



# Turning the Great Resignation into Better Retention in Singapore

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Taking a closer look at how the phenomenon affects companies and industries in Singapore, and how organisations can improve retention for their own workplaces





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# The far-reaching impact of The Great Resignation

The Great Resignation has become the new business buzzword since 2021, causing many organisations to ponder about its cause and whether or not they're affected by it. Just like the Great Depression or other "Greats" in history, it follows a Black Swan event (like the pandemic) with far-reaching impacts on people's lives. In the context of work, employees have faced increasingly blurred lines between the professional and personal space -- almost living at work, instead of working from home. The issue has spread so quickly and affected so many that it even has a [Wikipedia entry](#) on its own now.

Towards the end of 2021, there was an increased focus towards the phenomenon as more and more companies found themselves unable to avoid its effects. According to a study published in September 2021, nearly [4 in 10 workers](#) in the US, UK, Ireland, and Canada were planning to change jobs within the following twelve months. In Australia, [24%](#) have been actively seeking other employment since the second quarter of 2021.



[Many economists and leaders](#) have shared their points of view as to the cause behind it - and more importantly, why now, when the whole world is going through a crisis. Shifting expectations, self-discovery, and changing career aspirations were all cited as the drivers of the matter. Taking stock of the varying data and observations shared by many, EngageRocket's co-founder CheeTung Leong suggested that the [disconnect between employers and employees](#) is the underlying red thread across the different factors causing the phenomenon.

As we see how the Great Resignation leaves its mark across companies globally, this report aims to understand its impact in Singapore, and what organisations can do to turn it around to start a new chapter; one that gives way for a better retention ahead.



# Has the Great Resignation affected Singapore?

To objectively determine whether or not the phenomenon has left an impact in the country, we would need comparison data. As the Great Resignation was most observable in the USA with [4 million voluntary turnover](#) in July 2021, we looked towards USA's Bureau of Labour Statistics data to set a benchmark in determining the issue's impact.

As seen in the graph below, Americans have been quitting their jobs at a record high of 2.9% in 20 years, even above the 2008 recession rate which stood at 2.1%.

Similar stories can also be found elsewhere in the world, albeit observations vary. Some sources such as [The Washington Post](#) and [Bloomberg](#) claim that the trend has been spotted in Europe while others like [CNBC](#) and [Euronews](#) did not make the same observation. These differences could be due to the fact that there are many countries in Europe and each country (e.g., Germany vs Spain) could be facing its unique challenges and labour conditions.

The question that many Singapore employers ask is whether the wave has had an impact on Singapore's shores. Similar to the situation in Europe, there have been varying opinions on whether Singapore has gone or is going through the resignation wave like USA. For example, a [headline news under The Straits Times](#) reported that the Singapore great resignation is a myth while a [podcast](#) hosted by the same broadcasting company suggested the opposite.

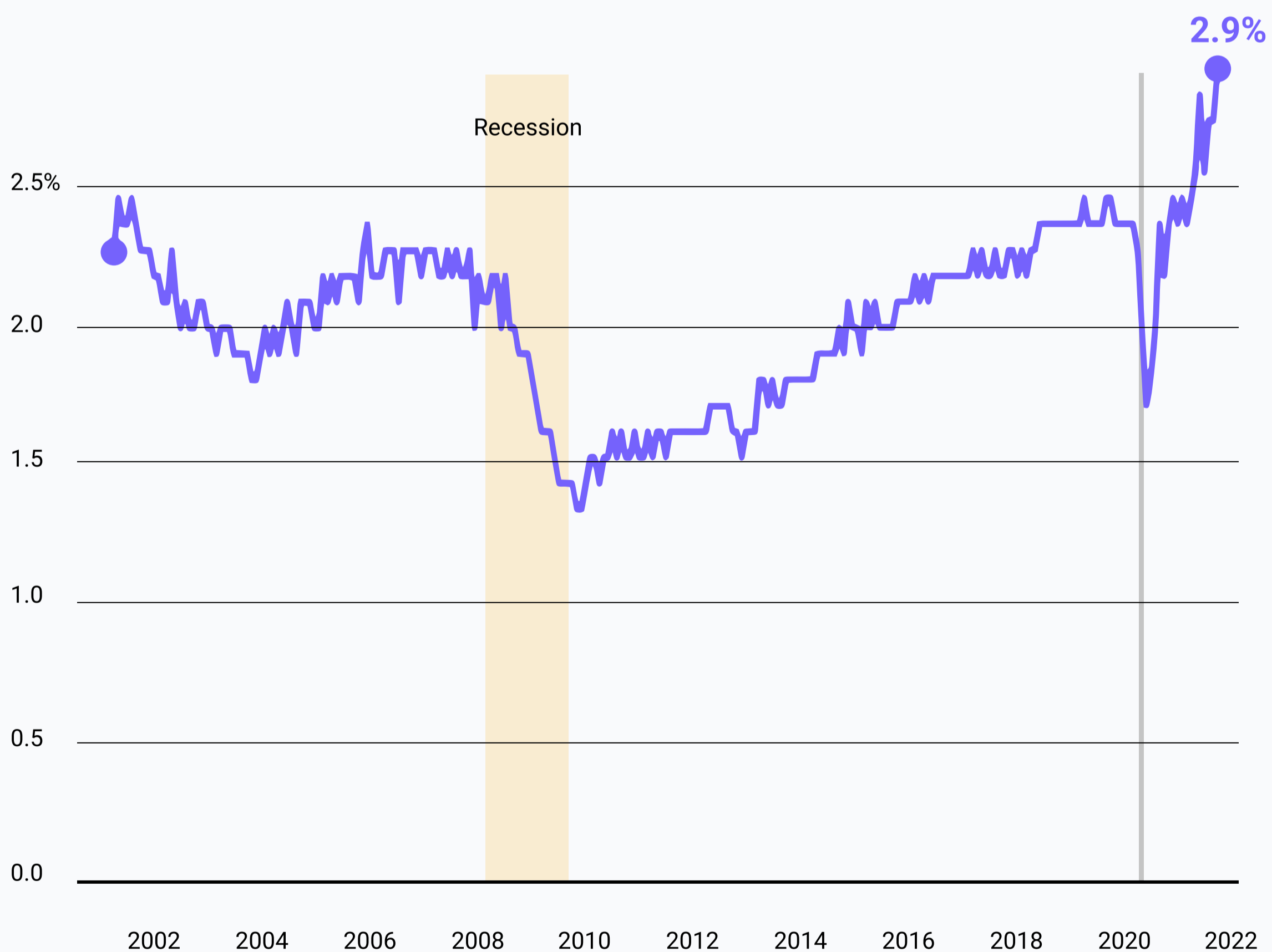


Figure 1: Voluntary turnover rate in the USA over time

Source: The Washington Post



Although the data for the last quarter of 2021 has yet to be published by the Singapore government, a quick look at the actual resignation rate in Singapore (see line chart below) for the third quarter in 2021 does not reflect the same trend that was observed in the USA during the same period. This data obtained from the [Labor Market Survey](#) conducted by the Ministry of Manpower showed that the resignation rate did not skyrocket and was at the same level (1.7%) as the first quarter of 2020.

## Singapore resignation rate does not mirror the trend found in USA

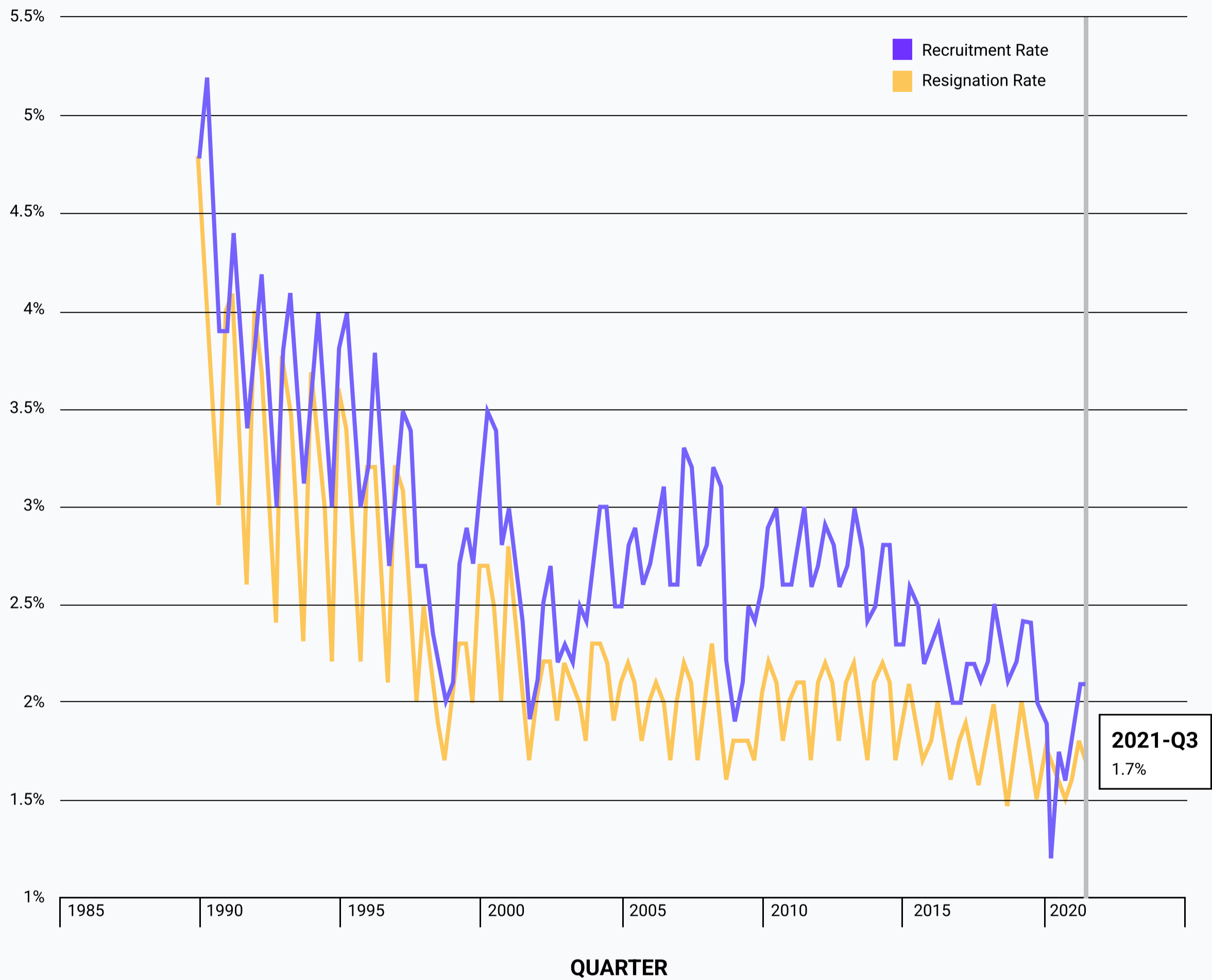


Figure 2: Recruitment and Resignation Rate in Singapore

Source: [data.gov.sg](https://data.gov.sg)

While it seems that employees in Singapore may not be resigning at a similar rate as their counterparts in the USA at this moment, it does not mean that organisations should be laid back and take attrition lightly. Studies conducted in 2020 on employee engagement found that the levels are low in Singapore, despite it being a significant [predictor](#) of employees' intent to stay in the organisation. For example, global HR and payroll leader [ADP](#) found that employee engagement levels in Singapore (11%) are lower than the global average (14%). **Our [study](#) of over 7,000 employees in Singapore confirms this, whereby the number of detractors increased by 17% between 2020 and 2021.**

With lower engagement levels, coupled with a high risk of [burnout](#), we can never be too sure what the tipping point for Singapore employees will be for them to ignite the Great Resignation. Hence, organisations should still be on their toes and plan for the year ahead with heightened vigilance.



# Attrition patterns across different industries

As different verticals face unique challenges, it is worthwhile to look into the average attrition rates for each industry. We searched for and analysed actual attrition rates of organisations which can be found in their annual reports. Figure 3 below shows that there has been an average 2% decrease in attrition rates across the board with the exception of the Online/Technology industry. This trend is similar to the overall attrition trend we observed in the data provided by Singapore's Ministry of Manpower (as seen from Figure 2). We could infer that the economic uncertainty caused by the pandemic affected people's career decisions at the moment.

According to [Channel News Asia](#), many companies implemented hiring freezes, wage cuts and no-pay leave that created fear amongst Singaporeans of losing their jobs. With a poor job market and the dimmed prospect of finding better opportunities elsewhere, Singaporeans held onto their jobs instead of taking the risk of leaving the company to find other options, which might contribute to fewer people resigning.

## Different industries get affected in different ways

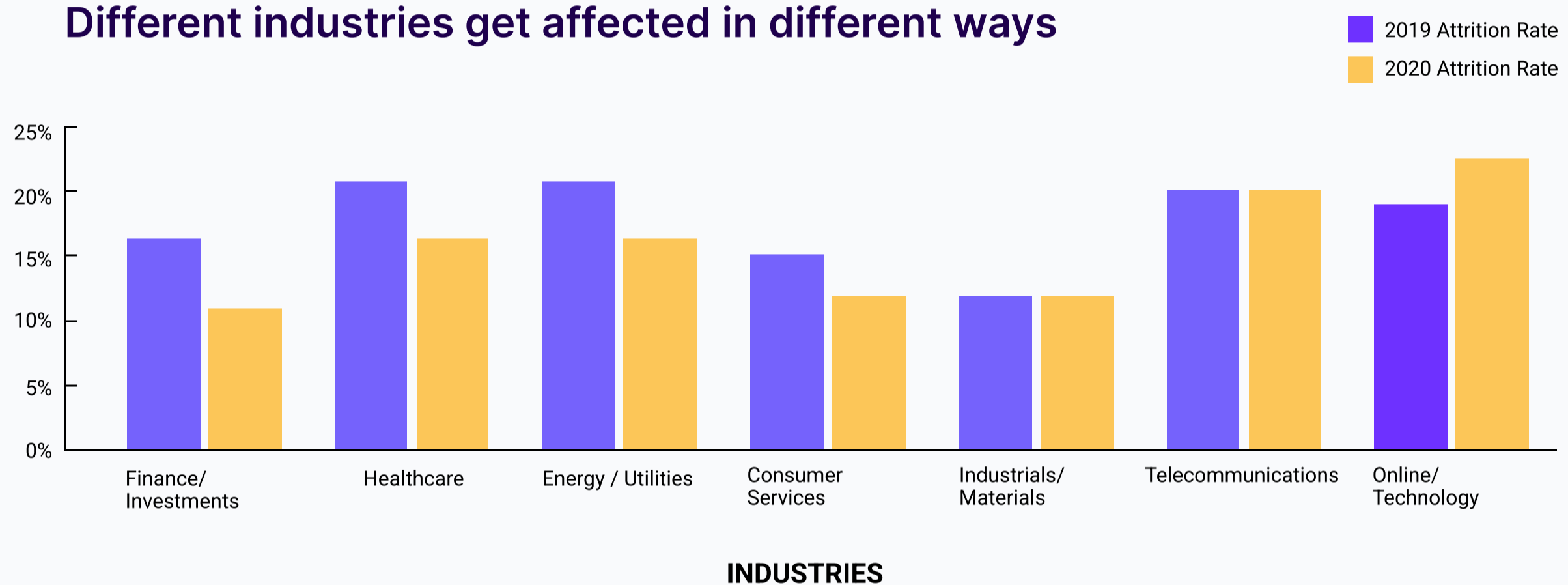


Figure 3: Attrition Data by Industry Type in Singapore

Source: Annual Reports of various organisations

So how do we explain why the Online/Technology industry became such an outlier? While most of the industries experienced slowing activities, the Online/Technology industry experienced a surge in demand and activity instead. Many tech companies in Southeast Asia garnered [significant interests from investors](#) due to its rapid growth during this period. The surge in demand for online and technological solutions drove high demands for talent that went against the bleak employment prospects that other industries were facing. Talents within the industry had more confidence to jump to another company as their skillset was in high demand.

While we may not expect Singapore as a whole to face the threat of the Great Resignation, the industry patterns we observed earlier highlights that some industries may not be spared from the danger of higher attrition. In particular, the industries that are experiencing growth with a strong labour demand may see an increase in attrition rates as talents move to other companies. With accelerated business growth and high demands on labour, employees may experience greater stress, feel more weary and burnout, and face difficulties in achieving work-life balance. These are some of the key factors that [Channel News Asia](#) and [Singapore Business Review](#) found to drive people to resign in their jobs and hence should warrant greater attention from employers.

<sup>1</sup> These figures are annual attrition figures which contrasts with the quarterly data that was presented by Ministry of Manpower in the previous 2 graphs

<sup>2</sup> It should also be noted that companies with annual reports are typically larger companies that are listed on the Stock Exchange

<sup>3</sup> Excluding industries such as Education, Non-profit and Consumer Staples due to a lack of data



# The attrition outlook for Singapore companies in 2022

Even though we are shrouded with uncertainties about how the actual behaviour of the workforce will be, companies need to think about the future and where they want to be in 2022. That way, they can then think about the strategies to ensure that they would not jump on this resignation bandwagon. To do so, companies need to first set a realistic attrition target which they can measure themselves against at the end of the year.

Setting such a realistic target is not easy, however. It will be idealistic to expect that resignation rates to be similar to pre-Covid levels since people are still affected by the pandemic in different ways - restrictions, physical health, burnout, etc. Taking reference from the resignation rates last year would also be less than ideal as our country struggled with the highly infectious Delta variant that caused an uptick in mortality. In 2021, we also saw frequent shifts of Covid-19 regulations in Singapore aimed to curb the spread of the virus which affected the workforce drastically.

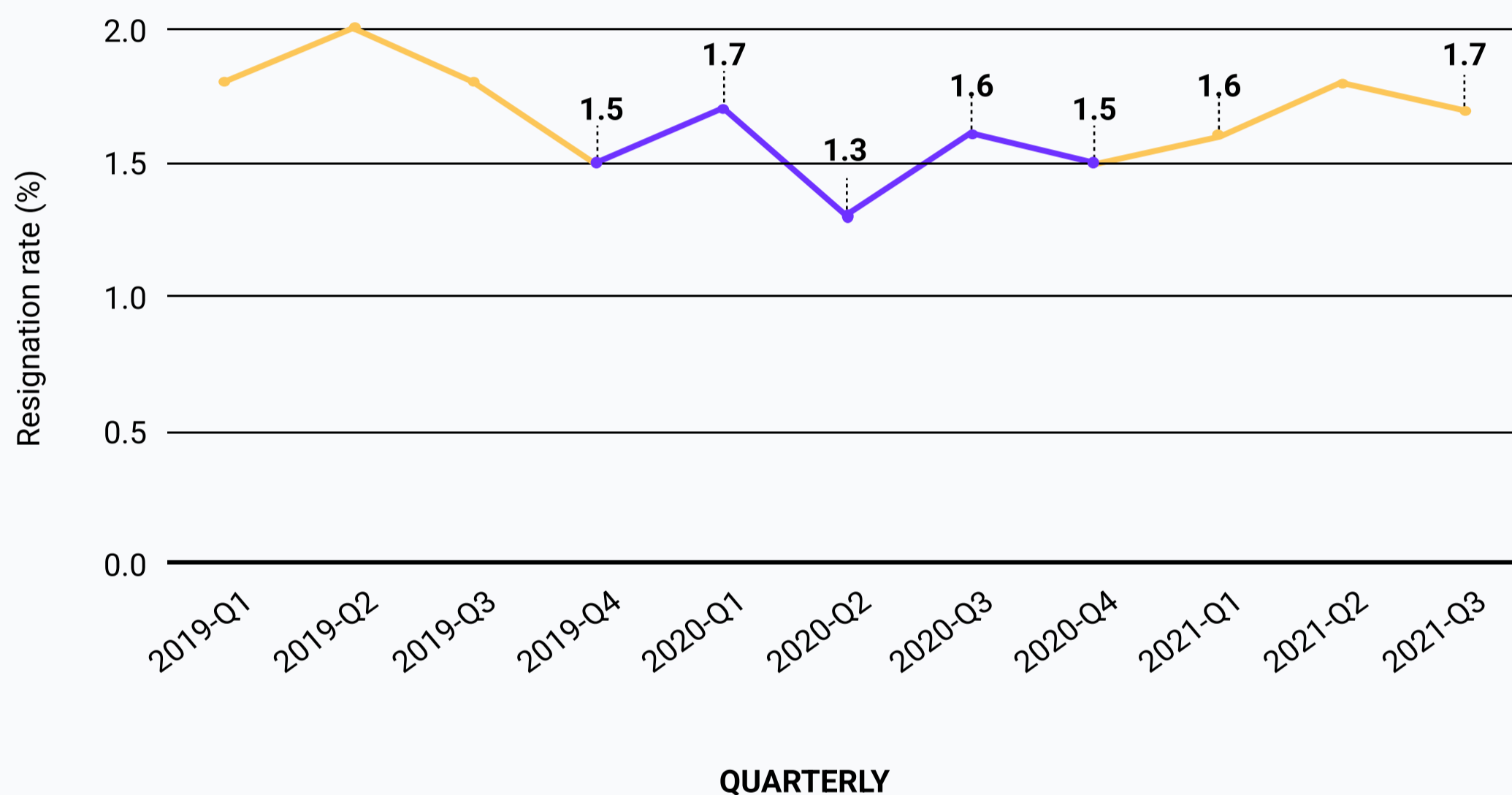


Figure 4: Resignation Rates in Singapore since 2019

Source: data.gov.sg

It goes without saying that we also need to consider the fact that we will still be dealing with Covid-19 in 2022. As such, it seems prudent for HR teams and leaders to set their attrition targets at a level that is similar to the ones observed in year 2020 - an average monthly rate of 1.53%, as seen from the line chart above. With most of the Singapore population vaccinated and moving towards treating the disease as an endemic, we can expect to retreat from the effects of the pandemic in a similar fashion as how we came into the pandemic in 2020.





# Moving forward: paving the way for a 'Better Retention'

Organisations should still defend against the possible threat of the Great Resignation as we are still not out of the woods in terms of fighting this pandemic. As a general rule of thumb, we recommend the following approach for companies looking to analyse and improve on their attrition rates:

- Find out employees' sentiment and intentions to leave before they actually do. Conducting regular pulse surveys within the organisation might be beneficial so that managers and HR can know the risk of attrition before it actually happens.
- Strategise and intervene to increase employee retention. To do this effectively, organisations need to make sure that their pulse surveys go beyond just asking employees about their intention to leave and also touch on some potential causes that might have influenced them to have those intentions. Here are some sample questions that organisations can survey to their employees to achieve this objective:

**Intent to stay:** Even if offered a comparable role and compensation package at another company, I would choose to stay at {{company\_name}}.

**Communication factor:** There is open and honest two-way communication in this company.

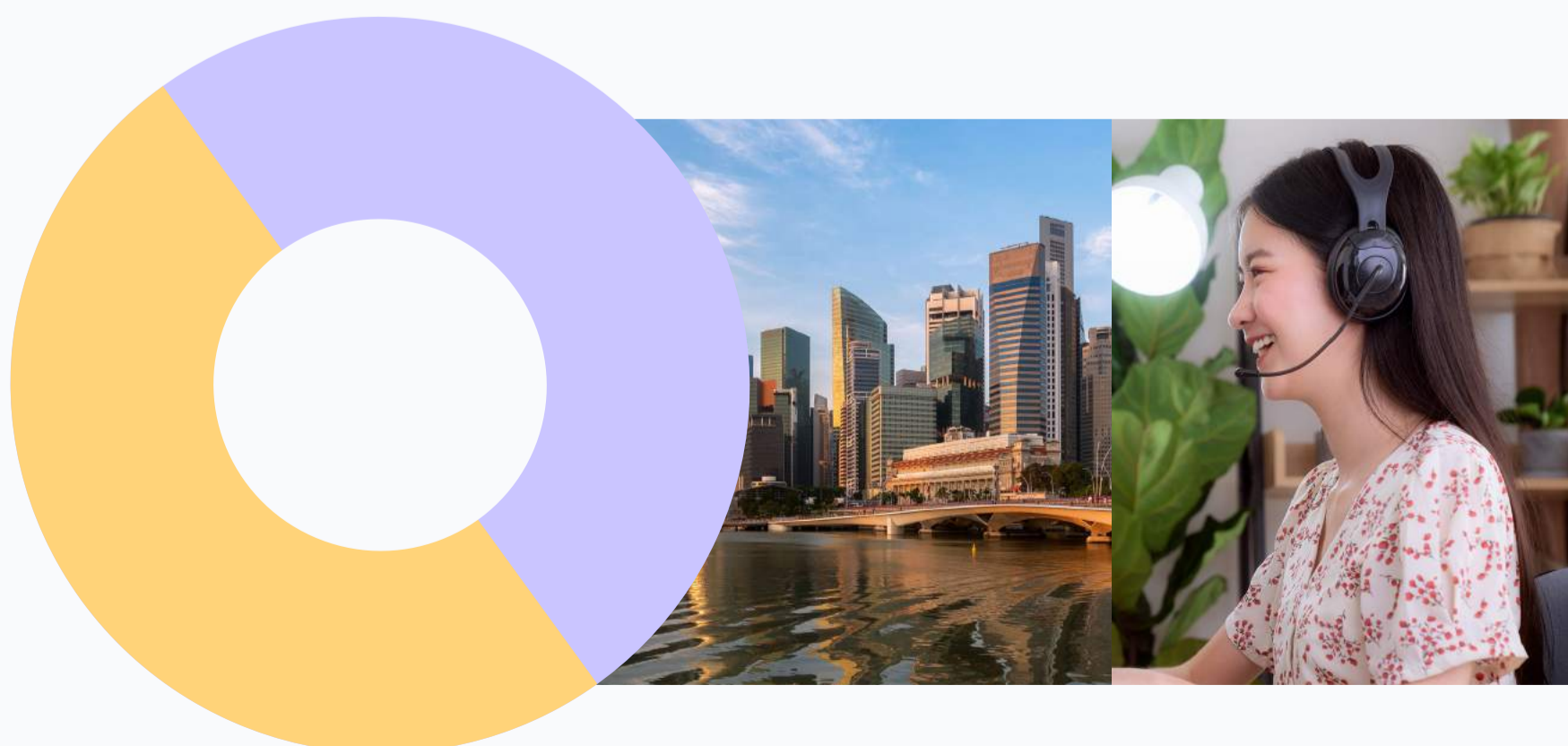
**Growth factor:** My development growth is encouraged at work.

**Manager feedback factor:** My direct manager provides clear and regular feedback on how well I do my work.

**Rewards and recognition factor:** Good work is rewarded at {{company\_name}}.

**Teamwork factor:** My organisation promotes a spirit of collaboration.

- Conduct an analysis to find out drivers of retention/attrition. After collecting employee feedback, managers and HR can work closely together to identify teams that are at risk of resigning and then conduct analyses to find out which factors are most critical to influence their retention.
- Take relevant follow-up actions based on the drivers. For example, if growth is found to impact employees' intent to stay, then managers can help carve out time on employees' calendars for self-development or for training. That way, organisations can have a more targeted approach to keep their talent pool.





# About Us



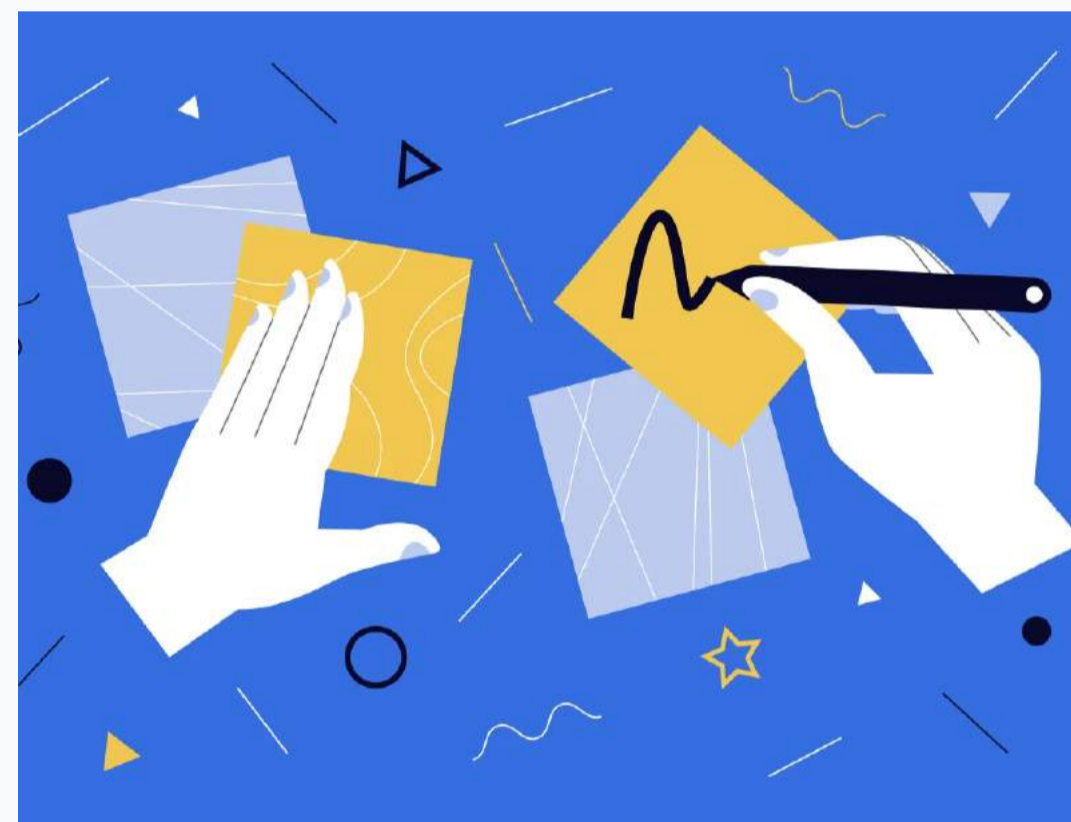
EngageRocket is APAC's fastest-growing employee experience solution provider that helps leaders and organisations make better people decisions using real-time data. EngageRocket automates employee feedback and analytics to deliver powerful management insight that improves employee experience and performance. The company has now analysed more than ten million responses across 14 countries and 20 industries.

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