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ASIA EDITION

From Hazy to Crystal Clear Picture of Compensation Trends

June 30, 2022 | Opinion | By Kayleigh Regan, Head of EPM Scientific, Asia-Pacific

The Life Sciences industry is, indeed, growing at a rapid speed, with every region reporting bonuses and salary increments, as well as a high demand in recruiting new talent. With the talent market becoming increasingly hot, it is critical for industry hiring managers and companies to stay highly aware of compensation trends in the Asia Pacific (APAC) region. Let's assess the current scenario to get a handle on Ã¢â?¬Ë?what's changed'.



Compensation is always tricky to determine, both as a professional and for organisations. Across all markets, individuals and businesses regularly ask for the very latest compensation trends to benchmark and identify where they stand in the market. We have surveyed over 400 life sciences professionals across APAC, and the results are insightful.

Australia

Australia's life sciences sector has been a long success story for its economy - employing over 240,000 people and accounting for AUD 3 billion in exports each year. The ASX-listed Australian life sciences sector is worth AUD 100 billion and comprises about 100 companies. With world-leading medical and scientific research bases, excellent institutions, a growing biotech sector, as well as an adaptive healthcare system, government initiatives and strong workforce, Australia's life sciences market is remaining on track for huge potential growth.

The majority of life sciences professionals in Australia have received a 0-5 per cent salary yearly increment in 2021. However, with a small talent pool, we are seeing companies willing to offer up to a 20 per cent salary increase to candidates to move on from their existing employers. Especially with the scarcity of talent, more counteroffers are given by existing companies to limit leavers.

Most of the life sciences talent in Australia are comfortable with where they are and will only move if the opportunity is attractive enough. The advice to life sciences professionals is to keep an eye on the market trends and to understand the market average rate. To hiring managers, it is highly recommended to work closely with your talent partner to make sure your offer is attractive to the right people and competitive enough for your preferred candidate, not only so you can hire in a timely manner, but so you can avoid counter offers which are increasingly happening.

Hong Kong

From Q4 of 2021 to Q1 2022, Hong Kong adapted well during the pandemic and saw a healthy recovery despite political issues. There was a significant increase in exporting of medical and healthcare equipment to other cities in Asia, Europe and the US. However, exports have dropped to mainland China.

From a talent pool perspective, despite a dip in 2021 where functional roles faced redundancies, early 2022 displayed a speedy recovery in talent demands. And due to the lack of experienced life sciences talent, we are seeing more companies open to the idea of relocating talent from other countries to Hong Kong.

According to the latest research, the Hong Kong life sciences commercial market sentiment is quite positive. More than 86 per cent of commercial professionals in Hong Kong have received their yearly increments and bonuses. Bonuses are scattered from 5 to 30 per cent, where the majority received bonuses between 11 and 15 per cent. On the salary increment side, more than 57 per cent of those surveyed received an average of 6-10 per cent increments. Because of this, we are seeing a trend where more candidates are requesting a minimum of a 20 per cent salary increase and 15 per cent annual bonus when they seek new opportunities.

Malaysia

According to the 2022 Milken Institute Global Opportunity Index, Malaysia ranks first in the list of emerging Southeast Asian countries with the highest potential in attracting foreign investment. However, it has yet to receive enough attention when it comes to employment and investment from foreign companies compared to its neighbour Singapore.

While 50 per cent of life sciences commercial professionals in Malaysia have received a bonus, and 77 per cent have received a yearly salary increment, both of these results are less when in comparison to other APAC countries, such as Singapore. Companies are hiring local talent, but they need to be mindful of such hiring trends, as more and more senior level professionals are being actively headhunted to relocate to other, well-paying APAC countries.

Singapore

Singapore is a popular destination for international life sciences companies looking to expand their business. Pathosmics Health, an advanced precision medicine diagnostics & digital healthcare solutions company, announced its expansions on laboratory operations in Singapore. Hilleman, a Delhi-based vaccine research group, also recently announced that it has begun construction to open a plant in Singapore. Singapore is an ideal location as a regional hub for most companies overseas who are looking to expand into APAC.

Salaries amongst Singapore’s life sciences industry is highly competitive. As most candidates receive a yearly salary increment upon adjustment, Singaporean professionals are swayed by noncash benefits when making a career switch. We find candidates expecting a base salary increase of 15-20 per cent when switching.

Singaporean companies offer flexible working hours to a high percentage of their employees, resulting in many candidates reporting that they are working longer hours on average because of this, which has been a common response with talent working from home. This in turn, could be seen as the driving force that executive leadership level candidates are receiving at least 21-27 paid annual leave days to compensate.

South Korea

Hand in hand with South Korea's effective measures on controlling the spread of COVID-19, the health sector receives continuous support from its government. It is predicted that from 2021 to 2027, the country will see massive growth in the In-Vitro Diagnostics (IVD) and Respiratory segments. The biotechnology industry is growing fast, and most multinational corporations are looking to hire.

South Korea's biopharma and biotech sectors are projected to grow to $23.2 billion by 2022 and are likely to attract foreign investment.

As talent competition is high, companies provide regular salary increments, commission and up to 30 per cent annual bonuses to help retain their talent. 67 per cent of South Korean life sciences professionals earn 21-30 per cent of their base salary in commission.

Beside salary and benefits, life science hiring managers in South Korea should also take note of talents' career motivations. Newly introduced flexible working arrangements and opportunities to work with a company that has global exposure continuously come up in conversation with our South Korean professionals.

Looking forward

As packages continuously get driven to higher numbers, observing candidate motivation and catering to their non-cash needs is suggested. Companies and professionals should keep close to the market trends and partner with a talent specialist. Ultimately, compensation packages are unique for each individual, clients and talent work with us to quickly identify opportunities, knowing exactly what the key drivers are for both sides. I highly recommend individuals to stay close to the market and keep the conversations open with your talent and career partner.

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