



Evolving Organizational Structures and Talent Challenges in Asia Pacific

Insights from consumer company leaders

The Asia Pacific region encompasses a complex mix of diverse cultures and both mature and emerging markets. Trade channels, consumer behaviors and preferences vary widely across markets and consumption patterns are evolving quickly. For companies operating in the region, these dynamics present nuanced challenges, and Asia Pacific's explosive growth has impacted both the way companies structure themselves and their leadership needs. This article explores how companies are evolving their organizational structures in response to growth in Asia Pacific, the challenges of recruiting and developing new talent, and what the future holds for leadership in the region.

EVOLVING COMPANY STRUCTURES: BALANCING GLOBAL AND LOCAL REQUIREMENTS

Many companies have found that as they grow, they must reevaluate how they balance global leadership with leadership in the region. Different organizational structures may be optimal depending on the company's size and growth. Companies that have operated in Asia Pacific for some time and have built a certain level of scale and significance may evolve from a global leadership model to one with greater emphasis on a regional management structure.

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ALBERT BALADI
PRESIDENT INTERNATIONAL
BEAM SUNTORY

Premium spirits company Beam Suntory uses a matrix structure in which executives report to both global and local leadership. According to Albert Baladi, president of international at Beam Suntory, "The matrix structure helps ensure that functional and line managers have input into decisions and so we end up with a richer perspective, combining the global functional requirements and the local business requirements." This structure also promotes collaboration and the sharing of ideas — and gives leaders more exposure across the organization, preparing them for more complex roles.

Vacuum innovator Dyson, which registered significant growth in sales in Asia between 2011 and 2014, credits this success to its increased emphasis on a local management structure. According to Udai Kunzru, president of the Asia region of Dyson, "The growth is largely a result of senior decision-making being based out in the regions." Although product development is still located in the UK, local leadership has provided critical insights about consumer needs in Asia. "Our main principle is to ensure markets of strategic importance have leadership that focuses just on the market, located in the market," said Kunzru.

Multinational food manufacturer Kellogg Company has also shifted leadership to local markets to address growing challenges and complexities. "About three years ago, corporate HQ decided to put our focus back on the regions," said Ankush Raisinghani, head of Asia Pacific human resources at Kellogg. To ensure that the global team does not over-impose on any region, "Kellogg has kept the structure simple and made sure that general managers

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UDAI KUNZRU
PRESIDENT, ASIA
DYSON

with P&L responsibilities have control,” he said. The company continues to shift toward a greater emphasis on local leadership: “Over a period of time, we may evolve totally away from a hybrid into a clear P&L ownership model,” he noted.

THE TALENT PIPELINE: RECRUITING AND DEVELOPING TALENT

Recruiting and developing talent with the capabilities to succeed in this dynamic, rapidly changing region can be a challenge. What skills are necessary to succeed not only today, but in the future?

“High-potential talent for international assignments will need to demonstrate strong capabilities in relation to strategy and innovation, and be people and organization savvy,” said Baladi. Candidates must demonstrate cultural agility, creative problem-solving skills, and the ability to take consumer insights and translate them into successful products. He also prioritizes broad geographical experience in both emerging and developing markets, but acknowledges that the skill-sets of great international leaders can be too complex to quantify.

It can be a challenge to recruit talent with the right skills in Asia Pacific in the face of a shortage of senior consumer leaders in the region. To address this problem, many companies are using a hybrid talent model. “With the inconsistency in availability of high-caliber talent, we have a mix of expats and locals across the region,” said Kunzru. However, this approach is not foolproof: “The challenge with the hybrid model is that expats go back home,” he noted.

To address this issue, Dyson has increased its recruitment of local talent — and taken an innovative approach to training these new hires. As part of onboarding, new talent is sent to Dyson’s UK headquarters for immersion in the company culture. “There is a cost to this, but the reward of such a profile coming back into the market is immense,” Kunzru said.

Raisinghani noted that past professional relationships have helped his company identify regional talent with potential.

Additionally, executive search firms have helped Kellogg identify superlative talent. “We have relied on partners like Spencer Stuart to build our top teams — entirely local in their markets,” he says.

“I am not sure that anybody has cracked the code on how best to develop talent to assume complex international roles,” said Baladi. He believes developing cross-cultural experience is vital: “The only way to really demonstrate cultural adaptability and intellectual curiosity is by giving people cross-geographical and cross-functional assignments.”

Such assignments represent a significant investment for companies — sometimes with no return, because not every applicant is suited to international roles. Suntory (the holding company that owns Beam Suntory) has various programs to address this opportunity. One of them starts off some of its high-potential MBA recruits with international experience as part of their induction into the firm. According to Baladi, giving new hires international exposure off the bat conserves resources in the long run. “The advantages of making international moves early on is that the experience is very formative for the employees at a time they’re open to learning, and they can be done at a reasonable cost for the company” he said.

Kellogg also prioritizes global experience when developing talent in the region. “We were able to be very creative to enable people to move around and get them to develop as true regional talent,” Raisinghani said.

During his earlier tenure as senior vice president of human resources in Asia Pacific for Unilever, Boyd Williams observed that once organizations that have fully scaled regionally or globally, they can then focus on talent development roadmaps that require leaders to rotate through a variety of both geographies and functions before advancing into roles with broader scope. “It’s the nurturing of general agility through these experiences — not just Asia-specific agility — that is key to growing the pipeline of leaders,” he said. “Organizations also need to strike the right balance with a mix of specialists and generalists when filling key leadership roles in Asia.”

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BOYD WILLIAMS
FORMER SENIOR VICE
PRESIDENT HUMAN
RESOURCES, ASIA PACIFIC
UNILEVER

It is also vital for organizations to identify and nurture future leaders who are: intellectually curious, willing to challenge their own assumptions and perspectives, good listeners, and able to acknowledge and embrace diversity and complexity across cultures and situations.

PETER FOYSTON
FORMER MANAGING
DIRECTOR ASIA PACIFIC
GOODMAN FIELDER

Beyond functional and geographic expertise, Peter Foyston, former Asia Pacific managing director of Goodman Fielder noted, “It is also vital for organizations to identify and nurture future leaders who are: intellectually curious, willing to challenge their own assumptions and perspectives, good listeners, and able to acknowledge and embrace diversity and complexity across cultures and situations.”

THE FUTURE: FURTHER EVOLUTION OF STRUCTURES AND THE RISE OF GLOBAL TALENT FROM ASIA

As the economic gravity shifts further toward Asia, companies will continue to evolve their structures and develop creative solutions to recruiting and developing global talent. In the future, Baladi says, leaders will have to have broad cross-geographical experience: “Moving people around will become the normal way of doing things. High-potential talent will also get a blend of local and head office corporate assignments, so they have broad perspectives and experiences. As a global company, our culture and talent should be global too.”

Kunzru projects that Dyson’s organizational structure will evolve into a loose federation of regional teams with strong country leadership supported by local talent. “Ideally, we will move country talent from one country to another to build them into genuine regional talent,” he said. Raisinghani foresees an explosion of talent in the region: “For the next 20 years, Asia Pacific will create some serious talent for the world from here.”

While companies have long operated in Asia Pacific, management structures and processes will need to continue to evolve. Although growth and consumption are slowing down in some markets in this region, the challenge falls on smart leadership and talent development to sustain the business and drive further growth. Where local markets are still emerging and developing, more direct commitment is needed to navigate and overcome the growing complexities and pursue new opportunities.

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ANKUSH RAISINGHANI
VICE PRESIDENT, HUMAN
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Udai Kunzru, president, Asia, Dyson

Ankush Raisinghani, vice president, human resources, Asia Pacific, Kellogg

Boyd Williams, former regional human resources director, Bacardi-Martini Asia Pacific and former senior vice president human resources, Unilever Home and Personal Care, Asia Pacific

Peter Foyston, CEO, Emirates Food Industries, Abu Dhabi, UAE, and former managing director Asia Pacific, Goodman Fielder

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ABOUT SPENCER STUART

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