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Jobs in booming sectors poised for 'pay hikes of up to 40%'

Finance and real estate professionals expected to do particularly well: Poll

By Alvin Foo

CRITICAL staff shortages in certain key professions in Singapore could lead to pay rises of up to 40 per cent in the next 12 months, a new survey has found.

Professionals in the finance sector are expected to be the biggest winners on the salary front. They are set to command pay rises of 15 to 30 per cent as Singapore cements its status as a global financial hub, said global recruitment firm Michael Page International.

These include staff involved in the booming private banking and wealth management field - catering to the swelling ranks of cashed-up types. In fact, some professionals in this sector with special skills could be looking at pay rises of up to 40 per cent, the survey found.

Not surprisingly, jobs in the booming property and construction sector are also among those set for hefty pay hikes. A salary rise of 15 to 20 per cent is on the cards for project management roles in construction.

And real estate professionals are in line for a 10 per cent pay rise as the property market continues to flourish over the next 12 months.

The findings are from an annual survey, involving 1,400 employees and 170 employers in Singapore.

The latest results were released on Friday last week. They point to a tightening labour market in which employers will need to offer higher salaries to attract and retain professionals.

Said Ms Florence Ng, managing director of Michael Page International (Singapore): 'Competition for skilled workers will only intensify, when you consider that 96 per cent of the employers we surveyed predict staff numbers to remain constant or increase in the coming year.

'Employees recognise that they are in a strong bargaining position and their expectations are high.'

One-third of the 1,400 employees surveyed expect their next pay rise to be 10 per cent or more.

Ms Ng added: 'Employers need to offer competitive salaries to secure and retain talent, but they must be careful not to incur labour costs which are not commercially viable over the longer term.

'One way of doing this is to increase the bonus component of salary packages and link financial reward to productivity and performance levels.'

» POSITIVE OUTLOOK



RISING DEMAND: The rapid growth of fast moving consumer goods and health-care industries is expected to drive sales and marketing employment.

Key findings of the annual Michael Page International Salary Survey

- 1/3** Employees expect a salary increase of 10% or more
- 96%** Employers anticipate staff levels to remain steady or increase
- 64%** Employers experience difficulty in retaining staff
- 47%** Employees cite career development as the reason for their last job change
- 44%** Employees rate their company's commitment to training and career progression as average

PAY RISE FORECAST

1. Finance

- 15 per cent to 30 per cent rise in this tight labour market, with up to 40 per cent for those with rare skills.
- Rise in recruitment activity expected over the next 12 months as Singapore builds its reputation as a world-class financial hub.

2. Commerce and Industry

- 5 per cent to 10 per cent rise, with 15 per cent to 35 per cent for more specialised roles.
- Strong demand expected over the next 12 months as companies continue hiring to support growth.

3. Supply chain and Procurement

- 10 per cent to 15 per cent rise, with up to 20 per cent for specialists.

4. Human Resources

- 4 per cent to 6 per cent rise, with 10 per cent to 20 per cent for specialists.
- Favourable over the next 12 months, as demand for quality candidates exceeds supply.

5. Property and Construction

- 15 per cent to 20 per cent rise for project management roles in construction and 10 per cent for real estate professionals.
- Sector set to continue to flourish over the next 12 months.

6. Sales and Marketing

- i. Information Technology & Telecommunications
 - 15 per cent rise over the next 12 months.
 - Intense competition among employers for top talent, especially at the senior level.
- ii. Consumer Goods
 - 10 per cent to 15 per cent rise across the sector.
 - Need for sales and marketing staff will escalate over the next 12 months, based on current demand and growth.

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Another way for firms to retain staff is to show a greater commitment to training and career development, which, she said, would improve productivity, and allow employers 'to be better able to absorb wage growth'.

Industry experts say the competition for talent in Singapore is heating up.

Said Ms Annie Yap, chief executive officer of human resources consultancy GMP: 'The turnover rate has increased by 30 per cent compared to last year, as companies expand and increase their budgets. It's the biggest supply crunch I've seen since 1998.'

Added Robert Walters Singapore's managing director, Mr Mark Ellwood: 'The mid-tier to senior management is seeing the biggest demand and the least candidates. People know there are a lot of opportunities in that area, so from a salary perspective, it's hard to retain people.'

A similarly buoyant wages theme emerged in a Citigroup report released yesterday. Economist Chua Hak Bin noted in the report: 'Wage pressures are emerging. The labour unit cost of manufacturing rose by about 6 per cent in the first quarter - the highest increase in four years. Civil servants are getting a 3 to 33 per cent wage increase.'

Michael Page said employers need to direct packages towards variable components such as bonuses.

Mr Kenny Yap, the executive chairman of mainboard-listed ornamental fish retailer Qian Hu, said that he faces difficulty expanding his finance department because of stiff competition from the banks and big firms.

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ADDITIONAL REPORTING BY JOSEPHINE TAY