

# Cracking the Glass Ceiling: Getting Asian Managers up the Multinational Corporate Ladder

Search Intelligence In Action



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# Foreword

An article titled “The Asian Question” in the February 2016 issue of Observe Magazine outlines the challenges faced by multinational corporations when it comes to promoting high-potential Asian talent to leadership positions at a regional level and beyond.

The article argues that the same cultural and communication differences that make doing business in Asia challenging for Western companies also play a role in keeping Asian executives out of the upper echelons of management. MNCs will need to tackle this issue head-on in order to maintain their competitiveness in the Asian market.

This paper seeks to advance solutions to this challenge sourced from interviews conducted by Odgers Berndtson in late 2015 with senior APAC HR executives at 40 MNCs. The executives shared their experiences, successes and frustrations in tackling this sensitive issue on a no-names basis.

## Identifying the challenge

A diverse leadership team with deep local knowledge is just as important to successfully expanding into new markets in Asia as a leadership team with in-depth company and product knowledge. The challenge is in finding high performers that tick all of these boxes.

To date, most MNCs have filled their top regional leadership roles in Asia with either expatriates or Asian talent that has had significant educational and professional exposure to the West. In fact, 80% of the members of IMA Asia’s Asia CEO Forum, comprised of APAC presidents working for large MNCs, fall into one of these two categories.



Failure to address the glass ceiling for so-called 'home grown' Asian talent will cost companies money. This might take the form of missed growth opportunities resulting from a lack of understanding of the local market or expensive expat placements that fail to yield sustainable, long-term results. One human resources executive at a chemicals company with its Asian headquarters in Singapore argues,

**“Three-year expatriate assignments into the region are not good for the business and do not succeed in growing the business in a sustainable way.”**

This paper explores a number of potential solutions that could help get high-potential Asian talent up the multinational corporate ladder, namely:

1. Taking a fresh approach to talent management
2. Proactive career planning
3. Exposure to senior management
4. Taking a creative approach to placements
5. Tackling trust and communication issues

Companies that successfully overcome the stumbling blocks that can hold back talented Asian managers will be at a strategic advantage when it comes to getting the most out of their regional talent and business.





# Taking a fresh approach to talent management

It was unanimously agreed among the interviewees that Asian managers are just as qualified, smart and capable as their Western counterparts. Therefore, it may be the talent management systems and processes employed by MNCs that are preventing them from advancing to leadership roles at the same rate as their Western peers.

A human resources manager at a global technology company noted that, in his experience, Asian employees tend to remain one or two levels below where they should be in terms of their skills and career potential.

By and large, the talent development programs employed by MNCs worldwide were designed with the Western executive in mind. Of the 40 MNCs Odgers Berndtson surveyed, only 29 had a formal talent development program in place and only 10 had tailored that program to suit the unique needs of Asian employees. Not surprisingly, the same 10 firms were the only companies surveyed that had promoted local Asian talent – meaning Asian employees who had not spent a significant amount of time studying or working in the West – to APAC leadership roles.

As a human resources leader at a multinational chemicals company observed,

**“One can not simply apply Western talent development models to Asian employees and expect that to work.”**

Another executive at a global telecommunications firm advised, “Companies should change their [career development] systems to cater to Asian talent. This would internationalize their talent pools, which are quite headquarters-centric at the moment.”

A Singapore-based multinational pharmaceutical executive echoed that sentiment: “Rather than asking what Asians can do for us, let’s ask what we can learn from them.”

Maintaining a Western-centric approach to talent management and expecting Asian employees to adapt has not been a successful strategy thus far. Which begs the question, what elements of an MNC’s current talent management strategy can be adapted in order to increase diversity among regional managers in Asia?



# Proactive Career Planning

One potential way to crack the glass ceiling for Asian talent is for managers to take a more proactive approach to career planning with their Asian staff.

The HR professionals polled by Odgers Berndtson observed that Asian employees tend to rely on their managers to identify and present them with growth opportunities more than their Western counterparts do.

A human resources leader at a global chemicals company noted in this regard, “One needs to push Asian talent to manage their careers and be more proactive.”

Furthermore, it is not just about the communication but persistence is required to ensure that the talent development message “sticks”. As one senior HR executive in a technology firm commented, “Even after they’re aware of the opportunities and career pathways, you still have to ‘prod’ them continuously to take the first assignment.”

## Start early

Effective career planning can take place on both a formal and informal basis but two-way communication is key, as is identifying high-potential talent at an early stage.

Senior managers in Asia should sit down with their staff to discuss their desired career trajectory and to encourage them to set clear objectives and take control of managing their growth in the company.

The human resources director of a global telecommunications company suggested, as part of this career discussion, that managers inquire at an early stage about high-potential employees’ “mobility, language capabilities and other interests or aspirations to chart a more comprehensive career path.”

## Make it a KPI

Some companies have already made developing local talent and succession planning a hard KPI for their regional management. Others are gradually introducing this as a performance metric.

A human resources executive at a global firm noted,

**“Our Country GMs and their direct reports have a KPI to find local successors with a 50 per cent target over the next few years.”**

## Formalise the process

If informal career discussions are not bearing fruit, more formal structures can be adopted. An executive at a multinational software firm noted that in addition to holding career development workshops for employees, a confidential career development plan is produced by each employee in consultation with HR. “We found that Asians are reticent to share in workshops with colleagues but don’t mind one-on-one’s with HR,” the executive noted.

A human resources director at a global life sciences corporation suggested an understudy program whereby Asian talent is groomed directly by a more senior manager. “For example, an expat on a two year contract can provide on-the-job training to their local replacement starting six months before their departure.” Career development combined with a formal transition plan can yield results.

# Exposure to senior management

Exposure to the C-Suite is a good way to prepare a high-potential employee for a more senior role but employees based far from a company's main headquarters will have fewer opportunities to observe and interact with people in leadership positions.

## Create a chief of staff position

Some MNCs have found that creating a "chief of staff" or "special assistant" role to work with C-Suite executives is a great way to expose high-potential employees to senior management thinking. Asian managers can rotate into such a role for six months or one year and be better prepared for regional management roles on the other side.

According to the human resources executive of a global telecommunications firm, Asian managers who have a chance to interact directly with the C-Suite "come out of their shells" and gain the confidence to voice their opinions. He noted, "

**As a result, he was a totally changed man after the 6 month posting and we started viewing him as a true international executive."**

An executive at a global pharmaceutical company reported that they rotate high-potential employees through strategy and business development roles for the same reason.

## Rotate board meetings

Another effective strategy mentioned by the HR executives Odgers Berndtson interviewed was rotating corporate board meetings around the company's key markets. If board meetings are always held in the company's home market then high-potential staff in regional offices will never gain first-hand experience of this important corporate process or gain valuable exposure to the board members and their direct reports.

As one HR director explained, "When you hold board meetings outside of your headquarters, you automatically expose young talent in other markets to the Board." While there is some expense associated with implementing this suggestion, it's a simple change that could potentially yield big results in terms of managing the talent pipeline.

# Taking a creative approach to placements



Another potential stumbling block mentioned by most of the Singapore-based executives Odgers Berndtson surveyed is the reluctance of many Asian employees to relocate internationally. A human resources leader at a multinational computer hardware firm noted, “Candidates must have experience in multiple markets before they can be considered for regional leadership roles.” This can be a limiting factor for otherwise high-potential Asian talent.

For Asian employees with a family, a few factors become important during a move:

- Children’s education – can they adapt back to their home country’s system when the assignment is completed?
- Loss of spousal income as most Asian families have dual incomes.
- Cultural view that the move is more of a “sacrifice” than an “adventure”.

Even unmarried Asian employees may be reluctant to relocate for a long-term assignment if it means leaving their parents behind. As a global HR executive pointed out, “Asian employees tend not to want to move as they may be the family’s sole income earner.”

Even without family obligations, some employees in the region may be uncomfortable making such a large cultural leap to an unfamiliar place far from home.

## Stepping-stone placements

If the move from a small office in an emerging market to the company’s head office halfway around the globe is too daunting, a stepping stone placement may help to ease the transition for a talented employee who needs to gain international experience.

An executive suggested that regional hubs like Hong Kong and Singapore could be useful “stepping stone” placements where high-potential employees could work for six months or one year before ultimately moving to positions in Europe or the US. In this executive’s experience, employees from North Asia in particular had difficulty adjusting to life in the West. Managing the transition with an interim placement could help to lessen attrition rates related to culture shock.

Another suggestion along these lines is to begin with shorter rotations and build up to longer-term placements once the employee is comfortable adapting to a new environment.

## Short-term placements

It may be inescapable that, as a pharmaceutical executive pointed out, “relocating gives candidates peripheral vision and learning agility” that is difficult to acquire if an employee never leaves their home market. But companies should consider whether a three-week overseas assignment might achieve the same development goals as a longer placement.

Some options suggested by the human resources executives polled by Odgers Berndtson include:

- 3-6 week shadowing or “walking in my shoes” assignments.
- 3-6 month role swap or country swap with another manager.
- Filling gaps due to maternity leave with a manager from a different market.
- 3-6 month secondment or international project while simultaneously performing current role.
- 12-month secondment with interim replacement for current role.

These types of flexible, short-term assignments benefit both the receiving market and the employee, who gains exposure to international business standards.

## Creative solutions

One global pharmaceutical company executive commented that because of how rooted most Asians are in their family structure, even employees who are single may be reluctant to relocate overseas. To address this issue, the company recently implemented a scheme in Asia where the definition of ‘immediate family’ included an employee’s parents. That enabled the company to help the employee apply for dependants’ passes for their parents in the same way it would for a married employee’s partner.

Other firms are adopting creative strategies in how they define roles and responsibilities. A global

software firm has developed a structure whereby employees can spend 10 per cent of their time on another job function within the company to increase exposure to different areas of the business and increase innovation in problem solving. The same company is very flexible with working locations and enables managers to work on regional roles from their home countries when possible. The human resources director commented,

**“Companies believe that ‘global’ means working from the headquarters. ‘Global’ should mean being able to work from anywhere in the world!”**

## Guaranteed job on return to home country

Western-leaning talent development programs tend to emphasize longer-term overseas rotations as opposed to short-term placements that guarantee the employee’s position will still be there when he or she returns home. The latter are generally more palatable to Asian talent.

To address this issue, one of the firms has adopted the practice of filling the position vacated by an employee on a temporary rotation assignment with an interim replacement so that the employee is assured that their primary assignment will still be there when they return to their home country.





# Tackling communication and trust issues

One reason Asia-born managers find it difficult to reach the next rung on the MNC leadership ladder relates to cultural differences in communication and leadership styles. In Asian cultures that score high on the power distance index, respecting your elders, deferring to those above you in the corporate hierarchy and consensus building are emphasized. As a result, a highly capable and otherwise outspoken Asian employee may be reluctant to tell his superiors 'no'.

In addition, networking and profile raising are often key to climbing the ranks at a multinational corporation. These are skills that are learned and reinforced throughout a Western-style education and corporate environment and may not come naturally to someone from a different cultural background.

## Communication styles

One of the multinational technology company executives Odgers Berndtson spoke to contrasted the perception of what is needed for career advancement in the West and in Asia:

**"Asian employees project a more competency-based model of success while Western employees tend to proactively educate themselves on company structures and take on responsibilities beyond their functional titles."**

Western managers may find an Asian employee's deferential communication style to be too opaque. As a Singapore-based executive of a multinational pharmaceutical company pointed out, this can lead to Asian talent being viewed as less skilled at managing upwards, managing conflict and giving feedback.

Companies that are seeking to increase diversity in their top echelon of managers would be wise to recognise that this difference in approach is cultural as opposed to viewing it as a deficiency on the part of Asian employees.

An executive at a global software company recounted attempts to bridge this communication gap: "Generally speaking, Asians are not as open to sharing ideas in a public forum as their Western counterparts, so instead of asking for their opinions in a group setting, we pasted some problems we identified on a wall and asked employees to anonymously suggest solutions. After a week, we had so much feedback that we could formulate a highly effective strategy."

### Communicating with care

In fact, many executives that Odgers Berndtson interviewed expressed the fact that many Asian executives tend to view passing up on overseas assignments as an impediment to their growth in the company. Without voicing this out, many choose to leave of their own accord.

As many HR leaders agreed,

**"We have had too many cases of talent discussions in Asia backfiring on us. Such discussions need to be handled very carefully."**

### Trust issues

Communication differences can also result in trust issues and MNCs are especially reticent to promote someone perceived to be non-communicative to roles involving compliance and financial oversight responsibility.

A human resources director at a global life sciences corporation explained, "In some ways, the head office is frightened of losing control – it's the fear of the unknown. There is more security in sending someone you are totally comfortable with to do the job."

A Singapore-based executive in a multinational company recalled the experience of working with a local country general manager. "He always delivered results but headquarters felt uncomfortable because he couldn't fully explain his business process to them in a transparent manner.

**After months of trying to figure him out, we did something amazing - we started trusting him."**



# Conclusion

Multinational companies that are serious about increasing diversity and local market knowledge in their APAC leadership teams will have to change the way they approach talent management in the region. As long as talent development programs are designed to recognise only people that fit the typical Western profile of a 'high potential' employee, valuable talent resources will be overlooked. Taking a more creative and flexible approach to talent management and tailoring career development programs, placements and modes of communication to a diverse and international talent pool will enable companies to successfully overcome the stumbling blocks that can hold back talented Asian managers.

Furthermore, in both the long and short-term, failure to address the glass ceiling for so-called 'home grown' Asian talent will cost multinational companies money. Missed growth opportunities resulting from a lack of understanding of the local market and talent are both inefficient uses of company resources. Rethinking the conventional wisdom in this area will help corporations to overcome the weaknesses of the standard approach to retention and career advancement in Asia.

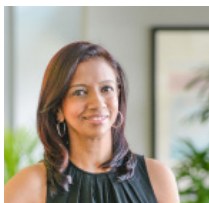
Companies who meet these challenges successfully will be at a strategic advantage in the region and will be well-placed to tackle any future talent and market challenges that lie ahead.



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Anna Martin heads the Human Resources practice for Odgers Berndtson in Southeast Asia, covering all sectors. In addition, her search work also has focus on regional leadership teams including Vice Presidents, Managing Directors and a full range of functional roles within Asia Pacific, particularly among Technology vendors in the established sectors and emerging, fast growing disruptive companies.

Prior to the acquisition by Odgers Berndtson in 2013, she was the APAC Head of Research for Braithwaite Steiner Pretty.

Before joining Odgers Berndtson, Anna managed the Singapore operation for one of the most successful global serviced office companies. With over 15 years of commercial experience, her role revolved around the areas of recruiting, training, developing, leading teams as well as in the formulation and execution of commercial plans.



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Kenny Chen has more than a decade of experience in the Life Sciences industry since graduating with a Bachelor's in Biochemistry from the University of Michigan – Ann Arbor. Starting his career in Merck as a Product Specialist, he went on to work in recruitment with RSA, a specialist boutique recruitment firm specializing in the Life Sciences sector. Kenny's focus as a consultant was on Pharmaceutical companies and Contract Research Organizations. After RSA, Kenny joined CTPartners, where he was a Director, focused on search engagements in the Medical Devices and Diagnostics areas, with a particular emphasis on China and APAC positions.

Kenny has helped his clients make numerous senior appointments throughout the region, including China, Korea, Thailand, Vietnam, Malaysia and Singapore, in various functions such as General Management, Sales & Marketing, Manufacturing, R&D and Medical Affairs.

He is highly passionate about the Life Sciences industry as he strongly believes the talent he selects will help his clients in bringing the best treatments and solutions to market successfully.





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