

## Restoring confidence in 2013

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**D**uring the first half of 2012, the Asian legal job market felt the knock-on effects of the European economic crisis. The first two quarters of the year saw a lack of confidence in hiring, compared with 2011.

Towards the middle of the year, however, confidence in the market started to reappear. There was an increase in the number of roles for both private practice and in-house in Hong Kong. For private practice, this situation remained the same for the rest of the year. The number of roles has picked up, especially in the fourth quarter, but this might have been to use up any remaining 2012 headcount.

For in-house, there were noticeable changes in the latter half of the year. Although banks have been relatively quiet, there was increased movement on the buy-side.

### Private practice stays steady

The duration of the recruitment process has lengthened due to external market conditions, which has created uncertainty in the

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minds of line managers. Partners now have to go to further lengths to justify each hire, ensuring it is essential. However, once a candidate has been identified, the interview process moves swiftly.

The corporate side has been relatively steady throughout the year. Firms were looking for candidates at various levels, who are open to generalist roles and with more of an M&A focus because of the slump in the IPO market. The state of the world economy has meant litigation has seen a high demand of investigations, regulatory and insolvency work. This saw a steady flow of general

commercial litigation positions available throughout the year. We have also seen a definite upturn in IP, project finance and funds roles.

Banking and finance positions have come about in the market, but there has not been much movement on the candidate front for these roles. Shipping related work has also fallen and firms that traditionally relied on this work have had a quiet year.

### In-house struggles continue

Legal and compliance saw busy third and fourth quarters, compared to the earlier

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half of the year. Although there have been a number of strategic hires in the banking sector, these have been mostly Asian-based banks or smaller global investment banks. Top-tier investment banks continue to struggle for headcount. We have also seen an increase in hires for legal and compliance professionals in alternative asset managers. This is due to tighter regulation and the opportunity to capitalise on under-valued assets in the region.

Another area where we have seen growth is within the non-financial sector. Expansion into the region to meet growing customer demand saw a large number of US-based companies make hires at the regional counsel and head of legal levels. This was also due to regulations affecting these sectors like the FCPA and UK Anti-bribery Act. These organisations are also hiring legal and compliance professionals to cope with sourcing and IP issues.

### 2013 predictions

Going into 2013, it is hard to tell what will

happen in the market, although there are signs for cautious optimism. China and the US have recently confirmed their heads of nations and both appointments have been seen in a positive light. Due to the increase in confidence in Europe, it seems that the economic situation is settling down and internal problems are being addressed. This suggests that markets may now be prepared for any potential bad news to come.

It is predicted that the IPO market will become active again gradually throughout the year. Although it is unlikely to reach previous levels, it will allow the corporate

sector (the largest in the legal sector) to bounce back and offer more varied mandates to candidates looking for a move in 2013. We therefore predict that there will be a gradual rise in the number of mandates across all practice areas throughout the year.

Looking ahead on the in-house side, we predict that banking is likely to continue to struggle, but there may be areas of strategic growth, especially within Asian banks. Alternative asset managers and non-financial MNCs may continue to build legal and compliance teams as they expand in the region and need to mitigate their increasing exposure to regulatory risk.

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