

WHITEPAPER

Winning in Asia Pacific: The American Way

What makes American companies
formidable opponents to win talent in Asia



ODGERS BERNDTSON



AmCham
SINGAPORE

“Fundamental U.S. values like hard work, creativity, diversity, and confidence are foundational assets in the ever changing requirements for attracting the absolute best talent worldwide. It’s great to see the work of AmCham and Odgers Berndtson provide concrete U.S success stories as the Asia Pacific region wrestles with this important strategic issue.”

Mr. Jonathan Kaplan

United States Ambassador to the Republic of
Singapore

Introduction

Despite the pandemic, the IMF is still forecasting that Asia Pacific (APAC) will be the fastest growing region globally in 2022 and beyond.

For global multinationals, in recent decades, APAC has represented an opportunity for rapid revenue growth, value-added investment in research and development, and proximity to world-class manufacturing. However, as APAC’s economies develop, businesses are presented with new challenges and opportunities:

- Demands of a booming Asia middle class
- Regional innovation and competition
- Consumer, government, and economic nationalism
- Increasingly vocal and activist employees

This scale and complexity of the opportunity has led to an intense “war for talent”. How can US companies respond to this challenge?

To answer this question, we interviewed 32 APAC leaders of American companies with offices across Asia about their perception of US company culture and reputation as well as their approach to regional leadership development. We posed the following questions:

- How is the US brand regarded in APAC?
- What characterizes US company culture and how is it perceived by Asian nationals?
- How can US companies differentiate themselves to attract the best talent?

To provide evidence of how culturally connected US companies are to their Asia markets, we mapped the leadership of the top 30 American companies in the region. We looked at the cultural background of the country heads of their Japan, China, India, Southeast Asia, and Australia businesses as well as their APAC HQ to see if their stated corporate commitment to diversity and inclusion is reflected in their APAC org charts.

What emerged from the interviews were five clear characteristics that US companies can emphasize when recruiting regional talent:

- The dividend of US cultural influence
- Confident and optimistic: the American leadership style
- Values-driven culture
- Entrepreneurial/start-up energy
- Diversity and Inclusion – no barriers to leadership



The Dividend of US Cultural Influence

Despite perennial warnings about the imminent end of American power, a century of unrivalled economic, cultural, diplomatic, and military influence has resulted in far-reaching linguistic and cultural influence. US companies, their products and US culture appears to have a distinct familiarity advantage over other western and Asian competitors. English continues to be the lingua franca of the business world. Unlike their European counterparts, US companies

don't suffer a language barrier when expanding overseas. One executive said, "People want to be heard, so having English as the company's primary language is an advantage."

An executive at a medical device company shared how America's cultural influence facilitates business development in their industry: sales and marketing teams can name drop—without further explanation—globally

recognized health care institutes in the United States.

However, one executive felt that the historical global strength of the US economy can result in a degree of “boardroom parochialism” and a tendency towards commercial “short termism”. This was compared by one executive to Asian companies, which understandably adopt a long-term approach to their home markets. Another executive feared their American employers are quicker to downsize than an Asian or European

company, asking, “Is APAC just a short-term business opportunity or are you really here “for the long haul”?”

However, others noted the new US administration’s “pivot to Asia” and that US leadership increasingly regard APAC as a region that can rival the US in growth, revenue, and return-on-investment (ROI). One executive commented that his company is becoming less US-centric and looking instead to APAC as the key global growth market.



Confident & Optimistic : The American Leadership Style

A warm handshake, a charismatic smile, and a “call me by my first name” informality are all hallmarks of American leadership style. Whether or not this stereotype holds true, American companies are typically viewed as fostering an open, democratic, and optimistic working environment.

One executive illustrated this optimism numerically by estimating that a manager in an American company only needs to be about **70%** confident to claim a high probability of success, compared to a more cautious German manager who would need to be **120%** confident.

Other executives noted that American companies are good at marketing and messaging, which are important assets in a performance and ROI-focused region like APAC. One said,

“The US company culture has such clarity and codification of its operating system, which is reassuring. It leaves no ambiguity in how to lead and operate in any market.” Another described US companies as “mission-driven, direct, pragmatic, fast-paced and execution-focused.”

While American companies may expect longer hours and a higher intensity of work compared to their European counterparts, it was one executive’s view that “go getters” will see US companies as the best environment to sharpen their skills, particularly at the start of their careers.

Values-Driven Culture

Many interviewees argued that Asian leaders now look beyond remuneration when they make a career choice. One executive said, “I observe a strong demand for [companies to invest in] diversity and inclusion, sustainability, ethical business and the mental and physical well-being of their employees.” Others agreed that, when it comes to recruitment, an American company’s culture, values, and purpose, as well as the management style and reputation of the regional leadership team are as, if not more, important than the company’s brand recognition.

company culture adapts well to broader cultural shifts from the #metoo movement to environmentalism.” Another executive echoed this, “American companies really believe in diversity and inclusion and improving cultural understanding. The corporate culture is people centric. Leaders value building and nurturing the capabilities of their teams and believe that people can grow and improve.” A third noted, “US companies have a trust-based culture that stems from a genuine and deep respect for, and empowerment of, their employees.”

Many of our interviewees felt that US companies have a distinct advantage on values. One executive observed, “American



Bringing Entrepreneurial/ Start-up Energy to APAC

Consistently, interviewees identified the “Silicon Valley [entrepreneurial/start-up] culture” as one of US Inc’s key assets in APAC.

Nurturing innovation and creativity as well as empowering teams to try, fail and try again are characteristics that help US companies stand out from the rest. One executive described this as practicing “real cutting-edge innovation”, as opposed to focusing on replicating past successes. Another executive observed that US companies have a higher tolerance for failure than their Asian and European counterparts.

American companies were also described by an executive we spoke to as “experimental and fast-paced”. They observed, “young talent is looking for that fun, creative, fast-paced, start-up environment.” Another noted that their company operates more efficiently now that it has adopted Silicon Valley-style habits such as implementing more streamlined, shorter meetings and a less rigid reporting structure.



Diversity and Inclusion – No Barriers to Leadership

The US is a melting pot of cultures and nationalities, and US companies are increasingly diverse at Board level as opposed to paying lip service to diversity and inclusion. One interviewee noted, “The culture of American companies is inclusive, and one never feels that the regions are ‘second class citizens’”.

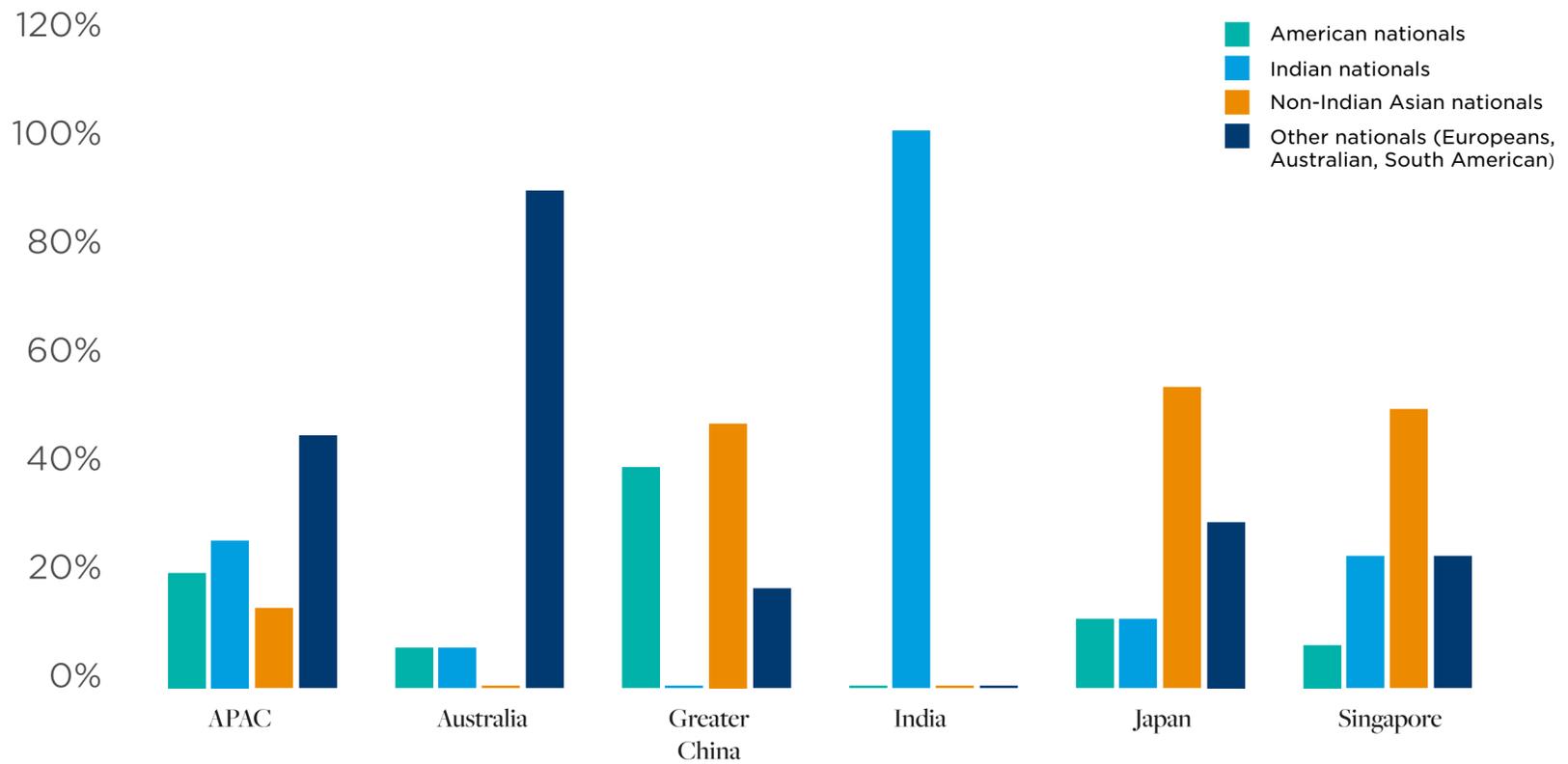
Add to this the sheer number of overseas university students that the US welcomes each year. This provides a growing cadre of Asian

future leaders for US companies both in the US and in Asia. As one commented, “the US attracts the most international students out of any country in the world. Many of these students will stay in the US and eventually lead US companies in the US and overseas”. For evidence of this, look no further than current and past CEOs of Google (Stanford), PepsiCo (Yale), Microsoft (University of Wisconsin-Milwaukee), Blackberry (Brown University) and Zoom (Stanford).

So how are these sentiments reflected in the current leadership of US companies in APAC? Do Asian nationals dominate the country and

APAC HQ leadership roles, acting as beacons of meritocracy to attract local talent?

US Company Leadership by Country / Region of Origin



Source: Odgers Berndtson Survey 2021 – 30 US Companies in APAC

Our audit of country and regional leaders from 30 US companies across APAC suggests that leadership diversity is work in progress. Of leaders mapped across the region we found the following –

- 13% are American nationals
- 32% are other nationals (mainly European and Australian)
- The remaining 55% are either Indian nationals (28%) or non-Indian Asian nationals (26%)

However, if we then look at only APAC CEOs, the numbers change somewhat –

- 13% are non-Indian Asian nationals (notable as most APAC HQs are in Singapore or Hong Kong)
- 19% are American nationals
- 25% are Indian nationals
- 43% are other nationals (mainly European and Australian)

Call To Action

If we are now in the “Asian century”, then the need to win the war for Asian talent has never been more important or more challenging. With the emergence of increasingly competitive Asian multinationals, the competition will become even more acute. Like all ambitious leaders, talented Asians want progressive, meritocratic, pioneering companies with strong positive values where they can rise to the top regardless of nationality and background. This clearly

plays to the strengths of US companies. Our research tells us that companies that can project and reflect US corporate values are well placed to be the employer of choice for ambitious go-getters.

However, it’s also imperative that culture and values translate to action. To retain and build upon the advantage of the US business brand, US companies need to focus their people strategy on four objectives:

Mobilise culture and values to attract and retain leaders:

Consult with local leaders and teams to understand how to position and project the US employee proposition to make it attractive to local talent.

Establish Asia allies in global HQ:

Ensure that Asia experience is represented at executive and non-executive board level to champion Asia based leaders, bridge the cultural differences, and unpick the complexity of the APAC region for colleagues.

Avoid “one size fits all” leadership:

Design leadership development strategies country by country to ensure that a pool of potential leaders is generated from under-represented countries such as China and Japan and the Southeast Asia region. Focus on themes such as mobility, cultural adaptability, and communication.

Work your head hunters harder:

Ensure that every senior leadership short list has a diverse choice of candidates and resist parachuting in US and Western expatriates to leadership roles without fully exploring the capabilities and potential of local leaders.

Odgers Berndtson APAC Team



Alasdair Spink
Head of APAC Industrial
Practice & Managing Partner

+65 8799 7158
Alasdair.spink@odgersberndtson.com



Yan Vermeulen
Global Head of Practice,
Chemical & Process Industries

+65 9850 8270
Yan.vermeulen@odgersberndtson.com



Andie Rees
Managing Partner, Technology
Practice

+65 9029 9992
Andie.rees@odgersberndtson.com



Shirley Sie Tho
Senior Associate, Technology
Practice

+65 9758 1166
shirley.sie Tho@odgersberndtson.com



Jessie Sie-Tho
Associate

+65 9272 7498
jessie.sie Tho@odgersberndtson.com



Kenny Chen
Principal, Life Sciences and
Education Practice

+65 9683 6067
Kenny.chen@odgersberndtson.com



Tom Buckley
Consultant, Technology Practice

+65 8879 5600
Tom.buckley@odgersberndtson.com



Anna Martin
Consultant, Human Resources
Practice

+65 3165 4739
anna.martin@odgersberndtson.com

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A truly global brand, Odgers Berndtson delivers worldwide executive search solutions from more than 67 offices in 35 countries. We work with a wide range of companies, international groups, private equity-backed businesses, family-owned organisations, and small and medium sized enterprises.

AmCham Team



Dr. Hsien-Hsien Lei
CEO

+65 9022 7632
hlel@amcham.com.sg



Lee-Mey Goh
Director, Strategic Partnerships
and Development

+65 6597 5753
lmgoh@amcham.com.sg



Jessica Cho
Head, External Affairs

+65 6597 5752
jcho@amcham.com.sg

About AmCham Singapore

The American Chamber of Commerce (AmCham) is the largest and the most active international business association in Singapore and Southeast Asia, with over 5,000 members representing more than 600 companies. Our Chamber is comprised of 13 industry-specific committees and conducts nearly 200 events per year.

AmCham is a forward-thinking, business-progressive association. Our mission is to create value for our members by providing advocacy, business insights, and connections.