Will a degree still spell good pay?

BY JACQUELINE WOO

Prospective graduates in Singapore could see their salaries take a hit in time to come, as competition for entry-level roles here is poised to stiffen.

Singapore is set to churn out more degree holders, with 40 per cent of the cohort expected to participate in local universities by 2020. Many will also pursue private or overseas degrees.

This year, the Government is already providing 30 per cent of the cohort with places at publicly funded universities, up 1,000 from the 13,000 places available in 2012.

Most of these additional places come from the Singapore Institute of Technology and the new full-time degree programmes at UniSIM.

In March, Manpower Minister Tan Chuan-Jin had flagged the potential problem of a graduate glut here, where there are too many graduates who cannot find good enough jobs.

Recruitment firms told My Paper that, with more graduates joining the workforce, “downward pressure” on salaries is likely to set in.

Mark Hall, vice-president and country manager of Kelly Services, explained: “Companies (will) have a larger talent pool to select from, and this translates to a more competitive graduate job market.”

Jaya Dass, associate director of Randstad Singapore, noted that, already, there is an expectation gap among graduates here when it comes to starting salaries.

The Universum Top 100 Ideal Employers 2014 survey found that undergraduates in Singapore expect to be paid $3,308 on average each month. This is higher than the average monthly salary of $3,229 that fresh graduates actually draw, according to a separate graduate employment survey.

The gap could widen when almost half the cohort is armed with a degree.

“Graduates will need to adjust their starting salary expectations to a more realistic level,” said Ms Dass.

Undergraduate Koh Luwen, 22, who studies business at the National University of Singapore Business School, is already feeling the heat.

“Competition (in school) is very stiff,” he said. “One thing I’m not too confident of is whether everyone will get a suitable place in the job market.”

For 21-year-old Charmaine Ch’ng, an undergraduate at James Cook University, finding a job could be a challenge compounded by the fact that she is schooling at a private university.

“There is a mentality among employers that students from local universities are better than those from private universities,” she said.

Expressing similar sentiments, Management Development Institute of Singapore undergraduate Gopalkrishnan Poorvena, 21, said: “People from the local universities tend to be the choice picks for jobs, so I really have to outsmart everyone else to stand out.”

Ms Dass said that degrees will start getting differentiated more sharply – between institutions and courses. “Graduates with technical degrees in certain professions, such as actuarial, engineering and accounting, will always be able to garner a competitive salary,” she said.

On the other hand, those with general degrees may need to “temper their expectations if they have very high ones”, she added.

Chris Mead, regional director of Hays in Singapore and Malaysia, said that fresh graduates here need to “manage their expectations and have a practical career development plan”.

“Those that do well are the ones who understand the way a company operates, accept the best job offer they can get, and work as hard as they can to impress and start climbing the corporate ladder,” he said.

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