

## Hiring outlook

# Managing expectations

## Bonuses may not be as good as you think

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**SINGAPORE** — Are employers and employees going to end up on different wavelengths at the end of the year when it comes to bonus and salary expectations?

Employees will be noting the rosier hiring outlook now and a better-than-expected performance by some companies this year.

But with employers keeping an eye on the bottom line, increments and bonuses are not likely to match that optimism, say human resources consultants and recruiters.

“It is becoming more evident that employer and employee expectations around bonus levels are not aligned, which will result in some dissatisfaction among staff,” said Mr Paul Endacott, director of recruitment firm Ambition’s Singapore office.

Employers have not been dangling large remuneration packages to retain or attract talent, he said.

What can be expected, at most, according to his firm’s survey of 489 Singapore-based hiring managers and human resources professionals: A bonus of 5 to 10 per cent of annual salary for about one-fifth

When will you likely hire again?

<b>Currently hiring</b>	<b>41.7%</b>
<b>Q1 next year</b>	<b>20.5%</b>
<b>Q2 next year</b>	<b>10.9%</b>
<b>H2 next year</b>	<b>10.9%</b>
<b>Don’t know</b>	<b>16.0%</b>

Will your company give salary increments next year and/or an annual bonus for this year?

<b>Both</b>	<b>67.6%</b>
<b>Increment only</b>	<b>12.2%</b>
<b>Bonus only</b>	<b>12.8%</b>
<b>Neither</b>	<b>7.4%</b>

Source: Ambition

of the respondents, and 11 to 15 per cent for 12.2 per cent of those polled. The exception, in the survey of 12 industry sectors: Those in banking and financial services, who should get more.

A separate report by recruiter Randstad indicated that IT professionals will also be in greater demand, though on a contract basis.

Less certain is whether the disconnect in expectations will lead to a “churn” in the labour market.

Some workers may see the benefits of staying put, having been through a tough year, said Mr Christopher Leong of Chris Consulting, who said wage expectations may be moderated if workers feel their employer is a more “stable” place to be.

Mr Endacott said employers “are looking at structured career plans to bind (staff) to the company, because people will be looking at where their career is going to go”.

Hiring is also mainly on a replacement level and for specific revenue-driving positions, rather than on a large-scale drive to meet demand, he added.

Robert Walters Singapore managing director Andrea Ross agreed: “There’s still a cautious approach being taken, as some fear that it might be a temporary recovery.”

Nonetheless, two-thirds of Ambition’s survey respondents believe they will give both bonuses this year and increments next year, with 41.2 per cent expecting the latter to range between one to three per cent. About 23 per cent expect increments to be 4 to 6 per cent.

Towers Perrin consulting leader Kevin Ong noted bonuses and increments were likely to be moderate, given that 2009 was a tough year.

And high unemployment in the US and Europe are “real brakes on growth” in a bumpy 2010, as most expect, pointed out Kerry Consulting director Declan O’Sullivan.

“We’re not going to see massive bonuses or increments, except only where there are highly localized and specialized needs,” he said.