employment hero

STATE OF RECRUITMENT

CONTENTS

INTRODUCTION

HIRING IN 2023... HOW'S IT GOING FOR YOU & YOUR BUSINESS?

With layoffs in the tech industry, rising inflation rates, increased cost of living pressures, recessionary fears, geopolitical instability and more — 2023 has certainly been a year filled with great uncertainty and volatility.

In Malaysia, the recruitment market remains challenging. Despite an overall rise in hiring activity, employers are grappling with skills mismatch, Gen Zs entering the workforce with set expectations, changes in employer-employee dynamics and the strong Singapore dollar attracting talent across the border.

On the other hand, Singapore's total employment rate has been growing for the 6th consecutive quarter, and despite the challenging business environment as anticipated, employers in Singapore continue to report optimistic hiring plans as they seek talent to fill niche or backlog positions.

But whilst we see positive hiring growth in both countries, what we really want to know is — have hiring costs increased in tandem with the higher cost of living? Are companies struggling to hire the right talent? And can SMEs hold their ground amidst stiff competition from bigger MNCs?

These factors directly affect your bottom line, and the organisation's trajectory for long-term growth. That's why you need timely insights for the year ahead. To help you better understand the hiring landscape in Singapore and Malaysia, we polled 515 business leaders in small and large businesses alike in June 2023.

A snapshot of our findings? Hiring costs are increasing — in large due to the rising cost of living, but also because of labour shortages and increased commissions from recruitment agencies or job boards hiking up their posting prices. SMEs are also struggling greatly in the competition against MNCs for good talent, and have difficulties accessing job boards due to their small budgets. All this is just the tip of the iceberg.

The findings might surprise you or strongly resonate with you. But above all, we hope you gain valuable insights from this report that will help to shape your recruitment and retention strategy for the future.

The Team at Employment Hero

KEY

FINDINGS 🔍

On average, it takes hiring leaders **41 days** to fill a role in Singapore and Malaysia — the longest period of time needed out of all the other countries we surveyed (Australia, New Zealand and the UK).

Hiring leaders spend more than **50 hours** per week on hiring activities, and the most time consuming activities are candidate interviewing (**8 hours** per week), candidate screening (**7 hours** per week) and job ad creation (**6 hours** per week).

It costs an average of **SGD$2,493** to advertise a role in Singapore (equivalent to **RM8,607**) — more than 10 times the average cost of **RM708** in Malaysia.

86% of hiring leaders agree that small businesses struggle to compete for talent with multinational corporations, and **81%** agree that the costs of accessing job boards are prohibitive for SMEs.
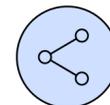
The top 3 reasons for the rise in hiring costs are: the increase in salaries due to the rising cost of living **(52%)**, labour shortages **(37%)**, as well as increased job board posting costs and increased commissions from recruitment agencies (both **32%**).
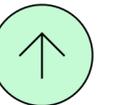
MORE CANDIDATES DOESN'T MEAN

Across Singapore and Malaysia, hiring leaders receive an average of 47 candidates per open role. Having more candidates to choose from should mean more options for hiring leaders and a greater talent pool to choose from, right? From our findings however, we've learned that when it comes to hiring, it isn't exactly 'the more the merrier'.

BETTER OUTCOMES

SMALLER ORGANISATIONS HAVE SLIM PICKINGS

According to our survey, **20%** of hiring leaders received 4 or fewer applications for their last open role while another **35%** received 5-10 applications. This means slim pickings for more than half of those surveyed. In fact, only **6%** of hiring leaders received more than 101 applications.

The number of candidates received varies across the size of the organisations too. Smaller organisations were **112%** more likely to get only 4 applicants and below, while larger SMEs (201–500 employees) had the highest proportion **(11%)** of receiving 101 or more applicants. This is likely due to factors like organisational reputation, employer branding, employee benefits and perks and more — candidates are likely to favour applying to larger organisations in view of their ability to provide a better salary and benefits package.

Q THINKING ABOUT THE LAST ROLE YOU/YOUR COMPANY HIRED, HOW MANY CANDIDATES APPLIED?

4 applicants and below	5 to 10	11 to 30	31 to 100	101 applicants and over
20%	35%	22%	17%	6%
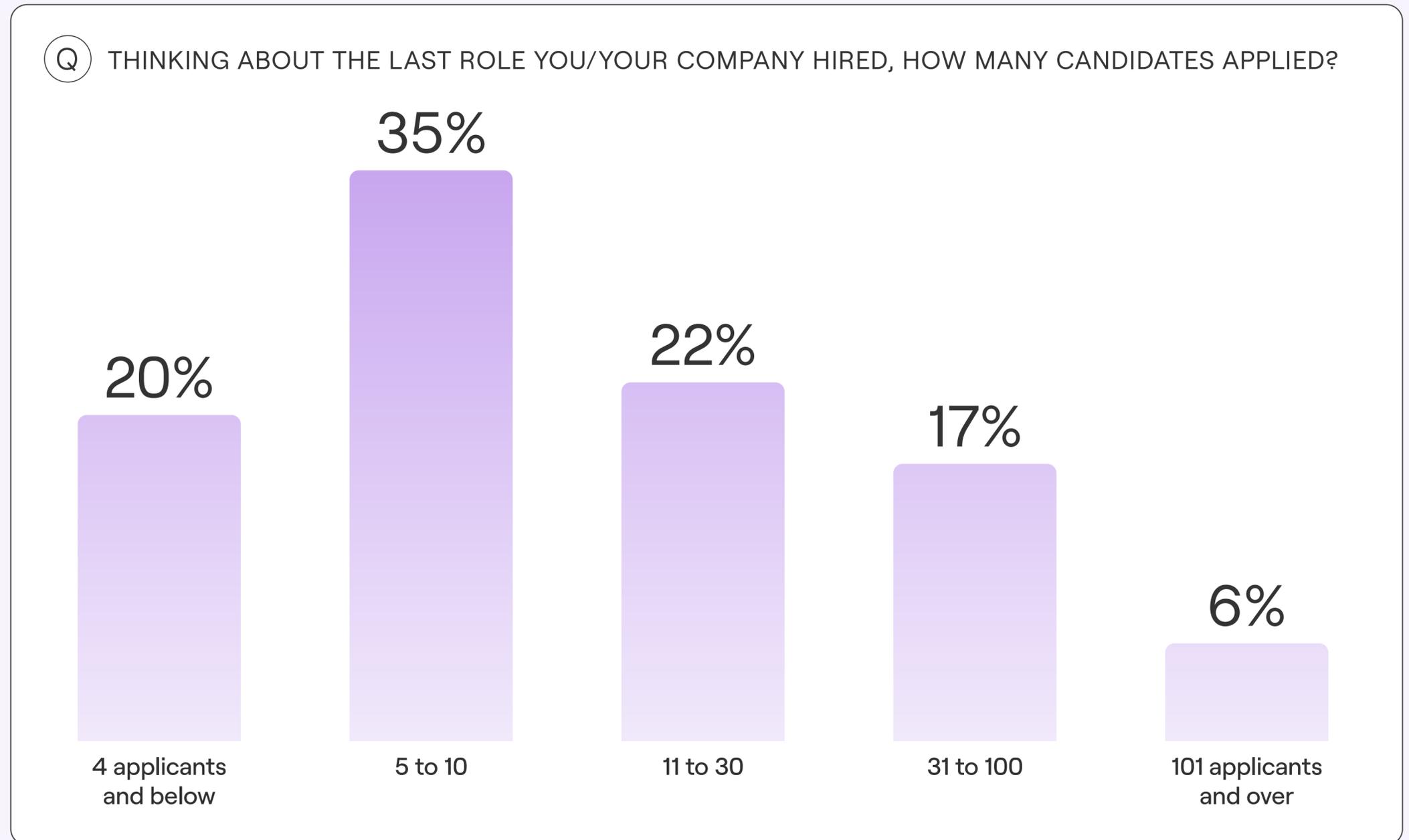
THE MORE CANDIDATES THERE ARE, THE LONGER IT TAKES TO HIRE

On average, it takes 41 days for hiring leaders to fill a role. A large majority (**70%**) of hiring leaders surveyed say it takes a month or less to fill a position. However, for a minority of **3%**, it takes longer than a year.

In terms of industries, those in the Construction and Building sector were **74%** more likely than average to say it took them between 2–12 months to fill their last position. On the other hand, those in Property, Business and Professional Services took a mere average of 27 days to fill a role. This is likely due to the fact that the construction and building industry is more reliant on foreign labour, which involves immigration passes, relevant qualifications, headcount approvals, legislative processes and more — resulting in a significantly longer hiring time.

Nevertheless, there is a strong correlation between the number of candidates and the time taken to hire. Those who took the least amount of time (1 to 10 days) to hire had 31 applications on average, while those who took more than 6 months to fill a position saw an average of 153 candidate applications. With a larger volume of candidates, more time would be needed to screen them and conduct interviews, hence contributing to the increased time to hire.

Organisations with the largest number of candidates took a whopping 6 to 9 months on average to fill the position. For any business — fast-paced or not, that's a significant amount of time for a role to be left empty.

AVERAGE	1–10 DAYS	11–20 DAYS	21–30 DAYS	1–2 MONTHS	2–3 MONTHS	3–6 MONTHS	6+ MONTHS
NUMBER OF CANDIDATES (THAT APPLIED FOR THE LAST ROLE)	30.5	32.2	32.6	26.7	206.4	56.9	152.9

HERO TIP ⚡

Getting through the entire recruitment lifecycle can be a pretty lengthy process. But when you have an applicant tracking system, you can cut down the time to hire tremendously.

For those unfamiliar with the term, an Applicant Tracking System or ATS is recruitment automation software that helps organisations streamline their hiring process and talent acquisition tasks, such as job postings, resume screenings, interview schedules, and communication with job seekers.

Employment Hero's ATS can help you transform your recruitment process completely — so you can reach all the right people in all the right places, and manage candidates with ease. Post to integrated job boards with a single click and funnel talent swiftly through your recruitment pipeline, all from one platform.

Click here to find out more (SG) (MY)
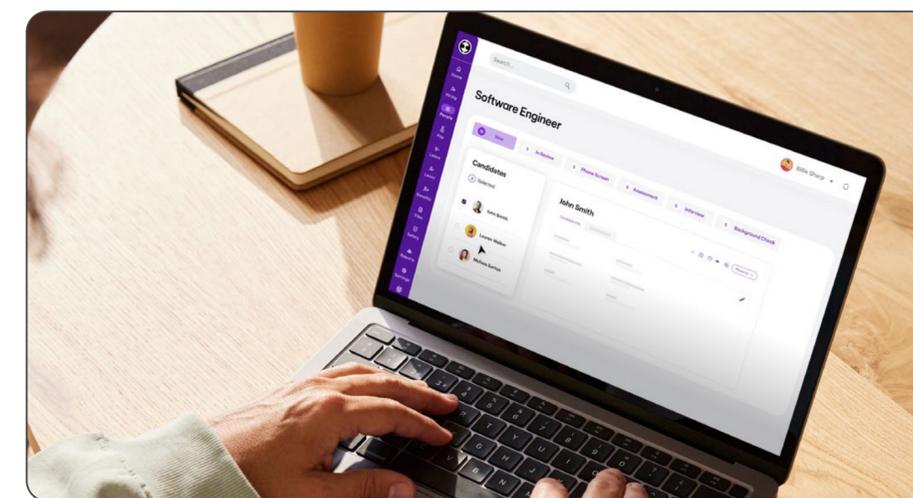
THE GROWING COST OF

Rising cost pressures have become a key concern for businesses in Singapore and Malaysia over the past year, and hiring costs are no exception. What are the key factors contributing to the increase in hiring costs and what can businesses do to help alleviate it? Let's dive into the findings.

HIRING

THE RISING COST OF LIVING IS HIKING UP HIRING COSTS

The top reasons contributing to the increase in hiring costs are the increase in salaries due to the rising cost of living **(52%)**, labour shortages **(37%)**, as well as increased jobs board posting costs and increased commissions from recruitment agencies (both **32%**).

With inflation rates at an all time high alongside GST hikes in Singapore, and Malaysians struggling to deal with the rising prices of essential foods, it's no wonder businesses are feeling the pinch too. The higher the cost of living, the more emphasis is placed on salaries with talent asking for higher wages — thus raising the bar for hiring costs.
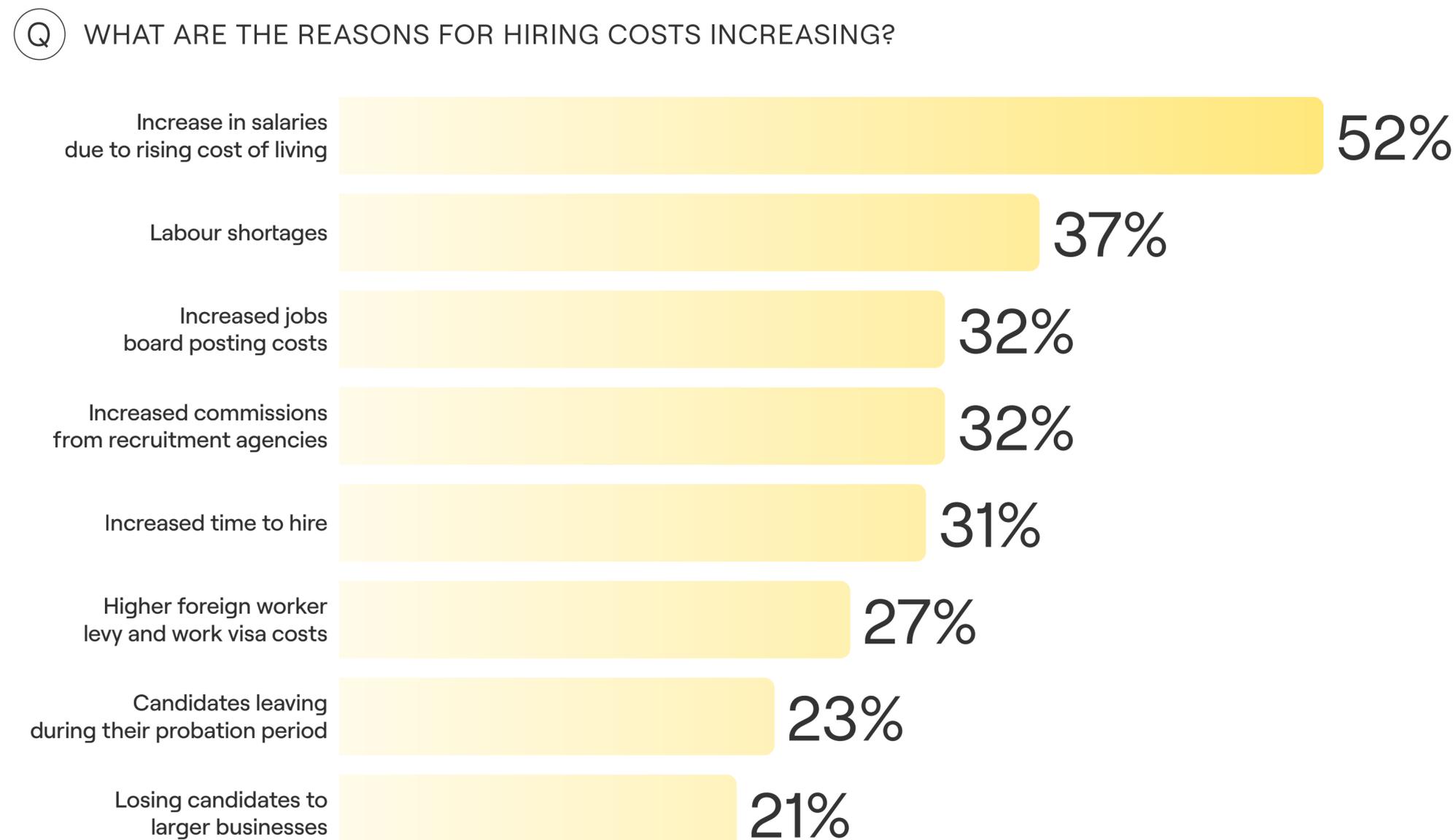
LEADING FACTORS FOR INCREASING HIRING COSTS VARY BY BUSINESS TYPES

Hiring leaders from mid-sized companies with 100–200 employees were impacted the most by the increased commission from recruitment agencies **(43%)**, as compared to larger companies with 201–500 employees **(27%)** or smaller companies with 31–99 employees **(32%)**. This is likely due to the reliance of mid-sized companies on recruitment agencies for hiring, while smaller businesses usually handle the recruitment process themselves and larger organisations have dedicated in-house recruitment teams.

Hiring leaders from organisations with 201–500 employees were more likely to cite labour shortages **(51%)**, increased time to hire **(41%)** and increased job board costs **(40%)** as their top reasons for increased hiring costs, apart from rising salaries.

In terms of industry comparisons, hiring leaders in the construction industry were the least affected by the increase in jobs board postings costs **(18%)**, likely due to the fact that most hiring activities done in the industry are reliant on other recruitment methods. They are also the least impacted in regards to losing out to bigger businesses **(10%)**.

Hiring leaders in the Finance, Insurance and Technology industries however, were the most impacted in regards to losing out to bigger businesses **(30%)**. This is likely due to the intense competition in finding the right talent and offering competitive salaries and benefits packages. Despite the global layoffs in the tech sector, both Singapore and Malaysia are still investing heavily in these key industries.

Q WHAT ARE THE REASONS FOR HIRING COSTS INCREASING?

Reason	%
Increase in salaries due to rising cost of living	52%
Labour shortages	37%
Increased jobs board posting costs	32%
Increased commissions from recruitment agencies	32%
Increased time to hire	31%
Higher foreign worker levy and work visa costs	27%
Candidates leaving during their probation period	23%
Losing candidates to larger businesses	21%

THE RELIANCE ON FOREIGN WORKERS IS FUELING FURTHER COST PRESSURES

One of the main reasons contributing to the increase in hiring costs was higher foreign worker levy and work visa costs **(27%)**, which is unsurprising given that both Singapore and Malaysia are highly reliant on foreign workers for low-skilled jobs, especially in the Construction, Manufacturing and Agriculture industries.

Thankfully, Malaysia has taken recent measures to cut costs by stopping the use of agents to recruit foreign workers, as directed by Prime Minister Anwar Ibrahim.

He cited the example of foreign workers from Nepal who cost employers about RM3,700 per worker, compared to those from Bangladesh and Indonesia – where third-party agents are involved – costing between RM20,000 and RM25,000 each. According to the Malaysian Employers Federation, this move is expected to slash recruitment costs by **80%**, and should be able to help employers recover and put their businesses back on track as soon as possible.

HERO TIP ⚡

Keen to lower your hiring costs? Employment Hero can help. Swag is the world's first employment superapp, created by the Employment Hero team. You can find and retain great talent while also supercharging your employer brand.

Swag Jobs gives you access to a marketplace of work-ready candidates, where you can take your pick of talent and manage the end to end hiring process easily. With a **FREE** applicant tracking system and **FREE** job postings, you'll be reducing your cost per hire and time to hire significantly.

Click here to find out more **SG** **MY**
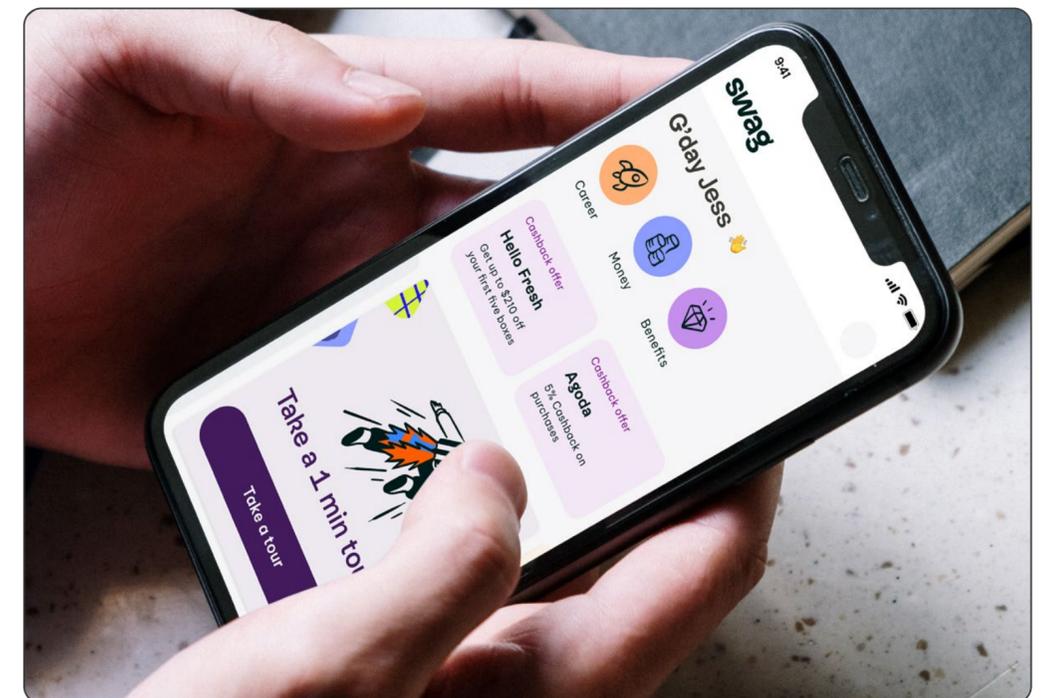
HOW MUCH DOES IT COST TO ADVERTISE A ROLE?

In Singapore it costs an average of SGD$2,493 to advertise for a role, while in Malaysia it costs an average of RM708 to advertise for a role. Given the currency exchange rate of RM3.45 = SGD$1 at the time of writing, advertising costs in Singapore are much higher compared to prices in Malaysia. The average cost of SGD$2,493 to advertise for a role is equivalent to a whopping RM8,607, which is roughly twelve times of the Malaysian average.

Microbusinesses (1–9 employees) were found paying the least — on average, they paid $979 in Singapore and RM312 in Malaysia, significantly below the overall average. On the other hand, mid-sized businesses with 100-200 employees were amongst the top 25% of organisations that paid the most. The average spend for this group was $2,200 in Singapore and RM1,327 in Malaysia — the high rates could be due to their reliance on recruitment agencies, as mentioned above.

When asked how much advertising costs have increased compared to the previous year, hiring leaders in Singapore and Malaysia said they increased by **121%** on average. The majority **(25%)** said it had increased by **6%** to **15%**. However, for **13%** of hiring leaders, advertising costs have doubled or more.

HIRING COSTS - PERCENTILES BY COUNTRY

● Singapore ● Malaysia

	Singapore	Malaysia
Bottom 25% (paying the least)	25%	36%
> 25% to 50%	29%	15%
> 50% to 75%	21%	25%
Top 25% (paying the most)	25%	25%

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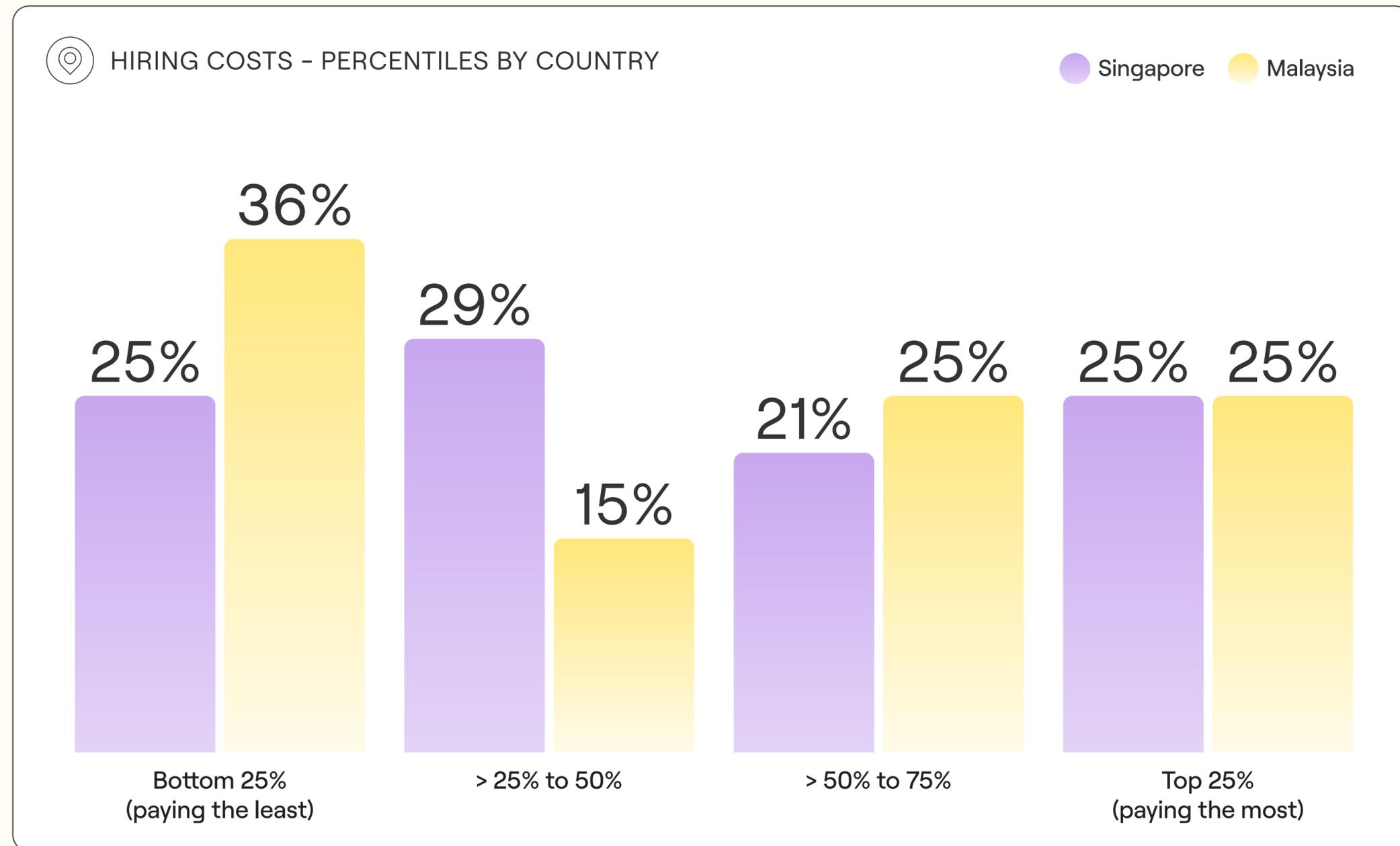
REDUCING NEW HIRE TURNOVER HELPS TO

One of the main reasons contributing to the increase in hiring costs was candidates leaving during their probationary period (23%), as shown in the previous section.

Our survey found that on average, 19% of candidates do not pass probation or remain in their role after the first 6 months. Having a high new hire turnover rate brings about more costs because you have to restart the entire recruitment cycle again. How does this statistic compare to your organisation? And are you currently doing anything about it?

REDUCE HIRING COSTS

NOT ALL NEW HIRES STAY

The majority **(43%)** of hiring leaders say only **5%** or less of their new hires leave within the first six months. However, larger organisations (201–500 employees) lose an above-average proportion **(23%)** of new hires within the first 6 months, and are **36%** more likely to say they lost between **21–50%** of new hires within 6 months.

As for the difference between industries, the Construction and Hospitality sectors have the highest new hire turnover with **22%** and **21%** respectively, while the Manufacturing and Agriculture sectors had the lowest rate of new hire turnover at **16%**.

Q ON AVERAGE, WHAT PROPORTION OF YOUR HIRED CANDIDATES LEAVE WITHIN THE FIRST 6 MONTHS OR DO NOT PASS THEIR DESIGNATED PROBATION PERIOD?

5 and below	6 to 10	11 to 20	21 to 50	51 and over
43%	12%	15%	21%	9%
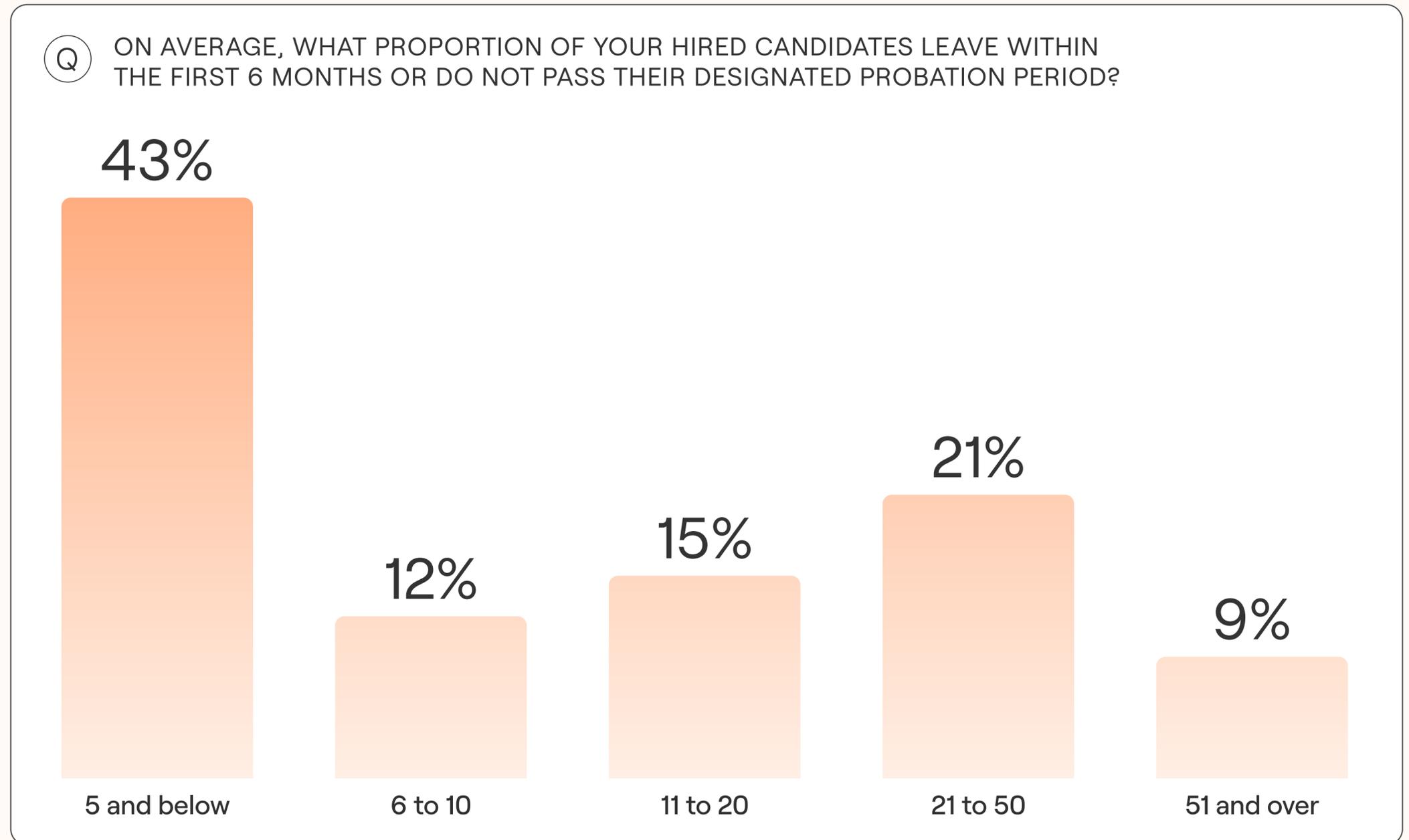
FEWER CANDIDATES AND FASTER HIRING = LOWER TURNOVER RATES

Interestingly, our survey results revealed that hiring leaders with the least amount of applicants and the fastest hiring times had the lowest new hire turnover rates.

For hiring leaders with 4 or fewer candidates applying for a role, **63%** said they had a turnover rate of **5%** or lower. On the other hand, for those who had 101 applicants and over, **38%** said they had a turnover rate of between **21–50%**.

More than half **(56%)** of hiring leaders who took 1 to 10 days to hire also experienced the lowest turnover rates of **5%** and below, while half **(50%)** of those who took 6 to 9 months to hire had the highest turnover rates of **51%** and above.

Why are new hire turnover rates higher when the hiring process is longer, and when there are more applicants for a role? Having high new hire turnover rates can suggest that the company is not vetting candidates thoroughly enough, or providing adequate onboarding and training. It can also indicate that the company culture is not a good fit for new employees, leading them to seek opportunities elsewhere.

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MINIMISING NEW HIRE TURNOVER RATES CAN HELP REDUCE COSTS

The majority **(70%)** of hiring leaders with low turnover rates of **5%** or less said that their hiring costs had increased by only **5%** or less. However, **34%** of hiring leaders with high turnover rates of **51%** and above said their hiring costs had increased by **51–99%**.

Unsurprisingly, new hire turnover rates are a direct contributor to the increase in hiring costs, due to the fact that hiring leaders have to repost the same role across multiple job boards and go through the entire recruiting process again. So if you're keen to keep your hiring costs low, focus on minimising your new hire turnover rates.

> Reducing new hire turnover starts from the interviewing process itself. Nothing beats a clearly defined job description that matches with what the candidates are seeking for. The relationship and cultural touch points with the Hiring Manager also sets the foundation of a healthy work relationship, which translates to a better onboarding and training experience. This leads to a better new hire experience and overall employee happiness.

Yuan Rui, Talent Acquisition Specialist (SEA) at Employment Hero

| % INCREASE IN HIRING COSTS	NEW HIRE TURNOVER RATE %					
	5 AND BELOW	6 TO 15	16 TO 25	26 TO 50	51 TO 99	100 AND OVER
5 AND BELOW	70%	41%	26%	34%	21%	43%
6 TO 10	7%	17%	12%	12%	3%	16%
11 TO 20	10%	19%	29%	11%	7%	9%
21 TO 50	5%	16%	24%	37%	34%	26%
51 AND OVER	8%	7%	9%	6%	34%	6%

It might be a good time to evaluate your current recruitment or onboarding process, and identify any gaps or red flags that might be contributing to new hire turnover rates.

Job descriptions (JD) are a crucial part of the recruitment cycle as they help you reach the right person seeking employment, increasing the quality of potential candidates applying for the position. A perfect JD should leave the job seeker knowing whether they are definitely right or wrong for the role.

The JD should be as detailed and as relevant as possible. It should take a deeper dive into the skills required, share insights about how the role fits into the wider company structure, and how it aligns with company values. It should essentially give the applicant all the knowledge they need to undertake the rest of the recruitment process.

As for your onboarding process, we've got tons of helpful resources for you. Check out our blog on actionable tips to improve your onboarding process, and our ultimate guide to employee onboarding and induction.

Oh, and have we mentioned how important welcome packs are in an onboarding plan? It's definitely one area you can't afford to miss. Here's how you can take your welcome pack to the next level so your new hires are confident your company is where they're meant to be.
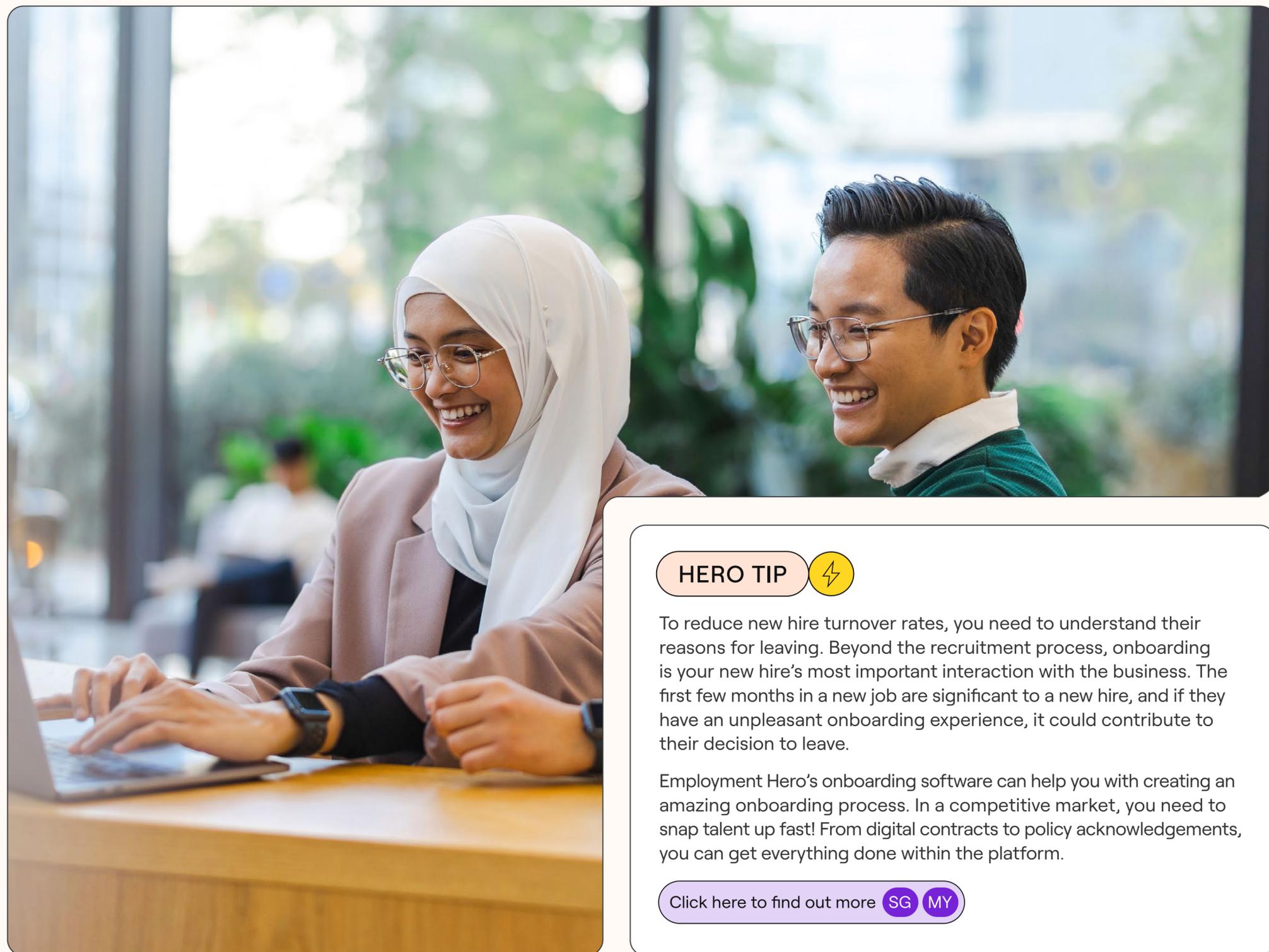
HERO TIP ⚡

To reduce new hire turnover rates, you need to understand their reasons for leaving. Beyond the recruitment process, onboarding is your new hire's most important interaction with the business. The first few months in a new job are significant to a new hire, and if they have an unpleasant onboarding experience, it could contribute to their decision to leave.

Employment Hero's onboarding software can help you with creating an amazing onboarding process. In a competitive market, you need to snap talent up fast! From digital contracts to policy acknowledgements, you can get everything done within the platform.

Click here to find out more SG MY

THE STRUGGLE OF SMES

Multinational corporations (MNCs) have more resources at their disposal as compared to SMEs. They can afford to offer higher salaries, provide more employee benefits, and have a broader talent pool to pick from. So, how can SMEs compete with them when the odds are stacked against them? Let's hear what hiring leaders have to say.
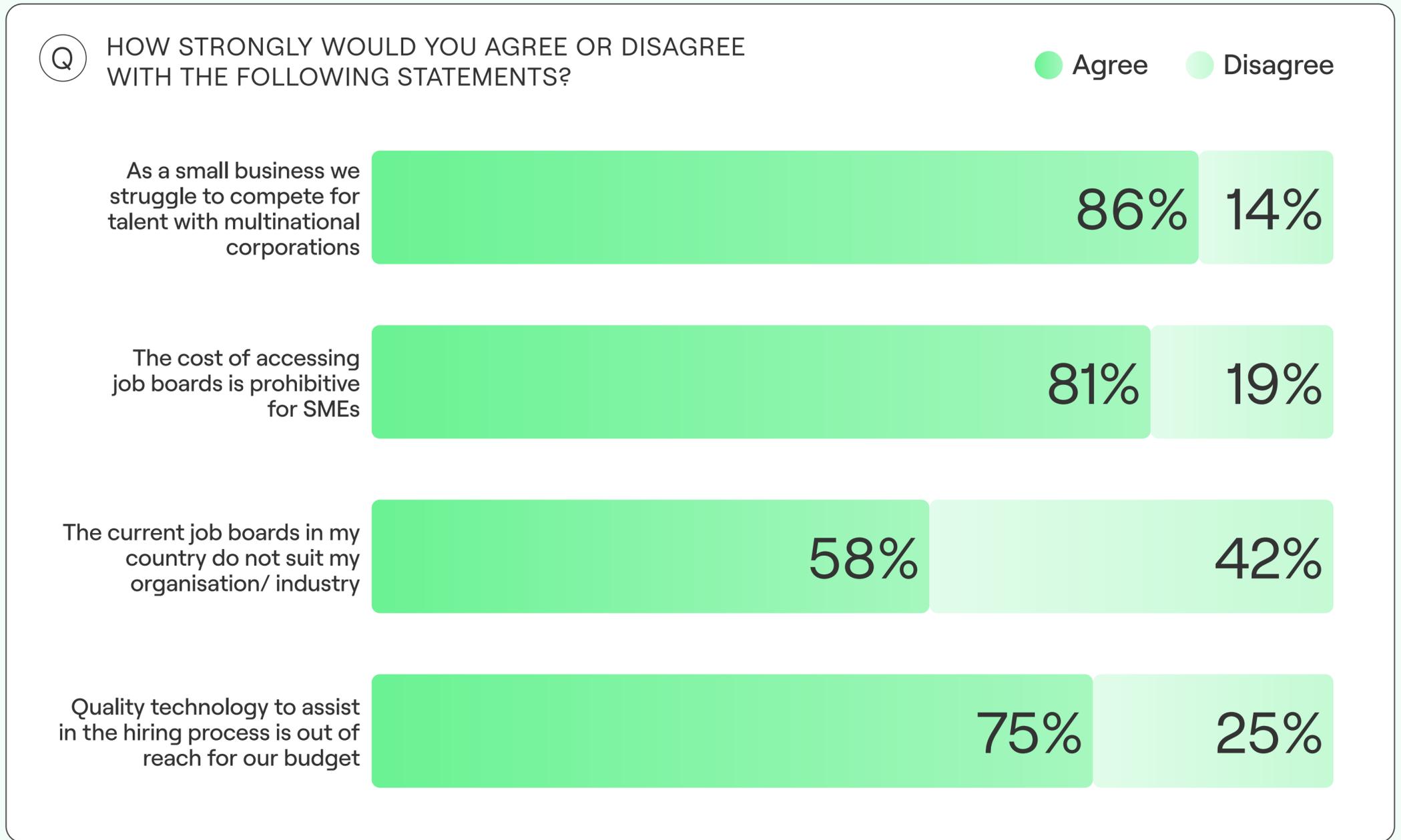
AGAINST MULTINATIONAL CORPORATIONS

AN UNEQUAL PLAYING FIELD

When asked whether they agree that small businesses struggle to compete for talent with MNCs, a whopping **86%** of hiring leaders agreed. **81%** also agreed that the cost of accessing job boards is prohibitive to SMEs, while **75%** agreed that quality technology to assist in the hiring process is out of reach for their budget. Clearly, an overwhelming majority of hiring leaders recognise the multiple difficulties SMEs face in hiring as compared to MNCs.

Interestingly, Malaysian hiring leaders were more likely to agree that they struggle to compete with MNCs for talent compared to Singaporean hiring leaders **(90% vs 81%)**. They were also more likely to agree that quality technology to assist in the hiring process is out of reach for their budget compared to Singaporean hiring leaders **(82% vs. 69%)**.

Q HOW STRONGLY WOULD YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?

● Agree ● Disagree

Statement	Agree	Disagree
As a small business we struggle to compete for talent with multinational corporations	86%	14%
The cost of accessing job boards is prohibitive for SMEs	81%	19%
The current job boards in my country do not suit my organisation/ industry	58%	42%
Quality technology to assist in the hiring process is out of reach for our budget	75%	25%

A WHOLE HOST OF HIRING CHALLENGES

When asked about the hiring challenges they faced, **97%** of hiring leaders said that challenges experienced in the hiring process were due to their inability to match the offered salary by large organisations, **96%** said it was due to the inability to offer the same perks as larger organisations, and **94%** said it was due to the inability to offer the same career progression as larger organisations.

In addition, **92%** said it was the inability to make the hiring process faster — while businesses on the micro end can generally hire faster and quicker than larger organisations, this becomes harder as the organisation grows beyond ten employees.
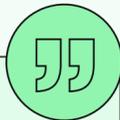
The rising costs of recruitment create a significant disadvantage for local SMEs, leading them to invest countless manual hours in the hiring process, which further impacts their productivity and profitability. SMEs are the backbone of both Singapore and Malaysia's economy. It is crucial to ensure they have access to seamless recruitment processes and equal opportunities to attract & retain the best candidates.

Kevin Fitzgerald, Managing Director, Asia, at Employment Hero

Q TO WHAT EXTENT DO EACH OF THE FOLLOWING FACTORS CONTRIBUTE TO THE CHALLENGES YOU FACE IN YOUR HIRING PROCESS?

A lot   Some   A little   Not at all

Inability to match the offered salary by large organisations: 30% 53% 14% 3%

Inability to make the hiring process faster: 19% 49% 25% 8%

Inability to offer the same perks as larger organisations: 34% 42% 19% 4%

Inability to offer the same career progression as larger organisations: 30% 45% 19% 6%
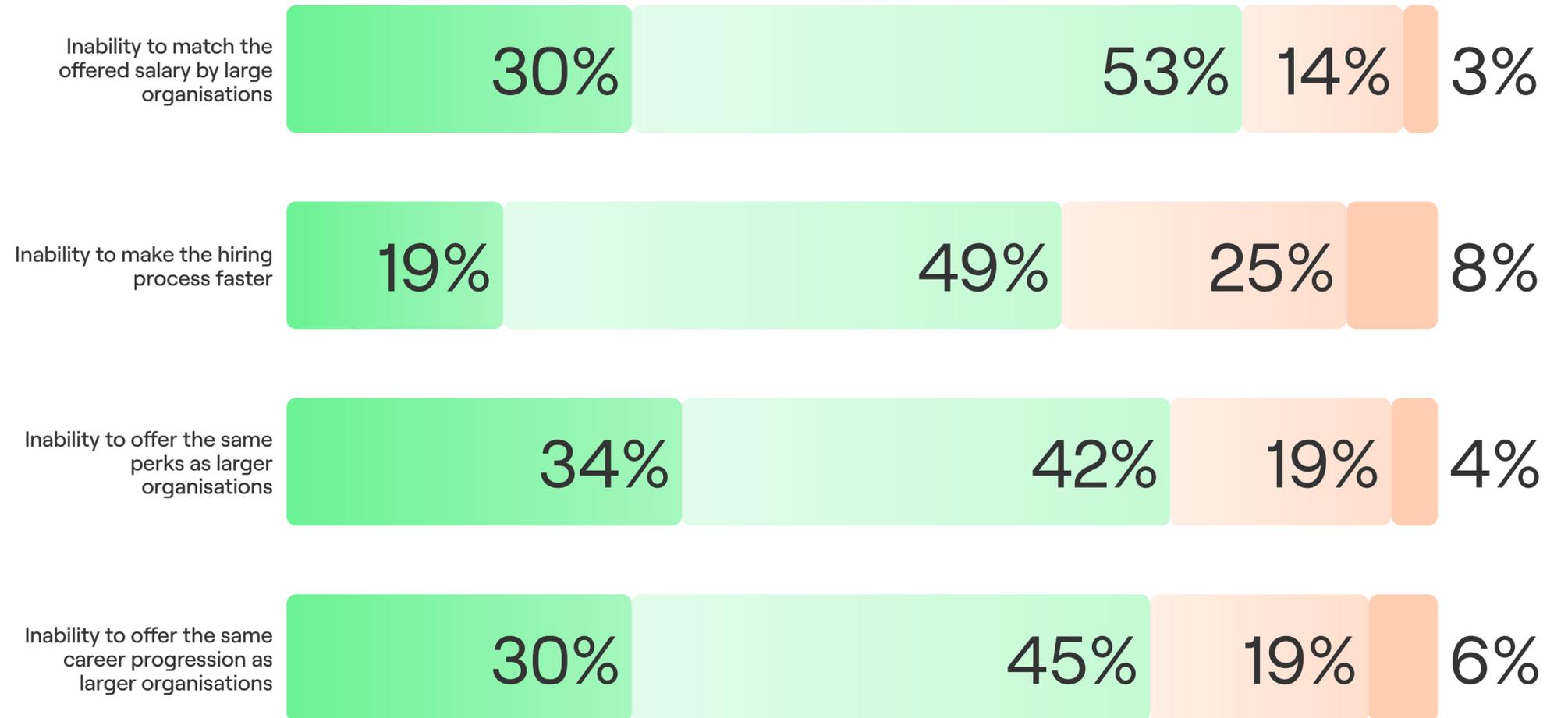
Hiring leaders from all organisational sizes faced these challenges to a similar extent — there was no stark disparity between organisations with 1-9 employees, 10-30 employees, 31-99 employees, 100-200 employees, or those with 201-500 employees.

It's no surprise why employees might prefer to work for MNCs over SMEs. They have larger hiring budgets, offer extensive employee benefits and have more prestigious reputations. But as the future of work continues to evolve, and demands for work-life balance along with flexible work arrangements increase, businesses must adapt quickly to ensure an agile work environment. And in this regard, SMEs have advantages over their larger competitors.

To tackle the unequal playing field, SMEs need to emphasise their advantages when it comes to recruitment — such as the ability to offer tailored employee packages, greater flexibility in working arrangements, a hands-on working culture, and more. Candidates will get the ability to be a 'big fish in a small pond' — their achievements and contributions will be far more visible and directly impact the business, and they will also face less competition for progression and salary increments.

So yes, if you're a small business with small budgets going against MNCs with deep pockets that can pay top dollar for employee salaries, you're likely to get outpriced. But be strategic in showcasing your strengths and you'll find that you can compete against MNCs in other areas like culture, flexibility, and growth. It's all about having a strong [employee value proposition (EVP)](#).

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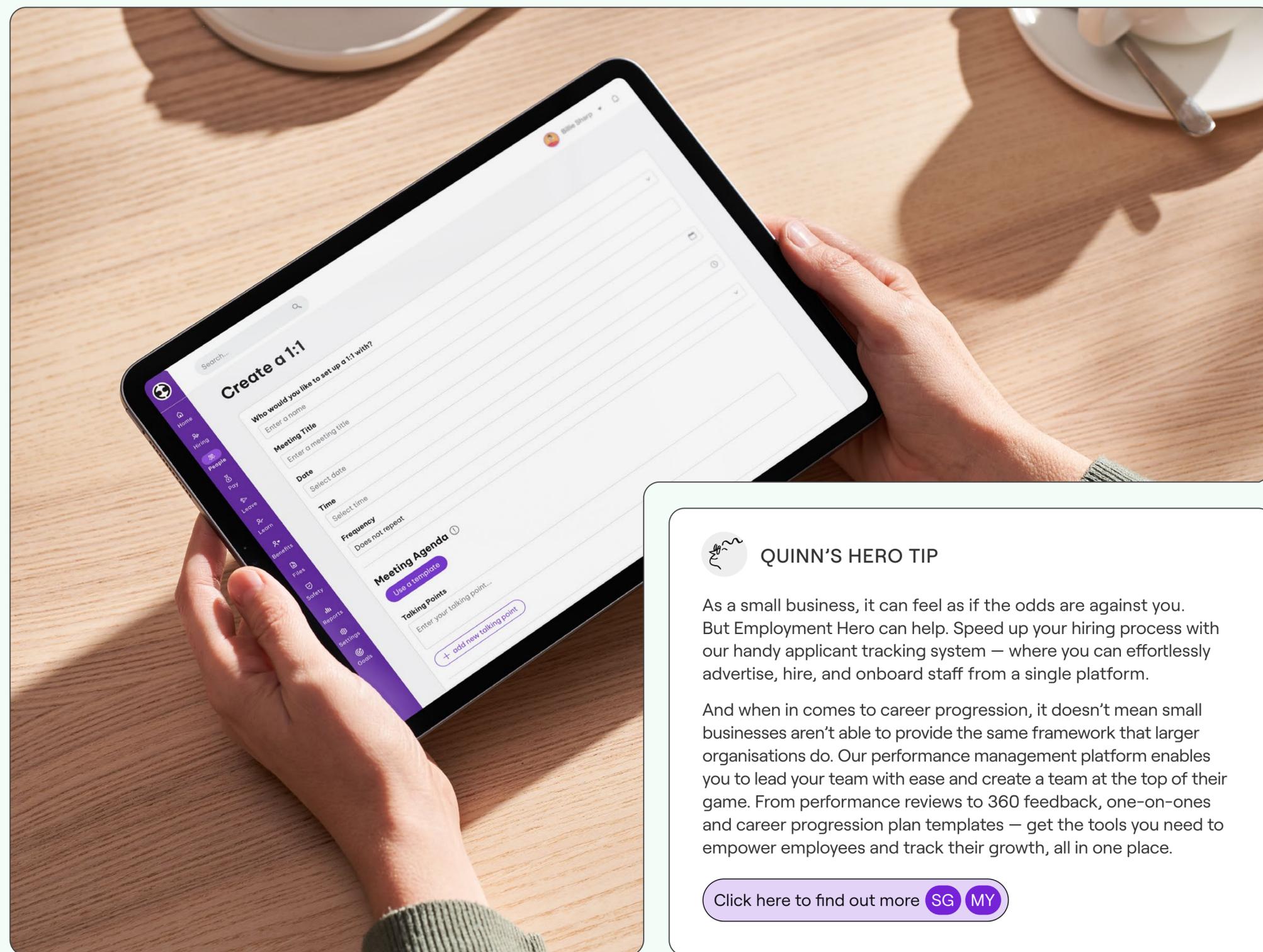
QUINN'S HERO TIP

As a small business, it can feel as if the odds are against you. But Employment Hero can help. Speed up your hiring process with our handy applicant tracking system — where you can effortlessly advertise, hire, and onboard staff from a single platform.

And when in comes to career progression, it doesn't mean small businesses aren't able to provide the same framework that larger organisations do. Our performance management platform enables you to lead your team with ease and create a team at the top of their game. From performance reviews to 360 feedback, one-on-ones and career progression plan templates — get the tools you need to empower employees and track their growth, all in one place.

Click here to find out more **SG** **MY**

HIRING IS INCREDIBLY TIME-CONSUMING

Almost half (49%) of the hiring leaders surveyed cited their 'inability to make the hiring process faster' as contributing to the challenges they faced in their hiring process to some extent, while another 19% said it contributed to a large extent, as shown in the section above. It may not be the main problem for hiring leaders, but it does hinder the hiring process significantly.

How much time are hiring leaders currently spending on the entire recruitment cycle, and how can they cut down the hours spent on these tasks? Let's find out.

IN SINGAPORE & MALAYSIA

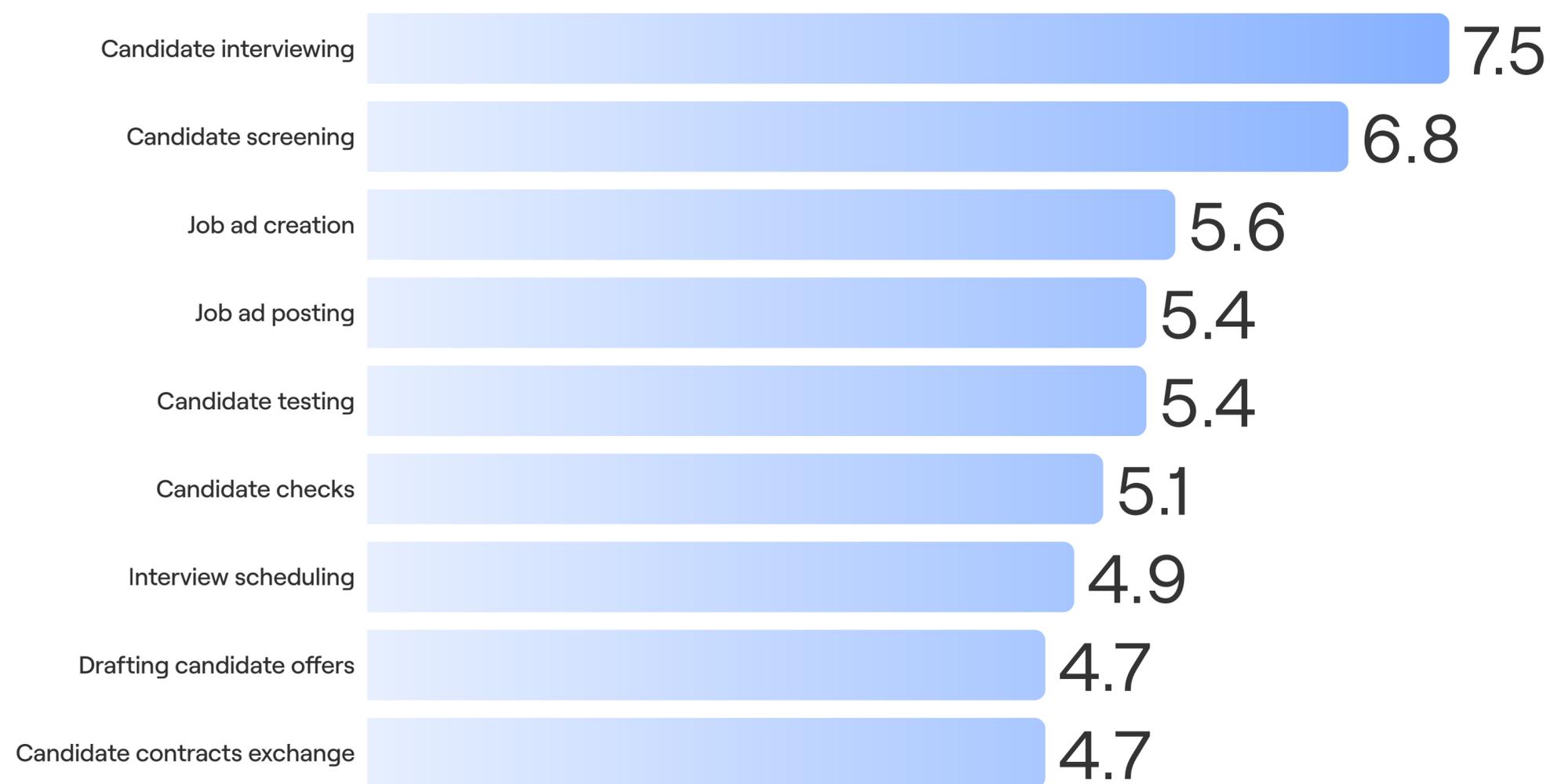# WHAT TAKES UP THE MOST TIME IN THE RECRUITMENT CYCLE?

Our survey found that on average, hiring leaders spent more than 50 hours per week on hiring activities — the highest number out of all the countries we surveyed (Australia, New Zealand and the UK). The most time consuming activities were candidate interviewing (8 hours per week), candidate screening (7 hours per week) and job ad creation (6 hours per week).

The hiring process was more time-consuming for hiring leaders in larger organisations (201-500 employees) who spent an average of 60 hours per week on hiring activities. Their most time-consuming activities were candidate interviewing (10 hours per week), candidate screening (8 hours per week) and job ad creation (6 hours per week).

On the other hand, smaller businesses (10-30 employees) were the most efficient at hiring activities — they spent 41 hours per week on average. The most time-consuming activities for them were candidate interviewing (6 hours per week), candidate screening (6 hours per week) and job ad creation (5 hours per week). This is probably due to the fact that smaller businesses have lesser applicants for each job opening, hence the recruitment process is much faster for them.

Q HOW MANY HOURS PER WEEK ON AVERAGE DO YOU/ YOUR ORGANISATION SPEND ON EACH OF THE FOLLOWING HIRING ACTIVITIES?

Activity	Hours
Candidate interviewing	7.5
Candidate screening	6.8
Job ad creation	5.6
Job ad posting	5.4
Candidate testing	5.4
Candidate checks	5.1
Interview scheduling	4.9
Drafting candidate offers	4.7
Candidate contracts exchange	4.7

THE INADEQUACY OF LOCAL JOB BOARDS

When questioned about job boards, more than half **(58%)** of hiring leaders surveyed agreed that the current job boards in Singapore and Malaysia do not suit their organisation or industry. This was especially high for hiring leaders in the Finance, Insurance and Technology industry — which seems to indicate that the current job boards in the market aren't providing some employers with the right talent fit.

Hiring leaders in the Manufacturing and Agriculture sectors on the other hand, were less likely to agree (only **46%** agreed) that the current job boards didn't suit their organisation or industry. This is likely due to the fact that roles in the Manufacturing and Agriculture sectors have a fixed set of skills or certifications required and a static job scope, whereas roles in the Finance, Insurance and Technology industry are constantly evolving and changing.

HERO TIP ⚡

What if we told you that we could help you drastically cut down the hours spent on hiring activities per week? And help you find the right talent?

[Swag](#), the world's first employment superapp created by the Employment Hero team, can help you find candidates quickly and efficiently. AI enhancements such as instant candidate recommendations will also be coming up real soon, enabling you to find the talent you need right at your fingertips.

In addition, for Q2 2023, we found that on average, hiring managers reduced their time to hire by a whopping **63%** using the Swag Jobs board. This means that they onboarded their new starters **18 days earlier** than candidates sourced from other job boards. That's an incredibly significant difference!

Combined with our applicant tracking system, you'll be reaping the benefits of increased speed and efficiency in hiring in no time. Sit back, relax, and leave the heavy lifting to us.

Click here to find out more **SG** **MY**

CONCLUSION

It's no secret that the recruitment market is constantly changing and susceptible to economic conditions.

Keeping up with the latest trends and changes as a result of that can be incredibly time-consuming and taxing for businesses who already have a lot on their plates. We hope this research has shed some light on the state of hiring in Singapore and Malaysia, and provided you with valuable insights that can help you transform and streamline your recruitment process.

We understand that the data can be a lot to digest. To help, below are a few action points for employers looking to cut hiring costs and still be able to get the talent they need.

Firstly, invest in an applicant tracking system (SG | MY). We can't stress this enough — having an ATS is an absolute game changer for your business. If there's anything we've gained from the pandemic, it's that leveraging technology to improve business processes has never been so important. An integrated ATS enables you to advertise, hire and onboard staff seamlessly, all from one place. You can post job ads to multiple job sites with a single submission, integrate with popular job boards, track candidates through the pipeline, build a shortlist, and so on. The benefits are out there for you to enjoy — you simply need to take the first step.

Secondly, focus on improving your employee onboarding process to reduce new hire turnover rates. They are all interconnected — a bad onboarding experience contributes to higher new hire turnover rates, which in turn raises hiring costs because you have to restart the hiring process from scratch again.

Nip the problem in the bud so it doesn't come back to haunt you! In a competitive market, you need to snap talent up fast, and do it efficiently. Onboard them digitally (SG | MY) — send them contracts, assign company policies, and get them set up and feeling confident before day one. It doesn't just stop there — once they've started, make sure you've got a well-structured induction program that helps them ease into their role.

Lastly, employee retention. If your employees don't quit, there wouldn't be a need to hire — unless you're expanding business operations of course. Ask for feedback regularly, listen to what your employees want, and create a company culture that brings out the best in your employees. Our Talent Insights Report for Singapore and Malaysia previously revealed that apart from a salary increase, employees are looking for a better reward and recognition programme, flexible working options, better learning opportunities, strong career development pathways, and extra leave days that could be used for birthday celebrations, mental health needs, or volunteering.

And here's a bonus tip — if hiring locally ever gets too overwhelming for your business and you just can't seem to find the talent you need, why not expand your horizons? In today's flexible working world, the recruitment opportunities are borderless. Employment Hero's Global Team's service (SG | MY) can help you employ the best talent for your team, based anywhere in the world. Get employment contracts created in compliance with local employment laws, without the need for any recruiters, overseas entities, or compliance risks.

As always, we wish you, your business and your team all the best in your recruitment journey!

Introducing SmartMatch™ by Employment Hero

Great talent on speed-dial.

Why hire the hard way? SmartMatch eliminates the painful parts of recruiting — like posting to job boards and sorting through bad applications — so you can get back to doing what you do best.

SmartMatch uses AI to connect standout candidates to your business based on their skills, interests and experience. You get great talent matched to every role, and never have to post to a job board again.

Forget spending hours writing job listings and hundreds of dollars advertising them. SmartMatch predicts future hiring needs and does the hard work for you. With SmartMatch, you can spend less time worrying about staffing — and more time growing your business.

Big business hiring on a small business budget.

Forget expensive advertising and recruiter fees. Why should the big end of town get the best talent? We're levelling the playing field with cost-effective hiring solutions built specifically for SMEs.

Try SmartMatch today →

TALENT MATCHING

Match top talent to your business 24/7. Machine learning and predictive algorithms assess candidates to find the right fit.

SAVE CANDIDATES FOR LATER

Not ready to hire? Save standout talent for later with easy pipelining. Only external candidates are presented: current employees won't get matched.

BETTER HIRES, FASTER

Find quality talent and chat with them directly. Deliver a seamless recruitment experience, and hire great people at a fraction of the time and cost.

Manager

$175,000+

Melissa G.
Senior Product Manager

Swag
LinkTree
Meta

SG   REMOTE $185,000+
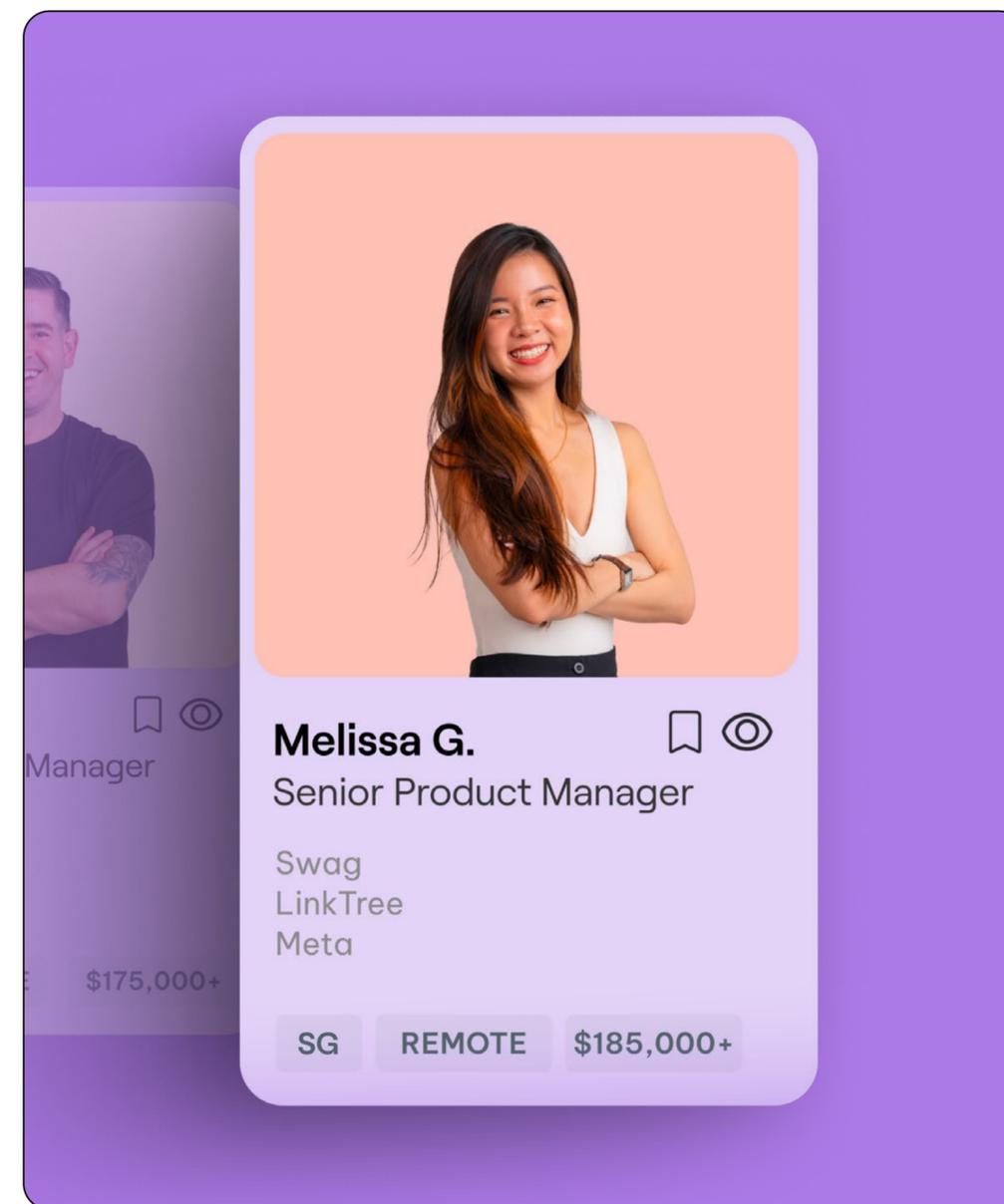
COMPARING SINGAPORE AND MALAYSIA

There is a significant difference in the average number of applications received in Singapore (30) compared to Malaysia (65). Only **15%** of Malaysian hiring leaders said they had 4 or fewer applications for their last role compared to **24%** of Singaporean hiring leaders.

Q THINKING ABOUT THE LAST ROLE YOU/YOUR COMPANY HIRED, HOW MANY CANDIDATES APPLIED?

Singapore   Malaysia

	4 applicants and below	5 to 10	11 to 30	31 to 100	101 applicants and over
Singapore	24%	34%	23%	14%	4%
Malaysia	15%	36%	21%	21%	7%
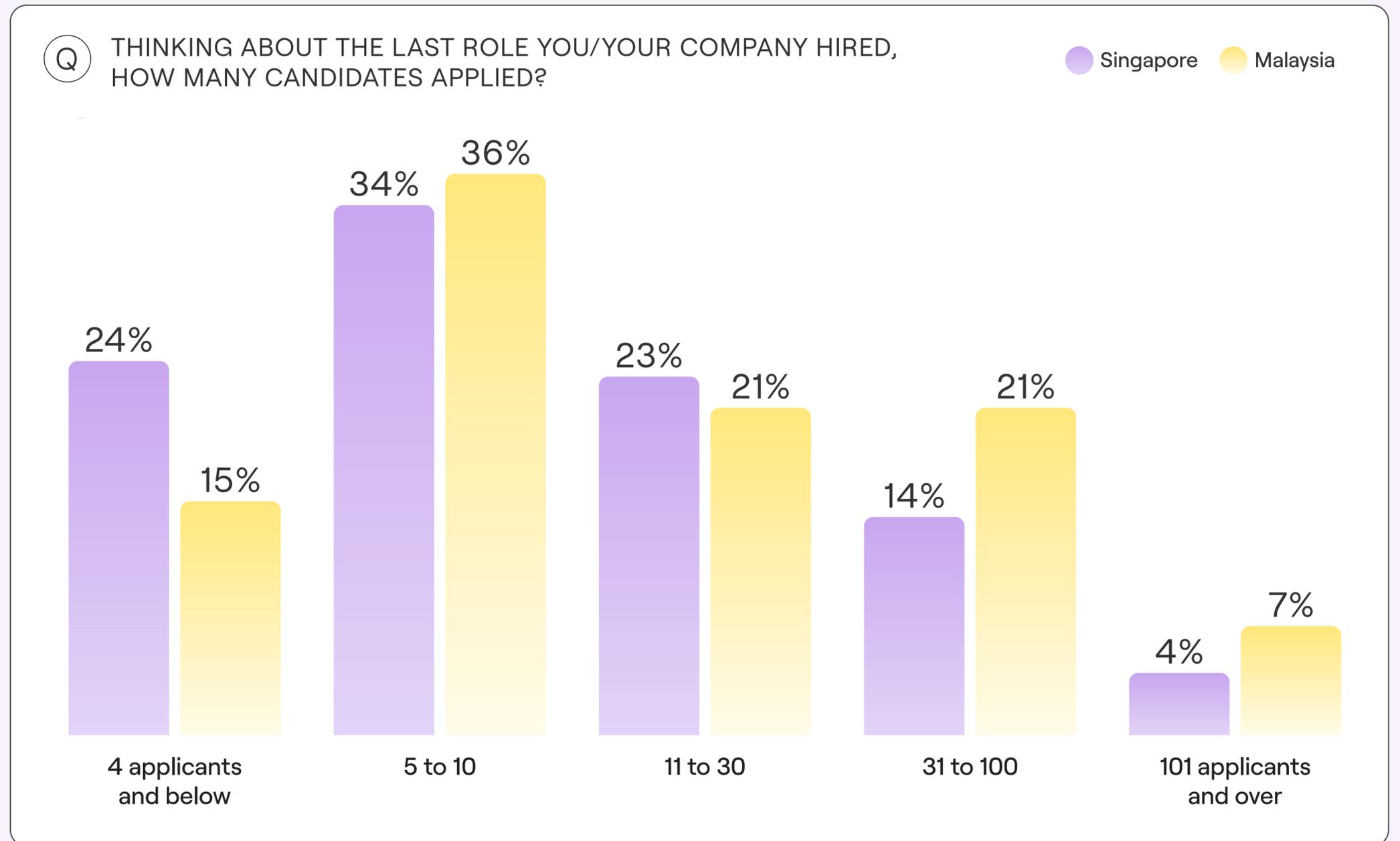
Singaporean hiring leaders, who incidentally see a lower number of applications, take longer than Malaysian hiring leaders to fill a position (42 days compared to 39 days). Singaporean hiring leaders were **22%** more likely to say it took between 1–2 months for a position to be filled.

On average, Malaysian hiring leaders lost more new hires **(22%)** as compared to Singaporean hiring leaders **(16%)**. More than half **(51%)** of Singaporean hiring leaders lose **5%** and below of new hires, as compared to **35%** of Malaysian hiring leaders. On the other hand, a larger proportion of Malaysian hiring leaders lose **21–50%** of their new hires as compared to Singaporean hiring leaders — **28% vs 15%**.

Q THINKING ABOUT THE LAST ROLE YOU/YOUR COMPANY HIRED, HOW LONG DID IT TAKE FOR THE POSITION TO BE FILLED?

● Singapore
● Malaysia

	Singapore	Malaysia
NET 1 month or less	67%	74%
1–10 days	25%	28%
11–20 days	24%	25%
21–30 days	18%	20%
1–2 months	19%	12%
2–12 months	11%	12%
1+ year	3%	3%

Q ON AVERAGE, WHAT PROPORTION OF YOUR HIRED CANDIDATES LEAVE WITHIN THE FIRST 6 MONTHS OR DO NOT PASS THEIR DESIGNATED PROBATION PERIOD?

● Singapore
● Malaysia

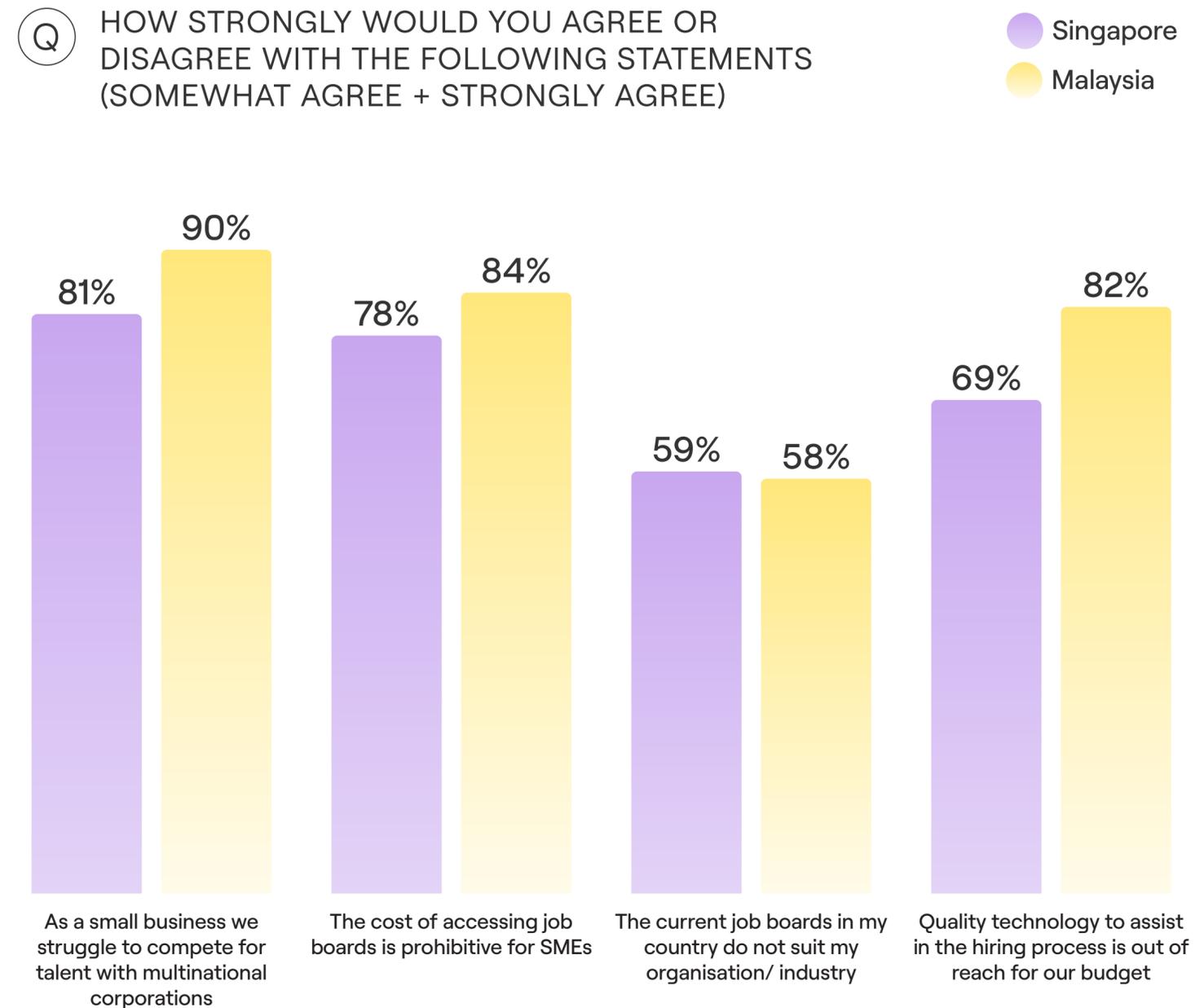|	Singapore	Malaysia
5 and below	51%	35%
6 to 10	12%	13%
11 to 20	15%	15%
21 to 50	15%	28%
51 and over	8%	9%

Talent shortages were felt more acutely by Malaysian hiring leaders as compared to Singaporean hiring leaders. In fact, **16%** of Singaporean hiring leaders said talent shortages have not increased at all, as compared to **9%** of Malaysian hiring leaders. This could be due to Malaysia's brain drain situation where Malaysians are moving across the border to Singapore for job opportunities, due to the stronger currency rates. As a result, Singaporean hiring leaders have a larger pool of talent to choose from whereas Malaysian hiring leaders do not.

While hiring leaders in both Singapore and Malaysia had similar sentiments, hiring leaders in Malaysia were more likely to agree that they struggle to compete with MNCs for talent as compared to Singaporean hiring leaders **(90% vs 81%)**. In addition, Malaysian hiring leaders were more likely to agree that quality technology to assist in the hiring process is out of reach for their budget compared to Singaporean hiring leaders **(82% vs. 69%)**.

Q **COMPARED TO A YEAR AGO, WOULD YOU SAY THAT TALENT SHORTAGES IN YOUR INDUSTRY HAVE...**

- Singapore
- Malaysia

	Not increased at all	Increased a little	Somewhat increased	Significantly increased	NET Increased
Singapore	16%	27%	38%	19%	84%
Malaysia	9%	29%	42%	20%	91%
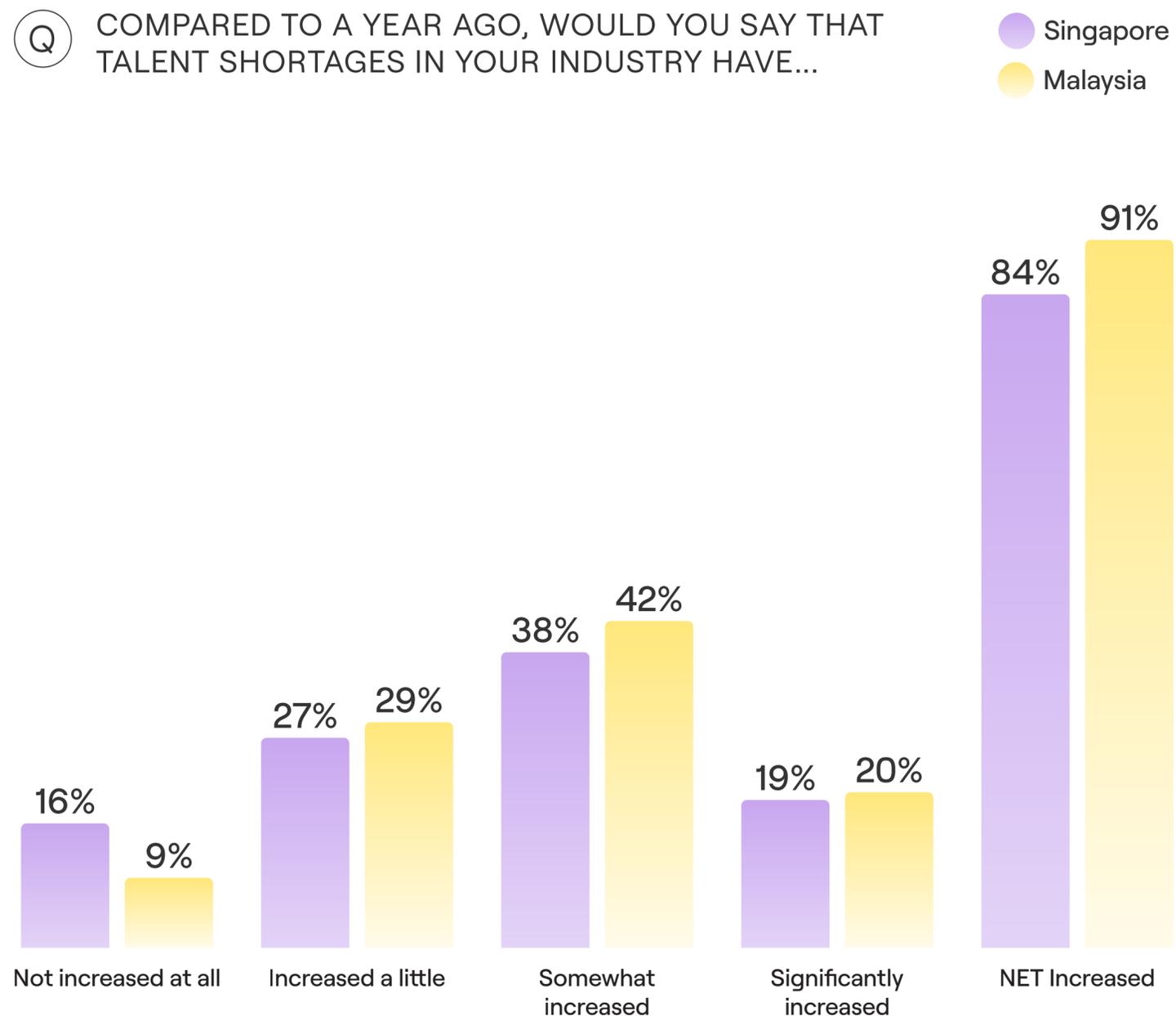
Q **HOW STRONGLY WOULD YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS (SOMEWHAT AGREE + STRONGLY AGREE)**

- Singapore
- Malaysia

	As a small business we struggle to compete for talent with multinational corporations	The cost of accessing job boards is prohibitive for SMEs	The current job boards in my country do not suit my organisation/ industry	Quality technology to assist in the hiring process is out of reach for our budget
Singapore	81%	78%	59%	69%
Malaysia	90%	84%	58%	82%

On average, Malaysian hiring leaders spend 4 hours more per week on hiring activities than their Singaporean counterparts. The most significant difference was regards to job ad posting — Malaysian hiring leaders spend an average of 6.4 hours per week on it, whereas Singaporean hiring leaders only spend an average of 4.5 hours per week on it.
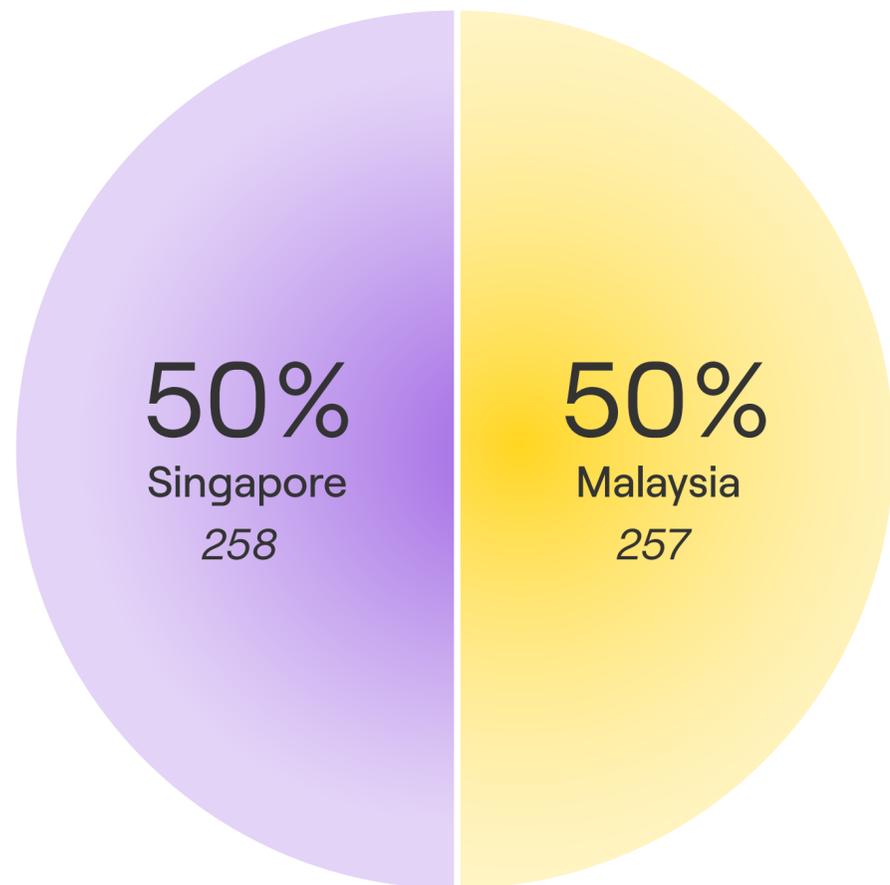
With regards to the hiring challenges faced by Singaporean and Malaysian hiring leaders, the results were pretty similar.

COMPARISON

Q — HOW MANY HOURS PER WEEK ON AVERAGE DO YOU/ YOUR ORGANISATION SPEND ON EACH OF THE FOLLOWING HIRING ACTIVITIES?

Legend: Singapore, Malaysia

Activity	Singapore	Malaysia
Job ad creation	5.5	5.7
Job ad posting	4.5	6.4
Candidate screening	6.8	6.9
Interview scheduling	4.8	5.1
Candidate interviewing	7.9	7.1
Candidate testing	5.3	5.6
Candidate checks	4.7	5.5
Drafting candidate offers	4.4	5.1
Candidate contracts exchange	4.3	5

Q — TO WHAT EXTENT DO EACH OF THE FOLLOWING FACTORS CONTRIBUTE TO THE CHALLENGES YOU FACE IN YOUR HIRING PROCESS? (A LOT OF + SOME)

Legend: Singapore, Malaysia

Factor	Singapore	Malaysia
Inability to match the offered salary by large organisations	80%	86%
Inabilty to make the hiring process faster	67%	67%
Inability to offer the same perks as larger organisations	77%	75%
Inability to offer the same career progression as larger organisations	74%	76%

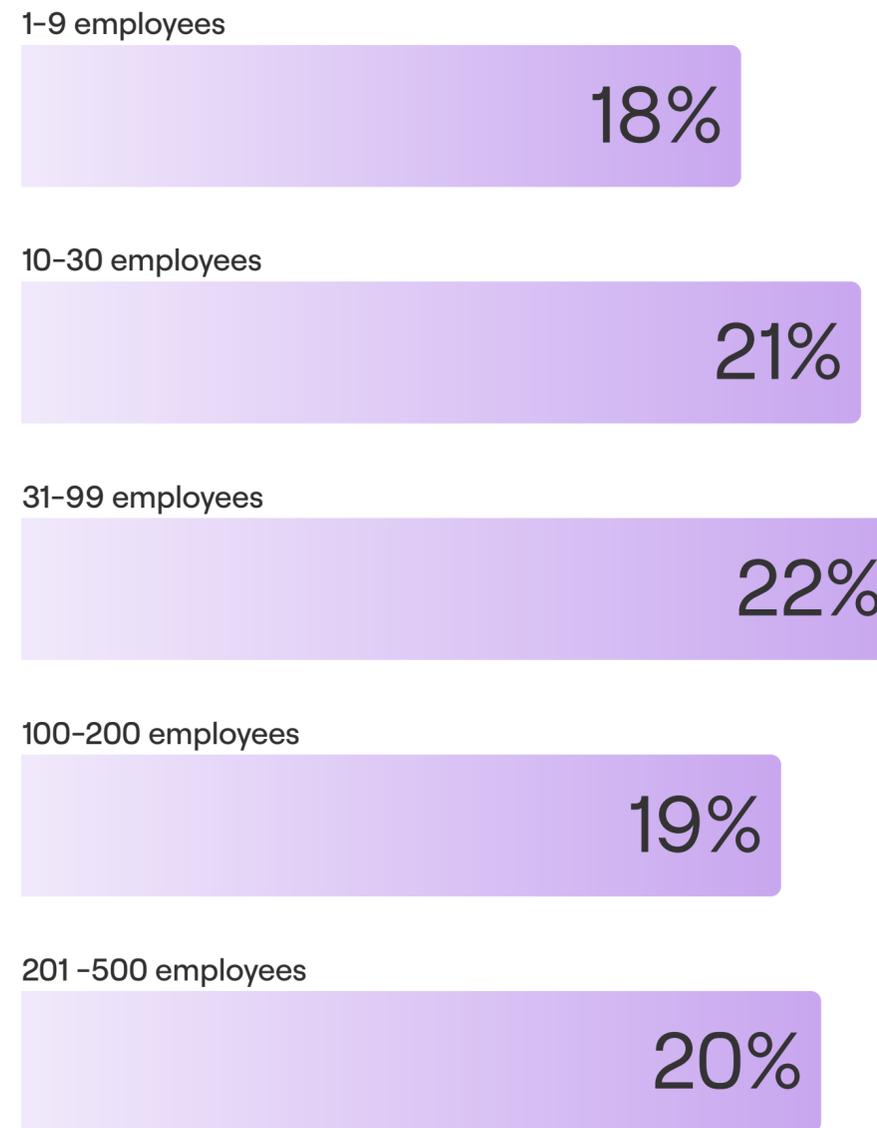STATE OF RECRUITMENT REPORT – 30

METHODOLOGY AND SAMPLE PROFILE

We carried out quantitative research with **515 business leaders** in Singapore and Malaysia. The length of the survey was 3 minutes on average. Respondents were from different organisation sizes and industries. The survey was conducted with the Glow survey platform, using the Dynata B2B panel from 9th to 12th June 2023.
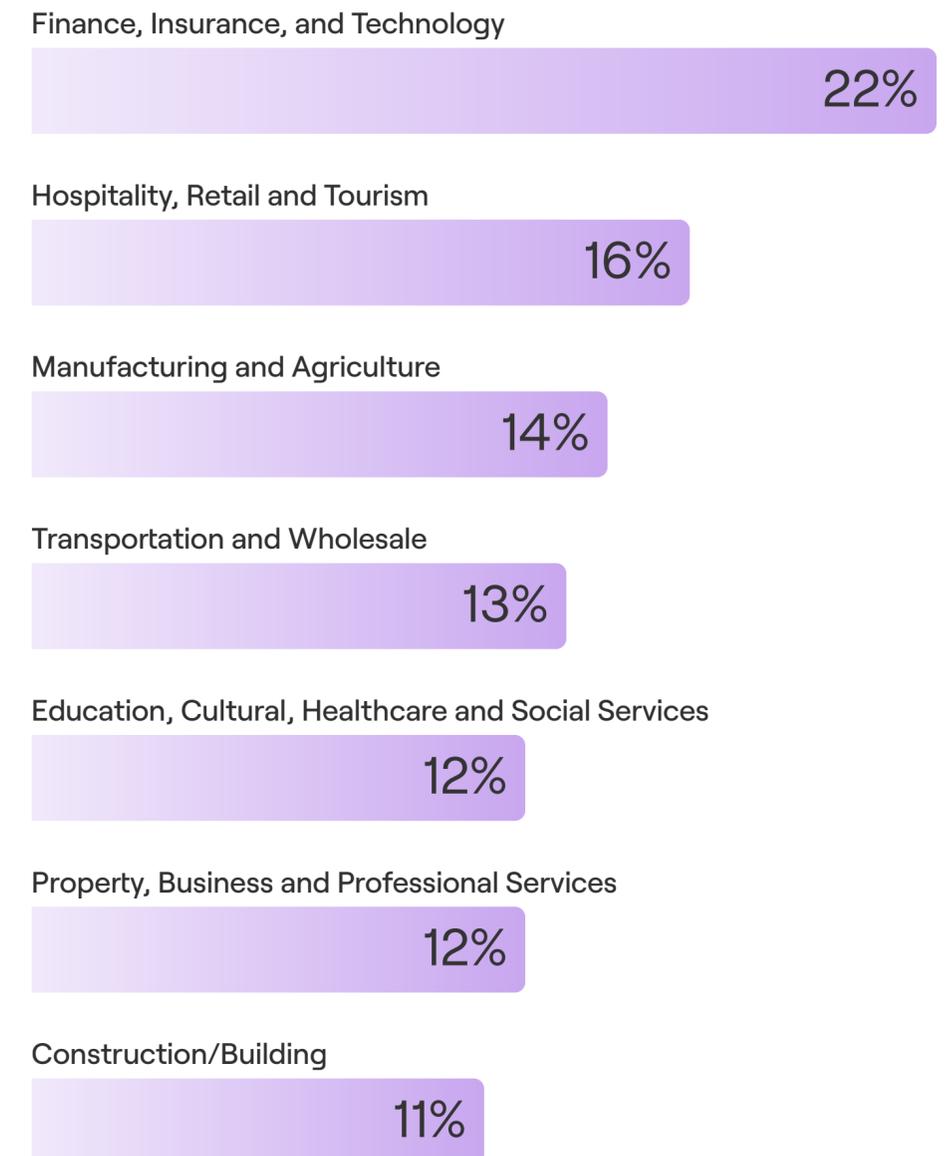
COUNTRY SUMMARY

50% Singapore *258*

50% Malaysia *257*

ORGANISATION SIZE SUMMARY

1-9 employees
18%

10-30 employees
21%

31-99 employees
22%

100-200 employees
19%

201 -500 employees
20%

INDUSTRY SUMMARY

Finance, Insurance, and Technology
22%

Hospitality, Retail and Tourism
16%

Manufacturing and Agriculture
14%

Transportation and Wholesale
13%

Education, Cultural, Healthcare and Social Services
12%

Property, Business and Professional Services
12%

Construction/Building
11%

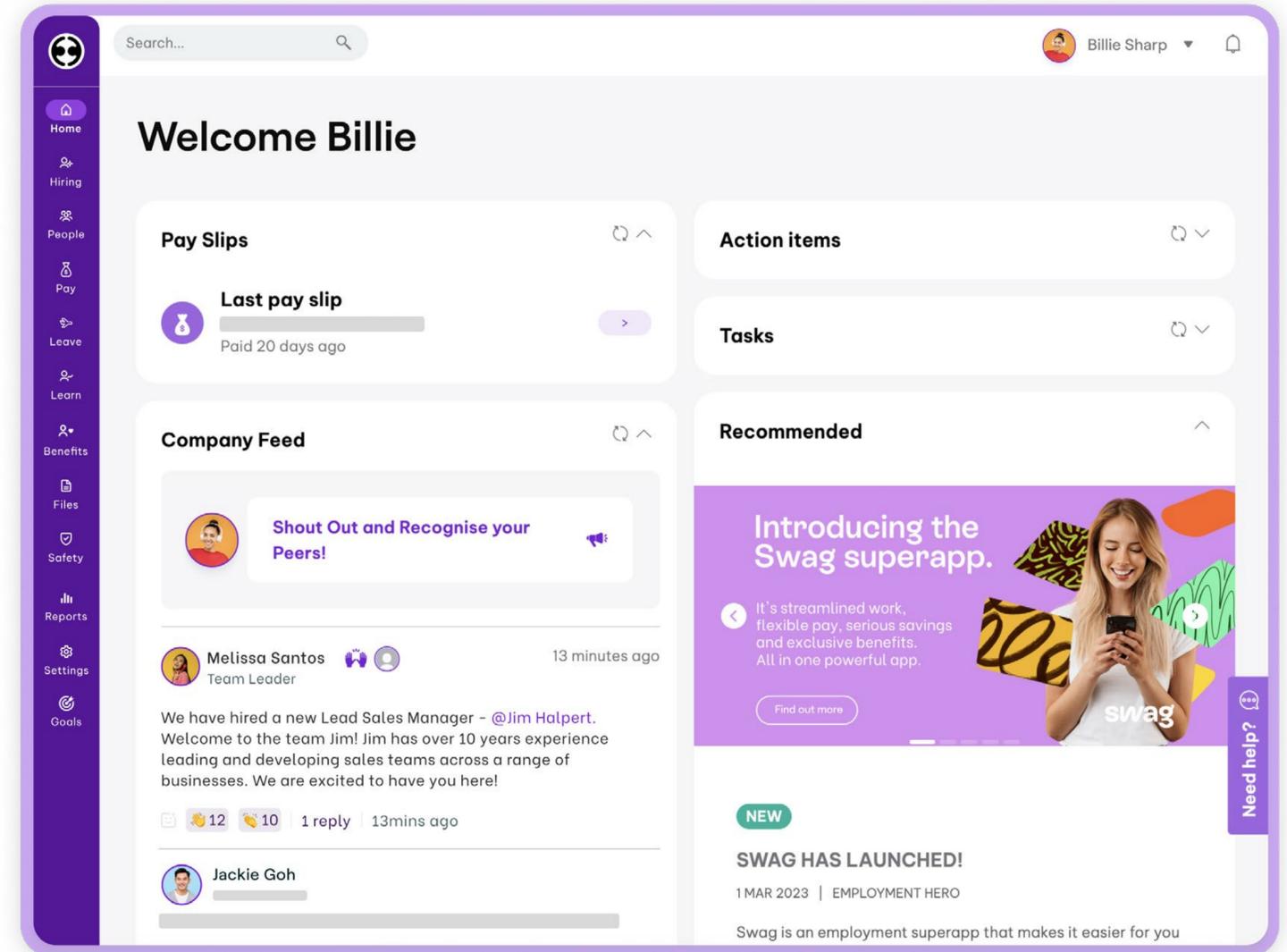employment hero

About Employment Hero

Employment Hero is the smarter way to manage people, payroll and productivity for SMEs with big ambitions.

Employment Hero empowers SMEs by providing automated solutions to help launch them on the path to success by powering more productivity every day.

Employment Hero services over 300,000 businesses worldwide. Employment Hero is launching employers toward their goals, powering more productive teams and taking employment to rewarding new heights.
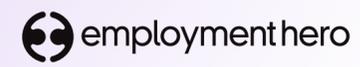
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1:1s

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Performance reviews

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STATE OF RECRUITMENT