

The Recruitment Industry is Back



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2010 has begun with a huge turnaround in the executive search and recruitment industry. Twelve months ago when we were talking to clients it was all 'doom and gloom', with frequent reports of redundancies, even at the highest levels.

The recruitment industry here in Hong Kong was affected, with many businesses laying off a number of their consultants or alternatively cutting salaries, working hours or other benefits. Consequently a number of professionals in the industry left Hong Kong or moved from one company to another. However, seasoned recruiters who have survived the downturn will have been busy developing their database and making contact with candidates so as to be ready when the economy began to improve.

The Year of the Tiger

Traditionally, in Hong Kong the market drops fast but in turn also rebounds fast. 2010 is positioned to be the year of recovery which is great timing with the coming of Chinese New Year, the Year of the Tiger.

It is seen by many to be auspicious as the Tiger years are seen to be 'action years'. Though traditionally turbulent, they can be excellent for those able to capitalise during periods of change.

What lies ahead for those who were made redundant in 2009?

Of those recently made redundant many were senior executives as organisations made decisions based on the financial burden associated with hiring senior executives. Therefore in many instances the management layer under the 'C' roles was eliminated with increased responsibility falling onto the management layer below the senior levels.

A crucial question is therefore will these executives have the opportunity of moving back into senior positions or will those junior executives who took over the reins continue in these roles?



Waiting out the Recession

Many senior executives who were made redundant turned their hand to other options such as opening their own consultancy; moving down a level; or alternatively 'waited out the recession' by retraining, studying and upgrading their qualifications. They are now in the position of reviewing their options and considering the next step in their career.

Depending on their business specialisation and the volatility of their market sector they will most likely have a challenge to find the right role for their next, and arguably most crucial, career step.

Capitalising on Opportunities

In the turnaround companies will also need to carefully review their human capital as many of their employees who have weathered the recession many now be reviewing their options as well. Therefore it is critical for companies to ensure that they retain the leadership who have brought them through the recession and also to ensure that these executive career opportunities are well defined. Salaries which were reduced or employment terms that were changed need to be re-evaluated and either reinstated or replaced with alternative incentives to drive retention.

Companies who are experiencing a turnaround will now be seeking new talent and therefore will be commissioning search and recruitment organisations to identify that talent at the expense of organisations who have not been proactively implementing retention strategies.

So while 2010 is shaping up to be a challenging year, it also promises to be a very interesting one where great opportunities. Human capital strategies are now more critical than ever before and those organisations who are not addressing these issues will find that the impact on their businesses will be enormous!

Contact Us

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