



ROBERT WALTERS MALAYSIA COMMERCE AND FINANCIAL SERVICES MARKET UPDATE

WELCOME

Welcome to the Robert Walters' half yearly market update. This update aims to provide an overview and insight into the latest market trends focusing on the commerce and financial services sectors. Our clients often draw on our extensive industry involvement and market insight to gain current information on salary levels, skills profiling and varying recruitment practices. We hope you will find this update useful and please do not hesitate to contact us if you need to discuss these trends in greater detail.

Sally Raj,
Country Manager, Malaysia

ACCOUNTING & FINANCE

Boosted by the improved economic conditions, the first half of the year saw a positive outlook across several sectors. We saw a constant demand for talent, particularly for those in the mid to senior level positions across the IT, telecommunications, healthcare, oil & gas, property and FMCG sectors. We also anticipated an increasing demand for finance professionals in the retail, energy and manufacturing sectors, and have expanded our recruitment services to cover those areas.

Due to the demand for good talent, candidates were able to receive salary increments of 15 to 20% upon switching jobs. Those with strong finance and accounting backgrounds as well as exposure to compliance and analysis were highly sought-after. This is particularly so for candidates with steady track records in a regional role with an MNC.

We anticipate that the recruitment activity for the second half of 2011 will be fairly positive with companies continuing their expansion plans, new market entries from MNCs and the introduction of more shared services.

Candidates with a strong finance background and experience in business development will likely to remain in demand. This is because they are required to support the business units in achieving optimal business results through sound business decisions and processes, based on insightful business analysis and knowledge. Top talent with such experience and skill sets are likely to command salary increases ranging as high as 25 to 30% (depending on the industries).

Salary increments for other accounting and finance positions are expected to maintain at the same levels, in line with the first half of 2011 due to robust hiring levels.

ABOUT ROBERT WALTERS

With over 26 years in the business of recruitment, Robert Walters is firmly established in Australia, Asia, Europe, UK, USA and New Zealand. Our emphasis is on building long-term relationships that provide an independent view to your recruitment challenges in the following specialist areas:

- Accountancy & Finance • Banking & Financial Services • Human Resources • Information Technology
- Sales & Marketing • Supply Chain, Procurement & Logistics



FINANCIAL SERVICES (FRONT OFFICE)

The first half of 2011 saw strong, aggressive growth plans with many new branches opening within the front office space, especially within SMEs and middle markets. There was also active recruitment in the wealth management area, which showed a positive growth within the consumer/retail markets.

High recruitment levels were observed with many newly-created roles such as credit analysts and team leader relationship managers for SMEs and commercial banks due to high market demand.

As a result of the employee-driven market, we saw candidates with niche skill sets commanding a premium, with salary increments for those looking to move ranging between 25 to 30%.

The market is expected to continue its aggressive growth despite rumours of bank consolidation in the second half of 2011. We anticipate recruitment levels to sustain, especially within the wealth management sector, as there are many new branches being set up to cater for the growing high net-worth market.

Roles in demand will include wealth managers and relationship managers with credit backgrounds as both consumer and commercial organisations look to grow their market share.

Due to a shortage of experienced and good candidates, employers are more willing to pay a premium price for key talent. Candidates with at least five years' experience are likely to be offered salary increments of at least 25% when they switch jobs.

FINANCIAL SERVICES (MIDDLE AND BACK OFFICE)

In the first half of 2011, most banks were observed to be fairly aggressive in terms of growing their market share both locally and internationally. This was due to Bank Negara Malaysia's direction to consolidate banks within the local market in preparation for regional growth.

Highly sought-after roles included market and credit risk specialists due to several banks' initiatives around Basel. In addition, robust hiring requirements were seen for new headcounts and replacement positions.

As employers saw that candidates were becoming more open and positive to new job opportunities, the demand for such experienced talent increased in tandem given the readily available talent pool. Candidates who switched jobs received salary increments of at least 20 to 30%.

We anticipate banks to continue hiring throughout the second half of 2011, although there is likely to be a slowdown as most roles would have been filled during the first half of the year. In addition, we expect a talent surplus in the market due to the recent HLB and EON consolidation.

Due to aggressive expansion plans within the front office space, both risk and compliance sectors are expected to hire actively during the second half of 2011 to support the front office functions. Highly sought-after roles will include strong risk analysts due to the stringent regulatory requirements for the banks' lending businesses.

Salary increments for candidates who are looking to move are likely to remain around 25% throughout 2011.

IT COMMERCE (FINANCIAL SERVICES & COMMERCE)

In the first half of 2011, we observed high recruitment activity across various industries, especially within the IT shared services and IT vendor space. Within these sectors, project management as well as process and service delivery roles were highly sought-after. This demand was a result of various new initiatives implemented by organisations to improve processes, productivity and business efficiency so as to meet bottom-line objectives.

We also saw active hiring levels within the retail, pharmaceutical and oil and gas sectors. This was due to business expansion, growth plans and new projects, which included new SAP implementation initiatives.

We saw an increase in counter offers and buy backs as the industry shifted towards a candidate-driven market. As a result, salary increments ranged between 15 to 20% on average for candidates looking to move. In some cases, we saw increments up to 30% for candidates with key and niche skill sets.

The second half of 2011 is likely to experience a strong and steady demand for IT professionals. Due to the mergers of local banks however, there is likely to be a surplus of talent within the IT banking space, most of which are expected to move over to the IT commerce sector.

We have seen an increase in infrastructure and developer roles within the banking sector as well as a number of transformation projects which require project managers. SAP, software developers, project/program managers as well as solution architects are also expected to be in demand to cater to the growing IT needs of businesses.

Due to a strong demand for experienced and skilled IT candidates, salary expectations are likely to sustain throughout 2011.

HUMAN RESOURCES

The first half of the year saw a vibrant and strong demand for HR roles across the banking and commerce industry. Both foreign and local banks as well as many commerce industries including FMCG, pharmaceutical, logistics, manufacturing, chemical and F&B sectors were hiring actively during this period.

HR specialist roles, in-house recruitment specialists, HR business partners, compensation and benefit roles as well as talent management roles were highly sought-after. This was largely due to a steady increase in strong domestic demand and business exports, which consequently led to a high demand for human capital professionals. Hiring and retaining top talent remained a top priority for many high-growth companies.

With the current employee-driven market, many organisations were increasingly focusing on employer branding as an important tool to attract key talent. Companies also faced intense competition in the tight labour market, and continued to woo talent with more attractive monetary incentives.

Salary increments ranged around 15% due to the high demand for HR professionals. We observed that candidates had more options and were hence more selective in their job preferences within Malaysia. Many candidates also took on jobs overseas, resulting in a further talent drain in this candidate-short market.

Moving into the second half of 2011, we anticipate companies to place a strong emphasis on hiring and retaining top talent, as well as a steady growth within the HR shared services industry. Economic growth within the private sector will remain around 5 to 6%, whilst new foreign banks entering Malaysia will likely spur recruitment activities within the HR talent management field.

Roles in demand will include talent management, performance management, compensation and rewards, as well as HR business partners. The demand for legacy personnel administration, which manages day-to-day transactional activities, is expected to shift towards more human capital management roles.

As the market remains in favour of employees, salary increments are likely to move upwards. We foresee that the average internal salary review will average between 5 to 6%, whilst promotion increments will range from 10% onwards. HR employees with niche skills sets, working experience with multinational companies as well as overseas work experience, will be able to expect salary increments ranging between 10 to 30%.

SUPPLY CHAIN AND LOGISTICS

The first half of 2011 saw a generally stable economy as the market started to pick up. Employers' sentiments were generally bullish and optimistic.

Recruitment activity within the commercial industry increased gradually, particularly for the FMCG, healthcare, banking and telecommunication sectors. A combination of new roles emerged due to business expansions, new product and service line additions, restructuring/mergers, as well as replacements and backfills for resignations. There was an increased demand for strategic procurement roles to manage project costs as more projects and initiatives were rolled out.

However, talent recruitment within third party logistics remained mostly via word-of-mouth or internal referrals. This was mostly due to the niche industry and closely-knitted network of professionals who were able to recommend their peers directly to hiring companies.

Candidates were able to receive salary increments of around 15 to 20% upon switching jobs, whilst those who stayed in the same organisations received annual salary increments averaging around 5 to 8%.

We anticipate that the recruitment activity for the second half of 2011 will be buoyant. Quarter three is likely to witness a healthy recruitment level as supply chain organisations continue to hire new talent to support their business growth. However, hiring activity is likely to taper off gradually in quarter four as employees and candidates hold back from moving in anticipation of their bonus payouts.

The commercial industry is expected to sustain hiring activity in line with business operations. Recruitment for sales and business development roles are expected to continue especially within third party logistics organisations. Skills in demand will include strategic category procurement, demand/supply planning and business development for third party logistics companies.

Salary increments are expected to maintain at the same levels in line with the first half of 2011 due to robust hiring levels.

SALES & MARKETING

The first half of the year saw a strong demand for sales and marketing talent across various industries. This was due to a strong level of both replacement and expansionary hires as consumer goods companies continued to roll out new product lines, which consequently created a demand for new talent specialising in branding/sales. There was also a healthy level of job movement amongst candidates which led to a number of replacement roles.

Sectors that were hiring actively included the FMCG, retail, chemicals, manufacturing, pharmaceuticals, oil & gas, banking & financial services as well as communications. Organisations in these sectors had aggressive expansion plans, which led to an increase in job opportunities within the commercial and marketing segments of the business.

Most candidates received salary increments ranging between 15 to 20% upon switching jobs, whilst annual increments averaged around 5 to 8%.

Moving into the second half of 2011, we foresee a steady increase in recruitment levels in the third quarter. We also expect companies to wrap up recruitment by the end of quarter three in anticipation of a slow last quarter, where most candidates are likely to wait around till next year for their bonuses and incentives.

Key sectors that are most likely to hire actively include FMCG, healthcare, telecommunications as well as financial services. Highly sought-after roles will include brand/product marketing, customer marketing, online/digital marketing and channel development as such skill sets are highly transferable amongst different industries.

As a result of steady recruitment levels, salaries for the first half of 2011 are likely to sustain throughout the second half of 2011.

ROBERT WALTERS MALAYSIA

COMMERCE AND FINANCIAL SERVICES

MARKET UPDATE

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