



More Australian recruiters launching in Asia

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More recruiters are looking to expand into APAC countries to offset sluggish growth in an overly saturated Australian recruitment market, an industry advisor says.

"I would say there has been a roughly 20% rise in interest in Asia [since 2015], and that's just based on a micro-level of the instructions we get from clients," says the founding director of advisory firm [Augment GC](#) **Chris Dancey**.

One reason for this is that some Asian markets have become less challenging to launch in, by relaxing their business entry requirements, he says.

Businesses can now establish a footprint in China as a foreign entity, for example, and no longer need a local partner.

Another impetus is that major buyers of staffing services (especially RPO and MSP arrangements) are seeking regional deals that will encompass their recruitment targets across several APAC countries, prompting some suppliers to expand to service a key client, says Dancey.

RPO businesses are increasingly getting pushed to move into more "colourful" jurisdictions, such as Vietnam, Thailand, Myanmar, Bangladesh, or Papua New Guinea, he says.

The most attractive Asian countries

The Philippines is currently one of the hottest destinations for APAC expansions, as many recruiters already have sourcing and administrative operations established there, Dancey says.

Malaysia, which has positioned itself as a regional hub for technology (especially fintech) is also popular from a number of perspectives, not limited to IT recruitment, as is Japan, where recruiter competition is weaker.

And many recruiter clients see Singapore as a safer base for a regional hub rather than Hong Kong, which is moving further away from its liberal, pro-business past and into a period of assimilation with China (a process reflected in the increasing severity of its employment law).

Local talent versus expats

Employing local talent to run an APAC business ultimately demonstrates more credibility with clients, as many multinational clients now run their operations with fewer expats and more local management, says Dancey.

Staff with Chinese and Japanese language skills are of particular benefit, he adds.

A good mix of language skills in an APAC team means a recruitment business will be less reliant on just multinational clients and can diversify its client base with more local-based businesses, Dancey says.

On the other hand, an industry-savvy expat recruitment leader can help bring a more refined methodology to less experienced APAC recruitment teams.

"What I have seen in my experience is that a mixed approach is often the best, where you've got the best of Australian culture and the best of local Asian culture as well," he says.

Risks and pitfalls of APAC expansions

Bribery and corruption is a particular risk for recruiters entering Asian markets, and Dancey says some leaders get caught out by "leaving their ethics at the point of departure".

In cultures where gift-giving among business associates is the norm, Australian professionals might ask, "why can't we do it?".

But the extraterritorial application of anti-bribery legislation – "which has been beefed up in Australia recently" – can ensnare recruiters who assume that what occurs in Asia cannot be prosecuted in Australia, Dancey says.

Meanwhile, lead times for getting a business up and running in Asian countries can be longer than what companies are used to in Australia, and leaders "need to be prepared for how document-heavy everything is", he says.

Asian government regulators tend to aim for an even playing field in industry and employment regulations, which means executive search specialists can get lumped into the same category as blue-collar recruiters.

"There's a lot of licensing twist and turns to deal with, and a lot of certification of key staff," says Dancey. In Singapore, for example, staffing business licence holders need to sit for exams.

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