

The Straits Times, Pg 1
15 December 2007, Saturday

Fatter bonus payouts expected this year

By: YANG HUIWEN

EMPLOYERS are expected to hand out bigger bonus payouts this year, especially in booming sectors such as real estate, the energy industry and construction.

Recruitment industry leaders expect this year's private-sector payouts to be even bigger than last year's - which were considered among the highest in recent years.

As a rule of thumb, employees who got a two- to three-month bonus last year can expect a three- to four-month bonus this year, they say.

These handsome payouts have been fuelled by Singapore's exceptional growth, set to top 8 per cent this year.

Many businesses are recording big profits and greater market share - and that usually translates to fatter bonuses.

"It has been a good year for many organisations, and stronger compared to last year," said Mr Charles Moore, partner-in-charge of recruitment agency Heidrick & Struggles in Singapore.

Mr Mark Ellwood, managing director of another recruitment firm Robert Walters Singapore, said: "Asia has been a big growth story for a lot of organisations that are fast expanding within the region,"

» YEAR-END JOY

Sectors	Bonuses expected in 2007 (months)	Estimated average bonus in 2006 (months)
Oil and gas, offshore marine	3 to 8	3 to 6
Property	2 to 6	1 to 4
Banking and Finance	1 to 5	1 to 2
Retail	1 to 3	1 to 2
IT	1 to 2	1
Manufacturing	1 to 1.5	1 to 2

NOTE: Figures are computed as an average, and could vary from company to company.

SOURCE: GMP GROUP

The oil and gas sector, which has experienced a boom in growth, is expected to lead the pack in delivering the most attractive payouts this year, according to GMP Group chief executive officer Annie Yap.

The financial sector, traditionally known to deliver the best bonuses, will not disappoint either - except, perhaps, for some divisions with direct exposure to the United States sub-prime housing market, she said.

For those at front-end, money-making jobs such as investment bankers and fund managers, a 12-month bonus is not uncommon.

“Those people will be looked after if they have performed and brought in revenue,” said Mr Ellwood.

The size of the bonus is typically linked to a number of factors, including individual performance and company performance.

Given the strong growth of the property sector, it is not surprising if the bonuses overtake those offered in banking, said Mercer Human Resource Consulting managing director (Asean) Su-Yen Wong.

One area where leaner bonuses may be on offer is manufacturing, which has suffered a moderate slowdown in growth.

Experts say delivering attractive bonuses is a strategic tool for firms keen to retain talent in a tight labour market. “It is important that (the bonus) is enough to make employees stay engaged and on board, especially in a tight labour market, that they do pay the people they want to keep,” said Mr Moore.

“The stronger bonuses reflect the fact that companies are increasingly linking pay to performance,” said Ms Wong.

Experts say employees should enjoy this year’s rich harvests, as weaker economic growth expected next year may mean smaller bonuses.

yanghw@sph.com.sg