

HR REPORT

for Japanese Corporations in Asia

Q4
2024

>Talent Needs in Asia Countries

>People and Organization Column
‘Engagement = "Participation" ’



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PERSOLKELLY Group operates in 13 countries and regions in the Asia-Pacific, and supporting our clients’ talent needs. This report summarizes the latest job trends in each country based on around 100,000 hiring needs per year (*), which are submitted to our group in Asia-Pacific countries. We hope this report will be helpful to your organization’s growth.

※Numbers of recruitment cases in 13 countries and regions in Asia and the Pacific

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Talent Needs in Asia Countries (Singapore)



The following graph shows the number of new job openings we received from Japanese and non-Japanese companies, and compares it to the same period last year, set at 100.

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Information in each section is accurate as of the end of December 2024. For the latest trends, please contact the sales executive in charge.

Compared with the same period in the last year



Significantly Increasing



Gradually Increasing



Stable

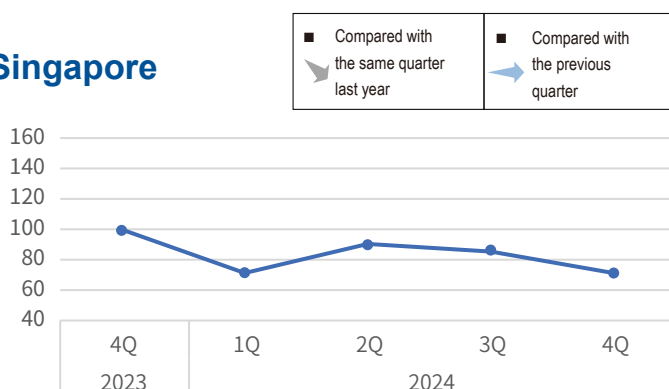


Slightly Decreasing



Significantly Decreasing

Singapore



Written by:

Amily Yoong, PERSOL Singapore

As 2024 draws to a close, Singapore's labor market continues to evolve in response to global economic trends, technological innovations, and shifts in the workforce. The job market experienced a significant recovery in the fourth quarter, with overall employment numbers increasing substantially compared to the previous quarter. Of this, the employment of Singaporean residents increased by 4,000, while non-resident employment grew by 18,200, supported by demand in the construction and manufacturing sectors. Furthermore, the growth in non-resident employment accounted for over 80% of the overall increase, highlighting the high dependence on foreign workers in key sectors.

In sectors such as transportation, logistics, healthcare, and financial services, hiring activity ramped up as the year-end festivities and ongoing economic recovery continued. Particularly in the transportation and logistics sectors, demand surged due to the holiday season's operations and e-commerce activity. The manufacturing sector continued to play a significant role, accounting for more than 37% of job openings in the third quarter, with strong demand persisting into the fourth quarter.

On the other hand, in some sectors such as finance and real estate, companies have taken a more cautious stance, concerned about market volatility and global uncertainties.

Looking back at 2024, it was a year marked by significant topics in Singapore, including the adoption of AI and policies addressing the super-aged society. In particular, Singapore quickly implemented reskilling measures in response to the societal challenge of an aging population, with over 50% of employees in 2024 taking advantage of opportunities for reskilling. This trend is expected to continue into 2025. Strengthening the workforce in sectors such as finance, healthcare, and technology is particularly crucial.

Additionally, the "Platform Workers Act," which will come into effect in January 2025, introduces labor policies to address the growing gig worker population, including mandatory Central Provident Fund (CPF) contributions and work injury compensation insurance for gig economy workers.

In 2025, like in 2024, Singapore's labor market will continue to evolve within the context of a fluid global economy. Focusing on adaptability, resilience, and innovation will be key to ensuring sustainable growth. Both businesses and employees must embrace these trends, maximize opportunities, and overcome challenges.

Talent Needs in Asia Countries (Malaysia)



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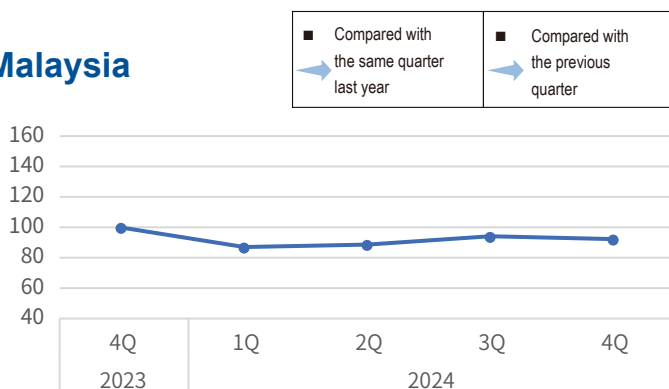


Slightly Decreasing



Significantly Decreasing

Malaysia



Written by:

Ryoko Kitasaka, PERSOL Malaysia

According to Bank Negara Malaysia, the Malaysian ringgit has weakened due to the stronger US dollar, which was influenced by policy uncertainty under the new US administration and interest rate cuts by the US Federal Reserve.

In October 2024, Malaysia's manufacturing production recorded a 3.3% growth, slightly up from 3.2% in September. This growth was driven primarily by export-oriented industries, particularly electrical and electronics (E&E) products and primary commodities. Additionally, domestic-focused industries, such as construction materials and food, beverage, and tobacco products, continued to show growth.

In November 2024, the overall inflation rate decreased to 1.8%, slightly down from 1.9% in October. The core inflation rate remained unchanged, indicating stable underlying price increases. The primary factor contributing to the decrease in the overall inflation rate was a decline in the inflation rate for mobile communication costs, which fell to -11.4% (compared to -5.2% in October). However, this was partially offset by an increase in inflation for the foodservice industry, which rose to 4.8% (from 4.1% in October), and for streaming services, which saw inflation rise to 8.9% (from 5.3% in October).

According to the Department of Statistics Malaysia, in October 2024, Malaysia's unemployment rate decreased to 3.2% from 3.4% in the same month the previous year. This marked the lowest level since January 2020, with the number of unemployed persons decreasing by 3.4% year-on-year, reaching 551,400, the lowest in 56 months. Meanwhile, the number of employed persons increased by 1.9%, setting a new record high of 16.72 million. The labor force participation rate also rose to 70.5% from 70.1% in the same month the previous year. The unemployment rate for September 2024 was 3.2%.

From October to December 2024, the number of job openings was 163, reflecting a 112% increase compared to the previous year. Customer service positions remained in high demand, with many job openings also found in Penang. The average salary budget for these positions was RM7,463, marking a 110% increase compared to last year's RM6,748.

For job vacancies targeted at Japanese speakers, there was a sharp rise in BPO roles such as call centers and customer service positions. This trend is partly due to the growing demand from job seekers planning to move to Malaysia for their children's education, particularly from women in their 40s. BPO jobs are attractive because they generally do not require specific qualifications, offer higher salaries compared to general businesses, and many positions are available in Japanese speakers. Applicants from Japan, ranging from their 20s to 50s (with an almost equal gender ratio), are choosing Malaysia as their top destination for job change because they want to use English at work, seeing Malaysia as an English-speaking country in Asia.

> Talent Needs in Asia Countries (Thailand)



The following graph shows the number of new job openings we received from Japanese and non-Japanese companies, and compares it to the same period last year, set at 100.

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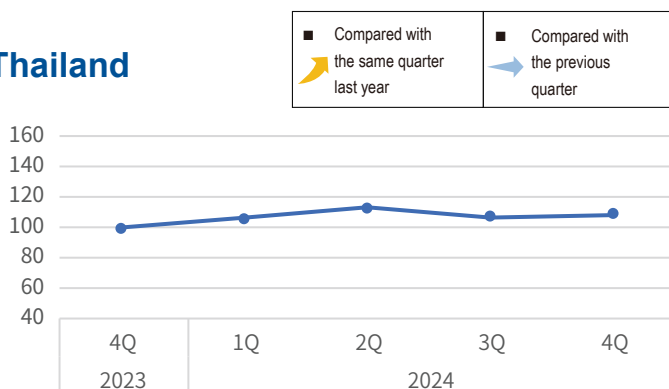


Slightly Decreasing



Significantly Decreasing

Thailand



Written by:

Yuko Otsuka, PERSOL Thailand

According to statistics released by the Ministry of Tourism and Sports of Thailand, the total number of foreign tourists visiting Thailand in 2024 increased by 26%, reaching 35.54 million. The number of tourists has been rising for three consecutive years, contributing significantly to the country's GDP. In Thailand, where the tourism industry accounts for a large portion of GDP, this trend has a direct impact on the overall economy, contrasting with the continued stagnation of inbound demand in Japan. Additionally, while the growth rate of Japanese restaurants has slowed, demand remains high, with 5,916 restaurants recorded in the 2024 survey, reflecting a 2.5% increase. Japanese restaurants in Bangkok offer a wide variety, with diverse price ranges and atmospheres, making it feel as if one could easily enjoy dishes from all over Japan, perhaps even more conveniently than in Tokyo.

On November 18, the National Economic and Social Development Council (NESDC) announced that Thailand's real GDP growth rate for the third quarter of 2024 (July to September) was 3.0% year-on-year. Private consumption expenditure increased by 3.4% compared to the same period last year (down from a 4.9% increase in the previous quarter), maintaining positive growth, although the rate of increase has slowed. Expenditures on durable goods, including automobiles, declined by 9.9% (previously 7.7%), continuing to decrease. Slower growth was also observed in semi-durable goods, non-durable goods, and services expenditure. Factors contributing to this slowdown include stricter loan screening by financial institutions, leading to a reduction in household consumption, and the impact of flooding on agricultural areas. The NESDC has forecast a 2.6% GDP growth rate for 2024 and projected a 2025 GDP growth rate of 2.3% to 3.3% (with a midpoint of 2.8%). The outlook for durable goods expenditure in 2025 remains challenging. Despite this, Thailand's automotive industry has been a driving force for the economy for over 20 years, with Japanese companies at its core. With Chinese companies, led by BYD, accelerating their market entry, how this issue will be addressed remains a focal point. Meanwhile, the government is promoting changes to the industrial structure, with the Secretary-General of the Board of Investment (BOI) Mr. Narit highlighting five industries—1) renewable energy, 2) EV key components, 3) international business centers, 4) data centers, and 5) semiconductors—as new pillars of growth for investment attraction.

Additionally, the government's decision to raise the minimum wage aims to improve the standard of living for workers, while also presenting the challenge of increased labor costs for businesses. Starting in January 2025, the minimum wage will increase, with rates varying by region, ranging from 337 baht to 400 baht per day. Particularly in the manufacturing sector, there will likely be a pressing need for investment in efficiency and automation. Japanese companies have already taken steps to adapt to these changes, with many implementing base salary increases in 2024. According to a 2024 survey, Japanese companies operating



in Thailand have raised base salaries by an average of 3.5%. This measure not only addresses inflation and the minimum wage increase but also contributes to talent retention and boosting employee morale.

Thailand's labor market is expected to remain dynamic, and flexible HR strategies that take into account local trends will be crucial. As the tourism and manufacturing sectors continue to expand, it will be important for companies to demonstrate adaptability to change and leverage regional characteristics in their operations.

Talent Needs in Asia Countries (Indonesia)



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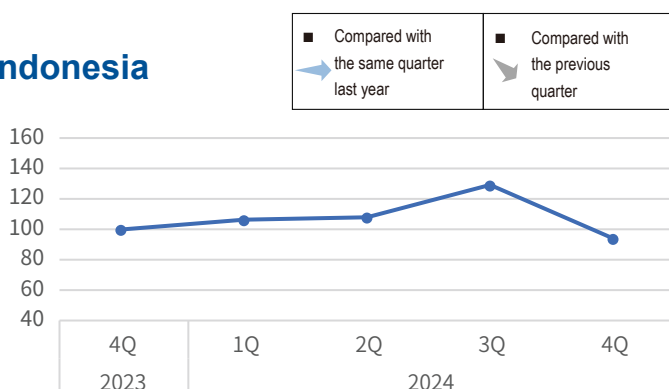


Slightly Decreasing



Significantly Decreasing

Indonesia



Written by:

Junpei Miyata, PERSOL Indonesia

From July to September 2024, Indonesia's GDP growth rate was 4.95% compared to the same period last year, marking a slight decrease from the 5.05% growth rate recorded in the previous quarter. However, the country's economy continued to show steady progress, in line with initial expectations.

By industry, all major sectors showed growth compared to the same period last year, with particularly high numbers in transportation and warehousing (8.64%) and the hotel and restaurant industries (8.33%). This is largely attributed to a 20% increase in foreign tourist arrivals in 2024 compared to 2023, reaching a record high.

Looking at foreign direct investment from Japan, the trend has been recovering since 2022, but investments from the United States, Malaysia, and South Korea have increased even more. It is expected that liquidity to multinational companies will continue to rise in the future.

Regarding the unemployment rate, statistics from August 2024 show a decrease to 4.91%, down by 0.41% compared to the same month last year. By region, the unemployment rate in urban area is 5.79%, while the one in rural area is 3.67%. Compared to 7.07% in August 2020, the rate has steadily improved, but it remains relatively high compared to other Southeast Asian countries. The Indonesian government is actively working to lower the unemployment rate and earn foreign currency by sending workers abroad, with a target of sending 250,000 workers in the next five years.

For job trends in the fourth quarter of 2024, the number of new job openings decreased by 12.4% compared to the previous quarter but increased to 110% compared to the same period last year. Although the flow of candidates slowed down toward the end of the year, the overall number of job openings for the year grew by 111.2% year-on-year.

Regarding the recruitment market, the job market for Indonesians is increasingly polarized, with high-class talent in a seller's market, while staff-level to mid-level positions are in a buyer's market. In particular, the presence of Japanese companies has been declining year by year among the high-class talents. This has led not only to difficulties in recruitment but also to higher turnover, highlighting the urgent need for a review of HR systems and retention strategies.

The market for recruiting Japanese nationals remains a seller's market, and recruitment activities for them, particularly in specialized roles, tend to be prolonged.

Our company will hold a webinar in February on the theme of "Indonesia's Recruitment Market" for Japanese companies. This webinar is designed to help attendees better understand the current recruitment market and address their specific recruitment challenges.

As the largest Japanese human resources service provider in Asia, we will continue to support Japanese companies in 2025 in various aspects such as talent acquisition, labor management, HR systems, and training.

> Talent Needs in Asia Countries (Vietnam)



The following graph shows the number of new job openings we received from Japanese and non-Japanese companies, and compares it to the same period last year, set at 100.

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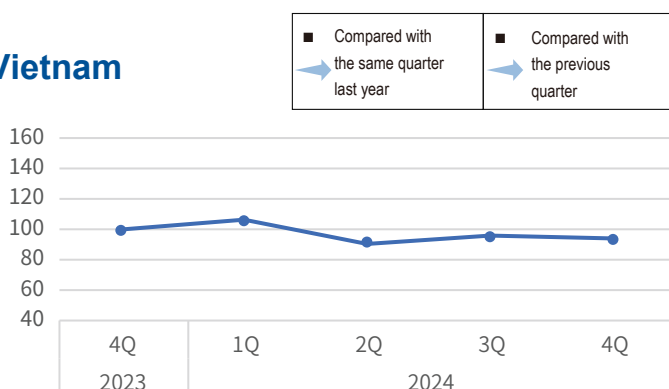


Slightly Decreasing



Significantly Decreasing

Vietnam



Written by:

Kento Ishikawa, PERSOL Vietnam

In 2024, Vietnam's economy showed steady growth. According to a recent report, "World Economic League Table (WELT)" from the UK's Centre for Economics and Business Research (CEBR), Vietnam's GDP reached USD 450 billion in 2024, increasing by one rank from the previous year to 34th globally.

Vietnam's economy is expected to maintain high growth, with an average annual growth rate of 5.8% from 2025 to 2029. By 2029, GDP is projected to increase to USD 676 billion, surpassing Singapore's GDP of USD 656 billion. Additionally, by 2039, Vietnam's GDP is expected to reach USD 1.41 trillion, rising to 25th in global rankings. In Southeast Asia, it will be the third-largest economy, following Indonesia (ranked 10th globally) and the Philippines (ranked 22nd globally), significantly outpacing Thailand (31st), Malaysia (34th), and Singapore (35th).

As for the criteria for upper-middle-income countries, the required GDP per capita threshold was raised on July 1, 2024, to USD 4,516–14,005. Based on this new standard, Vietnam will not yet join the group of upper-middle-income countries in 2024. However, in 2025, Vietnam's GDP per capita is expected to increase to USD 4,783, ranking 124th globally, thus entering the upper-middle-income group. By 2029, GDP per capita is projected to rise to USD 6,463, and by 2039, to USD 12,727, placing Vietnam in the top 100 countries globally.

Regarding job openings from October to December 2024, the Japan Desk at PERSOL Vietnam's Ho Chi Minh City and Hanoi offices reported a 108% increase in total job openings compared to the same period last year. In both Hanoi and Ho Chi Minh City, there has been a steady rise in inquiries from companies considering new market entries, as well as job postings for Japanese and Vietnamese positions from companies planning to expand into the market. It is expected that job openings from companies entering the market will continue to increase in the near future.

Talent Needs in Asia Countries (Philippines)



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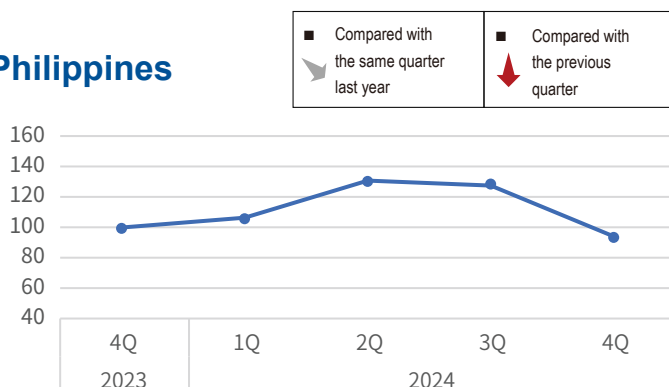


Slightly Decreasing



Significantly Decreasing

Philippines



Written by:

Ayahito Takayama, PERSOL Philippines

In the third quarter of 2024, the Philippines' GDP growth rate reached 5.2%, falling short of expectations. This marks a slowdown from the previous quarter's 6.4%, primarily influenced by adverse weather conditions and reduced government spending. Despite this deceleration, the Philippines maintains its position as the second-fastest-growing economy in the Asia-Pacific region, following Vietnam, continuing to demonstrate robust economic growth.

Moreover, the inflation rate in October 2024 accelerated to 2.3%, up from 1.9% in the previous month. However, it remains significantly lower compared to 4.9% in the same month of the previous year. The primary drivers of inflation were rising prices of food, non-alcoholic beverages, and transportation. The average inflation rate from January to October 2024 was 3.3%, showing a decline from 4.9% in the same period of the previous year.

On the other hand, the unemployment rate improved to 3.7% in September 2024, down from 4.5% in the same month of the previous year, with the number of unemployed individuals decreasing to 1.89 million. This improvement is largely attributed to an increase in female labor force participation.

Additionally, the Philippine government announced a total ban on the operations of online casino operators (POGOs) by the end of December 2024. Approximately 11,254 foreign workers employed in the POGO industry are expected to be deported as a result. While the overall economic impact of the ban is expected to be limited, concerns remain about a potential rise in unemployment and a decline in real estate prices. The transition of job seekers previously employed in the POGO industry, which offered relatively high salaries, may pose challenges in terms of experience and skill requirements, leading Japanese companies to adopt a cautious approach to hiring.

While the Philippine labor market remains stable, policy changes are likely to have significant impacts. For Japanese companies, it will be essential to swiftly respond to market fluctuations, efficiently secure the right talent, and streamline recruitment processes. At PERSOL Philippines, we will continue to monitor market trends closely and adapt to the rapidly changing environment. In addition to providing traditional recruitment services, we aim to support Japanese companies in expanding their businesses by offering labor consulting services tailored to industry-specific needs.



Engagement = "Participation"

What is Engagement?

In the previous column, I discussed the benefits of engagement. When engagement is high, a workplace environment is created where local management talent can thrive. I talked about specific events that could happen in the workplace. In fact, I have deliberately avoided discussing the definition of the term "engagement" until now.

The term "engagement" can be interpreted in various ways depending on the person. Terms like "sense of belonging," "company loyalty," "contribution to the company," "motivation," "initiative," and "ownership" are just a few examples. Some even bring up the term "working like a horse" that was popular in Japan a while ago. Because there isn't a direct translation in Japanese, the English word "Engagement" is used as is, which gives a slightly different feeling.

So, what does the dictionary say when you look up "Engagement"? One relevant word that comes to mind is "betrothal." The ring given during an engagement is called an "Engagement Ring." On the marketing side, it is defined as "the act of attracting customer interest and attention in various marketing activities, thereby strengthening the bond between the company and the customer (Digital Koujien)," and "the bond built between the brand and the consumer through active consumer involvement (Marketing terms)." Personally, I believe this definition is closer to the meaning of "engagement" when referring to employees. A key word that can be picked up from this is "two-way." Communication occurs in a bidirectional manner between "company → customer" and "customer → company," enhancing brand value for both

parties. In other words, engagement is not just about the arrow pointing from employees to the company; the arrow must also point from the company to the employees. In past seminars, I have described engagement as "the relationship in which organizations and individuals genuinely act toward each other's growth and success," but I believe that the two-way aspect is the key. It seems we might be getting into a chicken-or-egg discussion here, but it's essential that engagement is not only expected from employees; the company must also engage with its employees. This suggests some areas for reflection.

Commitment and Motivation

Along with "engagement," the words "commitment" and "motivation" are also frequently heard. Shouldn't engagement be interchangeable with commitment and motivation? What I usually discuss is "Engagement = Commitment + Motivation." "Commitment" refers to a sense of mission or duty, suggesting "I must do this." On the other hand, "motivation" refers to a positive desire or affirmative feeling of liking something, suggesting "I want to do this." I believe that these two combined create a state of actively and positively engaging, which is a state of high engagement.





Engagement = Participation

One more point, though it may be repetitive, I'd like to discuss the definition of engagement. I previously read a book by the scholar Takeshi Uchida and came across the concept of "Engagement" as explained by philosopher Jean-Paul Sartre. Uchida interprets Sartre's assertion of "participation" as follows: "Participation is the act of making responsible subjective decisions and actions in the era one is placed in, and thoroughly examining who one is while engaging with the world." When we replace "the world" with "the organization," the image of employees with high engagement becomes more vivid.

So why is there no word in Japanese that fits the concept of "engagement"? I think it may be because it hasn't been necessary for living or perhaps because past rulers haven't desired it. In a society where communal consciousness prevails, such as the notions of mutual support and group identity, the need for individuals to delve deeply into their personal identity and actively engage as "Be yourself" may have been minimal or even discouraged. However, I feel that there were times in Japan's history when engaged individuals made a significant impact, particularly during transitional periods. It is easy to recall the era from the end of the Heian period to the Kamakura period and the great figures of the late Edo period.

In Japanese corporations and local subsidiaries, what is being required is this "participation" type of engagement. So, what is the essence of this type of engagement? I would like to touch on this in the next installment.



Hiroaki Ide

Director of Organizational Development,
PERSOLKELLY Consulting



With over 10 years of consulting experience in human resource management across Japan, Greater China, and Southeast Asia, he has been involved in designing HR systems for various industries and has prior experience as an in-house HR professional at a listed company, handling strategic HR initiatives such as HR system development and talent selection. He has also published multiple HR-related columns in finance industry publications.



PERSOL Singapore

PERSOLKELLY Singapore Pte Ltd.

50 RAFFLES PLACE, #07-01 SINGAPORE LAND TOWER,
SINGAPORE 048623

TEL: +65-6709-3388

✉: info@persolsg.com

PERSOL Thailand

PERSOLKELLY HR Services Recruitment (Thailand) Co., Ltd.

21st Floor, Bangkok City Tower, Unit 2101-02, 179 South
Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120,
Thailand

TEL: +(662)-670-0505

✉: persolthjpdesk@Persolth.com

PERSOL Vietnam

PERSOLKELLY Vietnam Co., Ltd.

18th floor, SONATUS, 15 Le Thanh Ton Street, District 1, Ho Chi
Minh City, Vietnam

TEL: +84-(0)28-73039100

✉: persolvjpdesk@persolvietnam.com

PERSOL Malaysia

Agensi Pekerjaan PERSOLKELLY Malaysia Sdn Bhd.

Level 19, Menara AIA Sentral, No. 30 Jalan Sultan Ismail,
50250 Kuala Lumpur

TEL: +603-2203-0808

✉: persolmyjpdesk@persolmy.com

PERSOL Indonesia

PT PERSOLKELLY Recruitment Indonesia

Mayapada Tower 1, 6th Floor, Suite 06-01, Jl. Jend. Sudirman
Kav 28, Jakarta 12920

TEL: +(62)-21-521-1873

✉: info@persolid.com

PERSOL Philippines

JOHNCLEMENTS. RECRUITMENT, INC. – Japan Desk |

PERSOL PHILIPPINES

14F LKG Tower, 6801 Ayala Ave., Bel-Air, Makati City, Metro
Manila Philippines 1209

TEL: +(632) 8884-1227/8991-1400

✉: info@persolid.com