



FOUR PRACTICAL TALENT MANAGEMENT AND RETENTION IDEAS FOR ASIA PACIFIC

Asia Pacific presents its share of challenges for technology companies: Intellectual property isn't respected everywhere; competition from local companies is intense; and governments sometimes promote their local champions. However, what regional leaders say they worry about the most is remarkably consistent: talent. At all levels of management, there simply aren't enough stars to manage these fast-growing businesses.

The reason for this is simple; the rate of business growth and the size of the opportunity are combining to create a demand for executive leadership that is outstripping the supply of talent. While this subject has been studied and discussed extensively, there remains a dearth of down-to-earth, practical ideas that can help an executive deal with the problem within his or her own organization.

We discussed the issue with some of the best and the brightest leaders in Asia Pacific from a handful of technology and industrial companies and culled out the most interesting and innovative ideas we heard. While there is no easy or quick solution to solving the talent imbalance companies face in the region, our interviews revealed four practical ideas for improving talent development and making progress in addressing leadership needs in an Asia Pacific organization.

Tap smaller Asia Pacific markets as leadership training grounds

One challenging aspect of doing business in Asia is that it consists of so many disparate countries, each with its own culture and business ecosystem. For some companies, operating a market-facing organization in the region is like running a portfolio of businesses — some markets, such as China and India, must perform well if the region as a whole is to be successful for the business, while only a portion of smaller markets need to hit their numbers.

This can be turned to advantage in the matter of succession planning. Smaller countries can be used as a training ground for up-and-coming executives from countries where success is critical. A promising mid-level executive from India, China or Korea, for example, can be put into Malaysia, Hong Kong or Singapore as managing director.

Adopting this approach offers a number of benefits. First, it provides executives with a chance to prove themselves in a job they've not done before, yet in a location where failure won't significantly impact the success of the region as a whole. Every company has situations where successful executives have moved into a qualitatively bigger and broader role and failed. This is painful for a business anywhere, but in countries such as Japan, Korea, China, Taiwan and India, it is particularly difficult, as backfilling a failed managing director (MD) by parachuting in an executive from overseas is an unattractive solution. Language, culture and environment can make these countries difficult for expats to be highly successful.

Second, providing this sort of development opportunity acts as a retention tool. For many (although not all) country executives, a chance to move overseas and run a business in a new environment is attractive. Combine that with the opportunity to take on a responsibility they wouldn't be ready for in a bigger country, and they have a powerful incentive to stay with the company. Furthermore, the fact that these talented individuals are overseas makes them less visible to competitors and recruiters, further enhancing the chances of retention. And, having happily moved to another country to take on a bigger role, they're unlikely to be willing to return home for at least 18 months — it will look too much like a failure.

Finally, this type of move helps to raise the game of the transplanted executive. Someone who has advanced through the ranks in a single country has a limited view of what's possible. Experience in another country, ideally one with complex challenges requiring creative and sophisticated solutions, can broaden their ideas of what can be done.

The major disadvantage of this system is this: The very countries where companies most need to be successful are the same countries where talent is already scarce — and transferring out a high-potential executive for an overseas assignment can be very harmful to the business in that critical country. The solution is to recruit externally. Thus, if the objective is to groom a potential successor to the MD of India, the company can recruit a mid-level Indian executive and send them to a small country to be the MD. The executive has the time to assimilate into the company and prove their ability to perform as an MD, and can later move either to a regional job, a larger country MD role or back to India as the situation demands.

Plan for change

Traditional succession planning is a well-established discipline: Identify the key jobs, look at the two or three individuals who are best positioned to succeed those executives, identify the skill or experience gaps, and produce a development plan that will enable those individuals to plug the gaps. Ideally, succession planning looks not just at the immediate successors, but the following generation as well.

For companies that are in stable, mature markets and businesses, this approach is sufficient. Things don't change much, and as long as you have a pipeline of executives who can succeed a raft of incumbents, you're in good shape. What this process fails to recognize is that companies sometimes need talent that isn't part of a succession plan. This is particularly true of the technology industry, where products, customers and markets are ever changing. And in Asia, where economic development is so rapid and the lack of legacy infrastructure sometimes enables countries to leapfrog the West, things change even faster.

Thus, while a succession planning process that focuses on the business' current challenges and opportunities has its place, succession planning in Asia Pacific needs to look to the

future. It starts from business planning at a regional level, from questions that the line leadership must pose: How is our selling process changing? How is the role of services changing? What is happening to our margins? Where will new competitors come from? What geographies will we expand into? Each of these questions might have answers that could significantly change the kind of talent the organization needs, meaning that executives must either be groomed or recruited not to succeed an existing executive, but to do something quite new.

The regional leader holds the greatest responsibility for driving this process. The business plans that are developed along with the top leadership should not only drive investment, but also talent recruitment and development.

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Invest time regularly in career development and planning for key people

It's no surprise that the most valuable retention tool for senior executives is time and attention from the top. In the drive for results, many executives look to their staff and ask, "What can you do for me?" rather than, "What can this company do for you?" People who feel that their company cares only about results, and isn't very interested in developing their own talents and capabilities, are more likely to be receptive when other opportunities come knocking. And in hot job markets such as Asia, there are always good opportunities around.

Senior leaders can demonstrate interest in the careers of their team and commitment to team members' ongoing development by having regular discussions about individuals' career goals and aspirations and their progress in achieving certain career milestones. This process should begin with a candid discussion about the individual's career goals, the next position he or she aspires to, the skills and experiences he or she would like to gain as well as any skill gaps that might impede the person's ability to move into more senior roles. From there, a career plan can be developed and agreed upon, identifying specific projects or assignments the individual will work on during the next year or two. Monthly follow-up meetings, which may take only 10 or 15 minutes but should be scheduled independently of other business-related discussions, should focus on the progress of the plan.

This approach can be a valuable retention tool, as the individual typically feels committed to staying with the company to complete the agreed-upon assignments, build skills in key areas and work toward a specific role. To be most effective, senior leaders should make these development discussions a top priority — just like any other important business process — rather than trying to squeeze them in between other business demands.

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Be willing to hire for potential — but minimize the risks

The difficulty with a tight market for talent is not simply finding new executives, or retaining your existing ones, it's dealing with outsized expectations. Retention is especially challenging when executives see their peers getting good promotions — big jobs with large compensation packages — which can make them more willing to accept promotions that they may not be ready for yet. These heightened expectations also create challenges when recruiting from the outside because many candidates won't move unless a position represents a significant step up the career ladder.

When considering internal candidates for promotion in this environment, leaders must weigh the readiness of the candidate against the fact that they are being approached for much bigger jobs externally. The dilemma is then: "Do I promote this person two years before I think they'll be ready, or do I wait, and hope that they don't jump ship in the meantime?"

Many years' experience in Asia Pacific suggests that companies must be willing to place people in roles before they are "ready" by Western standards. This approach does present risks, of course; an individual with less experience may lack certain business and leadership skills and judgment, which could lead to poor strategic decision-making and ineffective execution.

Organizations can alleviate these risks by hiring and promoting smart, hardworking people, even if they are young, and providing extensive counseling and a support team that includes mature executives in a position to advise and mentor them.

Summary

Asia Pacific is no longer a rounding error for Western multinational companies. For many, the region represents at least a quarter of their global revenue — and growing. For others, Asia is already their largest region in the world. At the same time, the dearth of talent makes it a particularly difficult place to do business.

Companies that take a “me too” approach to attracting, retaining and developing talent may seem to do well for awhile — after all, when the economy is growing, the rising tide lifts all boats. But unless companies are willing to think creatively about their talent, they will find themselves losing their best people and competing against companies with outstanding brands and deep pockets for replacements. This will eventually translate into lost opportunities, thinner margins and a weaker market position — in a region that is critical to the future of most companies.

Who we interviewed

PHEY Teck-Moh, corporate vice president for Motorola Solutions Asia Pacific

Francois Lancon, president of Asia Pacific for Avaya

Hansjoerg Wagner, president of Asia Pacific and China, and senior vice president of global field operations for Polycom Solutions

Peter Stracar, president of Hilti Asia

TAN Teck-Lee, chief innovation and technology officer, Asia, for Gemalto

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