

DEVELOPING TALENT THROUGH INTERNATIONAL ASSIGNMENTS

We have long been accustomed to the Western expatriate assuming leadership positions in multinational companies in Asia. The rise of Asian leaders taking on senior roles at the corporate level has undoubtedly been a slower journey. Why is this so? What skills and competencies do Asian executives require to be more international? Will we eventually see a trend towards a more globalised workforce in the future, and what are companies doing in Asia to prepare their local talent to be placed in international roles?

A recent report by the EIU, “Foresight 2020” states that Asia is expected to make up 43 percent of the world’s GDP by 2020. Most Asian economies are expected to remain among the world’s fastest growing, with developing Asia projected to account for two-thirds of employment growth by the next decade.

Indeed many of the multinational companies Korn/Ferry International works with believe that Asia Pacific will likely generate at least 35 percent of their company’s global revenue and will be a



“We understand that a manager with global experience has a much broader and strategic outlook, and in an MNC like ours, this is critical for business.”

P Ravi Kumar
Head - Human Resources
Roche Diagnostics India

regional core base for over half of their suppliers, customers and workforce. Against this backdrop, how can companies foster and sustain their growth without a robust pipeline of talent within the region?

Sowing the Talent Seeds

Korn/Ferry sought to answer some of the above questions by focusing on one of the methods of developing talent; international assignments. A pulse survey of multinational companies in Asia found that over 90 percent of respondents offered international postings to their employees.

Over 31 percent of companies surveyed began developing local talent for assignments within the region more than a decade ago, with 24 percent starting the process in the last five to 10 years. They were slower to get off the mark, however, when it came to developing talent for assignments outside of Asia Pacific; the majority of respondents (30 percent) reported embarking on local talent development programs for foreign appointments in the last two to five years.

The major functions that are typically posted for assignments within and outside of Asia Pacific include Marketing, Finance, Human Resources and General Management, a reflection of the nature of transferability of these skills. Sales and Government Affairs were the two function areas that received the least number of international assignments, given the highly local focus of these roles.

In particular, in functions like marketing, companies' previous top priorities for their Asian operations were to quickly establish sales forces and focus on increasing sales and broadening coverage through established networks. Increasing competition and market maturity however, brings with it a naturally heightened importance on marketing. Companies tackle this paradox by transferring experienced marketers from headquarters to Asian countries, and also sending Asian executives on assignments across the region to build up the local talent pool.

Seventy four percent of respondents foresaw more executives from Asia being posted outside of the region in the next three years, citing a more mobile workforce who is willing to go overseas for greater career advancement and knowledge of international management processes as key drivers of this trend. Within Asia Pacific, the regions that were considered to be the strongest in grooming globally mobile leaders were Australasia, ASEAN and Greater China.

There is also growing recognition among global leaders for the need to forge greater diversity among senior executives and that top talent from Asia Pacific will be a key lynchpin to achieving such variety in strategic thinking at global levels. This has no doubt led to many companies formally launching international assignment programs to support this goal.

The increasing need for companies to develop talent with a more global perspective in key HQ functions has provided candidates from Asia with opportunities for international assignments in key areas such as Marketing, General Management, Research and Development, Supply Chain and Product Development. In addition, the high-growth opportunities in Asia will result in a greater number of Asian executives being posted to various countries within the region.

Despite the many advantages that international assignments offer, the shortage of talent in the region remains a key challenge to implementing and offering such assignments. Indeed, some companies prefer to retain the strongest executives for their own business or create career opportunities for them to stay in Asia to take advantage of the region's growth.

“The trend is changing with more emphasis on local talent for local jobs.”

Suresh Tiwari
HR Director
Eli Lilly India

“Talent exists in all countries. That said, we regard China as a strategic pool from where to draw important talent in order to leverage the positive impact of diversity within our company.”

Richard Westcott
VP and Region Head –
Asia Pacific/Japan
Bayer HealthCare
Consumer Care Division

Characteristics Essential for Success in International Assignments

- Cross-cultural Understanding
- Learning Agility
- Dealing with Ambiguity and Demonstrating Personal Flexibility
- Managing Diverse Relationships
- Strategic Agility and Managing Vision
- Energy and Drive for Results

Paving the Way

The companies surveyed felt that the key factors that would entice candidates to accept an international assignment included gaining experience working outside his/her own home country; better career prospects within the company in the future; developing better functional skills or exposure in an area of expertise; and building a stronger internal network and relationship with headquarters.

In terms of creating a global talent pipeline from Asia Pacific however, there remains a few stumbling blocks. Companies highlighted key issues such as the lack of clarity of a future career roadmap and a gap in the skills required to take on an international role, such as language proficiency, cultural adaptability and learning agility.

The top two characteristics ranked by companies as essential for success in international assignments were good ‘cross-cultural understanding’ and ‘learning agility.’ ‘Dealing with ambiguity and demonstrating personal flexibility’ was also listed as a crucial characteristic for a candidate to possess, as was the ability to ‘manage diverse internal and external relationships.’ Other essential characteristics include ‘strategic agility and managing vision’ and ‘energy and drive for results.’

Reaping the Rewards

It is encouraging to note that more than a quarter of surveyed companies were able to retain 75 to 100 percent of their talent who had been posted overseas for a period of at least two to three years upon their return to Asia.

In place of permanent relocation, some companies offer project-based cross-country deployment for a specific period or a shorter period of international assignment (between three to 18 months). This tends to be more attractive for most executives and allows them to move without insecurity while improving visibility within the organization and gaining expertise at the same time. Other best practices include exposing the executives to a variety of projects as well as coaching.

Companies also highlighted the importance of setting realistic expectations and providing good visibility of future career prospects to employees going on international assignments as crucial factors in retaining such talent post their repatriation. Respondents suggested that a detailed talent management mechanism and ‘return plan’ be put in place to help reduce the uncertainty and insecurity for candidates identified for international assignments.

Other successful lessons cited include a nine to 18-month immersion program for talented managers to be assigned to the head office and other large sites where mentors are assigned to guide the individual. Building powerful relationships enables the executives to perform better in their jobs and allows them to interface credibly with division leaders.

What is clear however, is that top down directive and commitment is necessary for such a talent management program to be successful. Consistent top leadership support in identifying talent, supporting their development and retaining them in the organization whilst keeping a ‘global eye’ on opportunities for talent placement is crucial. This talent selection process needs to be robust, taking into consideration the person’s strengths, interests, motivators and what they will bring to the market. It should also factor in the relocation of families as a result of the international posting, and not just the sole executive.

Another important factor to consider is the key role the executive will play in paving the path for other aspiring employees by creating a good impression and setting the right benchmark.

“Assign U.S. mentors to the international assignees. Building powerful relationships with divisional stakeholders enable the assignees to onboard seamlessly and better perform in their jobs. A key success factor for many Asia business managers is the ability to interface credibly with division leaders.”

Madelyn Lip
Asia Pacific Business HR
Director
Agilent Technologies

“Both the individual AND the company are responsible for successful assignments and talent development. Executives should fully leverage organizational resources to build upon their own capabilities and experience.”

Douglas Cheung
President
Tianjin Takeda

The Road Ahead

There is no doubt that growth in Asia will drive a huge need for talent at senior levels in the next few years. The gradual shift in the region from expatriate localization to local talent globalization however, will continue to run up against the persistent shortage of talent in the region. Companies will need to ask themselves if they will be better off keeping their talent in their home countries and limiting their global exposure because of the talent shortage, or if they should be more ‘forward thinking’ and prepare these executives for bigger roles at the regional and global level.

Whichever the case may be, what is clear is the need for a long-term vision to nurture and develop this burgeoning Asian talent pool. Companies should consider increasing the use of international assignments as a development tool for less experienced hi-potentials to accelerate their development. In addition, transferring talent even within Asia Pacific is a useful practice that will help bridge some of the gaps and build up the skills required to be successful.

While many may argue that the ‘action is in Asia’ and ample career opportunities exist in the region, the undisputed fact remains that organizations today place increasing value on diversity and leaders with a global mindset. Instead of permanent relocations, companies should consider tailoring programs that are project-based or come with a pre-defined timeframe, with a ‘return plan’ in place. This may require much more planning in the mid to long-term but will pay off significantly in terms of talent development and retention.

The question companies therefore need to start asking themselves is perhaps not whether they need to create opportunities for their Asian talent, but rather if they can afford not to.

Best Practices in Developing Local Talent for International Assignments

For Companies

- Top down directive and commitment is necessary
- Conduct regular talent development planning review sessions to identify talent and monitor progress
- Set realistic expectations. Identify the specific competencies to be developed and desirable outcomes to be achieved before tailoring the transfer program
- Consider short periods of international assignments or project-based deployment for specific periods
- Assign mentors to international assignees
- Conduct intense 'immersion' programs for talented managers assigned overseas
- Clarify future roadmap for returning talent

For Individuals

- Be open-minded and people-oriented
- Respect diversity and differences
- Take ownership of one's career and be proactive in managing it
- Leverage organizational resources to build up capabilities and experience
- Develop understanding and competencies in cross-cultural diversity
- Continue to build powerful relationships at all levels and geographies



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About The Korn/Ferry Institute

The Korn/Ferry Institute was founded to serve as a premier global voice on a range of talent management and leadership issues. The Institute commissions and publishes groundbreaking research utilizing Korn/Ferry's unparalleled expertise and preeminent behavioral research library. It also serves as an exclusive destination for executives to convene and hone their leadership skills. The Institute is dedicated to improving the state of global human capital for organizations of all sizes around the world.

About Korn/Ferry International Asia Pacific

Korn/Ferry International, with a presence throughout the Americas, Asia Pacific, Europe, the Middle East and Africa, is a premier global provider of talent management solutions celebrating 40 years in business. Korn/Ferry was the first major global executive search firm to operate in Asia Pacific when it opened its doors in Tokyo in 1973 and today has 18 offices in key business centers throughout the region. Based in Los Angeles, the Firm delivers an array of solutions that help clients to attract, develop, retain and sustain their talent. Visit www.kornferryasia.com for more information on the Korn/Ferry International family of companies, and www.kornferryinstitute.com for thought leadership, intellectual property and research.

