Southeast Asia Recruitment Outlook 2026

Outrecruit | SARAH DIXON



Agency Perspectives from the Front Line

Insights from Recruitment Leaders Across Southeast Asia

JUNE – JULY 2026

01 EXECUTIVE SNAPSHOT

Overview

This report is built from direct conversations with recruitment leaders across Southeast Asia. Their businesses range from small independents to global groups, spanning executive search, specialist and contracting recruitment, generalist staffing and RPO, with oversight across seven Southeast Asian markets.

It captures how they are experiencing team growth, AI and client demand right now.

Insights are anonymised and qualitative.

Headline Findings

A better year than last, but confidence is shifting towards markets beyond Singapore

Demand from data centres and semiconductors is spreading well beyond the projects themselves

Business development ability is the hardest thing to hire, and firms are redesigning roles and pay to work around it

Client decision-making has slowed and lengthened, with more interview stages and more candidates needed to close a role

Everyone is using AI in some form. Nobody is replacing an existing recruiter with it

Above all, leaders want to be paid properly for the work they do



02 HIRING AND BUILDING TEAMS

Everyone Needs a Seller. Few Can Find One.

Hiring recruiters in this region only gets harder. Recruiters with proven business development ability are rare, newer recruiters are often unwilling to do that work or to learn it, the bar on communication has risen, and the routes to bringing recruiters in from overseas have narrowed.

"They're like gold dust to us."

Business development ability is the hardest thing to find in a recruiter

Named across search, staffing and RPO businesses alike. Experienced recruiters who can win new business are scarce in every market, and the people coming into the industry are often not willing to do the work it takes. The money in this job arrives late and unevenly, which is hard to sell against a predictable salary.

"So many options to take a good quality of living without having to grind in sales. So why would they?"

Big numbers, no terms signed

One leader described passing on consultants billing SGD 600,000 to 800,000 a year who, on a little scrutiny, had signed almost no terms of business themselves. In the largest firms, business development often means calling house accounts, or building internal relationships so that colleagues pass across leads. It is business development done inside their own firm, and strong billings do not prove someone is a fully competent 360 recruiter. On consultants who live off accounts the brand owns:

"I could die tomorrow and they would shove my corpse off the desk and someone else would carry on."

Two long hiring booms in the region, before COVID and again from 2022, produced a cohort whose numbers look strong and whose experience of opening a relationship cold is thin.

"They're not building the relationships. They're not doing the old school stuff. And they don't have the resilience."

Because a billing history is now this hard to read, several leaders said they fill their own consultant roles mostly through people they already know rather than through the open market. One built a team where roughly 80% were people he had worked with or seen work.

Who is training the next cohort?

Pressure on productivity has pushed firms towards hiring experienced recruiters over rookies. One leader said 70 to 80% of his recruiter hires are now people already in the industry, where before COVID most of his hires were new to it and trained up on the job.

For now that works, because the market is flat and firms are closing, so experienced people keep becoming available. If the market grows again, the industry will either need to start training beginners again or find ways to do more work with fewer people.

The bar on communication has risen

Work that used to sit in one market is increasingly run across several, with consultants handling processes for stakeholders elsewhere in the region. The English that works comfortably with a familiar local client does not always carry in those conversations, where the expectation is different and cultural judgement matters as much as vocabulary. Written English carries more weight too, since much of the client contact now runs over WhatsApp and Slack. Several leaders treat this as a filter on who they can hire.

"We've won and lost business based on an ability to articulate."

Bringing in recruiters from overseas is harder than it was

Singapore's Employment Pass thresholds have made it close to unviable to bring in international recruiters a few years into their careers and develop them locally. That change is not new, but its effect is now fully worked through: several described those hires as hungrier and more commercial than what they can find locally at that level, and nothing has filled that gap. Expatriates are still hired, but only senior ones.

It is not only Singapore. Visa rules have tightened across the region, and firms that used to move recruiters between markets to build teams say that no longer works. One leader running five countries described his talent mobility as having dropped away almost entirely, leaving him to hire and develop locally in each one.

Harder to spot a lifer

One leader has been in recruitment for nearly three decades. It used to be that by your fifth or sixth year, you were in it for life. Now he sees people ten years in and earning well who have still not settled on it as a career. His safer hire is someone around eight years in with a network behind them.

What firms are doing to work around it

One pays business development hires on activity in the first year rather than results, having found that long sales cycles left people earning nothing for months and leaving before the work landed. Another went further and rebuilt the shape of his business: he redefined what good looks like at each stage of the client relationship, redesigned the roles and responsibilities around those stages, then interviewed his existing team as well as the market against the new definitions. Some of his own people turned out to be right for roles that had not existed before.

> **"When you start asking the right questions, you realise there's a lot of good ones in there."**

Three team structures came up, each a different way of running a business when recruiters who can win new clients are this hard to find.

Insist on 360 Every consultant owns the client and the delivery. Everyone, including management, carries a revenue number. Used by firms who believe the split models are what produced consultants who cannot sell.

Split the role Business development, account management and delivery separated, on the view that people strong at all three are too rare in this market to build on.

Lead from the front The founder keeps business development. 180 or 270 delivery specialists are hired around him. Common in the smaller firms, where the founder is the only proven seller.



03 AI IN PRACTICE

Saving Time, Not Yet Making Money

> "Did it make us more productive? No. It just made people do a little bit less."

Every leader we spoke to is using AI in some form

From three-person firms to staffing businesses with thousands of workers deployed across the region. None has yet replaced a recruiter with it. What has gone is support work: one firm has removed the outsourced data team it ran in India, another is merging payroll and invoicing into a single function. In the micro boutiques the effect is hiring avoided. One founder with a team of three said that without AI he would need ten people, at a fraction of the margin he makes now.

Big time savings, little extra billing so far

One leader now produces a client pitch in twenty minutes that used to take ninety. Another builds a full client brief and candidate report on the drive home from the meeting.

> "We can do things in 30 minutes that used to take two days."

No leader yet credits the saved hours with more placements. One firm built its own agents, found they worked reasonably well for note-taking and coding candidate records, and saw no rise in output. One leader is deliberately protecting the apprenticeship for newer joiners, on the view that judgement is built by doing the slow parts first.

The lines firms draw are consistent: research, meeting notes, CV formatting and finance admin are automated; qualification calls, reference checks and the final assessment of a candidate are not.

> "We are not going to put our reputation on the line on a candidate who has not been spoken to by another human. That is a service guarantee."

The region is not adopting at one speed

In the global groups, the decisions are made at group level and the regional offices live with the result. One leader in a group spanning dozens of countries said the system that started rolling out two years ago was already out of date by the time it reached everyone. Another is at the opposite end of the same arrangement: his markets are the pilot sites, and his group's new automation platform goes live in Singapore first. The small firms decide for themselves and move quickly. One boutique founder test-drives two or three tools a month and keeps what works.

> **"There is a faster rate of adoption amongst smaller firms than the larger firms. And I think clients like that."**

Automated outreach has backfired

One firm trialled an autonomous outreach tool and described the result as brand damaging, to the point of considering closing the company and starting again. Candidates now recognise the pattern and say so.

> **"Look, this is an AI outreach. Why am I wasting my time?"**

Candidates are automating too. One leader met a senior candidate whose CV had been sent to a thousand roles by an agent he had set up himself, with no record of where it had gone.

> **"The thinking piece has been taken away."**

APPLICATION VOLUMES

3 to 4 times

How much job application volumes have risen, according to what clients tell these leaders. The quality of hires has not improved with them.



04 MARKET SHIFTS AND GROWTH

Better than last year, without expecting a return to old highs

Most described this year as an improvement, several as materially better, and none expected a downturn. Singapore was seen as recovering too, though the optimism there was measured and several declined to look ahead at all.

> "I've given up on forecasting for more than three months."

Clients have got slower and less certain

> "They're scared to make a mistake, because it'll make them look bad."

Five and six stage processes where three or four used to be normal. Leaders attributed it to an abundance of data and a fear of visible mistakes rather than any real rise in standards. The effect on the work is direct.

CANDIDATES PER ROLE

10 to 12

Candidates one leader now sends on an exclusive role, where four to six once closed it.

Clients want global-standard people at local prices

As functions move into the cheaper markets, employers are investing in local talent to hold their cost base down while expecting that talent to operate at a global level. Leaders described the gap between those two expectations as one of the harder things to solve in the region right now, and it is part of why hiring processes have got longer.

The money is in the ecosystem, not just the marquee projects

AI > DATA CENTRES > POWER AND COOLING > INFRASTRUCTURE > MANUFACTURING > SPECIALIST TALENT

Data centres, semiconductors and advanced manufacturing are the projects that get announced. The hiring runs much wider: the firms that finance, build, power, supply and service them, and the functions that grow alongside.

> "We spend a lot of time with the non-sexy tier three and tier four businesses behind the scenes."

Firms are selling more than recruitment

A large number now offer advisory work, project delivery, statements of work or embedded teams alongside search, and several described it as their main advantage over pure contingency competitors.

> **"We will leave the transactional market to people that are better than us at doing it."**

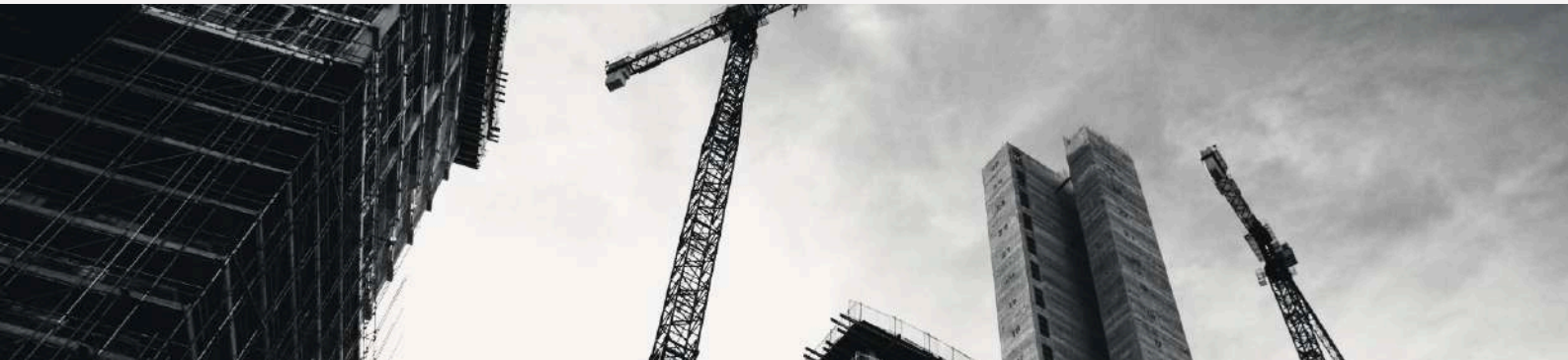
The friction is in the pricing. One leader whose clients now ask him to take on an entire scope of work, rather than supply the people to do it, finds they still expect to buy it at recruitment prices.

Some work is moving out of Singapore

Cost and back-office functions are relocating to Malaysia, the Philippines, Indonesia and Vietnam, helped by tax arrangements in Singapore that are less generous than they were. Candidates who would once have resigned rather than relocate now weigh school fees and cost of living and take the move. Some leaders see higher-value work following. Others report that international clients remain most comfortable hiring in the higher-paying markets.

> **"It sounds wonderful to say the market is moving away from Singapore. In reality, they're not."**

Leaders in the executive search space specifically were the most optimistic on the state of the market, but none of them were especially bullish about Singapore itself. They treat it as a base to cover the region from; it is no longer the market they rely on.



05 THE MARKETS

SINGAPORE

The market where leaders most lamented the difficulty of finding quality recruiters, especially ones willing to move. Cost and support functions are relocating out. Better than last year; nobody expects boom volumes to return.

MALAYSIA

Easier ground for business development, with client conversations that open through direct approaches, and job volumes are healthy. But the field is getting crowded: new agencies keep arriving, both local startups and regional offices, and recruiters in higher-wage markets are working Malaysian roles from outside too, so winning share is getting harder. Depth and tenure in the recruiter pool, and low loyalty, remain the constraints.

THAILAND

Mixed views. Some see strategic roles arriving from higher-cost markets, with a wave of new international schools making the move easier for relocating families, and Thai professionals educated abroad coming home. Others see a domestic economy with structural problems and little growth. Consumer, chemicals and food and beverage were the named strengths.

VIETNAM

Consistently named as a growth market, on domestic consumption, manufacturing investment and infrastructure work. Those actually operating there describe it as improving rather than easy.

PHILIPPINES

Growing quietly, with less agency competition than Singapore or Malaysia. Technology firms are hiring there at fees leaders did not expect, and one regional staffing group is setting up in the market now.

INDONESIA

Large, and harder. Contract, permanent and RPO volume all exist. Several are holding off entering or expanding there until the political and regulatory picture is clearer.



06 WHAT THEY'D CHANGE

Each leader was asked what they would change about recruitment in this region if they had a magic wand. Two of the four answers below are close to word for word what agency leaders told us in the Middle East six months ago. That is a finding in itself: these are not regional problems.

Get paid for the work

> **"At what point do we get paid? Why do we have to do so much for nothing?"**

The most common answer. Multiple briefs, no commitment, speculative work that is never paid for. Leaders want exclusivity, retainers, or fees tied to milestones rather than one all-or-nothing outcome. Several have stopped taking contingent work and report filling faster, holding better clients, and paying bigger bonuses because everything a consultant touches now ends in an outcome.

Years of speculative CVs, five-agency panels and unpaid submissions have not only gone unpaid. They have handed clients a permanent asset.

> **"The recruitment industry has built every talent acquisition team's database around the world."**

Stop assuming everything has to be permanent

One leader argued that the market's attachment to permanent hiring is wasting an experienced older workforce. The permanent contract is where the risk sits for both sides, and removing it would let companies buy the experience they are currently avoiding. He sees the cost in individual cases: expatriates who have to leave the region when a role ends, and older local candidates carrying long gaps on a CV.

> **"Most people over 50 who find themselves not working are far more flexible than people think."**

The industry does not collaborate

This came from leaders running contingent, contract and staffing businesses. Competitors do not talk. No forums, no shared standards, and a reflex to enjoy a rival's difficulty rather than learn from it.

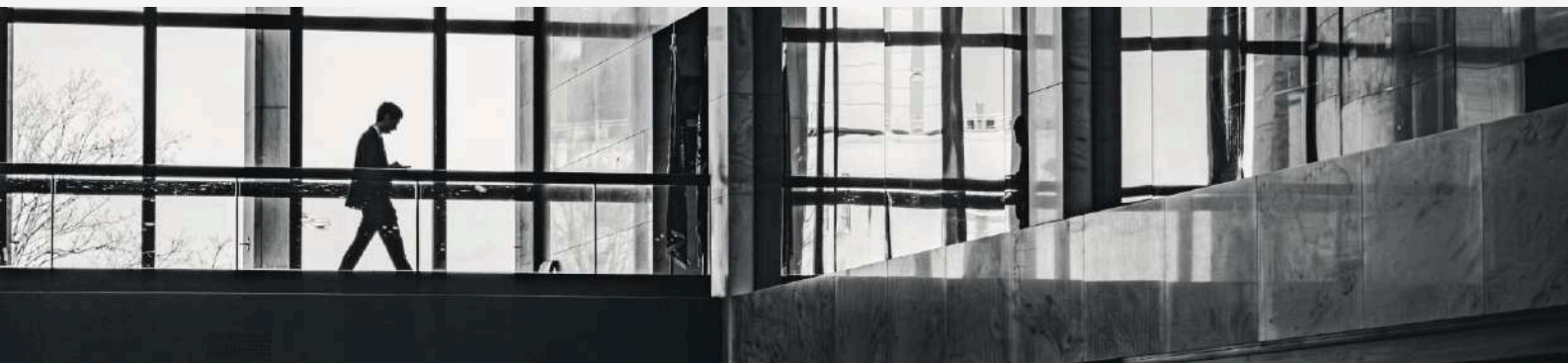
> **"It's very much full of ego, very sales driven, and very much about don't talk to the enemy."**

Several pointed to other professional services where competitors set standards together. APSCo was named as a step in the right direction, and leaders who have engaged with it did so deliberately for that reason. Executive search already has this in the AESC and other international search networks, and it was not a theme among the search leaders interviewed.

Fix ourselves before the market

A smaller group turned the question inward. Rather than wish for better conditions, they would raise the barrier to entry and rebuild how recruiters are trained, with more emphasis on judgement and on real expertise in a client's world. One leader had studied top billers across several countries.

> **"They transcend recruitment. You would put them in a room with their client base and they would completely disappear. No one would be able to out them as a recruiter."**



07 ABOUT OUTRECRUIT



Outrecruit is an executive search firm specialising in senior recruitment and HR leadership across the Middle East and Asia. It was set up in 2024 by Sarah Dixon, who brings 16+ years of recruitment experience in billing and leadership roles in Japan, Malaysia, and the UAE, including P&L leadership of teams of up to 85 consultants as a Managing Director in the Middle East. She knows first-hand what elite recruiters look like, and how hard they are to find.

Sarah has personally placed senior recruitment and HR leaders and is known for her insight, delivery, and trusted market presence. She founded Outrecruit to offer a client-centric, dedicated search approach to recruiter hiring in the Middle East and Asia.

WHAT IS NOT IN THIS REPORT

These conversations produced considerably more market detail than fits here, particularly at country level. If you are weighing a market, building business development capability, or hiring senior recruiters in the region, book a conversation and I will share what is relevant to you.

For further discussion on the themes raised in this report, or support with senior agency hiring across the region, contact:

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