

**Press release**

## Increasing rates in staff turnover drive privately held businesses in Singapore to take a different approach to staff retention

**League table of countries reporting increased staff costs**

	Mainland China	91
	Botswana	86
	India	85
	Turkey	83
	Poland	82
	South Africa	82
	Belgium	79
	New Zealand	79
	Singapore	78
	France	76
	Argentina	75
	Malaysia	74
	Australia	73
	Denmark	70
	Vietnam	69
	Germany	68
	Hong Kong	68
	Philippines	68
	Russia	68
	Brazil	66
	Ireland	65
	Canada	61
	Greece	60
	Netherlands	60
	Armenia	57
	Mexico	53
	Taiwan	53
	United States	48
	United Kingdom	47
	Italy	45
	Thailand	45
	Sweden	36
	Spain	34
	Japan	17
	<b>All businesses</b>	<b>63</b>

Source: Grant Thornton IBR 2008

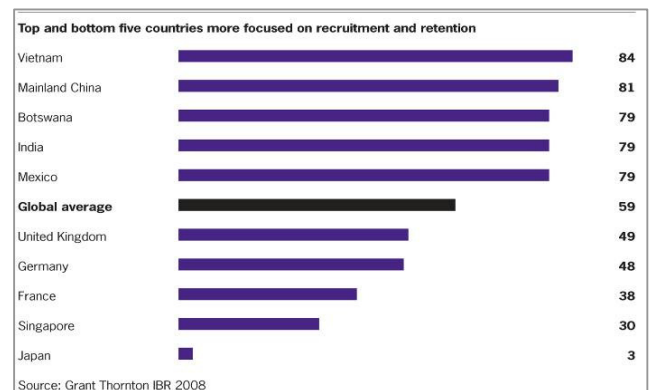
**Singapore, 2 April 2008** - According to the latest Grant Thornton International Business Report (IBR), a balance of 78% of privately held businesses (PHBs) in Singapore reported increased staff costs, with China leading the list at 91%, compared to a global average of 63%. Businesses in Singapore have attributed the increase in staff cost to high attrition rate caused by job hopping and poaching, thus the focus on retaining internal talent.

Coupled with a scarcity of outstanding leadership talent, job hopping and poaching has become a major issue for employers in Singapore. Employees, in particular the younger ones, resign due to the lack of personal development and career growth within the company.

Wong Kian Kok, staff partner with Foo Kon Tan Grant Thornton, the Singapore member firm of Grant Thornton International, said: “With a tight market for talent, companies are developing a full portfolio of interventions to attract and retain staff. While organisations have to offer competitive packages, people rarely exit a company solely because of pay. Often it’s because they lose the connection with the work they are doing and/or the people for whom they are working”.

The IBR survey found that globally, 59% of PHBs are more focused on finding and retaining employees than they were a year ago. Emerging economies top the table, with Vietnam leading at 84%, followed closely by mainland China (81%) and Botswana, India and Mexico.

Kian Kok continues, “Unlike emerging economies like Vietnam and China, Singapore has already been making progress in attracting and retaining key staff prior to the 2008 IBR survey. This can be seen by the fact that 66% of businesses in Singapore reported being as focused in attraction and retention as the previous year”.



The IBR survey showed that 74% of businesses in Singapore are working to improve retention by ensuring that all employees understand the company's core values, as compared to the global average of 64%, making this the most common means of engendering employee loyalty.

Businesses are also looking into long term strategies such as succession management to retain internal talent. In line with the global average, 57% of businesses in Singapore report providing training and mentoring opportunities.

Privately held businesses are more likely to feel the consequences of staff attrition than larger multinational organisations. Reliance on staff is high for privately held businesses, and as such, they need to have solid retention strategies in place. Increased workload for remaining staff is identified as the biggest consequences of staff attrition, identified by 41% of businesses globally. Other consequences identified included increased operating costs, loss of business and a drop in customer service standards.

For an employee, working for a PHB is potentially attractive. Employees like the opportunity to be involved in building and creating an entity where they can make and see the difference. They like to have their views valued. PHBs can often provide a close direct connection between employee and the ownership or management which is important. Unlike multinationals, where there is a large group of stakeholders to appease, PHBs can focus their employer brand on their current and prospective employees. The challenge for PHBs is how to make their employer brand visible.

## **Ends**

### **Notes to editors**

Foo Kon Tan Grant Thornton is a member firm within Grant Thornton International Ltd (Grant Thornton International). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by the member firms.

### **About the International Business Report**

Grant Thornton International started a major annual survey of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the survey's name was changed from IBOS to the International Business Report (IBR). The IBR survey draws upon 15 years of trend data for original EBS participants and 5 years for original IBOS countries. The 15 year trend data is available for: France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Spain, Sweden, Turkey and the UK, while the 5 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Singapore, South Africa and the US. Grant Thornton International will donate US\$5 to UNICEF for every completed IBR questionnaire. In 2007, this resulted in a donation of US\$36,465.

The research was conducted by Experian Business Strategies Limited. To find out more about IBR and to obtain details of IBR reports and results please visit [www.internationalbusinessreport.com](http://www.internationalbusinessreport.com).

**About Foo Kon Tan Grant Thornton**

Established in 1973, Foo Kon Tan Grant Thornton has advanced from a traditional public accounting firm to one delivering a full range of services tailored to the needs of privately held businesses and public interest entities. Under the leadership of its five equity partners, Foo Kon Tan Grant Thornton currently has total staff strength in excess of 300.

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