



The Hudson Report

Singapore | H2 2016

Today's workforce
demands tomorrow's skills

Hudson

Great people. Great performance.

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Innovate to inspire and attract the best

Over a decade ago, Hudson began tracking the 'intentions to hire' of Singapore employers. Today the biannual Hudson Report includes a range of other measurements and comprehensive data that make it an indispensable status check on the Singapore hiring landscape and a powerful tool for employers hoping to attract and retain the best in a fast-changing talent market.

This latest report delves into planning for the future and the skills and capabilities it will demand. Our findings show that workplaces fostering innovative, adaptable teams are not only better poised to deliver growth in the future, but are also considered more engaging places to work. This has deep ramifications for an organisation's talent

strategy. Those that create and sell a vision of a stimulating environment – one that encourages professional development and innovative behaviours – will have better access to the cream of the talent market.

With 89% of surveyed employees either actively or passively looking for new work, organisations with a strong talent offering – one that includes competitive benefits and a convincing Employee Value Proposition – will gain the upper hand.

Tulika Tripathi
Managing Director
Hudson Asia

Market update

Singapore's job market is best described as 'tentative' with most employers planning to maintain current staffing levels. But employees aren't necessarily on the same page: the majority are thirsty for new opportunities, either actively looking for work or passively open to job offers. There is strength in key sectors and employers with competitive talent offerings will have the edge on those that don't.

A 'tentative' market as employers wait and hold steady

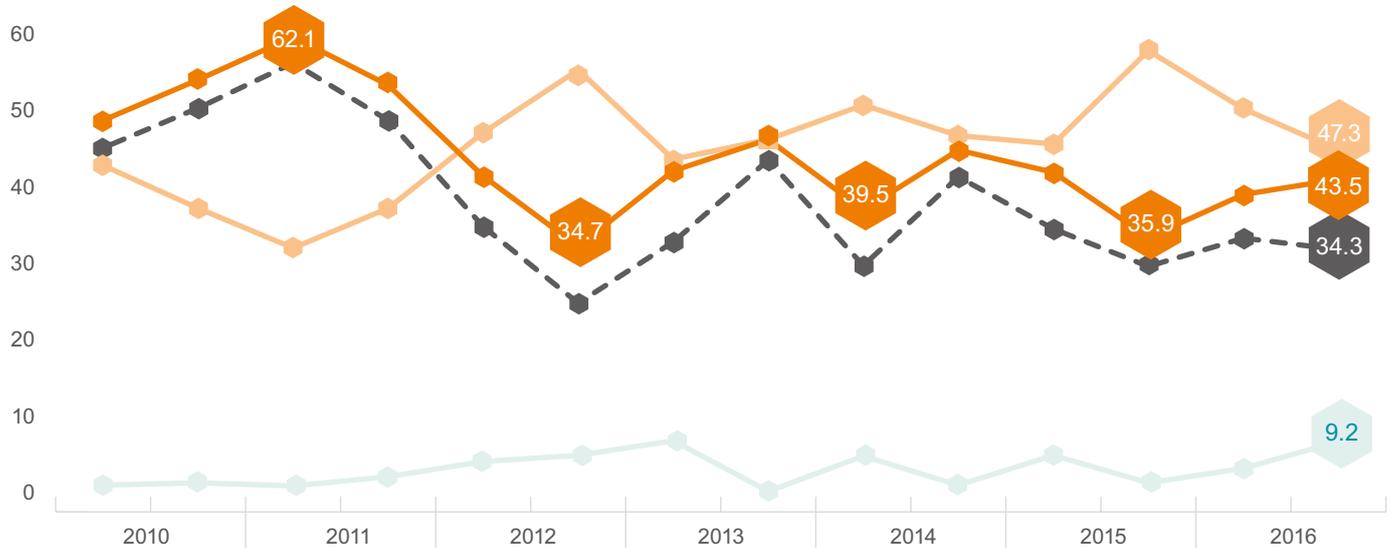


Figure 1: Permanent hiring expectations: Singapore (%)

■ Increase ■ Net effect ■ No change ■ Decrease

Net effect intention to hire at 34.3%

Singapore's net effect intention to hire stands at 34.3% for the second half of 2016, a slight 1.5pp decline from H1. Measured by Hudson for over a decade, the net effect is calculated by taking the percentage of employers surveyed who intend to increase permanent staff levels over the next six months, and subtracting the percentage of employers who expect to decrease staff levels.

In terms of direct intention, 47.3% of employers will keep headcount steady this half. There was a small rise in those looking to decrease headcount, which reduced the net figure, but the percentage of employers planning to increase headcount also rose to a healthy 43.5%. For ambitious professionals there are plenty of opportunities, while for employers the intention is to hold steady in what many are calling a tentative market.

Media, PR & Advertising sector strong as digital reigns supreme

Social media and digital marketing are a key focus, with many hiring new talent or relying on marketing organisations to drive delivery on platforms such as WhatsApp. Companies are lacking specialist skills – such as smart data, consumer data security and cloud marketing – and for this they are outsourcing.

Healthcare & Life Sciences in flux

This sector experienced tumultuous change over the past year with a large amount of global M&A activity and broadening of operations driving intention to hire as pharma, biotech and medical firms expanded into other markets. This wider distribution is, in turn, driving demand for marketing and sales roles.

Consumer sector looking up

The Consumer sector has been one of the toughest for the past three quarters, but after a wave of restructuring, hiring intentions have leapt as companies press into new markets and develop new products and distribution channels.

Industry highlights in 2016: Marketers in demand as Consumer sector signals resurgence

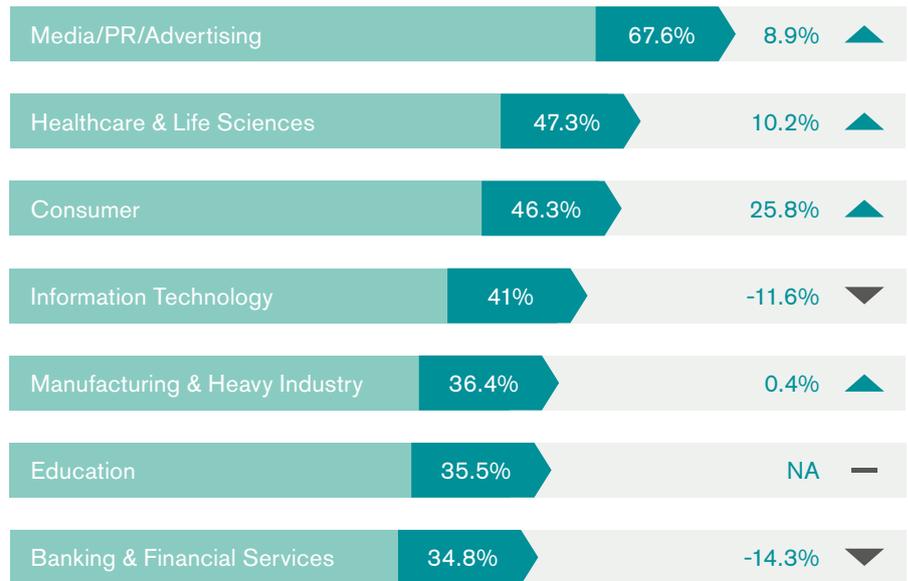


Figure 2: Permanent hiring expectations: % of employers looking to increase headcount in H2 2016. ▲ ▼ % change H2 vs H1 2016. NA - Minimum sample size not met in H1.

Where to next? Employees craving new opportunities



57%
Actively seeking
a new job

32%
Passively seeking
a new job

11%
Plan to stay
in current job

Employees seeking opportunities

Employers may be keen to maintain the status quo but that isn't the way their people think. Singapore employees increasingly want to 'be a part of something' they see as innovative, funky or game-changing.

With the vast majority of Singapore professionals craving a new opportunity, employers need to actively monitor the talent market and ensure their offering is competitive and stimulating.

2

Change afoot

Does your organisation foster an innovative workplace? Are you nimble and adaptable amidst relentless change? It's not only key to your future success – it also means a lot to your people. Yet many organisations are either falling short in this regard, or failing to sell their strengths to their teams.

Is your organisation innovative? Employers more confident than their teams



88%

of **Singapore employers** surveyed say their organisation creates a culture that drives and rewards innovation

YET THEY APPEAR MORE CONFIDENT THAN THEIR PEOPLE...

70%

of employees say their organisation **encourages innovation** in the workplace



24%

of employees say their organisation **does not encourage innovation** in the workplace at all

Everyone's talking innovation

Innovation is now a buzzword and evolving into a key Employee Value Proposition for some employers. The Singapore Government is investing heavily in innovation centres, incubators and think tanks, hoping innovation will make a greater contribution to GDP. In 2015 it was ranked the 7th most innovative country in the Global Innovation Index.

Yet despite this growing focus some employees are taking a lukewarm view of their own organisation's capacity to innovate. For employers, it signals an opportunity to do more work on defining what it means to be innovative and building a culture that promotes and celebrates new ideas, fresh approaches and clever thinking.

Talking the talk but... Key pieces missing from the innovation equation

More than just ideas

Almost one in two employers say they create a culture where new ideas are openly discussed. But 'blue sky' thinking is only part of the innovation equation. Innovation may involve brainstorming, but it's just as important to embed practices and structures that recognise good ideas, and then allocate resources to develop and implement them.

Room for risk

Only around three in 10 employees say their employer lets them take risks and make mistakes. This is a fundamental ingredient of innovation that helps foster a growth mindset over a fixed mindset. By allowing people to take controlled risks, removing the stigma around failing and giving employees room to experiment, organisations can clear the way for new strategies and different ideas to emerge.

3 in 10

employees

say they are allowed
opportunities to
take risks and make
mistakes

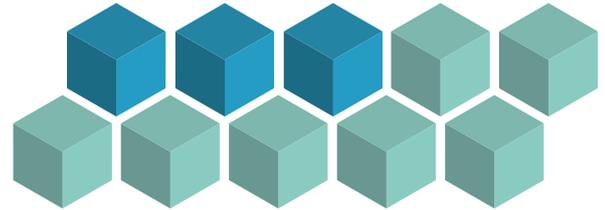


Figure 3: Employers and employees tell: The innovation practices their organisation encourages in the workplace.

Adaptability is crucial – and the opportunity is in recognising, defining and developing it

61%



of employees say their organisation responds fast enough to change **'to some extent'**, and only 14% say it does **'to a strong extent'**

YET

84%



of employees are being asked to be more adaptable every day

What is adaptability, anyway?

Adaptability runs hand in hand with innovation. It is key to capturing opportunities, disrupting the market and ultimately ensuring an organisation's survival. But both employees and employers are taking a lukewarm view of their own organisation's ability to respond and adapt.

Employees and employers often have conflicting views on what adaptability means in the context of their organisation. Adaptability comes in many forms – for example being mobile, or being willing to acquire new skills or focus on new areas. Employers should first define what mode of adaptability is required in both their organisation and team, and then clearly communicate this to their people.

A deeper understanding of innovation and adaptability

Senior leaders today rarely question the importance of innovation and adaptability, but these have yet to be built into the fabric of some organisations. Professionals who take a dim view of their own organisation's capacity to innovate and adapt may look elsewhere for an employer that will provide a more stimulating environment. Many desire to work for companies like Facebook, LinkedIn or Lego, not necessarily as innovators themselves but as part of a company that is seen as innovative.

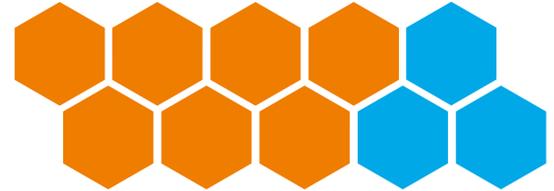
Employees who consider themselves adaptable may only be adaptable in certain areas. For example, they may be geographically adaptable but not skill-set adaptable. Still, there is a lot of research linking agility and adaptability to high performance. It is important for organisations to attract and retain people with these attributes as they are key to growing organisations.

Facing the constant pressure of hitting targets, organisations need to save some resources for defining the behaviours that drive innovation and adaptability, and developing and rewarding these behaviours.

Professionals aspire to work at innovative, adaptable workplaces

92%

of Singapore professionals say they believe they have the **ability to be adaptable in the workplace**



7 in 10 say they **enjoy being adaptable** every day at work



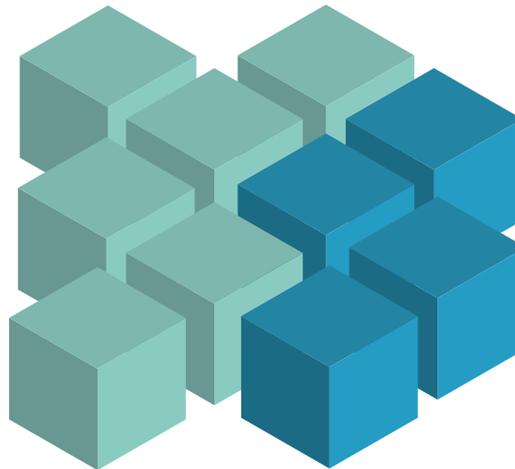
96%

say it is important or extremely important that their next employer **encourages innovation**

Playing by tomorrow's rules

Exploiting a changing environment means being on the front foot. While employers are confident they have what it takes to compete today, they are less certain about their preparedness for the future workplace. Uncertainty is natural, yet few workplaces are investing in developing their people's skills. Some employees are therefore taking it upon themselves to train up, yet feel unsupported in their efforts.

Heads in the sand? Employers lack a plan to develop tomorrow's game-changing skills



4 in 10
employers

aren't confident their
team has the right
skills for the future

The importance of a strategic approach to development planning

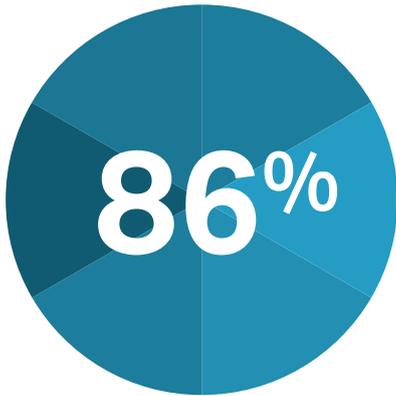
The pace of change is accelerating and organisations are racing to stay ahead of technological disruption. They know maintaining the traditional way of doing things is a risk and there is no room for complacency. They recognise the shortfalls in their skills mix, and this is an important step towards getting in front.

But what should be done? A well-articulated and structured training and development plan will equip your people to deliver results in the future. There are also a range of tools that allow organisations to assess potential hires on their future potential, not just their capability for the current role.

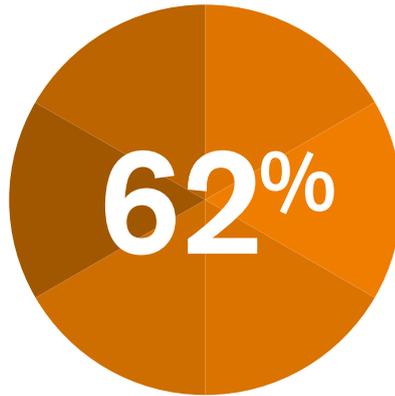
1 in 2

employers don't have a **defined strategy to train their people**

A disconnect: Are employees playing a confidence game on key skills?



of **employees** are confident that they **have the skills to perform well in the future**



of **employers** believe their team has the **right skills mix in place** to deliver what will be required in the future

Call to action:
Clearer communication on
future skills needed

The majority of employees are confident in their ability to do their jobs in the future. But less so their employers. There is clearly a disconnect between how employees and employers are viewing each other, with employers taking a less optimistic view of their people's skills readiness to compete in the future.

Clear communication is needed to manage both parties' expectations and find common ground. What does adaptability mean? What skills are needed to win in the future? What concrete behaviours demonstrate mastery of these skills?

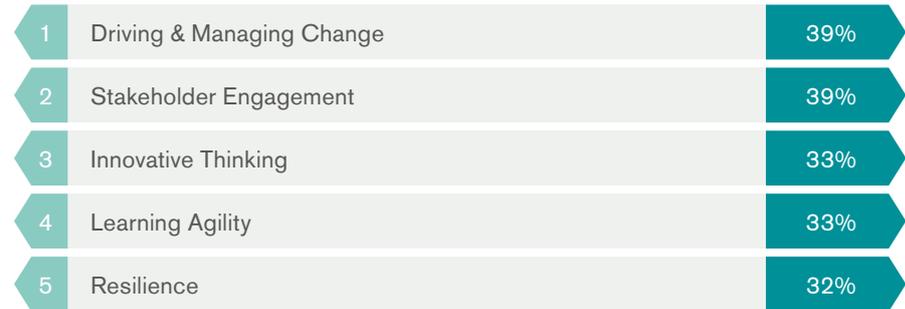
Gulf in thinking

There is a substantial gulf in thinking between the soft skills employers feel their company needs and those that their people would most like to develop. This is partly explained by competing interests, as employees are most likely to favour skills that will benefit them personally – such as the ability to negotiate a better salary or benefits. – whereas employers' top five skills are all largely themed around change (driving it, embracing it, surviving it).

But it also shows there is room for communication between Singaporean employees and their employers on what it means to be innovative and think out of the box. With a relatively low number of employees selecting skills like 'critical thinking', 'innovative thinking' and 'learning agility', these concepts need to be better defined and understood before they can be valued and embraced day-to-day by employers and employees alike.

Stalemate on soft skills: There is little consensus on which skills tomorrow will value most

Employers

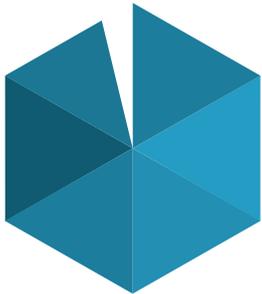


Employees



Figure 4: Soft skills disconnect: Employers select top soft skills required for the year ahead, while employees select the soft skills they personally want to develop.

A raw nerve: Employees feel pressured to develop skills, but not supported



97%

of employees say **developing their skills is important or extremely important**



62%

of employees **feel more pressured to learn new skills** compared to 2 years ago



ONLY
1 in 2

employees feel supported by their manager **to improve their existing skills**

Opportunity for employers

Employees are motivated to upgrade themselves, which is a good thing. However, there is a risk for disengagement and poor morale if they don't feel supported in this endeavour. Again, communication is critical. It's possible the training being provided by organisations isn't tailored to what employees want.

Organisations should be providing opportunities to learn. If there are common themes in what employees are learning in their spare time then there's work organisations can do to make in-house training more meaningful, relevant and tailored to employees.

Employees taking development into their own hands... with mixed results

Struggling to keep up

Singaporean professionals spend less time than their counterparts in China or Hong Kong learning new skills, but feel to a much greater extent that their self-study efforts are not enough to keep them competitive. This can hardly be attributed to laziness because Singaporean professionals are consistently found to work the longest hours in the world. Their time to spend with family and friends is already scarce.

Government investment

The Singapore government is investing billions in the coming years on skills development as part of its SkillsFuture programme, and encouraging Singaporeans to sign up for courses. Employees are motivated to learn but they will need the support of their employers to maximise this opportunity.

98%

of employees **personally take responsibility** for their professional development

7 in 10



employees doing up to 5 hours of **professional development** per month

No.1

reason employees are developing skills: to remain competitive in the jobs market



Figure 5: Employees name their top reasons for learning new skills.

Key takeouts

Training required

Consistently working the world's longest hours, Singaporean professionals have little spare time to develop their skill sets to meet future challenges. The pressure is rising to learn new skills but they feel unsupported by their employers in this regard. The Singapore government is addressing this but employees will also need the support of their employers to maximise the SkillsFuture opportunity.

Accepting risk

The biggest shortfall in the innovation equation appears to be not allowing employees to take risks and make controlled failures, and equating the open discussion of ideas and brainstorming with innovation. Key pieces of the puzzle are still missing in some organisations and managers need to allocate resources and set relevant KPIs. When innovation is properly balanced with the short-term goals of profitability and effectiveness, it can create massive long-term value for individuals and organisations alike.

Embedding innovation

Innovation is now a key Employee Value Proposition for some employers who have realised employees' desire to work in an organisation that values innovation. But many organisations are giving lip service to innovation without putting in place the systems to nourish it. This could be a retention risk as employees search for companies that meet their expectations.

Mastering adaptability

Adaptability runs hand-in-hand with innovation. Research links agility and adaptability with high performance. If organisations don't promote adaptability and support their people in understanding and mastering it, they won't be able to capture opportunities and disrupt the market.

We can help

Hudson offers industry-leading tools that enable organisations to identify, attract and develop long-term high performers. Beyond assessing for technical skills alone, our recruitment technology identifies core performance drivers such as the right motivation, attitude, behaviours and cultural fit. And our leadership development programs help businesses define and build the capabilities they need to deliver results today and prepare for tomorrow.

Methodology

Hudson undertook quantitative research with hiring managers and employees across Singapore to analyse the talent landscape and provide insights on what employers might expect in 2016 and beyond. We canvassed the views of 636 employers and employees in April 2016. From these findings we developed this report – a combination of the survey findings and Hudson’s insights on the hiring landscape. Percentages don’t always total 100% as respondents could select more than one option for certain questions.

About Hudson

Hudson is a global talent solutions company with expertise in specialist recruitment, recruitment process outsourcing, talent management and contracting solutions. We help our clients and candidates succeed by leveraging our expertise, market knowledge and proprietary assessment tools and techniques. Through relationships with millions of local and global specialised professionals, and via our world-class talent solutions and tailored, consultative approach, we help businesses and professionals achieve higher performance and superior business results.

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