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Oscar Fuchs

Associate Director

The Chapman Consulting Group

Recent Poll Results suggest Reduction in Training Budgets in Asia for 2009

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The Chapman Consulting Group's online poll for May 2009, in which senior HR practitioners were surveyed on their expectations on their organisation's training budget expenditure for the year ahead, has confirmed that many organisations have cut back on their spend until economic times improve.

Over 88% of respondents indicated that their organisation would be reducing training expenditure across the region for 2009 in comparison to 2008. 38% of respondents indicated a slight reduction while 50% said that the reduction would be dramatic.

"It's not surprising that we have witnessed organisations scaling back on their training expenditure in times where all non-essential expenditure has come under the microscope", said Oscar Fuchs, Associate Director of The Chapman Consulting Group. "We feel that much of this scaling down has probably happened in the Banking and Financial Services sector, where we have seen a lot of Training and Organisational Development talent emerge onto the market across the region. It has definitely been happening in other sectors too, but not to the extent of Banking and Finance", said Fuchs.

However this should not be interpreted as totally bad news. The lowered expectation for training in the 2009/2010 period comes after two or three years of record investment in building up the in-house training functions of many organisations. "We witnessed a massive growth in the internal training infrastructure of many organisations in recent years, on the back of huge levels of recruitment. Such unprecedented levels of new hiring demanded a large spend on training and development. We don't predict seeing these levels again for the next 12 or 18 months, but similar trends will certainly return in the future. In the meantime, most of the investments made in training over the last few years remain stable."

Indeed, 5% of respondents to The Chapman Consulting Group's May survey commented that they expected a slight increase in training expenditure, with an extra 6% reporting a dramatic increase. "Forward-thinking organisations that value their investment in their workforce and want to gain a competitive edge are continuing to ramp up their training activities at the moment", said Fuchs. "With unpredictability in the world economy still apparent, even those organisations that are being more careful not to further build-up their internal training functions are instead opting to rely on external providers. These external training providers can offer flexibility, both in terms of the cost structures and also the scalability of training services".

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About Us

The Chapman Consulting Group is an executive search firm dedicated to the human resources profession across the Asia Pacific Japan (APJ) region. Headquartered in Singapore, we enjoy strong links to the global and regional headquarters of many of the world's top multinational companies, where we partner directly with both business leaders and HR Heads. Working flexibly across geographical borders to source world-class local and international HR talent, we help build human resources leadership teams across 14 countries and across all industry sectors.