



Career Transition & Outplacement:

Are our jobs safe anymore?

In continuing the conversation of “Transforming Leaders into Coaches” in the previous White Paper No. 19, let’s take a look at the other end of the spectrum: The exit of the displaced employee is often a challenging and sensitive topic for HR to broach.

This paper serves to examine the trends of layoffs or rightsizing (politically correct) in the year 2023 for Singapore companies and employees. It serves to look at the fears, thoughts, and feelings of the impacted employees. It also seeks to report the motivations and reasons behind the employers of the companies who adopt this move. It attempts to forecast the relevant skills (competencies) that employees should possess to avoid such drastic situations.

And lastly, to “screenshot” what traits of a company you should foresee or detect and avoid if it is prone to such rightsizing activities.

Fears, Thoughts and Feelings (Employees)

The following is an interview conducted with Coach Yin, who has been doing the Career Transition & Outplacement (CTO) programme for PERSOLKELLY Consulting for the past year.

Question 1: “What are the common feelings and thoughts of these candidates when they first know of their retrenchment?”

- **Coach Yin:** “The first reaction is denial for some, then shock because it came so soon and they loved the culture and the organisation. But for cases when they realise that the company is laying off all the employees together, there is a no “Why me, not you” mentality.”

Question 2: “What are their feelings now going through the CTO process?”

- **Coach Yin:** “The younger ones are quite mobile, not very affected as they are very agile and tech-savvy and the cycle of looking for a job is not that difficult for them. So, some young ones are even coming together to do a start-up and pitch to angel investors to fund their new venture.

Question 3: “Do you get different responses from different levels of seniority (manager to senior management) or different age groups?”

- **Coach Yin:** “The difference is the matured group that has not done their resume finds it very helpful as they also did not know of the advanced screening technology adopted by HR nowadays when applications for jobs are received. The executives, such as the Heads, appeared to prioritise career planning and networking over other activities. There are some who are considering entrepreneurship as an option. The more junior ones will go through the whole menu and pick the topics that apply more to their situation.

Question 4: “Are there any emotional and/or mental stress faced by different groups of employees?”

- **Coach Yin:** “Young ones don’t feel any stress as they change jobs quite frequently. Older ones have a lot more financial commitments i.e. kids, a pregnant wife and a family to support. The urgency to find a job is also a stressful point. Plus, their (senior) age comes as a disadvantage when it comes to job searching.”

Question 5: “Do they know how to avoid the same type of employers again or do they know the reason for the retrenchment and will they be able to avoid within their means the same type of employers in their job search?”

- **Coach Yin:** “Identifying the characteristics of employers who are more likely to lay off their employees can be a challenging task. Moreover, in today's economic climate, downsizing and restructuring are becoming increasingly common, making it difficult to avoid such companies altogether.”

Motivations, Reasons and Justifications (Employers)

A lot of companies who over-hired during the digital boom in the pandemic are now trying to right-size their companies' structure as they know that it is not sustainable in the long run.

According to the press articles published in Singapore, you can tell that although most of them come from the technology sector and some are start-ups that could not sustain their businesses, even foreign banks and manpower-intensive enterprises like manufacturing are not exempted from this fate.

A lot of Chief HRs and CEOs justify the reason to right-size as the practical way to contain costs, even if they currently are profitable as they forecasted that their business demand will not be sustainable based on their current manpower size.

There is also a strategic intent to cut middle managers and senior managers to allow the company's top management to control and monitor the business activities better, as evidenced by the recent exercise by foreign banks. **This structure simplification is believed to be the enterprises' preferred modus operandi in the future.**

There is also a sentiment of companies especially tech ones, racing to catch up in the generative AI race. **Every tech company wants to justify their lay-offs to recruit or invest in the generative AI push so that they will not be left behind in the race for innovation.**

- **Is this a wise decision?**
- **Is this a good calculative move in terms of future profits?**
- **A grounding of foundation to welcome the new generative AI technology and achieve that “quantum jump”?**

Retrenchment

The table below shows the retrenchment figures tabulated by the Ministry of Manpower, Singapore.

Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual	11,560	12,930	15,580	19,170	14,720	10,730	10,690	26,110	8,020	6,440	n.a.
1st Qtr	2,120	3,110	3,500	4,710	4,000	2,320	3,230	3,220	2,270	1,320	3,820
2st Qtr	3,080	2,410	3,250	4,800	3,640	3,030	2,320	8,130	2,340	830	3,200
3rd Qtr	2,710	3,500	3,460	4,220	3,400	2,860	2,470	9,120	1,900	1,300	4,110
4th Qtr	3,660	3,910	5,370	5,440	3,680	2,510	2,670	5,640	1,500	2,990	n.a.
Number of Retrenchments Per 1,000 Employees	5,8	6,3	7,4	8,9	7,0	5,1	5,1	12,8	4,4	3,1	n.a.

Latest figures published in: Labour Market Report

Notes:

- Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
- Data are rounded to the nearest 10. Hence, they may not add up to the total
- p = preliminary
- n.a.= Not available

These numbers will continue to rise in 2024, and it is expected that more jobs will be cut both in Singapore and in the US. **Due to the depressed economy globally and the glut of hiring during the boom pandemic times, companies are still planning more cuts in 2024 in order to stay competitive and streamline their costs and business operations.**

Skills Comprehension in the Hunt for New Jobs

The VUCA world has been replaced by the BANI world. VUCA stands for volatility, uncertainty, complex and ambiguous world. The BANI world is an acronym made up of the words 'brittle', 'anxious', 'nonlinear' and 'incomprehensible'. The creator of this new concept is Jamais Cascio, an American anthropologist, author and futurist.

So, in order to adapt to the new BANI world, employees who start new jobs in new companies must be prepared to not just acclimatise to the new culture and visions/missions of the organisation, but they must also be prepared for restructuring if it becomes a financial concern of the company when revenues are not met.

Even existing employees of their current companies must be prepared for right-sizing as a very possible business strategy to be deployed by their top management. **It will become a norm to change jobs every few years, whether voluntarily or being “pushed” to do so due to restructuring.**

Thus, the greatest skill any employee can have is resilience. Resilience to learn new skill sets, adopt new behaviours and accept new cultures whenever and wherever. And then, the ability to overcome the fear of retrenchment is a mental strength to have. **The age-old adage of “no one is indispensable to the company” rings true more than ever in this new BANI world that we work in.**

Spot the “Rightsizing” Company

They say that you must spot the company before you join and realize whether they are restructuring and may lay off employees in 2024. There is no magic formula or Harry Potter spell for you to be able to tell this right from the start.

Most people would say it is more prevalent in the IT sectors and although it is true that they have the most cases of retrenchments and layoffs worldwide, there is no stopping other sectors from doing the same. This is especially true for manpower-intensive companies that employ a workforce that is at least more than a few hundred employees.

Yet there is an argument that those who are or were in the tech sector want to remain in the tech sector despite retrenchments or layoffs.

There is also the upside of a large-sized business entity or conglomerate that favours more career development and also, the trajectory potential for any newly joined employee.



“You can run, but you can’t hide”

Joe Louis, 1941

“Every corporate salaried worker will face at least one retrenchment in his corporate life journey, no one is safe from it.”

Vincent Goh (unknown), 2023



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Sources

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