EXAMINING RECRUITMENT TRENDS IN THE ASIA-PACIFIC REGION

As the economies of nations in the Asia-Pacific region have experienced explosive growth in recent years, there are specific trends that are impacting the ability to establish an effective recruitment operation in those countries. With the high speed of growth in these emerging markets, nations such as China, Japan, India and even Australia are transforming from agrarian to modern, industrialized societies. The challenge for organizations expanding in these regions is to effectively recruit the talent required to sustain such significant global workforce growth.

The low cost of labor markets in these regions has attracted a diverse range of companies and organizations looking to invest in the Asia-Pacific region. One obvious trend occurring within this region is the types of companies that are investing and expanding their resources and operations. Specifically, there are three types of organizations that are expanding considerably in Asia-Pac: companies seeking to break into the market, companies seeking to grow existing operations, and companies that are part of multinational operations, but act autonomously.

Organizations that are seeking to break into the Asia-Pacific region must first understand that recruiting occurs primarily at a local level. Best practices dictate that when recruiting talent in a specific region, it is important to have recruiters who are already familiar with the customs and culture of each country. Indeed, having people on the ground who can speak the local language and who understand the protocols for candidate sourcing dramatically impacts the success of organizations seeking to expand into new markets. Companies must also have a reliable partner or vendor that understands

the local, legal implications of recruitment, including performing background checks, using proper screening tools and implementing interviewing protocols, to ensure their recruiting function is a success.

Organizations that are seeking to grow their existing operations require access to the right types of talent. These types of companies are looking to fill jobs in specific regions of Asia-Pac and beef up operations that have too few resources to support such explosive growth. While they are already vested in the region, they, too, need to understand the importance of recruiting at the local level.

The last category of company that is expanding additional resources in the Asia-Pacific region is large multinational companies. These large organizations are headquartered somewhere other than in Asia-Pac, but may have operations throughout the region with multiple locations. These organizations often still adhere to western philosophies—particularly North American philosophies. However, divisions of the company located in Asia-Pac markets may often operate autonomously from a recruitment perspective. For example, these branches may have separate engagement surveys, purchase their own employee assessments and outsource recruitment separately. They do not coordinate their recruitment efforts with sister offices globally because Western-based organizations may not understand completely how to successfully do business and recruit talent in the region. Indeed, the types of organizations that are expanding into Asia-Pac—and their understanding of how to effectively recruit in the region—significantly impacts their ability to attract and retain talent at a macro level.

WHY PEOPLE JOIN ORGANIZATIONS IN THE ASIA-PACIFIC REGION

Understanding why individuals choose to join organizations in the Asia-Pacific region is essential in understanding overall recruitment trends in this area. Based on a study from Kenexa, an IBM Company, that examined why workers join organizations in China, India, Japan and Australia, clear trends emerge for each country. In China, the top three reasons that people join an organization relates to:

- Compensation, benefits and recognition at 24.2 percent
- Job characteristics at 22.5 percent and
- Organizational values and reputation,17.1 percent

Items that did not significantly impact the decision to join an organization in China included:

- Leaders at 3.4 percent
- Ccommuting and travel at 5.6 percent

In India, the top three drivers that explain individuals' decisions to join an organization were similar to China, but prioritized in a different order. The top three rated items included:

- Organizational values and reputation at 24.3 percent
- Job characteristics at 22.4 percent
- Compensation, benefits and recognition, 19.4 percent

The three lowest scores for India were:

- Bosses at 3.7 percent
- Commuting and travel at 3.8 percent
- Leaders at 4.4 percent

For people living in Japan, the top ranked items for joining an organization include:

- Job characteristics at 22.1 percent
- Organizational values and reputation at 19.7 percent
- Compensation, benefits and recognition, 19.5 percent

The lowest ranked items were:

- Leaders at 1.4 percent
- Bosses at 2.4 percent

In Australia, the most important elements that attract candidates to an organization include:

- Job characteristics at 23.6 percent
- Compensation, benefits and recognition at 19.2 percent
- Development and growth opportunities, 18.6 percent

The lowest ranked items included:

- Leaders at 1.5 percent
- Bosses at 2.9 percent

These data indicate that there are commonly shared items that explain why people join organizations in the Asia-Pacific region. While they are ranked with different priority, each country included compensation, benefits and recognition, and job characteristics among their top three reasons for joining an organization. Similarly, leaders ranked as one of the lowest items for attracting candidates to a particular company in these countries. Understanding these trends is crucial in knowing the items that specifically appeal to candidates for organizations that operate in the Asia-Pacific region.

WHY PEOPLE LEAVE ORGANIZATIONS IN THE ASIA-PACIFIC REGION

Job candidates in the Asia-Pacific region are aware of their market value and have increasingly high expectations of prospective employers. While loyalty is a common characteristic in Asian cultures, many organizations have not focused on teaching management skills and developing and engaging their talent, which is one reason that many employees choose to leave their current employer. A study from the Society for Human Resource Management (SHRM) surveyed 862 employees in China (more than half of whom had been with their employers for less than one year) and 215 HR professionals on reasons behind employee turnover. The top three reasons respondents indicated that they leave employers included:

- Lack of growth and development, cited by 53 percent of employees and 54 percent of HR professionals
- Better career opportunities elsewhere, according to 42 percent of employees and 70 percent of HR professionals
- Insufficient compensation, reported by 31 percent of employees and 39 percent of HR professionals

Ultimately, with many companies increasing their hiring pace, employees are aware that a better opportunity may exist at a different organization.

TALENT SHORTFALLS IN THE ASIA-PACIFIC REGION

One of the most troubling trends for recruitment in Asia-Pac is the projected shortfall of qualified candidates to fill positions that are required by existing or expanding companies. According to the McKinsey Global Institute, there is a projected shortfall of 500,000 qualified engineers by 2010 in India. At the same time, salaries for software engineers in India are rising an average of 20 percent per year versus five percent in the U.S. Typically, companies in this region hire in high volume to support escalating business growth, but there are not enough qualified recent candidates to fill the number of open positions. The same holds true for China. Of the 600,000 annual engineering graduates, only 160,000 are suited for work for multinational companies, based on a McKinsey Global Institute report.

Even more concerning is the lack of qualified leadership or management talent available in the emerging markets. McKinsey Global Institute also predicts that 75,000 business leaders will be needed in China in the next 10 years. However, the current stock of these individuals is at just 3,000 to 5,000. In the global business environment, local candidates are often well educated and capable of performing specific job functions, but mid-level management positions require analysis, independent thinking and taking control of situations, which is culturally foreign to many individuals hired for these positions. Ultimately, the talent shortfall that exists within the Asia-Pacific region will make sourcing qualified candidates a difficult task as organizations continue to expand in these markets.

SOURCING STRATEGIES IN THE ASIA-PACIFIC REGION

Although newspapers and online job postings can generate a large pool of applicants, sorting through applications to identify potential candidates is time consuming and ineffective when conducting high volume recruiting campaigns. The delay in locating the best talent could give competing organizations an edge in enticing desirable workers. Talent acquisition providers use various approaches to source qualified candidates including direct recruitment of individuals not active in the job market, employee referral programs, career and job fairs, and establishing relationships with educational institutions. Using multiple channels, organizations can quickly identify a desirable candidate pool and control recruiting costs.

The importance of technology and recruitment in Asia-Pacific Region is becoming an increasingly important channel to recruit candidates. An increasing number of individuals recruited for positions in large, expanding organizations are communicated with through PDAs and mobile phones. Text message blasts through multi-media devices have become popular for directly communicating with younger populations. Top websites in the region, such as 51job.com, ChinaHR.com and Monster Hong Kong, are also popular in communicating with and sourcing candidates at the local level. These innovative sourcing strategies, combined with more traditional communication channels, have proven to be effective methods for finding the right types of candidates that will likely fit with the job characteristics and organizational values.

International recruiting and candidate generation—particularly in the Asia-Pacific region—is more difficult than ever before based on the explosive growth in these markets. Partnering with a vendor that provides effective mass recruitment or recruitment process outsourcing is the best way that expanding or existing multinational organizations can establish an effective recruitment operation in the emerging markets. With localized market insight, organizations that partner with knowledgeable recruitment vendors can learn from these existing recruitment trends to understand and effectively garner a talent pool large enough to meet their hiring needs in a global economy, while reducing time-to-fill and increasing overall employee retention and engagement. ■

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