

ACCOUNTING & FINANCE MARKET UPDATE 2020

INTRODUCTION

With the continued spread of COVID-19, growing trade tensions, and uncertain global economic conditions, firms in Asia remain cautious in regards to their business outlook.

The Accounting & Finance recruitment sector faced a challenging first half of 2020, but the good news is that we are beginning to see some organisations starting to fill headcounts that were put on hold earlier in the year. We anticipate a cautious building up of demand for Accounting & Finance professionals as businesses look to hire talent to drive business recovery.

Candidates in the industry are cautious about changing jobs as well. Their willingness to move jobs from pre- to post-pandemic has reduced. However, that is not to say potential candidates are not interested in new opportunities. To attract and retain the best talent, hiring managers need to understand their candidates' expectations and what matters to them.

From soft skills and technical ability to big data and digitalisation, we see common themes when hiring for Accounting & Finance professionals across the region. In this report, we will explore hiring and industry trends across the industry in Asia, as well as the candidates' response to the current market landscape.



CHINA

In one of the first signs of recovery from the COVID-19 crisis, China's GDP grew 3.2% in the second quarter of 2020, rebounding from a 6.8% drop in the first quarter.

Although 2020 saw China's weakest growth in decades, we have seen a relatively fast recovery from the pandemic across some sectors. This recovery is expected to continue due to more aggressive policy support measures. However, this growth may be adversely affected due to the re-escalation of trade tensions with the U.S., the prolonged global economic downturn and the potential second wave of COVID-19 as we approach winter.

Unemployment in China has averaged 4.5% from 2002 until this year. In February this year, it reached 6.2%, the highest it has been in this period. Following China's stronger-than-expected recovery in the second quarter, the rate was lowered to 5.7%. According to Trading Economics' global macro models, China's unemployment rate is projected to drop even further to 5.5% by the end of this quarter.

Hiring Trends

Internal Audit & Control

Internal audit and control professionals have always been in high demand, and especially so in light of the recent fraud scandal surrounding Luckin Coffee. These roles are particularly important for local companies listed in the U.S.

IPO Experience

In the past, companies often targeted investment bank professionals to help lead and drive their IPO process. In recent times, CFOs who had started from operational finance roles in a well-established multinational and then moved to a domestic company with a successful IPO experience are highly sought after for such roles.

Business Operations

The CFO role is broadening and is increasingly operating as a COO. In mid-sized companies, we are seeing the trend of hiring CFOs with a skillset in strategic planning, procurement, IT and legal. We are witnessing CFOs acting as the second-in-command after the CEO and leading the organisation's transformation.

Big Data Analytics

Artificial Intelligence, machine learning, blockchain and IoT are becoming essential parts of the finance team's arsenal of tools, allowing them to focus on more value-added work. Due to this

CHINA (cont.)

increased investment in digitalisation, we are seeing a trend of hiring finance business partners with strong data analytics background, a proficiency in tools such as Tableau and R, and an ability to use data analytics in producing business insights.

Supply Chain Finance

Global supply chain has been adversely affected due to COVID-19. This has increased the need for supply chain finance talents who can work on business cases and drive operational excellence as well as build contingency supply chain plans.

Industry Trends

Healthcare

- Innovative drug companies are filing for IPOs in the A-share market due to strong advocacy from the Chinese government
- Mergers & acquisitions (M&As) activities in local medical devices companies are on the rise as they prepare for IPOs
- Healthcare services portfolios owned by private equity and venture capital firms are slowly entering into the China medical insurance sector

Technology, Entertainment & Gaming

- Digitalisation is speeding up even more aggressively due to COVID-19
- The entertainment sector, including gaming, online education and e-commerce platforms, performed well in 1H 2020 and are looking for strong finance talents to strengthen their team

Payment

- Hiring is driven by the relaxing of PBOC requirements for foreign payment companies, hence requiring local hires that fit the PBOC criteria

Private Equity/Venture Capital

- Global leading private equity and venture capital funds plan to further invest in the China market as they are in a more favourable position to negotiate a deal price. Some U.S. private equity funds are changing from investing in growth deals to buy-out deals. We expect to see increased hiring of CFOs.



HONG KONG

Although Hong Kong has faced a double blow of protests and the COVID-19 pandemic, the government's relief measures have helped stimulate the economy somewhat, and current forecasts show a downturn of 6% year on year. With a current unemployment rate of 5.5% (compared to 5.2% in January), the Hong Kong job market remains relatively buoyant in certain sectors. To preserve the vitality of the economy, the government has rolled out relief measures on an unprecedented scale.

The Hong Kong Government recently introduced the FinTech Anti-epidemic Scheme for Talent Development (FAST Scheme) to enrich its FinTech talent pool, as an example. As part of the scheme, businesses will be subsidised HK\$10,000 per month for a year for one full-time new hire. This scheme has a limited quota on a first-come, first-serve basis.

Hiring Trends

Mergers & Acquisition (M&A)

As established large corporations eye the market for smaller companies to acquire, we have seen a demand for senior finance professionals across various industry sectors with experience of M&A, from identification through to integration.

Business Intelligence from Big Data

Even before we started working towards the 'new normal' with a continuous shift to globalisation, it has been necessary for many candidates to have experience of International Financial Reporting Standard (IFRS) and Generally Accepted Accounting Principles (GAAP). More recently, we have seen a growing demand for accounting professionals with strong business and analytical skills. With the increased usage of big data and data-driven decision making, finance teams are looked upon to provide the business with strategic support based on data and the use of business intelligence tools.

Balance between Technical and Soft Skills

The balance between doing business as usual and being compliant with an increasing amount of regulations has never been more apparent. There is a need for finance professionals to have strong stakeholder management skills as well as technical know-how. Candidates with good project experience, including IFRS (International Financial Reporting Standards) as well as with robotic process automation experience are valuable to organisations as they go through increased levels of change.

HONG KONG (cont.)

Finance Transformation / Leaders of Change

As most companies are going through a period of change, there is an increased emphasis for the finance function to become more streamlined and efficient. This may include an increased reliance on technology or a review of existing processes. Either way, candidates with exceptional project management and finance transformation experience are highly desirable.

Industry Trends

FinTech & InsurTech

- We have seen a demand for senior finance talent across various fintech startups and more traditional insurance players that are evolving into digital platforms. As one of the most competitive insurance markets within the region, there is an appetite for all senior leadership, including finance, to be able to drive digital change.
- We have seen an increase in the number of finance roles that can work as true business partners. As forecasts may be off budget for the year and possibly into next year, senior finance executives are expected to work with the business to manage this process in partnership with CEOs or founders.

eCommerce

- Consumers are still spending on luxury and lifestyle goods. Although the channel may have shifted from brick and mortar to online, we still see new flagship stores opening in Hong Kong. Athleisure brands are outperforming previous years, and most retailers are managing their VIP customers more tightly.
- As Hong Kong embraces eCommerce, we see a demand for finance talents that have experience with stand-alone web-based platforms as well as with retailers offering omnichannel solutions.

Virtual Banks

- With eight new virtual banking licenses recently being granted in Hong Kong, we have seen an appetite for finance talents to work in this exciting new space. These candidates are able to utilise their existing skills gained from digital banking and the technology sectors.



SINGAPORE

Singapore's actual GDP in Q2 contracted by 13.2% year-on-year, and the unemployment rate increased from 2.4% in Q1 to 2.9% in Q2. With an overall challenging economic environment, the employment outlook for the second half of this year remains subdued. Economists suggest that the Singapore economy will be challenging in Q4 before an expected slow recovery in 2021.

The subdued external economic environment will continue to pose a drag on several of Singapore's outward-oriented sectors. Amidst the challenging global situation, we continue to see hiring for finance talents.

Hiring Trends

Business Analytics

To better forecast business changes and assist in strategic decisions, the finance function is increasingly needing talent with data analytics and big data management. We are seeing a trend of hiring for Financial Planning and Analysis, Commercial Finance and Finance Business Partnering professionals who have exposure to data analytics tools like R, Tableau, Python, SAS, QlikView.

Strategic & Finance Business Partnering

Firms are seeking finance professionals to provide insights in driving recovery and performance during these unprecedented times. There continues to be a demand for commercially astute finance professionals who possess the gravitas to engage with business partners.

Finance Transformation & Robotic Process Automation (RPA)

More organisations have been embarking on finance transformation initiatives to drive process and system improvements. There continues to be a demand for professionals with demonstrated experience in driving and leading finance transformation projects relating to process improvements.

As automation is the key to driving efficiency and effectiveness, we have observed a strong push for Robotic Process Automation (RPA) in finance and transactional accounting work. We find accounting professionals with experience in implementing RPA within a large organisation to be in high demand. Even mid-sized businesses are looking to adopt such technologies to stay competitive and efficient.

Tax Advisory & Planning

As tax authorities develop globally as well as implement new regulations and compliance rulings, there continues to be a demand for tax professionals who are well versed in international tax advisory, transfer pricing and indirect tax.

SINGAPORE (cont.)

Supply Chain & Finance

With globalisation, the world's supply chains have become substantially complex and more interconnected. The US-China tensions, and more notably COVID-19, have demonstrated how vulnerable global supply chains can be to any sort of disruption.

There is an increasing need for experienced finance leaders who have deep experience in partnering with supply chain leaders. Financial impact analysis, evaluating capital investments, effective inventory planning, identifying/managing risks, and optimising performance are some of the key areas an experienced supply chain finance business partner can bring to the table.

Mergers & Acquisition (M&A)

This pandemic also created opportunities for businesses with good financial positions to look into M&A activities. We have started to see an increase in hiring for in-house M&A positions within corporates.

Increased Emphasis on Soft Skills

There has also been an increased emphasis on soft skills as part of the hiring criteria. Soft skills that are widely looked at are stakeholder engagement skills, critical thinking skills, learning agility, and the ability to drive and manage change.

Industry Trends

Digital

- There is significant growth in the digital and e-commerce industries. Traditional FMCG brands and retailers have also accelerated their journey to embark on digital platforms.
- We continue to see growth in the e-commerce, fintech, technology and communications sectors. There is a strong demand for digital payment services, IT and digital solutions.

Healthcare

- Singapore's pharmaceutical and biomedical sectors have been an important driver in the economic growth of Singapore. We continue to see growth in these sectors and more companies in these sectors investing in Singapore.

Advanced Manufacturing

- The strong demand from 5G, data centres and cloud services has led to a growth in the semiconductor industry.
- With increased telecommuting and remote learning arrangements, as well as the accelerated digitalisation of businesses globally, this sector will continue to see significant growth.

Sustainability

- As concerns over climate change and the danger of carbon emissions intensify, there is an increase in efforts to develop smart sustainable cities. Singapore is aiming to be a global leader and innovation hub for smart and sustainable building solutions in Asia.
- The clean energy sector, urban mobility and new water management technologies are sectors that will see good growth.

ATTRACTING THE RIGHT TALENT

During these uncertain times, candidates are generally more reluctant to change, and their priority is on job stability over career growth. We are seeing a larger supply of candidates than demand due to headcount freezes put in place during the pandemic as well as staff cuts.

This year, we conducted our annual 2020 Working in Asia Pacific survey in January. Responses came in from nearly 2,700 working professionals based mostly across China, Hong Kong, Singapore and Australia.






In the survey, we asked about the main reasons why candidates might leave their current organisation. "Lack of career growth and developmental opportunities" was named as the top factor in pushing candidates to seek out a new opportunity, with poor leadership from line manager not far behind. As the job market picks up, we expect these factors to come to the fore.

TOP REASONS FOR LEAVING A COMPANY

1	Lack of career growth and developmental opportunities	
2	Poor leadership from line manager	
3	Organisational politics	
4	Lack of vision from organisational leadership	
5	Insufficient financial rewards	

We also examined the factors that attract candidates to an organisation as they look for new job opportunities. A strong company culture with effective leadership is a critical component in attracting top talent and acts as a magnet to retain good employees.

WHAT DO CANDIDATES LOOK FOR IN A COMPANY

1	Culture that embraces professional development and continuous learning	
2	Strong leadership from line manager	
3	Financial stability (ie: the organisation's economic performance/outlook)	
4	Flexible work policies (ie: work from home, flexible finish times, etc.)	
5	Culture that is non-political	

Despite current market uncertainties, we see that finance talents are still open to look at companies with strong employee value propositions. As hiring within the Accounting & Finance sector resumes, employers must position themselves to support this next phase of growth and focus on hiring top talent.

We continue to see a demand for strong finance talent across the region. There are niche skillsets within finance functions that have been increasing in demand in recent years. With a dynamic environment, finance professionals need to continue to build new skills to be able to contribute in this ever-changing market.

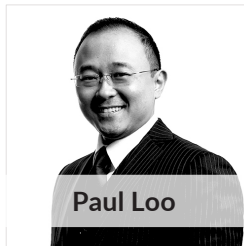
RECENT PLACEMENTS BY PROFILE

ROLE	ORGANISATION	LOCATION
CFO	Chinese Consumer Company	China
VP, Finance	Chinese Healthcare Company	China
General Manager, Operation	Global Entertainment Company	China
BU Finance Controller	Global Solutions Company	China
Internal Audit & Control Director	Chinese E-Commerce Company	China
Associate Director, Commercial Finance	US Consumer Retail Multinational	China
Director, M&A	Asian Healthcare Provider	China
Accounting Manager	Chinese Pharmaceutical Company	China
Plant Controller	European Manufacturing Company	China
Senior Finance System Manager	European Pharmaceutical Multinational	China
Associate Director, Finance	Global Travel Tech Startup	Hong Kong
VP, Finance APAC	UK Lifestyle Brand	Hong Kong
VP, Finance APAC, Commercial Markets	Global Consumer Goods Company	Hong Kong
Finance Manager	Hong Kong FMCG Company	Hong Kong
Financial Controller	Global Investment Technology Company	Hong Kong
Head of Finance, Asia	Hong Kong Conglomerate	Hong Kong
Commercial Finance Manager	UK Sourcing Company	Hong Kong
Finance Manager, Revenue Recognition & Forecasting	Global Telecommunication Company	Hong Kong
APAC Business Manager / COO	UK Financial Institution	Hong Kong
Tax Manager	Global Technology Company	Hong Kong
CFO	Asian Investment Holding Company	Singapore
Global Head of Tax	Global Industrial Multinational	Singapore
Business Controller	European Technology Multinational	Singapore
Senior Manager, IT Network Audit	Global Technology Multinational	Singapore
Manager, Enterprise Risk Management	SGX Listed Company in Oil & Gas	Singapore
Credit Controller	Global Healthcare Provider	Singapore
Head of Internal Audit	SGX Listed Company in Consumer Goods	Singapore
Head of Finance	US Pharmaceutical Multinational	Singapore
Treasury Manager	SGX Listed Company in Real Estate	Singapore
Finance Manager	US Multinational in Chemicals	Singapore

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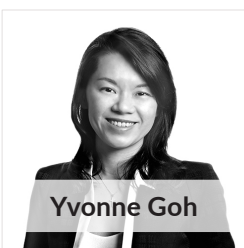
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HONG KONG

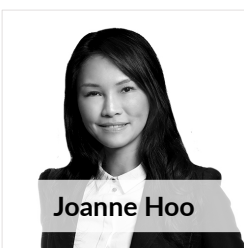


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