

HIRING CONTINUES DESPITE FEARS OF RECESSION

The findings from a survey by an employment services consultancy indicate that bosses are keeping focused on the long term despite the growing short-term uncertainty. There are plenty of firms here which expect a recession but plenty more believe that their own hiring plans will not be derailed by a downturn.

The Achieve Group polled more than 800 human resource (HR) decision-makers, from medium-sized firms employing at least 50 people to multinational companies based in Singapore. It found that 51 per cent expect a recession in the next 12 months but a striking 76 per cent do not believe the slowdown will impact their hiring plans. Only 21 per cent plan to either cut or freeze hiring while only 3 per cent believe they will have to axe staff.

Achieve Group chief executive Joshua Yim said the survey showed that despite economic uncertainty, most employers were still 'willing to continue hiring staff to meet their needs for the second half of 2008'.

A similar survey released by HSBC's commercial banking unit last month showed that small and medium-sized enterprises (SMEs) seemed more optimistic. None of the 300 SMEs it polled planned to cut staff this year.

But Achieve said its survey did show that compared to 'general market sentiments over the last two quarters', the job scene now favours employers more, so big pay

rises are out. The survey found that 74 per cent of respondents would offer increments of less than 10 per cent to new hires.

And while recruiters from the finance, real estate and information technology (IT) sectors said they would still be prepared to offer 10 per cent or more in salary increments, it remains cold comfort to many job-seekers.

PLUG INSURANCE COVERAGE GAPS FOR WORKERS OVER 65

As Singapore gears up for re-employment laws which will come into force in 2012, one area is to develop various healthcare options for older workers, said Acting Minister for Manpower Gan Kim Yong.

For one, the Government is exploring, with the Tripartite Implementation Workgroup, different ways of providing portable insurance for older workers.

Some of these workers may switch jobs and would not be covered by insurance during the period in transition. The new company may not offer the same coverage, or the workers may become uninsurable if they develop an illness. "So, portable medical insurance means that workers can carry (the policies) wherever they go and receive insurance cover," he said.

Currently, the insurable age cap for mature workers stands at 64, but some insurers have agreed to raise this by one year. The Tripartite Implementation

Workgroup revealed it will soon release a list of insurers that have agreed to raise it to 65. And it hopes they can be persuaded to set the bar even higher.

"At 64 and 65, we are still okay. But we are talking to the insurance agencies about raising this cap," said Mr Koh Jun Kiat, executive director of the Singapore National Employers Federation. He also raised the issue of allowing a mature worker to take a break before he starts his re-employment term.

"If the break is too long, there is a problem with continued medical insurance," he said, explaining that the current standard for insurers to continue coverage without re-evaluation is up to a month. He added: "We are also talking with insurance agents about lengthening this gap a little bit."

At the same time, Mr Koh said, the 2012 legislation will be shaped so as to allow companies the option to let employees begin their re-employment term immediately. "We will take this up to see whether the law can be crafted in such a way he can be re-employed the day after. So, there is no need to go for a break."

Applauding these moves as a "natural progression forward", Mr David Ang, executive director, Singapore Human Resources Institute (SHRI) said: "Life expectancy has gone up. It would be good for insurers to review past practices which might have been based on parameters that have undergone some transformation."

But he also proposed that companies consider a portable medical insurance scheme, with coverage at work tied not to companies but individuals. To this end, he said, the SHRI— along with some insurers — will launch such products next month.