



# Putting Your A Team into Asia

Do Western multinationals typically devolve enough power to key markets in Asia? **Dawn Murden** reports

“While Asia has grown in importance for almost every Western company, many of them are lagging in the sense of having good enough management power in the region,” says **Hellmut Schütte**, Dean Emeritus of China European Business School.

“In general terms, if you take a larger company and you have, let’s say, 50 top leaders across the organisation, only five to 10 per cent of them would be in Asia.”

Criticaleye Thought Leader **Hellmut** says there are multiple reasons why Western multinationals should rethink their strategies for Asia. In his recent article, [Organising for Asia](#), he highlights one major problem as the reluctance to let power move away from HQ.

“A strategy exists for development in Asia but there can be a sense that headquarters are constantly interfering and not ready to take risks [to] capitalise on high growth,” he adds.

Perceived risks in Asia – such as disruption, a changing regulatory environment and the volatility of commodity prices – often keep many controls firmly within the US or European HQ. **Mark Ling**, Head of International Large Corporates for Santander Corporate & Commercial, comments: “That doesn’t necessarily help in an environment that is moving very fast; to take advantage of the opportunities you need more local decision making.

“There’s a bit of a paradox for boards, they see the growth but they also

see the risk. It’s often hard to reach that balance.”

**John Shelley**, Chief Risk Officer at RBS Asia Pacific, who has been in Asia since 2006, says the company did not devolve enough power to Asia during its growth phase. “There was tension between the London HQ and the Asia hub. From Asia, it felt like more autonomy was devolved to the US [than to Asia],” he says.

## Moving Power

In order to seize opportunities and navigate challenges, decision making in any market needs to be effective and timely. **Michael Crompton**, General Manager for Asia at Criticaleye, says: “You need to build a realistic strategy for each market and understand that you won’t win overnight. You must take >



steps to seize opportunities and those operating in Asia need to know they are a relevant part of the business, rather than just a footprint."

Some companies are relocating their best leaders to key markets. **Hellmut** offers French company, Essilor, as an example. It's President and CEO now heads the global prescription lens provider from Singapore.

This is similarly the case at Manulife. **John Brisco**, Senior Vice President, Chief Information Officer and Chief Operations Officer for Manulife Asia, says: "We are moving global roles to Asia to ensure we have a suitable spread of talent across our geographical footprint.

"For example, our Global Head of Leadership Development has moved to Asia because, with the growing influence of Asia to our global business, it was vital we had this role based in the region."

For big players with the appropriate resources, a new HQ could be the next step. For example, GlaxoSmithKline has had a significant presence in Asia since the 1970s and will open a new global HQ in Singapore next year. **Abbas Hussain**, President for Global Pharmaceuticals says this is a major development for power in the region.

"Our new headquarters for Asia will serve as one of three global control towers for GSK, alongside the UK and US," he explains. "Decisions normally made at a global level will be taken in Asia, with Asian patients and consumers in mind.

"We are aiming to create both autonomy and accountability, improving the speed and quality of decision making."

While leaders in Asia need to have spent time in the company's other major markets – usually the West – it's also critical that those from the West have global experience.

"The key for more management power is that the executives of the business should be considered as global managers, not just regional. That requires a programme of talent and leadership development that ensures you have a lot of mobility and horizontal career opportunities so that people are multi-skilled," **Mark** comments.

"If certain powers lie with head office, they need to have that empathy with the local leadership. If you haven't seen different markets and trends then the nuances could come as a surprise. You might follow a template that may not work in that environment. You need the best leaders at every part of the business."

**John Brisco** says: "I think Manulife has done a good job in articulating that we are a globally focused organisation and that we need management capability that can wake up in Toronto one day and go to Hong Kong the next and be just as effective and capable. If you can get that right then you've got the real makings of a truly global powerhouse."

For Western multinationals to meet the needs of regional consumers, both local and global experience will be vital. While the development of local talent is perhaps a separate point from those made above, it's hugely important for long-term growth and succession planning.

On the subject of local talent in Asia, **Jingru Liu**, Director for China Advisory Services at BDO, says: "If you have the right people on the ground then HQ

should be listening. You need to treat each market in Asia differently and employ leaders who know the specific markets well – there are huge differences across the region.

"Businesses need to give local people the same respect – they know their market well. The Western world is sometimes under the illusion it's always right; they need to respect and understand cultures more."

Ultimately, whether a company is looking to expand into one particular market in Asia or strengthen its pan-Asian presence, careful consideration should be taken as to what the leadership and decision-making framework will be. ■

Featuring Commentary From:



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