Press release
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Financial services companies bringing offshored jobs back to Hong Kong

- 53% of Hong Kong's CFOs within financial services have increased their level of onshoring in the last two years.
- 66% cite rising costs and 58% refer to service complaints as the main reasons to increase onshoring.
- 51% say if Hong Kong's skills shortage was alleviated, they would consider shutting down an offshore activity and return it to Hong Kong.
- The top benefits of increased onshoring are: increased cost efficiencies (44%), increased productivity (43%) and increased customer responsiveness (39%).

Hong Kong, 16 November 2017 – New independent research commissioned by specialised recruiter Robert Half has found Hong Kong's financial services companies are increasingly bringing their offshored operations back to the city as companies are being affected by rising costs and lackluster service in offshore regions. With Hong Kong ranking as the world's No 4 financial centre[1], this increased level of onshoring could potentially lead to more jobs in the financial services sector.

The research has found more than half (53%) of Hong Kong's financial services CFOs have increased their level of onshoring – transferring offshored business operations back to Hong Kong – in the past two years, compared to 9% who have decreased their onshoring activities. A further 57% have increased their level of nearshoring – transferring operations to a nearby country in preference to a more distant jurisdiction – in the past two years.

When asked why they have increased their level of onshoring, 66% of CFOs within financial services refer to the rising costs and 58% refer to service quality complaints – indicating a cost and quality factor in determining operations being brought back to Hong Kong. A lack of efficiency (43%) and skills shortage in the offshored regions (38%) are further cited as key reasons for transferring offshored business operations back to Hong Kong.

Adam Johnston, Managing Director at Robert Half Hong Kong said: *"Operating within a global trading and financial hub, Hong Kong's financial services companies are increasingly under pressure to remain competitive by maximising performance and decreasing costs. In order to do so, many organisations are increasing their level of onshoring and bringing key business operations back to Hong Kong, potentially leading to an increase in local employment for financial services professionals."*

In an indication that offshoring is not just a cost decision, but also a matter of dealing with the skills shortage in Hong Kong, more than half (51%) of financial services leaders would consider shutting down offshore activities and return their operations to Hong Kong if the specialised skills they require would be available locally.

Onshoring can result in tangible benefits for Hong Kong companies. Almost half (44%) of Hong Kong's financial services leaders who have returned business activities to Hong Kong say it has resulted in increased cost efficiencies, followed by increased productivity (43%), greater customer responsiveness (39%) and an increase in service quality (33%).

[1] http://www.longfinance.net/images/PDF/GFCI19_press_release.pdf

"To fully leverage the advantages from onshoring key business activities back to Hong Kong, organisations need a functioning workforce equipped with the right skills. While the skills shortage in the offshored regions is a key reason to bring back activities, the lack of skilled talent on a local level is simultaneously hindering other companies from onshoring their business operations back to Hong Kong. The right staff can mean the difference between companies operating at peak performance and returning lackluster results."

"To combat the local skills shortage and have their workforce operating at an optimal level, financial services companies need to invest in adequate staff development programs to remedy any critical skills gaps. When it is not possible to upskill existing staff with business-critical skillsets, employers need to recruit qualified professionals – on either temporary or permanent basis to meet strategic and operational objectives," **Adam Johnston** concluded.

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Notes to editors

About the research

The annual study is developed by Robert Half and was conducted in January 2017 by an independent research firm, surveying 100 Chief Financial Officers (CFOs) and Finance Directors within financial services in Hong Kong. This survey is part of the international workplace survey, a questionnaire about job trends, talent management and trends in the workplace.

About Robert Half

Robert Half is the world's first and largest specialised recruitment consultancy. Founded in 1948, the company has over 325 offices worldwide providing interim management, temporary and permanent recruitment solutions for accounting and finance, financial services and technology professionals in Hong Kong. More information on roberthalf.com.hk.

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