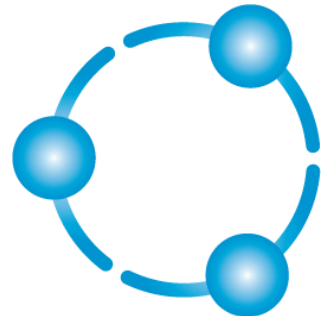


Talent2 Client Study

- APAC -

Conducted between Friday 21 October 2011 and Wednesday 2 November 2011





Methodology

- ▶ This study was conducted online between Friday 21 October 2011 and Wednesday 2 November 2011.
- ▶ Invites to participate in the online survey were emailed by Talent2 to their clients in Australia, China, Hong Kong, Japan, New Zealand and Singapore. During the surveying period reminder emails were sent out to encourage participation. This resulted in the completion of a total of 748 surveys.
- ▶ The total APAC column in the tables of this report combines the results from all countries surveyed, with the figures representing the average of the six countries, each contributing to the total as follows;

Australia	267
China	101
Hong Kong	127
Japan	47
New Zealand	20
Singapore	186
Total APAC	748

- ▶ Galaxy Research designed the questionnaire, a copy of which has been included in this report.
- ▶ The questionnaire was transferred into Quest format in order to be hosted online. For each question the respondent had to click on the response which represented their answer.



Main Findings

- ▶ There is a two speed economy in operation throughout the APAC countries. While the majority of businesses in China, Hong Kong and Singapore have enjoyed consistent growth since the GFC, in other countries the situation is more volatile.
- ▶ To meet the demand, businesses in China, Hong Kong and Singapore are increasing staff numbers. In China, 80% of businesses have increased staff numbers in the past 12 months. In both Hong Kong and Singapore the corresponding figure is 73%.
- ▶ In Australia 53% of businesses have increased staff numbers in the past 12 months. This confirms that the economy is ticking along, not at the level observed in China, but ahead of New Zealand (40%) and Japan (30%).
- ▶ Further evidence of the strong economic growth in China is demonstrated by the relatively high proportion of new positions being created. As many as 42% of organisations there are growing staff numbers by creating new vacancies all the time, well above the APAC average of 28%.
- ▶ Business managers across the APAC countries would welcome greater flexibility in the workforce. While contract employees are considered the best way to meet fluctuations in demand in these volatile times, other options of interest include having staff working more flexible hours (33%) or else reducing the hours and pay of full-time staff (17%).



Main Findings continued

- ▶ The majority of business managers across APAC countries believe there are benefits in employing staff on contract, with the principal benefits being the flexibility to scale up and down (76%) and the ability to better manage staff costs (43%).
- ▶ Despite these benefits, only around 9% of the workforce in APAC countries is employed on a contract and a further 3% is casual. The vast majority of the workforce, 83%, is made up of full-time employees.
- ▶ The majority of business managers are of the opinion that employees have too high expectations when it comes to salary. While an appropriate rate is agreed in most instances, as many as 22% of business managers in China complain of staff having unrealistic expectations for high salary increases, well above the APAC average of 13%.
- ▶ The GFC has given many APAC businesses the impetus to review their operations and 55% believe they are better for it.
- ▶ Despite this, 91% of business managers across the region are concerned about the possibility of another recession in the next 12 months. Even in the APAC countries enjoying consistent growth there is a high rate of concern; 87% in China, 95% in Hong Kong and 97% in Singapore.
- ▶ Overall, 26% of APAC business managers are very concerned about the possibility of another recession. Managers in Japan are especially nervous with 45% very concerned.



Main Findings continued

- ▶ Business across the region is divided on the best way to navigate through these volatile times, with 42% maintaining recruitment and training, and 38% preferring to cut costs. In China the majority (61%) are maintaining recruitment and training, whereas Japan has swung the other way with the majority (53%) looking to cut costs.
- ▶ Most businesses in the region (65%) have experienced problems in recruiting due to skill shortages in the past year. The problem of a shortage of talent may be observed across all countries but is most acute in China, with 76% having experienced problems.
- ▶ The greatest shortage has been experienced in middle management (79%). This is consistent across all APAC countries.