



Talent Management Trends in Asia Pacific

Four themes for industrial companies in 2017

In the competitive Asia Pacific leadership market, we often see senior business and human resources leaders within the industrial sector wrestle with the following questions:

- What are the best practices for attracting, developing and retaining senior business talent — in and for Asia Pacific?
- How can we increase the strength of our bench of Asian leaders, and how do we help them to be more relevant globally?
- How do industrial multinationals compare to local Asian companies in managing talent? What are the best practices from both approaches?
- How can we increase diversity — gender diversity, in particular — in our senior leadership teams in the region?

For over 45 years in Asia Pacific — and more than 60 globally — Spencer Stuart has helped industrial clients deal with organizational and leadership issues. We also routinely counsel senior industrial leaders on their career goals and development to help them to maximize their potential.

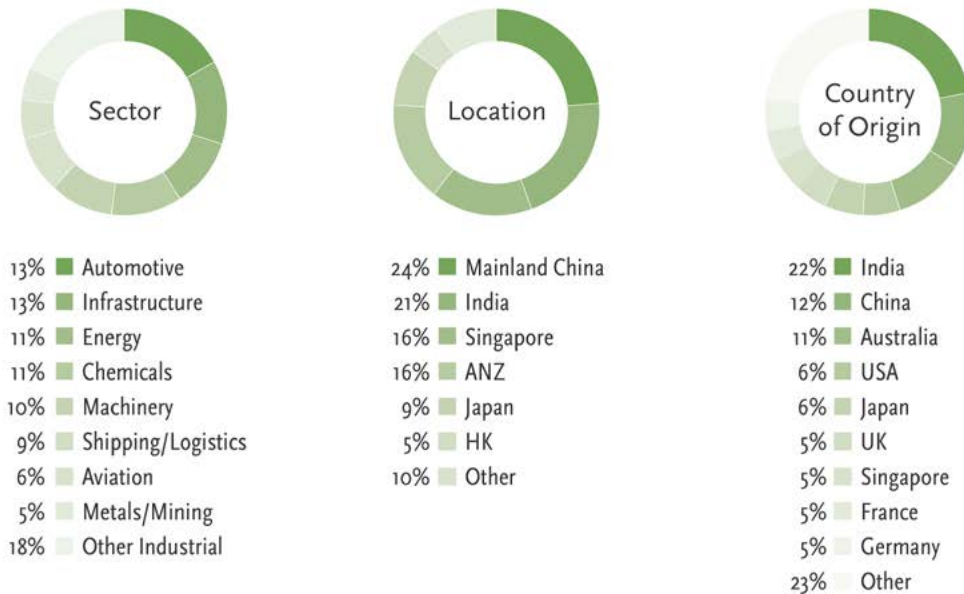
Our perspective is derived from our knowledge of the industry and experience in the region. To complement it, Spencer Stuart conducted a leadership survey of more than 1,300 industrial executives* in Asia Pacific. Over the course of 2017, we will test the findings from this survey and refine our insights through a series of conversations with industrial leaders across the region. This initial piece aims to frame the key issues that we plan to delve into over the coming months.

* Senior industrial leaders holding a title of director or above

WHO WE SURVEYED

The 1,300 senior leaders represent a broad range of industrial sectors, geographic locations and nationalities.

Distribution of Survey Respondents



In all, 55 nationalities are represented. Fifty-eight percent work in their country of origin, while 42 percent can be considered ‘expatriates’¹. Of these expatriates, 24 percent are intra-Asia expatriates (almost one-third when we include Australians) who live and work within Asia Pacific but outside of their country of origin. Interestingly, executives from New Zealand and Malaysia are the most likely to develop senior careers outside of their home countries, but they are still a small talent pool in absolute terms.

The majority of expatriates work in the traditional ‘hubs’, which are Singapore and Hong Kong, but Mainland China has become another key industrial business hub attracting expatriate executives (usually in Shanghai).

Respondents reflect a relatively low level of diversity in terms of gender. Only 9 percent are women, with the notable exceptions of China and Singapore: women represent 20 percent of respondents working in those locations.

¹ For the purpose of our analysis we define ‘expatriate’ as any executive who is based in a country that is not his/her country of origin

INITIAL FINDINGS: SOME SURPRISES

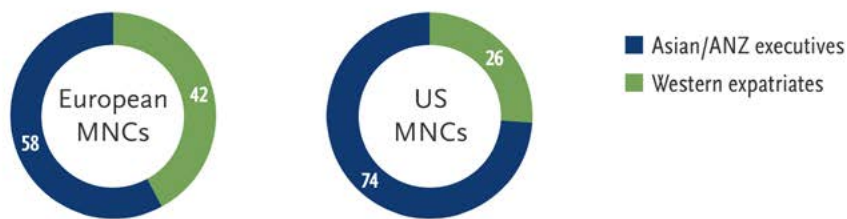
Even before analyzing the responses to our survey questions, our analysis uncovered some surprising observations in the random distribution of the 1,300 respondents. U.S. multinationals appear to be more progressive in driving cultural diversity in their senior Asia Pacific teams than European multinationals. For example, our respondents include three times more European expatriate executives than U.S. expatriates.

Location of Respondents



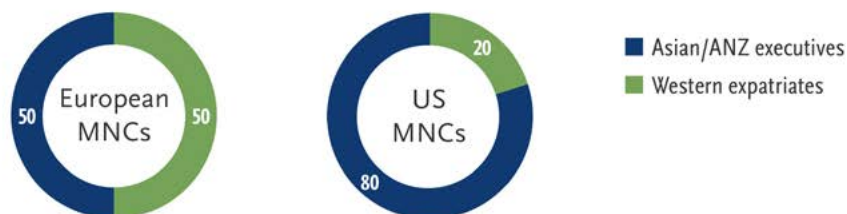
In fact, European companies are more than half as likely than US companies to fill senior roles in Asia Pacific with a Western expatriate; Western expatriates represent 42 percent of Asia Pacific leaders among European multinationals, versus 26 percent among U.S. multinationals.

Total Respondents Working In ...



Digging further into the most senior roles in the region, the contrast is even more dramatic: 80 percent of Asia Pacific CxO roles in U.S. companies are filled with natives of the region, versus only 50 percent for European multinationals.

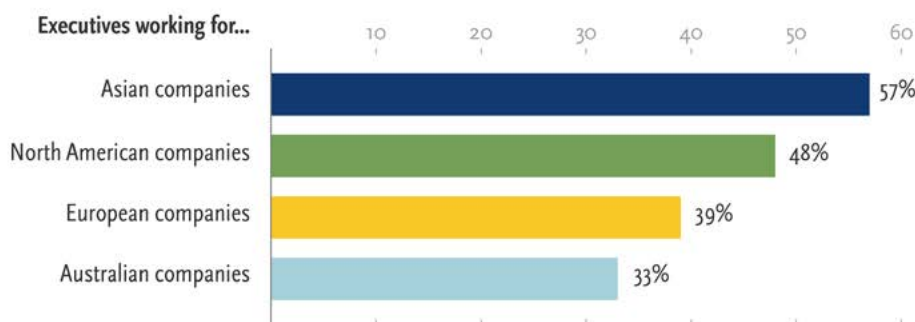
Respondents at CxO* Level Working In ...



*25% of all respondents

The initial survey finding we will share here relates to how respondents feel about their career prospects. When asked whether they trust their company leadership to support their career development, senior leaders working in Asian companies responded markedly more positively than those in Western or Australian companies. Fifty-seven percent of Asian company senior executives said they trust their company leadership to provide them with meaningful career development opportunities, a significant difference from leaders working in non-Asian companies.

I trust my senior leadership to create career development opportunities for me
(% who agreed/strongly agreed)



OPENING THE DEBATE: FOUR MAIN THEMES FOR 2017

Our leadership survey has generated many interesting, sometimes counterintuitive, findings. We will publish them over the course of 2017 and, armed with the survey results, we are defining four leadership themes that we will explore through thematic working sessions across Asia Pacific:

- **Talent development best practices for MNCs in Asia Pacific:** In the light of the differences between U.S. and European MNCs highlighted above, we will look at how multinationals can best develop the global careers of senior executives — both within and outside of the region — to make them relevant to take on top roles in Asia Pacific.
- **Attracting and retaining senior Asian talent:** Senior Asian leaders expect their careers to be proactively managed by their companies; hence, we will discuss detailed strategic approaches industrial companies can take to become a magnet for Asian talent globally.
- **The rise of Asian companies in the war for talent:** In some talent development areas, Asian companies are now perceived to be ahead of multinationals. We will analyze how the best Asian companies develop senior talent and why multinationals should worry about losing that battle.
- **Driving gender diversity in industrial Asia Pacific:** Given the low number of senior female industrial leaders in the region, we will discuss the strategies industrial companies can adopt to increase the number of senior female executives across Asia Pacific.

To address each of these themes — and more — Spencer Stuart will invite industrial business leaders, human resources professionals and all those with a passion for developing talent in Asia Pacific to contribute to the debate in formal and informal forums over the coming year. We will periodically capture these insights into short, thematic publications which we hope will stimulate even more discussions, and challenge each of us to review our talent management practices.

OUR INDUSTRIAL PRACTICE IN ASIA PACIFIC

We have helped build the leadership teams and boards of the world’s pre-eminent companies. Our core team of more than 16 consultants across the Asia Pacific region, and 90 consultants worldwide provides concentrated expertise across these highly diverse and specialized sectors:

- » Agriculture
- » Automotive
- » Aviation, Aerospace & Defense
- » Chemicals
- » Construction & Building Materials
- » Electrical & Electronic Products
- » Energy: Oil, Gas & Utilities
- » Industrial Machinery & Equipment
- » Industrial Services
- » Metals & Mining
- » Paper & Packaging
- » Transportation & Third-Party Logistics

Our Asia Pacific Industrial Practice Leadership Team



David
Cranwell
Melbourne



Michael
Thomas
Melbourne



Bruce
Williamson
Melbourne



Greg
Stanmore
Sydney



Fanny Zhang
Beijing



Tom Yu
Shanghai



Alex Zhu
Shanghai



Richard Zhu
Shanghai



Ritesh
Bijlani
Mumbai



Piyush
Doshi
New Delhi



Minoru
Irino
Tokyo



Nobuyuki
Tsuji
Tokyo



Arnaud
Despierre
Singapore



Koay
Peng Yen
Singapore



Siang Yong
Lim
Singapore



Thierry
Lindenau
Singapore

ABOUT THE AUTHORS



Arnaud Despierre is the global co-lead of the Infrastructure sector for Spencer Stuart and has previously led both of the firm's Industrial and Energy practices in Asia Pacific. He places board members, chief executive officers and other C-level executives in a variety of industrial sectors in Asia Pacific.



Siang Yong Lim leads the Chemical sector and Supply Chain Practice in South East Asia. He is a key member of the Industrial practice where he has led numerous senior leadership assignments across various sectors within the industry. Siang Yong is also a member of the Technology, Media & Telecommunications Practice where he leads the firm's efforts in the Semiconductor sector for Asia Pacific.

ABOUT SPENCER STUART

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning 56 offices, 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment and many other facets of organizational effectiveness.

For more information on Spencer Stuart, please visit www.spencerstuart.com.

Social Media @ Spencer Stuart

Stay up to date on the trends and topics that are relevant to your business and career.

