



# HIRING TRENDS

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In November 2008, the Achieve Group of Companies conducted a survey that examined the prospective hiring practices of employers across a cross-section of industries in Singapore. Over 500 key employment decision-makers were surveyed. It looks at the impact of the current recession, triggered by the financial meltdown, on employment in 1H of 2009. For example, it looks at whether employers are continuing to hire or retrench, how much salary increment they are willing to offer to new hires, and whether employees feel that their job security is threatened in light of the bleak economic outlook.

In the words of Mr Joshua Yim, founder and CEO of Achieve Group of Companies, a good summary of the 2009 outlook would be that "employers have grown more cautious in anticipation of an even more severe 2009. However, this survey shows that although many organisations' hiring plans have been affected, there are a good number of employers that are still willing to hire workers on a selective basis. Specific industries are also experiencing some growth. Additionally, at the time of conducting this survey, the prospect of retrenchment is not rampant."

By November, the financial crisis had definitely taken a toll on the employment scene in Singapore, with 64% of respondents indicating that their hiring plans for 1H 2009 have been duly affected. Out of this 64%, 52% said they would

freeze hiring, while 46% said they would continue to hire at a slower pace. The remaining 2% intend to cut back on staff.

From the employees' standpoint, a surprisingly low 21% of respondents felt that their job security was under threat, as compared to the 79% who said they didn't feel that way.

Looking at the employment sector by industry, the manufacturing sector appears to be the hardest hit. A significant majority of those surveyed reported that the recession has affected their hiring plans. 61% said they would freeze hiring, 37% would continue to hire at a slower rate, and only 2% expected to retrench staff.

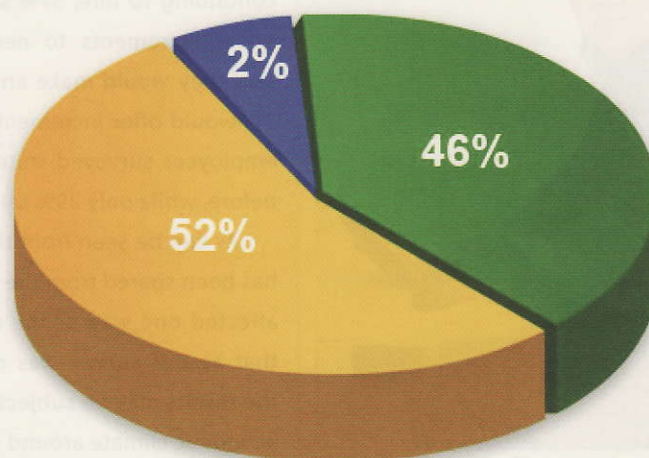
Over at the information technology sector, 73% reported the financial crisis would have an effect on their hiring plans. Out of this 73%, 50% have frozen hiring, 42% would increase their staff to a lesser extent, and 8% would be cutting back on staff.

In the finance sector, the view was divided equally, but it leaned towards those who said yes to hiring affected by the crisis, at 54%. 65% of which said they would hire at a reduced rate, 30% would freeze recruitment, and 5% would downsize their staff strength.

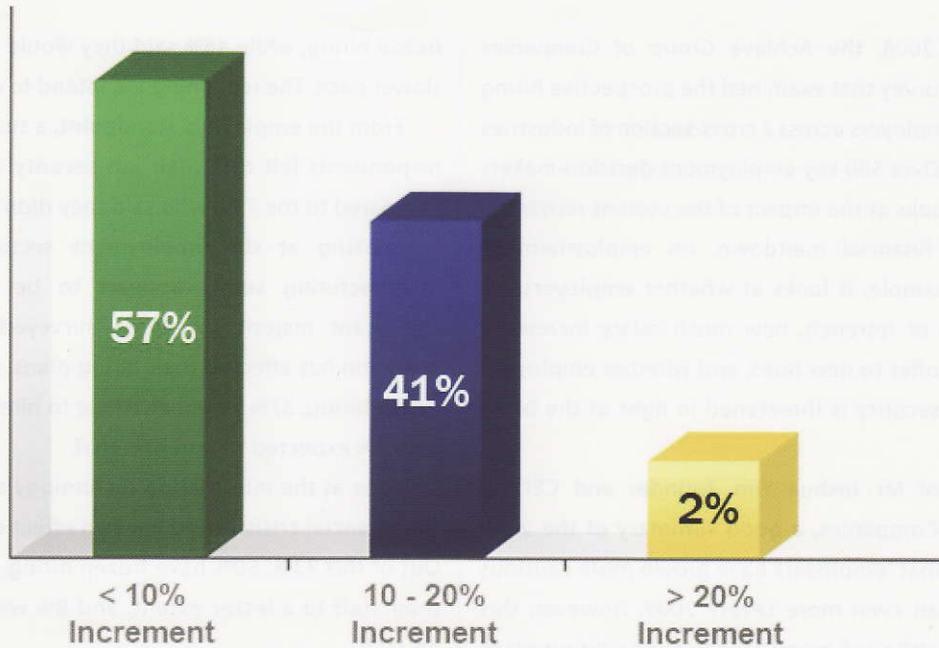
The engineering sector was divided as well, but slightly more (56%) reported that the recession has affected their recruitment plans. 56% of these said they would carry on employing staff at a slower rate, and 44% said they would

#### IMPACT ON HIRING PLANS FOR 1H 2009

- Freeze hiring 52%
- Reduce hiring 46%
- Retrench 2%



## SALARY INCREMENTS FOR 1H 2009



**71% of employees surveyed stated that the offers were the same as before, while only 29% said the offers were lesser than usual.**



put hiring on hold. None indicated they were going to retrench staff.

Lastly, 54% of the retail sector indicated that their hiring plans would be affected by the economic downturn for the first half of 2009. The majority of 57% said they would stop hiring, while 43% said they would hire staff at a slower pace, and none intended to retrench any staff.

With regard to salary, of the 46% of employers who are continuing to hire, 57% said they would offer less than 10% salary increments to new hires (before negotiation), 41% said they would make an offer of between 10% to 20%, and 2% would offer increments more than 20%. However, 71% of employees surveyed stated that the offers were the same as before, while only 29% said the offers were lesser than usual.

As can be seen from the results of the survey, no industry has been spared from the economic crisis and hiring has been affected one way or the other. However, it should be noted that as this survey was conducted end of November 2008, the results may be subjected to the changes of the fast-paced economic climate around us. 