

## Upwardly mobile

Even as Singapore's economy shows strong recovery, research and HR professionals find that the demand for contract work – especially in the finance and accounting sectors – continues on a steady upward trend

**Three months ago, Mila Setiawati, 38, started work on a two-year contract as an accountant for management consultancy AT Kearney. Setiawati had given up a full-time job for this new contract position because she believed it would give her more career opportunities. 'I don't mind being on a contract because nowadays nothing is permanent,' she explains.**

Setiawati is part of a growing group of employees in Singapore who are eschewing some of the benefits that come with full-time jobs for the flexibility that contract work offers. With a volatile economic environment in 2009, many companies instituted a hiring freeze and sought greater flexibility to manage their workforce by turning to contract workers to meet recruitment needs. But even with the Singapore economy powering ahead and GDP growth of 7.9% expected this year, demand for contract work has remained steady and continues to increase, HR professionals say.

'Last year was an anomaly. It was a challenging year for everyone and we saw a significant increase in terms of requests for contract workers. But even now that the market is more buoyant, the upward trend is continuing,' says Adam Bowden, manager of the Specialist Contracting Division at Robert Walters in Singapore.

'I think contract work is becoming a key part of companies' recruitment strategies, as opposed to purely a last resort. Much of it is due to headcount restrictions that are still evident among many organisations, but there is now also a deeper understanding of the contract market than there was two years ago,' Bowden says.

Last year, recruitment firm Ambition conducted two surveys – one in April/May and the second in October – each

time asking respondents whether they were planning to use contract or temporary staff over the following 12 months. The results showed that an increasing number (48.5% in April and 51.3% in October) felt they would.

### Even out

Paul Endacott, director of Ambition in Singapore, which specialises in sales, marketing and finance positions, says there is still some demand for contract positions in these sectors, but that the requirement for contract workers in most firms has now levelled out because most companies have lifted their headcount freezes.

Other HR recruitment firms predict sustained demand for contract work. 'I think this upward trend will continue,' says Paul Heng, managing director of NeXT Career Consulting Group, Asia. 'Employers probably find it an appealing option as it is flexible and helps to manage their cost structure. I suspect the finance/accounting function is one of those that will see a

continued trend as some of the work can be pretty cyclical in nature.'

Lynne Ng, regional director at Adecco South East Asia, also says that employers sometimes adopt a 'wait and see' approach to taking on full-time staff and often utilise contract and temporary employees after a time of economic slowdown. 'This is an excellent way of moving forward while still being cautionary from a cost perspective,' she says.

Temporary and contract staffing positions were traditionally of a seasonal nature – such as in the accountancy sector, when workloads increase for year-end reporting, or the food and beverage industry, when demand picks up in peak tourist season or holiday times. But today most large organisations and industries use temporary and contract staff year-round to remain flexible and cost-competitive.


'The accounting profession has long been a big user of contract labour, especially for cyclical needs such as

### \*TERM CONTRACTS

**According to the latest Ministry of Manpower survey released in February, the number of resident employees on term contracts rose 4.3% in 2009 to 197,200. This was much higher than the 0.8% increase in permanent employees. As a result, the share of resident employees on term contracts rose from 12.4% in 2008 to 12.7% in 2009, continuing the uptrend observed since data was first collected in 2006, the Ministry said.**

The growth in 2009 was mainly driven by those on contracts of less than three months and the incidence of term-contract employment was highest among those at either end of the age spectrum (34% for resident employees aged 15 to 24 and 23% of those aged 60 and over), as these groups include students on vacation jobs and workers transiting from work to retirement.

The survey found that term-contract employment was more prevalent among resident employees in cleaning, labouring and related jobs (29%), compared with those working in administrative and support services (23%) and hotels and restaurants (22%).

The background of the page features two seahorse skeletons. One is on the left, facing right, and the other is on the right, facing left. They are positioned as if they are about to meet or are in conversation. The lighting highlights the intricate details of their bones, particularly the long snouts and the segmented tails.

audits and year-end, when there is the need for talented workers for short periods of time. Having said this, it is not uncommon to see contract positions go on for several years, and although sometimes for longer periods than the company originally planned, these roles are still highly flexible and can be adapted to meet the needs of the business,' Ng says.

'Over the past few years, we have also seen the emergence of executive leasing, which is where a company will hire a senior executive on a fixed-term basis; for example, six months to come into the organisation to perform a specific task or function,' Ng adds.

#### Permanent versus contract

Endacott notes there is a growing pool of talent who prefer contracts over permanent jobs. 'They usually possess specialist experience, which is good for project work,' he says.

From an employees' perspective there are several advantages to working on a contract basis. They can experience a wider variety of environments, meet new people and acquire different transferable skills faster than in a permanent position, and thus increase the chances of future employment opportunities. 'You can decide every three or six months whether you are staying in a contract or moving on, so the career path will be more variable. Contract employment also gives more flexibility, so you can plan for longer holidays more easily and then work on your personal plans, such as further studies or travel after your contract ends,' says Endacott.

Contractors can potentially earn more money than permanent staff, adds Bowden. 'For certain positions you can sometimes get a completion bonus. For short-term contracts of

under six months, we can sometimes achieve a 10-15% premium compared with the permanent equivalent. Still, not the same as you could get in the UK, where you could get 40-60%, but here you would get holiday, medical leave and other benefits,' he says.

A Robert Walters survey last year showed that a third of Singapore candidates would choose a premium salary as the key motivator for taking on a contract role; a quarter of them would consider contracting if there were a lack of permanent job options; and 21% saw contracting as a means of getting 'their foot into an industry/company they really want to work for'.

With the job market picking up, employers that have been using contract workers may start facing retention issues, HR recruitment firms warn. 'The pool of candidates that will readily consider contract positions has certainly reduced as the job market has improved, and in certain sectors candidates now find themselves in a position where they have a variety of permanent roles to consider,' Endacott warns.

**Sonia Jessop, journalist**

**MOST ORGANISATIONS AND INDUSTRIES USE TEMPORARY AND CONTRACT STAFF TO REMAIN FLEXIBLE AND COST-COMPETITIVE**