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It's Business As Usual

By: Lee Xieli, Singapore
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It's business as usual

As the burgeoning economy shrugs off the remnants of retrenchments from 2009, outplacement vendors have seen a cyclical cycle of their services as HR leaders focus on recruitment and cost management. Lee Xieli reports.

In the initial stages of economic recovery as seen in the first half of 2010, outplacement vendors have seen a decline for their services.

According to Sattar Bawany, managing director for [DBM Singapore](#) and head of transition coaching for its Asia Pacific market, unemployment rates have stabilised after declining sharply at the end of 2009. With redundancies remaining at around pre-recessionary quarterly levels, DBM has seen an impact on its career transition and outplacement business.

With outplacement services the main bread-and-butter for vendors nominated in *Human Resources*' Vendors of The Year 2010 Preferred Outplacement Consultants category, Paul Heng admits this industry works "counter cyclical to the state of the economy". But the founder of [NeXT Career Consulting Group](#) says demand for such support services has remained relatively constant for the past 12 months as Singapore businesses recovered from the global economic downturn.

Changing tack

Bawany says the upside has been that demand for talent solutions, such as strategic leadership programmes and executive coaching, has increased. This has been a key business aspect that most outplacement vendors have focused on the last 12 months in order to stay ahead. HR leaders are now tasked to "protect and assure the retention of key talent" instead of cutting manpower, says David Wee, managing director for [Lee Hecht Harrison \(LHH\) Singapore](#), as we usher in the New Year.

Wee adds that the increased demand for better leaders is likely to see outplacement vendors continuing to provide leadership development solutions to help HR address retention issues. Harold Kwan, founder and CEO of [HRM3 Asia](#), says the "more progressive" employers prefer to send senior executives for one-on-one executive coaching programmes rather than just attending courses or seminars.

Jasmine Sim, market vice president for [Right Management](#)'s outplacement services in Singapore, is also seeing more clients requesting for "multi-country" talent development initiatives and workforce effectiveness programmes.

New HR priorities

Restructuring and layoffs are now the least of companies' priorities. As Singapore pushes to boost its long-term productivity growth by a sustained 2% to 3% per year, Sim says there is increased pressure on employee productivity. This has resulted in "renewed focus" on employee engagement. "Research has shown that a highly engaged workforce results in higher productivity, increase in retention rate, higher customer satisfaction and customer loyalty."

This has led to an urgent need for HR leaders to become better strategic business thinkers and vendors are keen to help HR succeed in that. Kwan says organisations want HR to help them develop successful leaders who will "navigate the company from where it is today to where it needs to be in the future". He adds, "In short, it's beyond the day-to-day administrative roles HR used to do in the past."

Bawany stresses that the role of the HR manager must parallel the needs of his or her changing organisation. After all, successful organisations are becoming "more adaptive, resilient, and customer-centric". Bawany adds, "Within this environment, line managers consider the HR professional as a necessary strategic partner and a change mentor."

With HR changing tack in strategic workforce planning, vendors such as LHH has moved to larger city centre offices to improve the quality and "sensitivity" of its outplacement services. Right Management has repositioned its Singapore office as the centre of expertise for its network in ASEAN and Korea. Sim says the company is also planning further investments to enhance its key leaders in the region to better support clients in Asia.

Industry predictions

Both DBM and HRM3 Asia have predicted that outplacement vendors will have to cope with growing price pressure and influx of more competitors in the marketplace as companies look for cheaper alternatives. Bawany says "shifting financial priorities coupled with commoditisation within the outplacement industry have brought forth this period of economisation".

Kwan predicts that vendors need to "focus on values for customers and manage their complex business needs instead of volume or price" if they want to succeed. Yet it is also finding the right talent to join the outplacement team.

Heng from NeXT Career Consulting Group is still seeing a dearth of trained and professionally certified career coaches in the marketplace. He believes this is not a healthy sign for the industry. "For any profession to continue to improve and do well, new blood has to be injected."

Furthermore, Heng suggests that existing outplacement practitioners need to continue embarking on continuous education and training to stay relevant.

Gaining momentum

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This year will herald a new race for both HR practitioners and outplacement vendors as budgets and bottomlines take top priority.

Heng says the stubbornly high US unemployment figures and weak Euro dollar will play a major part in Singapore's economy over the next 12 months. If the double dip recession does occur, Heng says there could be more job losses here. Likewise, companies that restructure by means of mergers as a reaction to changing market conditions will affect outplacement vendors. "We will face a 'good' challenge of increasing our support to corporate clients in out-placing redundant talent."

According to a Manpower survey, the world population will be over nine billion by 2050. But Sim at Right Management says employers face an HR paradox: How to find the right people at the right time in the right place and fill the gap in the midst of plenty?

According to her, a company's talent development practices are under greater scrutiny. "They must be capable of standing up to total transparency," Sim says. "There will be intensified price and value compression [on human capital] which puts increase pressure on the productivity of a company's workforce."

Despite the various mounting challenges, Kwan is confident that the HR industry is heading towards exciting times. Outplacement vendors will leave no stone unturned in order to help HR clients succeed.

Box One: DBM has listed some changes HR practitioners can expect from outplacement services:

1) Shorter period of outplacement support

In the 1990s, a mid-level manager may have routinely received six months of outplacement support, while the same managerial level might receive one to two months of support now.

2) Blended or virtual programmes

Technology savvy employees will be able to access selected services from home.

3) Increased use of technology

Vendors will provide career transition technology portals offering valued services useful for job search.

4) Personalised transition

Employees and companies will push for "non-cookie-cutter" outplacement support.

Human Resources' Vendors of The Year 2010

Rank	Vendor	Overall percentage
1	DBM	18.6%
2	Right Management	13.3%
3	NeXT Career Consulting Group	12.4%
4	Lee Hecht Harrison	6.2%
5	HRM3 Asia	5.3%
5	Recruit Express	5.3%

Sub-categories for the top three winners

Overall Winner: [DBM Singapore](#)

Awards:

SECOND PLACE

Preferred Outplacement Firm
Headcount size 101 to 200 (11.5%)

WINNER

Preferred Outplacement Firm
Headcount size over 500 (28.1%)

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Awards:

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Third Place: [NeXT Career Consulting Group](#)

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Headcount size over 500 (12.5%)

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