

HRREPORT

for Japanese Corporations in Asia



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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.

 $\mbox{\%}$ 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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Q1 2025 began with a cautious yet optimistic tone amid rising global challenges. Despite external pressures, Singapore's economy and labor market remained relatively resilient. From a hiring perspective, the quarter was marked by steady job activity in selected industries and a stable flow of jobseekers.

In early April, U.S. President Donald Trump announced a new trade policy imposing a flat 10% tariff on all imports, with even higher rates expected for goods from China and the EU. This policy is projected to raise the average U.S. tariff rate to 22%, the highest since 1910, triggering concerns over its potential negative impact on the global economy.

In response to these external risks, Singapore's Ministry of Trade and Industry (MTI) projected a cautious GDP growth range of 1.0–3.0% for 2025, factoring in potential slowdowns in external demand. The Monetary Authority of Singapore (MAS) also indicated a possible easing of its currency policy (S\$NEER band) to support export-oriented businesses.

On the labor front, Singapore's overall unemployment rate in January 2025 stood at 2.0%, a slight increase from December but still below recessionary levels. The job vacancy-to-applicant ratio remained high at 1.56, reflecting continued tightness in the labor market.

By sector, the transport, logistics, and automotive industries led hiring activities with a Net Employment Outlook (NEO) of +67%, fueled by the global push to restructure supply chains. The healthcare and life sciences sector is also expected to see a strong Q2, with an anticipated NEO of +49%, supported by ongoing investment in medical infrastructure and R&D.

Demand remained strong in the ICT, finance, and professional services sectors, where approximately 70% of roles were filled by Singaporean nationals. Government initiatives promoting local employment and skill development appear to be yielding positive outcomes.

According to internal data from PERSOL Singapore, there were 44 successful placements during Q1. January saw the highest number with 24 hires, likely due to new fiscal year approvals. February saw a drop to 11 placements, impacted by the Lunar New Year, and March continued this cautious trend with 9 placements.

In terms of job functions, engineering accounted for 27.3% of placements, followed by supply chain & procurement at 20.5%, and sales at 15.9%—reflecting continued strength in the manufacturing and logistics sectors. Hiring demand for corporate functions such as finance, HR, and IT also remained steady.

On the candidate side, 73 new jobseekers registered with us in Q1. Top registration areas were engineering (17), accounting & finance (14), and supply chain (12), aligning well with current hiring needs. Japanese companies continued to attract strong interest, with candidates valuing their stability, structured work environments, and regional presence.



Throughout Q1, Singapore's talent market remained firm with pockets of cautious activity. Demand is expected to remain strong in logistics, healthcare, and digital-related fields moving into Q2. Companies will need to take a strategic approach to both hiring and retention.

At PERSOL Singapore, we will continue strengthening our client partnerships and expanding our candidate networks-especially in engineering, procurement, and corporate functions. Developing flexible hiring strategies for technical talent and staying attuned to industry-specific trends will be critical to success in the quarters ahead.

Talent Needs in Asia Countries (Malaysia)



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According to Deputy Minister of Finance, Amir Hamza, Malaysia's GDP growth in 2024 exceeded the Malaysian Central Bank's forecast. The government expects continued economic growth of over 5% in 2025, driven by strategic investments and strong fiscal management, as announced by the Ministry of Finance.

However, in January 2025, the Industrial Production Index (IPI) in the manufacturing sector showed a modest 3.7% growth, impacted by the slowdown in domestic industries (compared to 5.8% in December 2024). Exports, particularly in electronics and edible oil manufacturing, remained robust, but domestic production only grew by 0.2% year-on-year, a significant slowdown from the 3.7% growth in the previous month. Contributing factors include fewer working days due to holidays and a sharp contraction in the transport equipment manufacturing sector.

Additionally, the Malaysian Central Bank has noted the instability in global financial markets caused by U.S. tariff policies, increasing inflationary pressures, and growing concerns over the U.S. economic slowdown. As a result, the Malaysian Ringgit depreciated by about 1% against the U.S. Dollar, following similar movements seen in other Asian currencies.

According to the Department of Statistics Malaysia, the labor market shows steady improvement, and it is expected that the unemployment rate will remain low in 2025. The number of job vacancies reached 133,900 in January 2025, a significant increase from 113,200 in December 2024.

By job category, administrative positions saw the largest increase (+8,000 vacancies), followed by plant and machinery operators (+4,500 vacancies) and service and sales jobs (+3,000 vacancies). Technical and professional roles also showed signs of recovery, with an increase of 4,200 vacancies.

By industry, the services sector recorded a remarkable increase of 95,600 vacancies, particularly in administrative support services, transportation and warehousing, and healthcare and social welfare activities. In contrast, the manufacturing sector saw a decrease of 2,500 vacancies, and the agriculture sector continued its downward trend.

For our Japan Desk (Japanese Corporate Support Team), the number of job vacancies from Japanese companies for the January-March 2025 period was 137, maintaining a nearly stable level compared to the same period last year (99% year-on-year). The average salary budget was RM7,664, which is consistent with the previous year.

The recent trend in job vacancies shows that, due to changes in company policies with the replacement of expatriates, the number of resignations has increased, leading to recruitment for replacements. Additionally, there has been a noticeable movement of new graduates from Japan who are planning to start their careers in Malaysia after graduation. This trend is characterized by a strong desire to pursue careers overseas, often after completing internships or study abroad programs. Furthermore, individuals aged 50 and above have shown interest in Malaysia as a "final career move" as they approach retirement in Japan, seeking a well-established living environment.

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According to the National Economic and Social Development Council (NESDC), Thailand's GDP growth rate for 2024 was 2.5%, recovering from the 2.0% in 2023. However, it remains relatively low compared to other major Southeast Asian countries. The growth forecast for 2025 is approximately 2.9%, showing an improving trend, but the economic outlook remains uncertain. Particularly in the automotive industry, domestic new car sales in January 2025 decreased by 12.3% year-on-year, and production

Particularly in the automotive industry, domestic new car sales in January 2025 decreased by 12.3% year-on-year, and production volumes fell by 24.6%. This decline is believed to be influenced by the global economic slowdown and a decrease in consumer purchasing power.

On the other hand, the recovery of the tourism industry has been a key factor supporting GDP growth. The Thai government expects the number of foreign tourists in 2025 to range from 36 to 39 million, and in 2024, it exceeded the target of 35 million. However, in February 2025, tourist numbers declined compared to the previous month, with a reduction in travelers from China. This decrease is thought to be due to security concerns at the Myanmar border and an incident in Bangkok involving fatalities, affecting public safety.

Amid the uncertain economic outlook, business operation costs continue to rise. In January 2025, the minimum wage was revised, with the highest rate of 400 baht per day applied in Chonburi and Rayong provinces, where many Japanese manufacturing companies are located. In Bangkok, the minimum wage is set at 372 baht per day.

Changes are also seen in the recruitment market. The number of job orders we received in 2023 increased by 120-130% compared to the previous year, driven by recovery from the COVID-19 pandemic, and in 2024, it remained at a similar level. However, in the January-March 2025 period, it decreased by 3% compared to the same period last year, the first such decline. By company type, Japanese companies increased by 1% year-on-year, while non-Japanese companies saw a decrease of 3%, with non-Japanese companies showing a greater decline.

For Japanese companies, retaining talented employees has become a key issue, leading to a certain number of recruitment requests due to employee turnover. Therefore, it is not just about hiring, but also about how to ensure talented employees remain engaged and contribute long-term through talent development and the revision of evaluation systems.

Our company not only supports recruitment but also provides multifaceted solutions related to human resource management, including the review of HR systems and the implementation of engagement surveys. Moving forward, we will continue to provide accurate support for the various talent-related challenges faced by companies.

Talent Needs in Asia Countries (Indonesia)

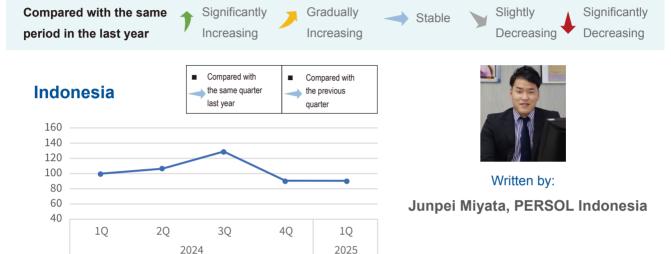


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Indonesia's GDP growth rate for the fourth quarter of 2024 showed a recovery trend, reaching +5.02% year-on-year, up from +4.95% in the previous quarter. For the full year of 2024, the growth rate was +5.03%, maintaining a stable 5% range since 2022. Turning to the labor market, the unemployment rate is expected to improve slightly from 4.91% in the third quarter of 2024 to 4.90% in the next quarter. The Indonesian government continues to actively promote the dispatch of workers abroad to reduce unemployment and increase foreign currency earnings.

Looking at the increase in foreign workers in Japan by nationality, the number of Indonesian workers increased by 39.5% year-on-year, the second-highest growth rate after Myanmar. This increase is attributed to the fact that Indonesia ranks second in the world in the number of Japanese language learners, with approximately 712,000 learners, leading Japanese companies to be more proactive in hiring Indonesian talent. In fact, we have seen a sharp rise in inquiries from Japanese companies about hiring Indonesian speakers of Japanese.

In the Indonesian domestic recruitment market, the number of new job vacancies for the January-March 2025 period showed a steady performance, with an increase of 88.3% compared to the previous quarter and 121.9% year-on-year. As is typical, the period around April, when the religious holiday allowance (THR) is distributed, tends to see increased mobility among candidates, and the recruitment market is expected to remain active.

Among the sectors, there is a high demand for sales and marketing positions due to business expansion, with companies increasingly hiring not only Japanese speakers but also individuals fluent in Korean and Chinese, widening their talent search beyond the Japanese market.

Additionally, there are movements in other areas of human resources. In March 2025, we held a webinar for Japanese companies on "Indonesia's Recruitment Market and Labor Fundamentals," with around 130 companies participating. The survey conducted during the webinar revealed that companies are increasingly interested not only in recruitment and labor but also in developing and reviewing HR systems to retain top talent.

As foreign investment continues to expand in Indonesia, the number of foreign multinational companies has also increased, making it essential for companies to strengthen their internal systems and frameworks to differentiate themselves in the recruitment market.

At PERSOL Indonesia, we provide one-stop solutions for various HR challenges, including recruitment, labor, HR systems, and training, and we will continue to offer multifaceted support to Japanese companies.

Talent Needs in Asia Countries (Vietnam)

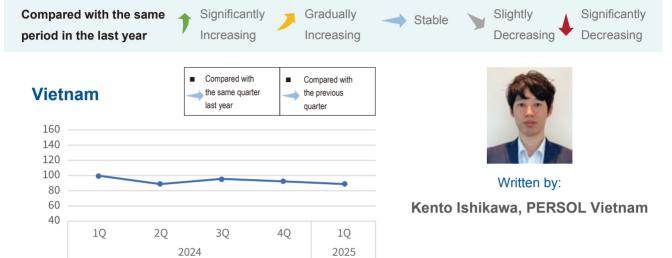


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UOB (United Overseas Bank) maintains an optimistic yet cautious outlook for Vietnam's economy in 2025, keeping its GDP growth forecast at +7.0%, unchanged from the previous report. In 2024, the share of exports relative to GDP reached 90%, highlighting the high openness of the Vietnamese economy and its dependence on exports.

However, with the possibility that U.S. President Donald Trump may pursue policies to reduce trade deficits, this export-dependent structure is vulnerable to fluctuations in international trade. In fact, the U.S. trade deficit with Vietnam in 2024 reached USD 124 billion (approximately JPY 18.4 trillion), presenting a significant risk to the Vietnamese economy.

The Vietnamese government has set a target of at least +8% growth in 2025 and aims for double-digit growth from 2026 onwards. However, UOB points out that achieving this growth goal solely through exports and manufacturing would be difficult. To achieve sustainable growth and mitigate external risks, an expansion of public investment is deemed essential.

Additionally, President Trump announced the imposition of "reciprocal tariffs" on imports from countries around the world, with Vietnam set to face additional tariffs of up to 46%. Vietnam is included in the group of countries with the highest tariffs, alongside China, but Vietnam's tariff rate is expected to exceed China's rate of 34%. This is driven by global companies looking for alternative production bases to avoid trade friction with China, making Vietnam an attractive option.

Prime Minister Pham Minh Chinh has stated that despite this announcement, the GDP growth target of +8% in 2025 will remain unchanged. He has directed Deputy Prime Minister and Foreign Minister Pham Bui Thanh Son to lead a rapid response team. Ministries are gathering feedback from export companies and preparing necessary measures.

In the talent market, the number of job openings in the January-March 2025 period dropped significantly before the Lunar New Year, decreasing by 93% compared to the same period last year, according to PERSOLKELLY Vietnam's Japan Desk (Ho Chi Minh and Hanoi offices). However, both Hanoi and Ho Chi Minh City continue to receive recruitment inquiries for Japanese and Vietnamese positions from companies considering or planning new market entries.

Looking ahead, the impact of U.S. tariff measures on the overall Vietnamese economy could ripple through and affect investment and recruitment plans of businesses. We will continue to closely monitor economic developments and support companies with their business expansion and talent strategies.

Talent Needs in Asia Countries (Philippines)

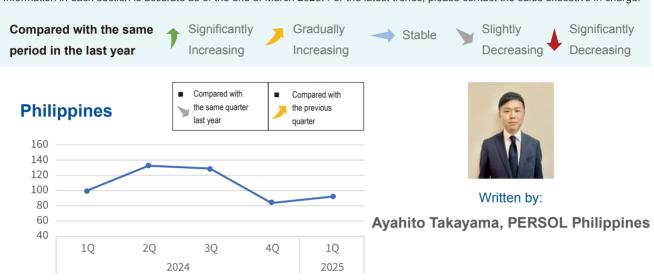


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In March 2025, the Philippine economy showed signs of stabilization in both prices and employment. According to the Philippine Statistics Authority (PSA), the Consumer Price Index (CPI) rose by 1.8% year-on-year, reaching 127.8, which is the lowest level in about five years. This was primarily driven by a significant drop in rice prices. Overall food inflation slowed to 2.2%, down from 2.6% in the previous month. As a result, the market anticipates a higher possibility of monetary easing by the Philippine Central Bank (BSP).

Regionally, inflation in the National Capital Region (NCR) decreased from 2.3% to 2.1%, and outside the NCR (AONCR) decreased from 2.0% to 1.8%. Core inflation also fell from 2.4% to 2.2%. Rice prices, in particular, saw a decrease of 7.7% year-on-year, marking the largest drop in the past five years. This was attributed to policies implemented by the Department of Agriculture, including the "state of emergency" declaration, the release of stockpiled rice, and a reduction in the recommended retail price of imported rice.

On the employment front, the Philippine labor market maintained a recovery trend in February 2025. The employment rate improved to 96.2%, with the number of employed persons rising to 49.15 million, an increase of approximately 660,000 compared to the previous month. The unemployment rate rose slightly to 3.8%, up from 3.5% in the same month of the previous year, but it remained at a stable level. The labor force expanded to 51.09 million, and the labor force participation rate increased to 64.5%.

In terms of job quality, there was an improvement, with the underemployment rate dropping significantly from 13.3% in the previous month to 10.1%. The average weekly working hours also increased to 41.1 hours, surpassing both the previous year and the previous month. By industry, the services sector accounted for 61.6% of total employment, with significant increases in the accommodation and food services, construction, and public administration sectors. In contrast, the agricultural, transportation, and wholesale/retail sectors continued to experience declines.

Notably, the labor force participation rate and employment rate among the 15-24 age group declined, with the participation rate falling from 33.8% to 31.1%, and the employment rate dropping to 89.6%. This decline is thought to be due to higher enrollment rates and longer job search periods, highlighting an area that will require policy intervention.

Furthermore, new regulations regarding foreign workers' employment visas were implemented starting in February 2025. The requirements for obtaining the Alien Employment Permit (AEP) have been tightened, and a training system for the transfer of skills to Filipino workers has been introduced. As a result, companies will need to review their recruitment strategies, talent management approaches, and ensure compliance with new regulations.

Overall, while the Philippine labor market is stabilizing, attention must still be paid to changes in policies and regulations. At PERSOL Philippines, we aim to continue supporting Japanese companies' business expansion by providing not only recruitment services but also labor consulting to address their challenges.

> People and Organization Column



Elements That Give Rise to Engagement

Engagement Emerges When Organizational and Employee Expectations Are Balanced

n the previous column, we discussed that engagement stems from mutual "liking" between the organization and employees, and that engagement means "participation"—in other words, "actively and responsibly taking part in organizational management within the context one is placed." In this column, we'll take a closer look at the true essence of engagement. What needs to be in place for a highly engaged state—where employees are fully "participating"—to be realized?

Considering the "mutuality" of engagement, a realistic definition may be that engagement arises when the demands of both the organization and its employees are mutually aligned. Ideally, one might argue from a Confucian perspective that engagement is rooted in mutual trust—"without trust, nothing stands." But in reality, trust doesn't come from nowhere; it requires interaction. Taking a more pragmatic approach inspired by Han Feizi, we could say that "when interests align, anyone can become a warrior." Thus, engagement is likely to emerge when both parties' interests are balanced.

What Are the Expectations of Organizations and Employees?

So, what exactly are these expectations? Let's start with the

organization's expectations. These usually include the employee's role and responsibilities, as well as the outcomes the organization expects them to deliver. For some employees, it may also include gaining the experience and skills necessary to become future leaders. Having clear job expectations is said to be strongly correlated with increased engagement.

On the other hand, what do employees expect from the organization? Their expectations might include opportunities that shape their future careers, positive workplace relationships, competitive salaries and benefits, a comfortable work environment, or a company's contribution to society. These expectations are highly individualized and diverse. Each employee evaluates whether the organization's expectations align with their own needs, and where that balance exists, engagement is likely to emerge.

Although employees' expectations vary, what elements are consistently linked to engagement across different countries and regions? Personally, I used to believe that the organization, being a place of work, should primarily provide opportunities to build one's career. While not wrong, this line of thinking tends to reflect the organization's perspective more than the employee's.

Key Factors That Boost Engagement: Assignment Fit, Recognition, and Autonomy

Many studies have investigated factors that influence employee



People and Organization Column: Elements That Give Rise to Engagement

engagement. One notable study was conducted in 2019 by the ADP Research Institute, surveying about 20,000 people across several countries. According to the findings, key factors for enhancing engagement include: clarity in one's role, the ability to utilize one's strengths at work, and feeling cared for as an individual employee. These are all convincing points. From this, we can infer that companies should not only communicate their expectations clearly but also consider assignments that better fit each individual. Additionally, recognizing and acknowledging individual efforts is important.

Team composition is also crucial—bringing together members who can contribute meaningfully to the team. This is an area where Japanese corporate culture, which traditionally values homogeneity, may face challenges.

Interestingly, the study also found that remote work correlates with higher engagement. Among employees who work remotely four or more days per week, 23% reported high engagement, compared to only 15% among those who worked remotely three or fewer days, and 12% among those who never worked remotely. This suggests that having autonomy in how one works may boost engagement, and that remote work—often considered a centrifugal force that could reduce engagement—does not necessarily have that effect.

The study also looked at gig work and found that people who combine a stable full-time job with part-time or gig work tend to have higher engagement than those with other work arrangements. We can imagine individuals who receive stable compensation and benefits from a full-time job while pursuing passion projects through side work. Again, autonomy emerges as a key theme: those with greater control over their work tend to exhibit higher engagement.

Feeling Like Part of a Team Boosts Engagement

One of the most compelling findings from the study was that, across all countries and industries, employees who feel like they are part of a team consistently report higher engagement—by more than five percentage points—compared to those who do not. Given that remote workers reported higher engagement, it seems physical proximity is not necessarily a prerequisite for feeling like part of a team.

So, where does the sense of being "part of a team" come from, and how can it be cultivated? The role of the team leader is crucial in this regard. In the next column, we will explore the elements that contribute to making employees feel like valued team members.



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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.



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