

The Straits Times, Home, Pg 20 21 July 2008, Monday

Hiring slows down in second quarter

YANG HUIWEN

HIRING by Singapore companies is slowing down as firms tighten their belts amid rising operating costs and margin pressure, say recruitment agencies.

This cautious approach is in stark contrast to the enthusiastic hiring seen a year ago and experts say the pullback is most evident in the finance and manufacturing sectors.

"Companies in general have become more conscious of their fixed costs," said Robert Half International managing director Tim Hird.

"We have observed that our clients have become more selective and more cautious in their hiring, rather than imposing total freezes on hiring altogether," he said.

Ms Annie Yap, chief executive of recruitment agency GMP Group, said: "With shaken confidence in the near future of the economy, companies are curbing expansionary and strategic hires, and have limited their activities to those of specific needs, such as turnover replacements."

The sector identified by recruiting firms as having suffered the biggest slide in hiring is investment banking.

But there are pockets of growth within the financial services sector - commodity houses, insurance firms, private equity firms and hedge funds - that are "still hiring strongly", Mr Hird pointed out.

Ms Yap said the banking and finance as well as the manufacturing industries are the worst hit - both have seen a 30 per cent drop in hiring this year.

Another affected sector is information technology (IT), which has seen a 20 per cent fall in hiring.

This "marked decline" took place during the second quarter, and the trend is expected to persist for the rest of the year, said Ms Yap.