimeStaff Management Services Pte Ltd is an award-winning and leading human resource consultancy based in Singapore with a growing regional reach. It provides a comprehensive suite of recruitment services across a wide range of positions, functions and industries in the Asia Pacific region. Other services include Payroll Processing and HR Consulting. Building upon its passion for people, PrimeStaff has cultivated a reputation in the industry for service excellence, reliability and effectiveness in delivering value added solutions.

Contingency Search / Executive Placements / Contract Staffing / Temporary Staffing / Outsourcing / HR Advisory / Training

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