

# PeopleMoves—Asia Pacific

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## Talent Scarcity in China – Managing Risk

By Adela Yang and Elisa Hukins

Increasing numbers of multinational companies continue to come to China to expand their operations, compounding the talent shortage pressure for all organisations. For example, over 50 foreign law firms set up their operations in China in 2010 alone, which created even greater competition in the already highly competitive talent market. With this scarcity of talent and very unbalanced supply and demand, organisations feel the need to choose: Do we bring expatriates into key roles who don't understand China or do we hire locals who don't have the experience of working in large global firms, and who often lack the track-record in the specific role? There are considerable risks both ways, even though compensation-wise, the gap between the two is quickly narrowing.

Given the China context, talent in general – no matter its source – is not fully tested. Local talents with ideal profiles are rare and, more often than not, simply go to the highest bidders. Some organisations select local candidates with “good potential” and appoint them into the more senior role in the hope that they will be successful. Other organisations identify more junior local talents in the hope that they can step up later, and fly-in expatriates to fill the gap in the meantime, hoping they will quickly learn the nuances of China. Either way it's a trade-off.

Solutions we see in China are many-fold. Organisations are taking more care to make early and more in-depth assessments of step-up local hires in terms of cultural fit and potential, along with developing targeted on-boarding plans for them over a 6-18 month term. Sometimes, these on-boarding plans include having individuals lead or participate in a series of special projects to develop the necessary competencies and test and develop them in more real-life situations to reduce the risks. After these untested and yet well-sponsored local talents are developed, they need to be given enough trust and autonomy to operate independently.

Too often we have seen expats “not work out” in China for a variety of reasons. More experienced organisations are now making increasingly careful choices about who they move, evaluating them beforehand and supporting them in a more structured way on their entry into the Chinese organisation. This is in terms of culture fit, but also ensuring they have local confidantes, advisors and go-to people to help them open doors and navigate relationships; they are clear on their success criteria in terms of developing the China team around them, identifying successors early and having plans in place for them and regular check points to ensure they are getting the feedback they need to make course-corrections along the way.

While focusing on grooming senior local candidates with “good potential”, or assisting the expat candidates to understand China, companies may consider planning ahead of time to develop the younger generation in China to facilitate succession planning and staff localisation. It may be beneficial to also look into recruitment systems from an early stage. Adopting and developing systematic recruitment selection procedures for graduates from universities and creating summer internships, will allow the selection of the future stars in the younger generation and instil long term commitment and loyalty to the company.

*For further discussions on the dilemmas facing organisations hiring senior executives in China, please look out for Adela Yang and Elisa Hukins' article on “Six Talent Dilemmas Facing Multinational Companies in China” being published soon.*

## Asia Pacific Region HR Moves

### AIA

- Julie Watkins has been appointed Chief Human Resources Officer of Australia at AIA. Ms. Watkins previously served as Vice President of Human Resources for Asia Pacific at GlaxoSmithKline. (Australia)

### AXA

- Sabrina Yuan has been appointed Chief Human Resources Officer and a member of the Executive Committee at AXA China Region Insurance Company. Ms. Yuan has more than 14 years of experience in human resources management spanning across the technology and FMCG industry in both Hong Kong and China. Prior to joining AXA, she was Human Resources Director of Microsoft Hong Kong and Human Resources Director of Mars Petcare in China. Ms. Yuan also spent over eight years at Procter & Gamble where she was actively involved in HR as a generalist. (Hong Kong)

### Commonwealth Bank of Australia

- Melanie Laing has been appointed Group Executive Human Resources at Commonwealth Bank of Australia. Ms. Laing was previously Executive General Manager, People and Culture for Origin Energy and prior to that held Regional Human Resources Director roles at Unisys Asia Pacific and Vodafone Pacific. (Australia)

### Hong Kong Exchange and Clearing Limited

- Sylvia Hoosen has been appointed Senior Vice President and Head of Human Resources at Hong Kong Exchange and Clearing Limited. Prior to joining HKEx, Ms. Hoosen was an Executive Director of Morgan Stanley for 14 years, based in Hong Kong. She was also an HR executive at Cathay for seven years. (Hong Kong)

### Microsoft

- Kelly Cheung has been appointed Director of Human Resources for Hong Kong at Microsoft. Ms. Cheung was formerly the Strategic Human Resources Business Partner for the Global Customer Delivery Asia organisation at Alcatel-Lucent. Before that, she was the Human Resources Director of Nortel Networks in Asia. (Hong Kong)

### Sanofi-Aventis

- Kenji Kitagawa has been appointed Head of Human Resources and Administration (Corporate Officer) at Sanofi-Aventis. Previously, Mr. Kitagawa served as Global Head of Talent Innovation Officer at Eisai Company. (Japan)

### SAP

- Fukuko Inoue has been appointed Vice President of Human Resources for Japan at SAP. Previously, Ms. Inoue served as the Group Director of HR for Japan at Tiffany & Company. (Japan)

### TAL

- Penny Coates has been appointed Head of People and Culture at TAL. Ms. Coates previously spent eight years with Westpac Banking Corporation as General Manager of Human Resources. (Australia)

### WorleyParsons

- Andrew Walker has been appointed Group Director of Mobility at Worley Parsons. Prior to joining Worley Parsons, Mr. Walker served as Principal of Human Capital Consulting at Mercer and also Head of Global Mobility at Thomson Reuters. (Australia)

## Author Contributions:



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Based in Shanghai, Dr. Adela Yang advises organisations across industries to help them address their leadership, talent and succession issues. As a key member of the firm's Executive Assessment practice in Greater China and the Asia/Pacific region, Adela's expertise as an industrial/organisational psychologist is focused on leadership and key talent assessment, management and development. Having worked both corporately and in a consulting capacity with multinational and domestic Chinese clients, Adela leverages these diverse experiences to help organizations identify and develop the next wave of top leadership talent to achieve strategic, sustainable results.

### Previous Experience

Prior to joining Russell Reynolds Associates, Adela led the design and implementation of assessment centres and practices within the newly-established Talent Centre of Sanofi-Aventis. There, she focused on designing and building the infrastructure to support strategic talent pipelines and further developing and implementing the organization's culture. Previously, Adela was with Personnel Decisions International Ninth House in Shanghai, where she provided advisory services and total solutions on the key issues of selection, leadership assessment and development, and succession management. Earlier in her career, she was a consultant with Young Samuel Chambers (YSC) in Hong Kong.

### Education

Adela received her B.S.S. (social sciences) in psychology and human resources management from the University of Hong Kong. She received her M.S. and Ph.D. in industrial and organisational psychology from the University of Georgia. She is a licensed psychological professional.



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Elisa Hukins drives the firm's Executive Assessment activities in Asia/Pacific. She draws on her diverse consulting and corporate experience to assess and develop global organisations, teams and individuals. This advisory work includes helping clients with hiring decisions, succession planning, talent development, and the importance of the fit between strategy, culture and key people—all within the context of leadership change, top team alignment, strategy redirection, and/or mergers and acquisitions.

### Previous Experience

Before joining Russell Reynolds Associates, Elisa was the Cultural Integration Global Leader and M&A Engagement Manager at Mercer, based in New York. Prior to this, Elisa was based in Singapore partnering with organisations across the region on their talent-related issues, and earlier she established a joint venture consulting business from start-up to profitability in Indonesia. In Australia, Elisa worked with Westpac Banking Corporation, where she was part of the management development and change teams, which included conducting senior leader assessments using a range of diagnostic tools, and facilitating feedback sessions and development plans.

### Education

Elisa received her B.A., with honours, from Macquarie University and her Master's of Organisational Psychology from the University of New South Wales. She is a registered organizational psychologist and an experienced facilitator and speaker.

For further information on our HR functional capability in Asia, please contact:

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## About Russell Reynolds Associates

**Leadership for a Changing World.** In today's global business environment, success is driven by the talent, vision and leadership capabilities of senior executives.

Russell Reynolds Associates is a leading global executive search and assessment firm with more than 300 consultants based in 40 offices worldwide. Our consultants work closely with public and private organizations to identify, assess and recruit senior executives and board members to drive long-term growth and success. We value teamwork, serving our clients with a collaborative approach that spans our international network of sector and functional experts.

Our in-depth knowledge of major industries and our clients' specific business challenges, combined with our understanding of who and what make an effective leader, ensure that our clients secure the best leadership teams for the ongoing success of their businesses. For more information, please visit us at [www.russellreynolds.com](http://www.russellreynolds.com).