



BOYDEN GLOBAL EXECUTIVE SURVEY 2023

# Exploring adaptivity through strategy and talent

REGIONAL ANALYSIS: ASIA-PACIFIC



# EXECUTIVE SUMMARY

In this regional analysis of Boyden's global report, [Exploring adaptivity through strategy and talent](#), we highlight findings and trends in Asia-Pacific with sector insight from Boyden partners.

Business leaders in the region are facing a slowing trajectory on growth, particularly in China, a contraction in manufacturing activity and weakening global demand for exports. However, GDP growth remains robust, with Asia predicted to contribute around 70% to global growth this year<sup>1</sup> in the face of inflation, debt and financial vulnerabilities.

Our respondents are therefore very confident in their organisation's growth potential. However, at a more granular level, there are acknowledged challenges ahead. Growth driven by digital transformation and innovation prompts a need for different executive skill sets, while structural change is stimulating a thirst for more diverse and globally-focused executives.

While the executive looks for greater operational input from the board, leadership visibility is mission-critical to inspire teams, drive change and attract or retain talent. Our findings show strong indicators for adaptivity in a region with broadening global perspectives.

## What is the value of this research for our Asia-Pacific clients and business leaders?

The ability to benchmark instinct against data from regional peers, discovering talent priorities for business longevity and future relevancy. Our findings distil mission-critical conversations in a vacuum of time:

- How do our approaches to strategy and talent compare with global peers?
- How well aligned is our talent to the growth potential of our organisation?
- What is the best talent investment to support our growth drivers?
- What priority risks are driving decision-making in other organisations?
- Are we in keeping with regional peers or out of kilter in managing talent?
- What are the most valuable soft skills for recalibrating our culture?
- Do skills on our board correlate with complexity in the market?

Our research findings show a cohesive narrative around adaptive leadership, rapid change, digital transformation, strategic flexibility and agile decision-making.

Respondents in Asia-Pacific are the most confident worldwide in their organisation's growth potential to 2025; at the highest level, 57% are very confident, compared with 50% in South

<sup>1</sup> IMF Q2 2023, with growth rising to 4.6% in 2023, from 3.8% in 2022.

America, 36% in Europe and 30% in North America. Respondents in technology are the most confident, with 72% very confident, driving growth through innovation.

**87% very confident or confident in organisational growth potential vs.  
75% very confident or confident in having the right talent to align with strategy  
76% very confident or confident in the leadership team**

The top three growth drivers are **digital transformation**, innovation and research & development; correlating with this, skills in **innovation/business transformation** and **digital** (AI, robotics, machine learning) are the top skills in need of strengthening. This year, skills in sustainability have moved from bottom of the list to third priority in recognition of growth opportunities here.



**44% need to strengthen skills in innovation/business**  
**41% need to strengthen skills in digital (AI, robotics, machine learning)**  
**35% need to strengthen skills in sustainability**

**29% have a Chief Sustainability Officer**  
**23% have a dedicated sustainability lead**  
**16% have no designated sustainability lead**

This year significant progress has been made in ESG, with the region ahead of the global average in terms of having 'ESG embedded in the culture' or 'part of most business decisions'.

**79% think their organisation is investing sufficiently in sustainability**  
**37% report ESG as part of most business decisions**  
**19% of respondents report ESG deeply embedded in their culture**  
**11% have not been able to prioritize ESG**

While organisations demonstrate cohesive thinking around strategic skills, talent investment and how best to recruit and retain executives, the external environment is challenging; major issues of climate change and geopolitical risk are put into perspective by dominant fears over global recession, cyberattacks and inflation.



**38% identify national economic volatility**  
**33% identify cyberattacks**  
**30% identify inflation**

In preparing for recession, leadership teams are focusing on **capturing ideas from all parts of the organisation**, more agile decision-making and building new businesses to keep pace with change in consumer habits.

Internally, respondents identify the top risks as jointly **rising business costs**, need for different executive skill sets and employee burnout.

Against this backdrop, the biggest driver of culture shifts is **leadership visibility**, employee needs and customer/client needs, with the most valuable soft leadership skills being **inspiring teams, driving change and attracting/retaining talent**.

Structural change is driven by digital advances, strategic flexibility and global growth.

- 41% identify digital advances
- 39% identify strategic flexibility
- 37% identify global growth

Talent remains a point of pain, particularly recruitment.



72% anticipate recruitment challenges over the next year  
67% expect retention challenges over the next year

Recruitment concerns are about **competing with bigger brands**, lack of applicable senior-level skill sets and a shrinking talent pool. Organisations are countering this with **performance-based and long-term bonuses, flexible working and hybrid working**.

**Leadership development for high potentials** and **hiring new leadership talent** remain the top priorities for talent investment for nearly 80% of respondents, followed by hiring more diverse and globally-focused executives. Organisations are pursuing these talent strategies year-on-year to address a **need for different executive skill sets**.

With so many demands on leaders, the relationship between the board and the executive has become much closer, with a thirst at board level for more skills in **digital** (AI, robotics, machine learning), **innovation/business transformation** and **sustainability** as leaders seek greater operational input from the board.



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A note on visual theme:

The recurring motif of rivers serves as a powerful visual metaphor for the concept of adaptive leadership. Much like rivers display extraordinary adaptability and the capacity to navigate obstacles, these images highlight the parallel qualities found in modern leaders. By drawing on the metaphor of rivers, we emphasize the relevance of agility, flexibility, and navigational acumen in guiding organisations through today's ever-changing and demanding landscapes.

# 01 BAROMETER ON CONFIDENCE

Confidence in organisational growth potential to 2025, at 87%, is more than 20 points higher than last year, when 65% of respondents in Asia-Pacific were very confident or confident; and 10 points higher than the global average of 77% very confident or confident.

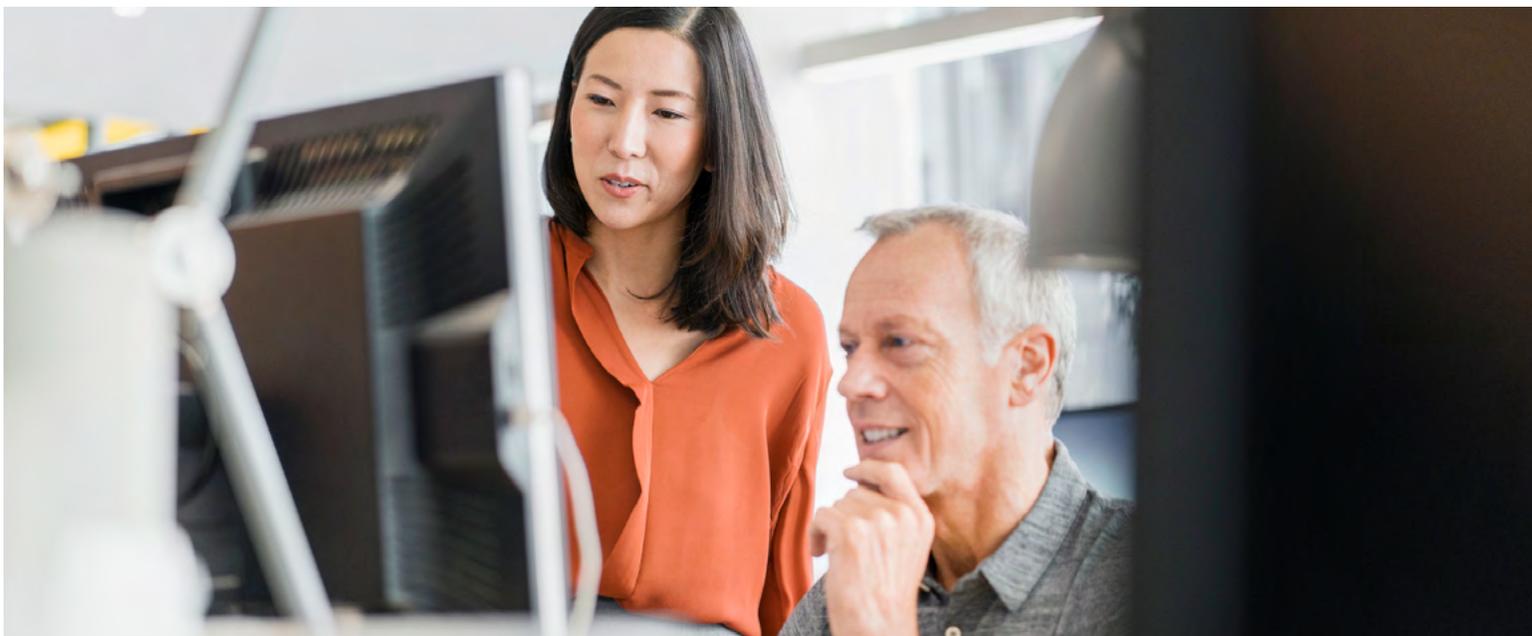
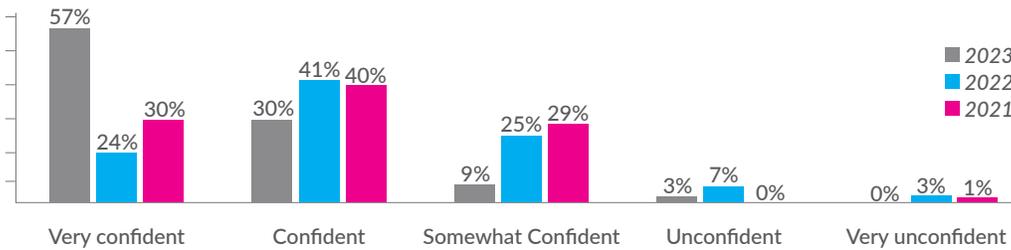
Findings show diverging opinions, with confidence in Asia/Pacific boosted by the high proportion of respondents feeling very confident, at 57%, next to 30% who are confident. A very low proportion, 9%, are somewhat confident this year.

Respondents in Asia-Pacific reveal more decisive opinions this year, bifurcating between 57% who are very confident, and 30% who are confident. Just under 10% are relatively undecided and somewhat confident.



57% Very Confident

30% Confident





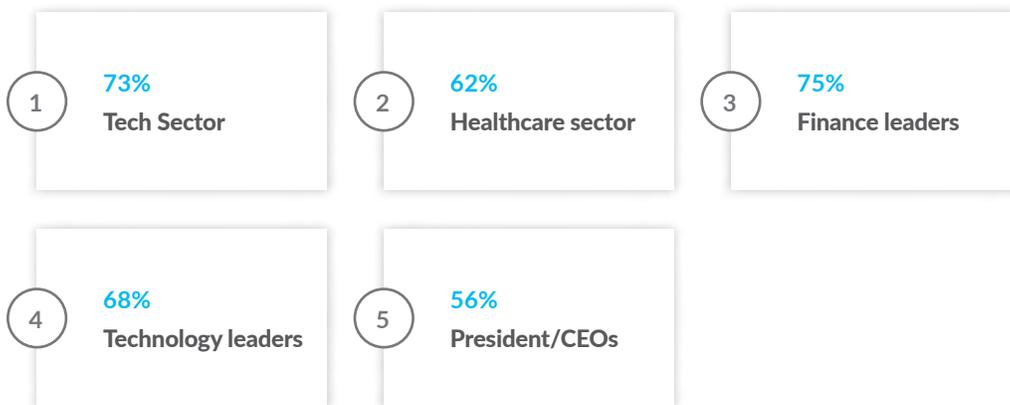
“When the winds of change blow, build windmills, not walls” – this Chinese proverb not only reflects the resilience of the North Asia region but also the confidence of companies and leadership teams here. In the wake of strict pandemic lockdown measures, agility and adaptability have emerged as crucial factors for the success of transformative change initiatives.

*-Neil Morrison, Managing Partner, China and Singapore  
Global Sector Co-Leader, Supply Chain & Logistics*

High levels of confidence are driven by the **tech sector** where 73% of respondents are very confident, expecting growth to be driven by innovation; also, **healthcare**, where 62% of respondents are very confident, expecting growth to be driven by innovation and human capital.

By job function, **finance leaders** are the most confident overall, with 75% feeling very confident; they expect growth to be driven by **digital transformation** and **customer expectations**. The next most confident group are **technology leaders**, among whom 68% are very confident and expect growth to be driven equally by **innovation** and **digital transformation**. Over half, 56% of **President/CEOs** are very confident and expect growth to be driven by **innovation**.

Respondents who are particularly bullish, very confident, are in the following sectors and roles:





Digital transformation and innovation have emerged as powerful catalysts for growth. Organisations are recognizing the pressing need for executives equipped with novel skill sets to navigate this landscape effectively.

While confidence in growth potential is high, achieving alignment between talent and strategy remains a challenge. This underscores the importance of nurturing and recruiting talent effectively to capitalize on the region's growth opportunities.

*-Melody Chang, Principal, China*

Growth confidence has declined in the post-Covid consumer and retail sector. Brands are continuously seeking ways to leverage new technologies like AR/VR, automation, supply chain monitoring, contactless payments, and AI, with a strong focus on building customer relationships, telling impactful stories, and reducing frictions across all business processes.

Consumers spanning various market tiers, from mass/value to high-end/luxury, are displaying increasing levels of sophistication. As a result, leaders must be adept at leading teams across all functions to prioritize the overall customer experience.

*-Thomas Fortier, Partner, Japan*

### Talent aligned to strategy

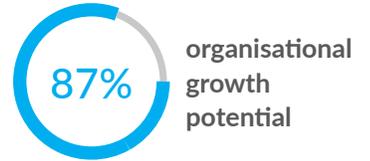
There is a persistent gap between confidence in organisational growth potential, at 87% and having the **right talent to align with strategy**, at 75%, revealing a 12-point difference this year

While confidence in growth potential has increased, so has talent confidence, at 75%, significantly higher than 47% in 2022 and 44% in 2021. This suggests that investing in leadership development, hiring new talent and retraining or redeploying existing talent is beginning to pay off, with Asia-Pacific catching up with other regions benefiting from such investments.

We look at talent confidence across three distinct areas: (i) overall workforce; (ii) leadership team; and (iii) the board or executive committee.

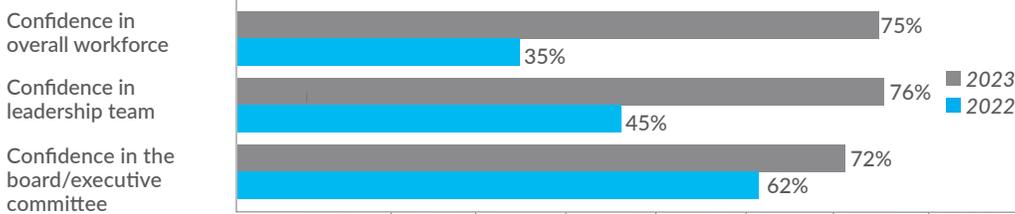
Globally, findings show that confidence tends to rise with seniority to board level, but in Asia-Pacific the greatest confidence is in the **leadership team**, followed by the overall workforce, and then the **board or executive committee**; confidence in the board or executive committee is 4 points lower than in the **leadership team**.

Year-on-year comparison reveals a massive increase in talent confidence in the region, particularly in the **overall workforce** and **leadership team** this year, rising by 40 and 32 points respectively, and by a margin of 10 points for the board or executive committee. In 2022, confidence levels for the overall workforce and leadership team were much lower in Asia-Pacific than global averages, and the same for the board or executive committee; they are now higher than the global average across all levels of the organisation



### Confidence in having the right talent to align with strategy

Very confident or confident





India is exceptionally optimistic and confident in its growth prospects, primarily propelled by the government's 'Make in India' initiative with a strong emphasis on innovation. We foresee rapid expansion in manufacturing (including automotive), technology, and engineering sectors, leading to a significant demand for highly competitive professionals across all levels.

Furthermore, Indian companies are strategically pursuing global business acquisitions, and India is poised to become the world's third-largest economy, making it an attractive destination for substantial global investments.

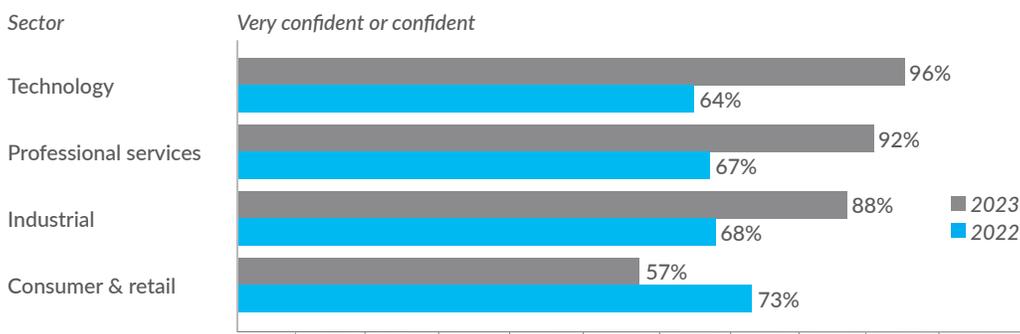
*-Abhay Joshi, Partner, India*

## A closer look

### Confidence by sector

Respondents in the **tech sector** are the most confident in their organisation's growth potential this year, with **96%** of respondents very confident or confident. Confidence has increased significantly in all featured sectors, except for **consumer & retail**, the least confident at **57%**, revealing a 16-point drop compared with 2022.

Confidence has increased significantly in the **industrial sector**, up from 44% very confident or confident in 2022 to **69%** this year. Confidence has improved in the **academic sector**, up from 41% to **53%**. The biggest fall in confidence is in **consumer & retail**, down 10 points.



### Confidence by job function

- **Finance leaders** have the highest very confident scores with 75% very confident in their organisation's growth potential:
  - ✓ In preparing for recession, they point to shifts in corporate resource allocation and more cognitive diversity within teams.
- **Technology/digital leaders** are the most confident overall, with 68% very confident and 32% confident, amounting to full confidence:
  - ✓ In preparing for recession, they point to greater use of AI/robotics/automation.
- **Operations leaders** are 61% very confident:
  - ✓ In preparing for recession, they point to capturing ideas from all parts of the organisation and increased engagement with the board.
- **President/CEOs** are 56% very confident:
  - ✓ In preparing for recession, they point to capturing ideas from all parts of the organisation and more agile decision-making.
- **HR leaders** are 58% very confident:
  - ✓ In preparing for recession, they point to more agile decision-making and leveraging HR expertise.
- **Marketing/sales leaders** have the lowest very confident scores with 36% very confident:
  - ✓ In preparing for recession, they point to more agile decision-making and capturing ideas from all parts of the organisation.

# 02 GROWTH OUTLOOK

With such high confidence in organisational growth potential, where is growth expected to come from?

Asia-Pacific remains a dynamic region, despite challenges in the world economy, with domestic demand in Asia robust in the face of a weakening appetite for exports. As industries recalibrate for the digital age, digital transformation, innovation and R&D are the top three growth drivers. In keeping with last year, human capital is the fourth growth driver.

In other areas, the data reveal a shift in focus this year, with much greater attention given to sustainability opportunities, the fifth growth driver; net zero initiatives/circular economy ranked bottom of the list in 2022. Product or service diversification was the third top driver of growth in 2022, now ranking in seventh place.

Findings are mostly on par with global data; innovation and digital transformation are the top two drivers of growth. However, In Asia-Pacific, R&D is a much higher priority, ranking third, compared to twelfth globally.

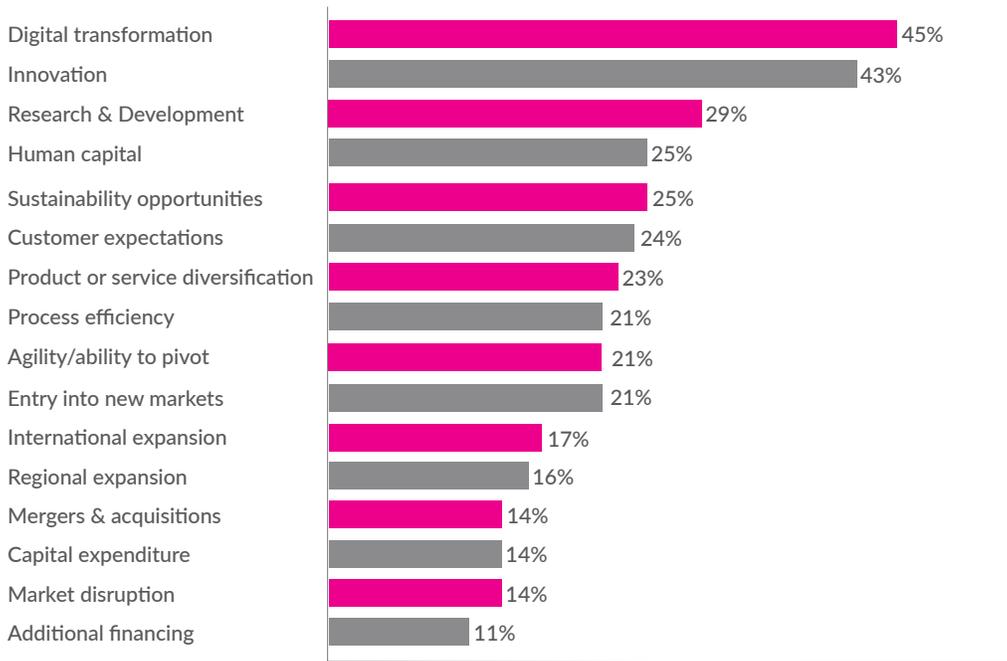
**45%** Digital transformation

**43%** Innovation

**29%** Research & development

**25%** Human capital

## Organisational growth drivers





In the Asia-Pacific region, the financial services sector is booming. Rapid adoption of fintech and digital payment solutions in countries like China, India, and Singapore is driven by a tech-savvy population and high smartphone penetration. This growth extends to digital banking, digital wallets, online lending, and peer-to-peer payment solutions. The rise of high-net-worth individuals fuels the demand for advanced wealth management services. Insurtech is transforming the insurance industry through AI, big data, and blockchain innovations. E-commerce and retail banking are integrating services to meet customer needs. Sustainable finance is on the rise, with a focus on ESG factors, while open banking regulations encourage competition and innovation.

*-Krista Espaldon, Partner, Singapore and China*

## Risks and challenges

### External risks and challenges

In order to understand shifts in strategy and objectives, we explore the risks and challenges leaders are factoring into their decisions.

While findings are consistent with global data showing recession as the top risk, respondents in Asia-Pacific are much more concerned about **cyberattacks** than their global peers; this is the second top risk, compared with seventh globally.

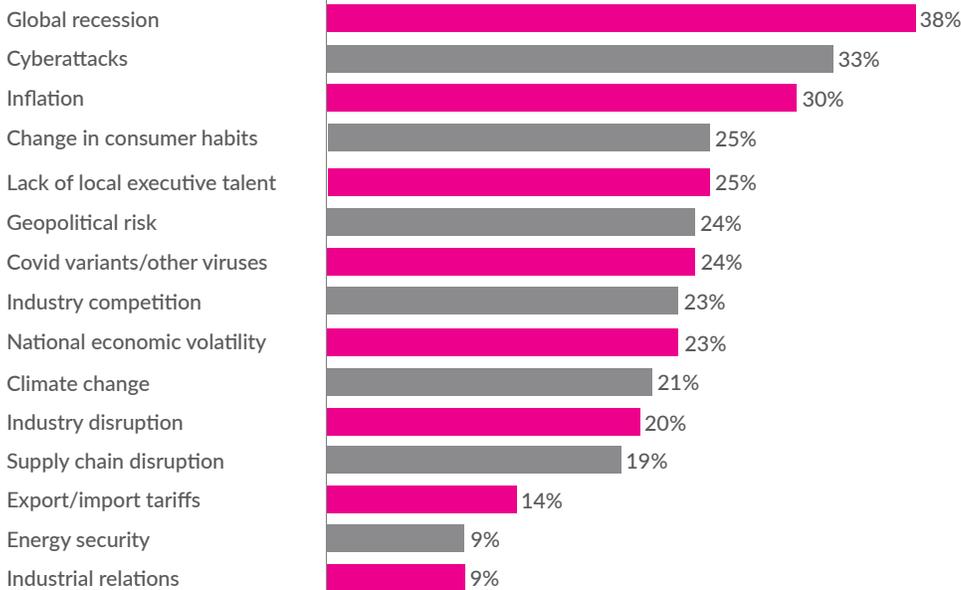
With economic policy supporting consumer-driven growth in the region, particularly in China, **change in consumer habits** is the fourth top risk, compared with ninth globally. Respondents in this region are also more concerned than global peers about **lack of executive talent**, as well as **covid variants/other viruses**. They are less concerned about geopolitical risk and supply chain disruption.

38% Global recession

33% Cyberattacks

30% Inflation

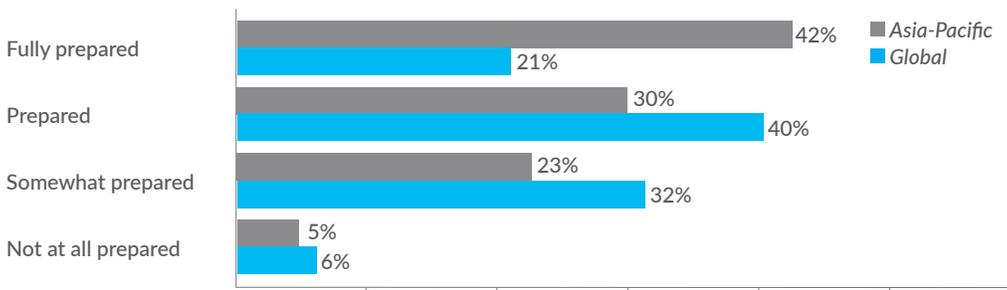
### External issues



Respondents in different sectors have specific concerns:

- **Financial services** respondents are more concerned about **national economic volatility** and **cyberattacks** than a global recession
- **Healthcare** respondents are as concerned about **inflation** and **change in consumer habits** as they are about a global recession

We asked respondents to what extent their leadership team is prepared to manage a recession:



Respondents in Asia-Pacific consider their leadership team to be significantly better prepared than their global peers: twice the amount, 42% of leaders in Asia-Pacific consider their leadership team to be 'fully prepared' compared with 21% of global respondents.





Recruitment and retention challenges are on the rise. Our clients face a skills mismatch at all levels due to rapid technological advancements like digitization and automation, alongside evolving job requirements. This misalignment between current workforce skills and demand is concerning. The issue is compounded by Thailand's rapidly aging population, resulting in a diminishing labor force. Addressing this shift requires enhanced strategies to engage and retain older talent. Furthermore, the rise of remote work and digital connectivity empowers Thai workers to access global job markets, working for international companies without geographic constraints. This opens doors to broader opportunities with higher incomes than locally available.

*-John Gordon Holme, Partner, Thailand*

We have observed and are currently witnessing substantial growth in hiring within the manufacturing sector in India, particularly in chemicals and industrial products. As manufacturing capacity expansions and a strong focus on innovation persist, companies are actively seeking exceptional leaders at the C-suite level to elevate their businesses to new heights. This trend is particularly noticeable in Indian promoter-led companies, but multinational corporations are also swiftly following suit. The confidence and optimism displayed by Indian CEOs compared to their counterparts in other parts of Asia play a pivotal role in this trend.

*-Nita Keswani, Partner, India*

**A closer look:**

**How are leaders handling the threat of recession?**

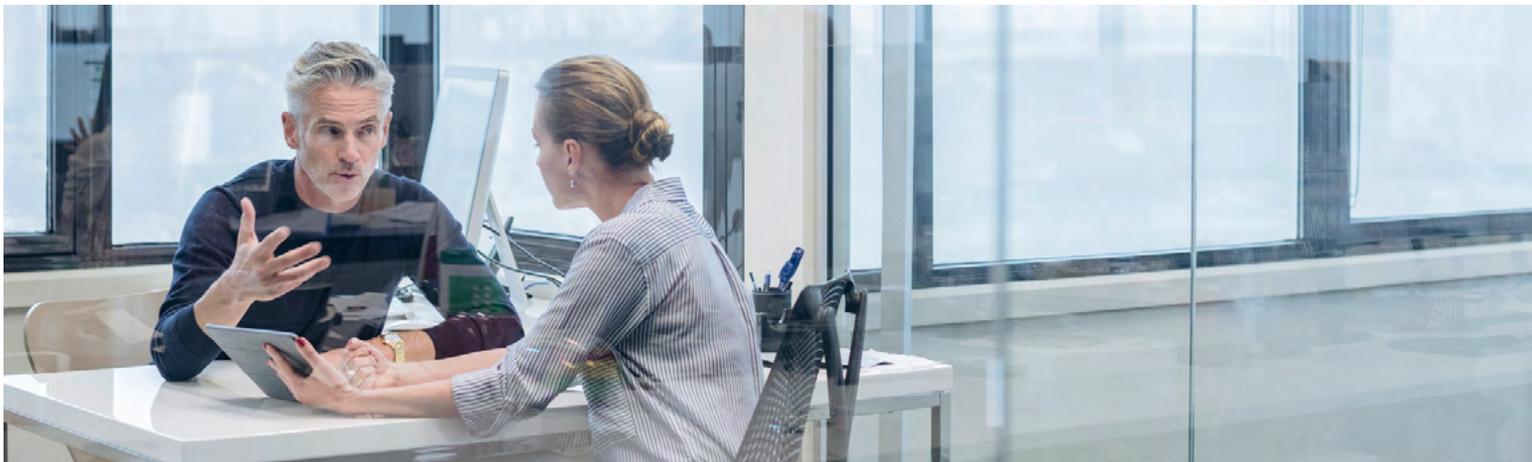
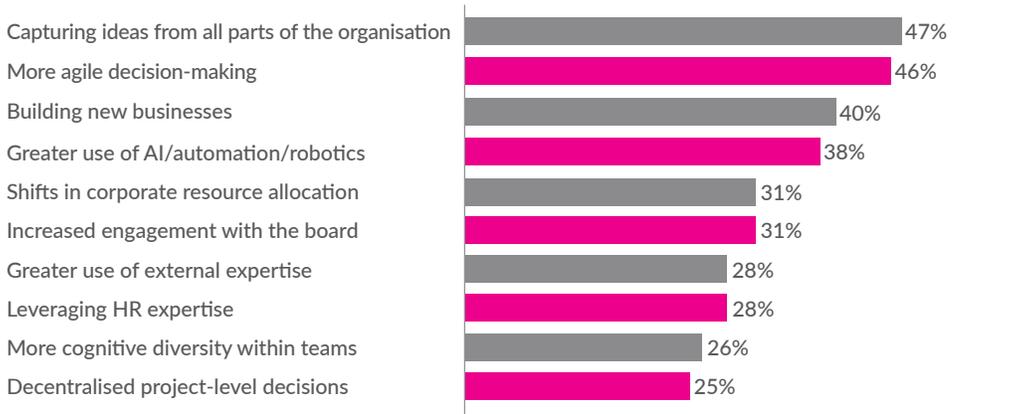
With concerns over a recession, inflation and associated change in consumer habits, we explore the views of respondents on how best to prepare for recession.

Adaptive leaders are creating adaptive organisations, preparing for a predicted global recession through:



Leaders in Asia-Pacific are broadly in line with global peers. The top three priorities are the same, but for leaders in Asia-Pacific the very top priority is 'capturing ideas from all parts of the organisation'. Respondents in this region are focusing more intensively on greater use of AI/automation/robotics, HR expertise, external expertise and cognitive diversity within teams.

'What is your leadership team focusing on to prepare for a predicted recession in 2023?'



From a sector perspective, findings are broadly consistent. However:

In **financial services**, the top priority is **decentralised project-level decisions**

In **healthcare** the top priority is **shifts in corporate resource allocation**

In **technology** respondents are the most focused on **greater use of AI/ robotics/automation**, as well as **capturing ideas from all parts of the organisation**.

**Internal risks and challenges**

This year internal risks and challenges are primarily about costs, people and innovation. Employee burnout and rising business costs are still among the top three risks. The need for different executive skill sets has replaced a weak leadership team, which fell from third place in 2022 to ninth place this year. People issues include succession planning, a top three risk for more than a fifth of respondents.

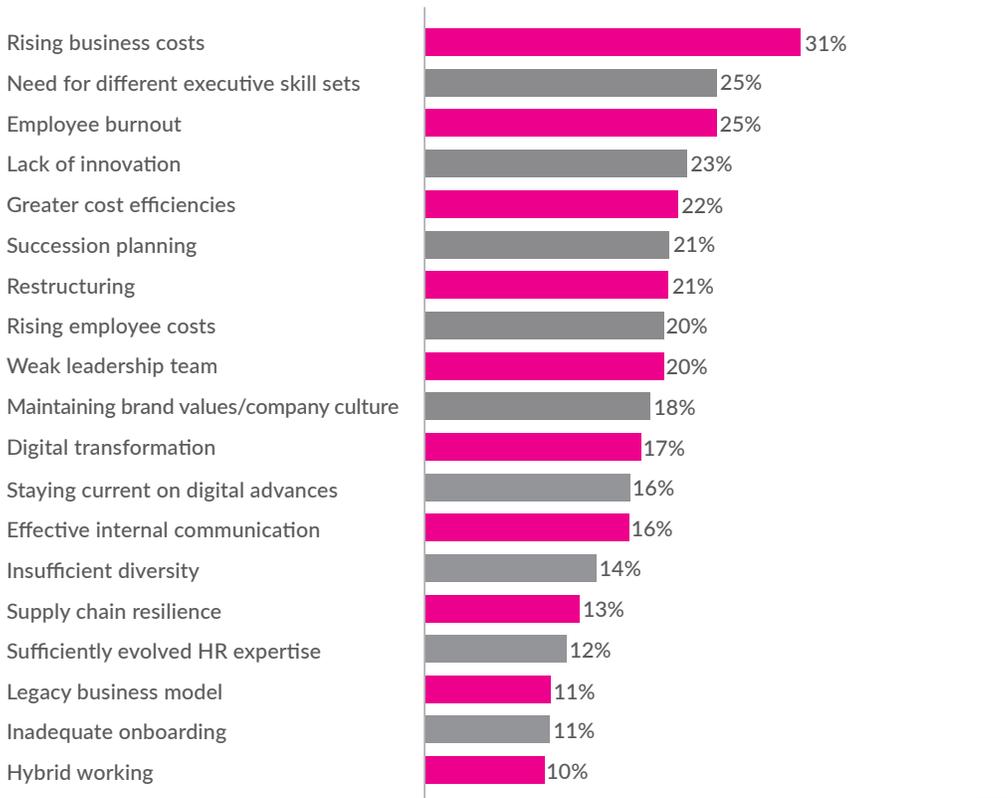
With digital transformation, innovation and R&D the top growth drivers, other important challenges are lack of innovation, cost efficiencies and restructuring. Risks that have either been addressed or are less of a concern since last year are supply chain resilience and a legacy business model.

**31%** Rising business costs

**25%** Need for different executive skill sets

**25%** Employee burnout

**Asian-Pacific internal issues**

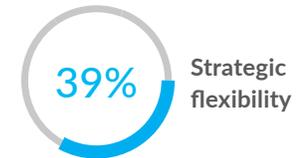
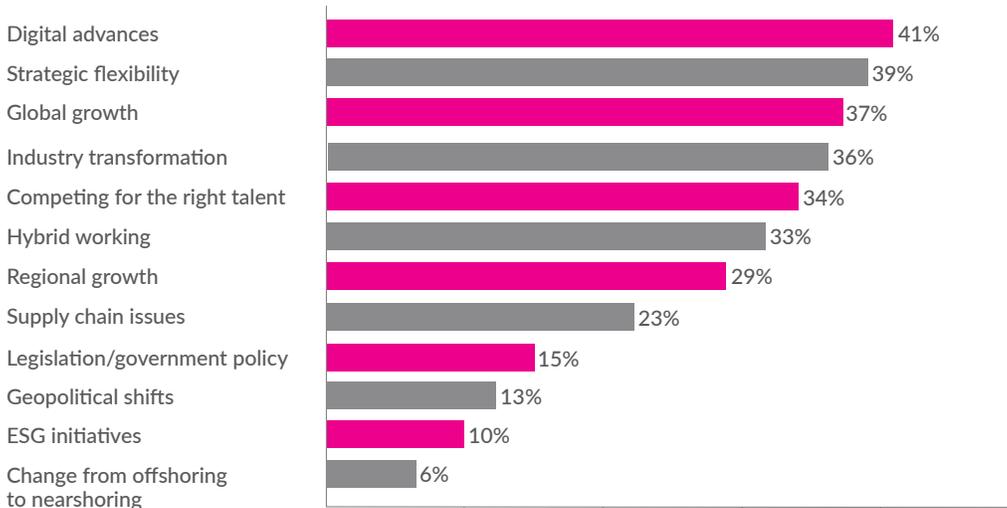


## Drivers of structural change

Adaptive leadership is a reflection of the drive towards digital transformation and growth through innovation and R&D.

We therefore see the top three drivers of structural change as: **digital advances**, the top driver for 41% of respondents; **strategic flexibility** for 39% and distinctively for this region, **global growth** for 37%.

### Structural change drivers



**Global growth** is a much stronger driver of structural change than regional growth, at 37% compared with 29% respectively; this correlates with hiring more globally-focused executives (*section 03 Talent*). **ESG initiatives** have little impact on structural change, at just 10% in Asia-Pacific, compared with 14% globally.





A significant internal risk stems from the shortage of fresh and diverse executive skills within organisations. The primary challenge at play here is rooted in the heightened risk aversion among key shareholders of private businesses. Many of them are hesitant to alter their management structures and introduce new executives into pivotal roles, as they aim to preserve the existing balance of power within their organisations. Moreover, the new economy's sharp focus on digital advances only magnifies the urgency of addressing this issue.

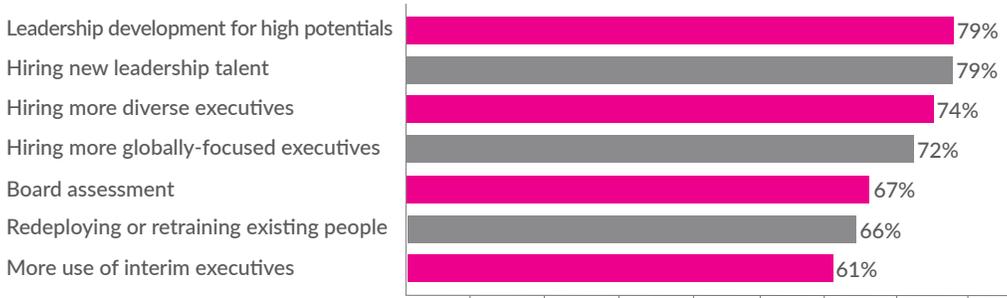
*-Pavel Plaksin, Managing Partner, Kazakhstan*

# 03 TALENT LANDSCAPE

## Investment priorities

In an environment demanding adaptive leadership, what talent-related investments are organisations most likely to make in the next two years?

### Talent-related investments



Investment is well above global levels across all talent-related areas, and also above investment levels in the region in 2022. Hiring more diverse executives reveals a nearly 20-point difference year-on-year.





The Japanese talent landscape is experiencing a significant shift as organisations increasingly prioritize hiring local candidates for senior staff positions. Historically, the limited availability of a suitable talent pool hindered this transition. However, there has been a maturation of open-minded upper management-level Japanese candidates who have advanced through the ranks of multinational companies and received education abroad. This transformation reflects an evolving approach to talent acquisition in Japan, emphasizing the development of a more diverse and internationally experienced senior leadership cadre.

*-Neil Bevan, Partner, Japan*

Very likely or likely



The top three priorities remain the same, while **hiring more globally-focused executives** is a higher priority this year. This correlates with global growth being the third top driver of structural change, identified by 37% of respondents (*section 02 Growth*). **Hiring more diverse executives** is aligned with managing a global recession through a number of approaches, including **more cognitive diversity within teams**, a high priority among **finance leaders** (*section 01 Confidence*).

Expected **use of interim executives** is distinctive, at 61% compared with the global average of 38%. This investment continues to prove valuable in the region: it has increased from 34% in 2022 and from 22% in 2021.

The region is also distinctive in its likely investment in **board assessment**: while 47% of global respondents consider this *extremely likely or likely*, in Asia-Pacific it is 67%. This region has the highest number of respondents who are *extremely likely* to invest in board assessment, at nearly a third, 32%, compared with 30% in South America, and 10% in both North America and Europe.

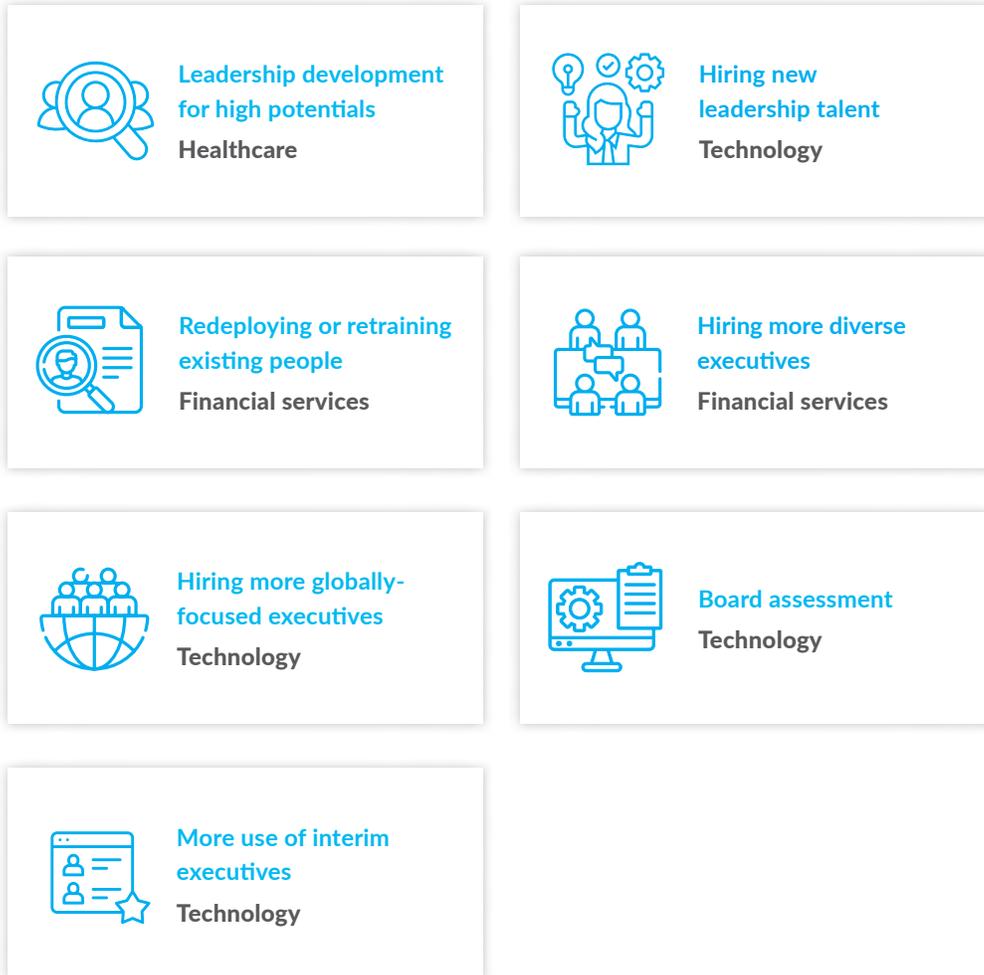
By sector, **technology** is the most active investor; 91% of respondents are *extremely likely or likely* to **hire new leadership talent** and 83% expect to **hire more globally-focused executives**. This sector is also the most focused on **board assessment**, with 79% *extremely likely or likely* to invest in this, compared with the regional average of 67%.

Respondents in **financial services** are also focused on **hiring more diverse executives**, with 81% *extremely likely or likely* to make this investment.

Respondents in **healthcare** are the most likely to invest in **leadership development for high potentials**, at 93% *extremely likely or likely*, compared with the regional average of 79%. This year, the sector takes over from professional services as the highest investors in **leadership development**.



The top talent-related investment by sector is:



### Strengthening executive talent

We asked respondents to identify areas where organisations need to strengthen their executive talent. The top three priorities are **innovation, digital** and **sustainability skills**.

While this is broadly on par with global peers, the data reveal stark differences compared to last year, when opinions were strong and clustered, in contrast to more widespread views this year. In 2022, priority skills to be strengthened were digital (robotics, AI, machine learning), technology/cloud/cybersecurity, and marketing & sales. In 2023, skills in sustainability were the penultimate priority, whereas this year skills in this area are third priority.

<b>2023</b>	<b>2022</b>
44% Innovation/business transformation	81% Digital (AI, robotics, machine learning)
41% Digital (AI, robotics, machine learning)	80% Technology/cloud/cybersecurity
35% Sustainability	79% Marketing & sales



The geopolitical landscape and economic model in Asia are adjusting to a lower growth and a more localized world. Companies are seeking leaders capable of aligning strategies with these changes, making the hiring and development of their executive teams a top priority. Data also reveals that digital investments will work in conjunction with talent acquisition, engagement, and leadership development to ensure that the right leaders are in place.

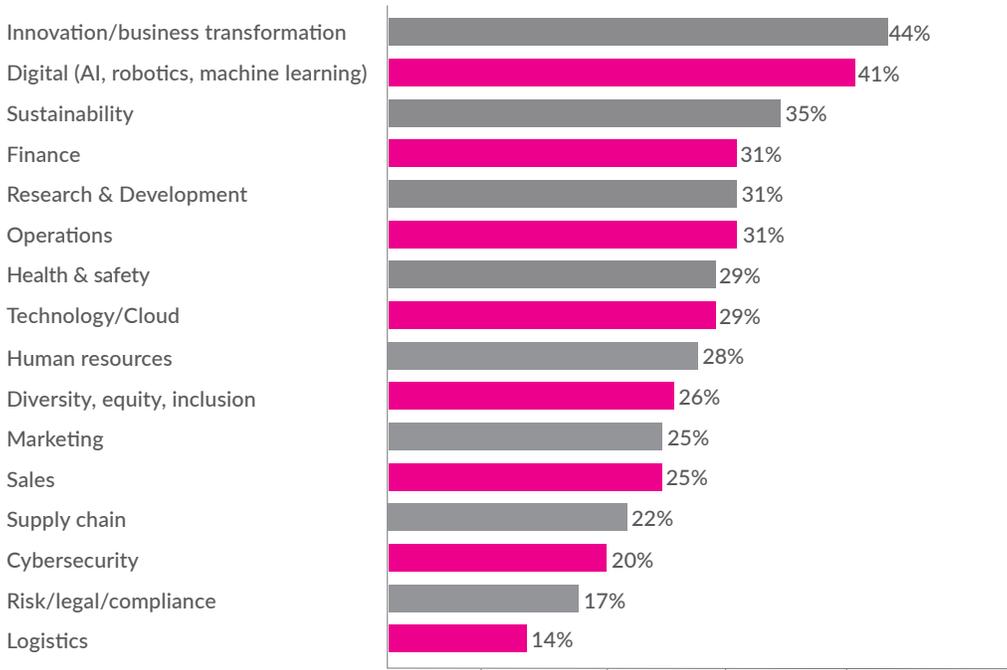
*-Mirko Petrelli, Managing Partner, Leadership Consulting, Singapore and China, APAC Regional Practice Leader, Consumer & Retail Practice / HR Practice*

As per the latest insights from Aviation Week, by 2024, the Asia-Pacific region is set to dominate Aerospace MRO demand, constituting 33% of the global total. Airlines, on their path to post-Covid recovery, are prioritizing aircraft configuration optimization for enhanced profitability, driving a surge in cabin modifications. Notably, the defense sector is also witnessing significant investments in North Asia and Australia. This boom in the Asia-Pacific market is attracting an influx of multinational corporations and new players, resulting in a heightened demand for local CEOs and senior executives familiar with the region. To seize the burgeoning opportunities, companies are expanding their sales teams in key countries like Singapore, Japan, India, and China.

*-Kent Yar, Partner, Singapore*

Compared with global peers this year, there are very different perspectives on **research & development**, with 31% of respondents in the region identifying this as a top three priority, compared with 19% of global respondents. Skills in **health & safety** are also a higher priority in Asia-Pacific, where respondents identify COVID/other viruses as a greater external risk than their global peers.

**In-demand executive talent**



**A closer look:**

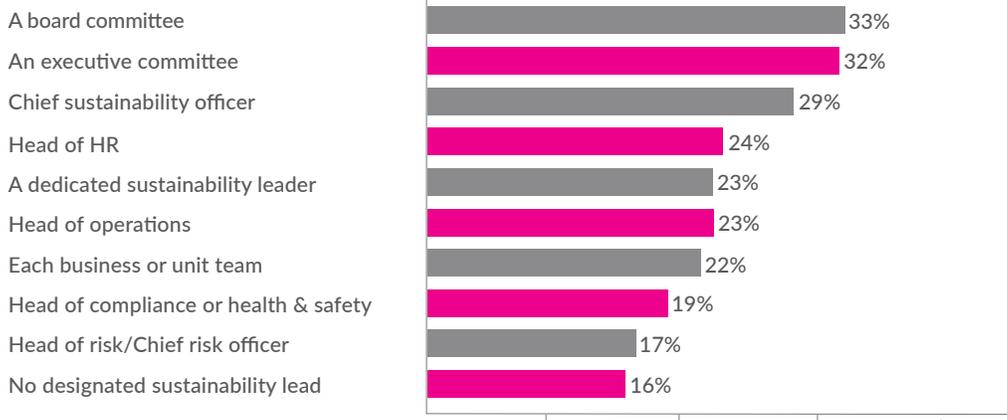
**Sustainability**

With varied resources across publicly-quoted, private and non-profit organisations, responsibility for sustainability is spread across different corporate functions.

In keeping with global peers, accountability is primarily held at **board** or **executive committee** level, at a combined 65%. While global peers rely more on a dedicated sustainability lead, organisations in Asia-Pacific have a higher number of **chief sustainability officers**: 29% of organisations have this role, compared with 17% globally. This could reflect the importance of sustainability opportunities as an **organisational growth driver**, which ranks fifth in the region (*section 02 Growth*), compared to seventh globally.

However, at this stage, the picture is still mixed: respondents in Asia-Pacific also reveal more reliance for accountability on the **Head of HR**, **Head of operations** and **Head of risk** than their global peers.

**Sustainability accountability**



This year, we asked respondents **'Is your organisation investing sufficiently in sustainability?'**

Respondents in Asia-Pacific are the most confident worldwide that their organisation is investing sufficiently in sustainability, with 79% answering yes, compared with a 59% global average; this breaks down to 75% in South America, 51% in North America and 48% in Europe.



**33%** A board committee

**32%** An executive committee

**29%** Chief sustainability officer

Data **by job function** show contrasting opinions:

- The most positive respondents in Asia-Pacific – **finance, operations and marketing/sales leaders** – are approximately 30 points more positive about their levels of investment than their global peers.
- **Finance leaders**, at a conclusive 100%, join a consensus with **operations leaders** at 96% and **marketing/sales leaders** at 91%.
- **President/CEOs** are bullish, with 81% saying yes, followed by 72% at SVP level and 71% at board level.
- The ‘least positive’ are **HR leaders**, with a fairly generous-minded 63% yes, still above the global average.

**Data by job function:**

**Yes**





The focus on sustainability and ESG factors is rapidly increasing in the region. Notably, a higher percentage of organisations in the Asia-Pacific region are now appointing Chief Sustainability Officers, exceeding the global average (29% in the region compared to 17% globally). This trend underscores the growing recognition of sustainability as a catalyst for growth and corporate responsibility within the Asia-Pacific business arena. However, some clients in the region are encountering recruitment obstacles, particularly when competing with larger global brands and searching for executives possessing the required skill sets. In response, clients in the industrial sector are beginning to perceive sustainability as a growth driver and are actively investing in leadership development and recruiting new leadership talent to tackle these challenges and maintain competitiveness.

*-Allan Marks, Managing Partner, Australia*

## Drivers of recruitment and retention

We asked respondents which incentives they use for senior-level recruitment and retention. Data for Asia-Pacific show the top four priorities, and how they compare globally.

		Asia-Pacific	Global
 <p>Recruitment</p>	Performance-based bonus	48%	53%
	Flexible working	44%	46%
	Hybrid working	39%	44%
	Long-term bonus	38%	32%

		Asia-Pacific	Global
 <p>Retention</p>	Performance-based bonus	51%	54%
	Long-term bonus	46%	--
	Flexible working	41%	47%
	Further leadership development	35%	39%
	Hybrid working	34%	38%

### Low use in Asia-Pacific

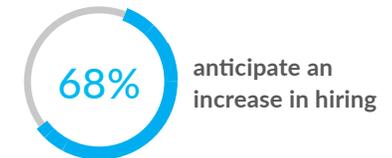
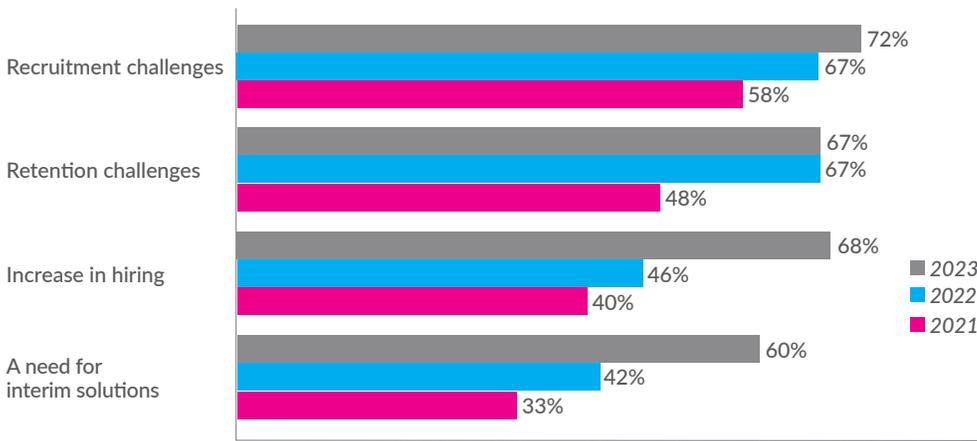
Recruitment	Retention
21% Childcare allowances	17% Childcare allowances
18% ESG commitment	15% ESG commitment
17% Additional holiday (paid/unpaid)	14% Additional holiday (paid/unpaid)

In contrast to last year, incentives this year are similar for both recruitment and retention; the focus is on cash remuneration and work lifestyle, and for retention further leadership development. Remuneration is streamlined, with performance-based bonus, long-term bonus and stock options eclipsing bespoke remuneration, travel or childcare allowances.

Other factors such as ESG commitment and career-related incentives such as international exposure or job mobility are also less relevant. Despite employee burnout being the third top internal risk (*section 02 Growth*), additional holiday is the least used incentive for either recruitment or retention.

## Talent look-ahead

Expectations of recruitment challenges continue to grow; this year 72% of respondents expect recruitment challenges through Q2 2024 compared with 67% last year, while retention challenges remain the same at 67%. There is a significant jump in hiring, with 68% of respondents expecting an increase, compared with 46% last year. Another major leap shows 60% expect a need for interim solutions compared with 42% last year.



Compared with global respondents, those in Asia-Pacific reveal greater talent concerns, and a much stronger intent on hiring and using interim solutions.

We asked our respondents to specify their recruitment challenges, revealing the following ranking:

1. Competing with bigger brands
2. Lack of applicable senior-level skill sets
3. Shrinking talent pool
4. Difficulty with cultural fit or fluency
5. Risk-averse executives, reticent to move
6. Mobility/relocation issues
7. Cost/bidding wars/'golden hand cuffs'
8. Insufficient senior-level soft skills to attract strong candidates
9. Finding the right executive search expert
10. Reticence over office-based or hybrid working

1. Competing with bigger brands
2. Lack of applicable senior-level skill sets
3. Shrinking talent pool

In common with global peers, **competing with bigger brands** is the top challenge. This is followed by **lack of applicable senior-level skill sets**, which correlates with high levels of leadership development and hiring new leadership talent: 79% of respondents expect to make each of these investments.

**Lack of applicable senior-level skill sets** is a greater challenge for respondents in Asia-Pacific than for global peers; also, **risk-averse executives reticent to move**, although reticence to move is more culturally expected.

# 04 CULTURAL LANDSCAPE

How is organisational culture changing?

In an environment dominated by concerns over recession, **leadership visibility** is the top driver of culture shifts and mission-critical for maintaining morale and achieving growth through digital transformation.

**Employee needs** have a greater impact on culture in Asia-Pacific than globally, due to the risk of employee burnout, high levels of leadership development and anticipated challenges in recruitment and retention.

The third driver of culture shift is **customer/client needs**, reflecting concerns over change in consumer habits and the need for adaptivity to accommodate them.

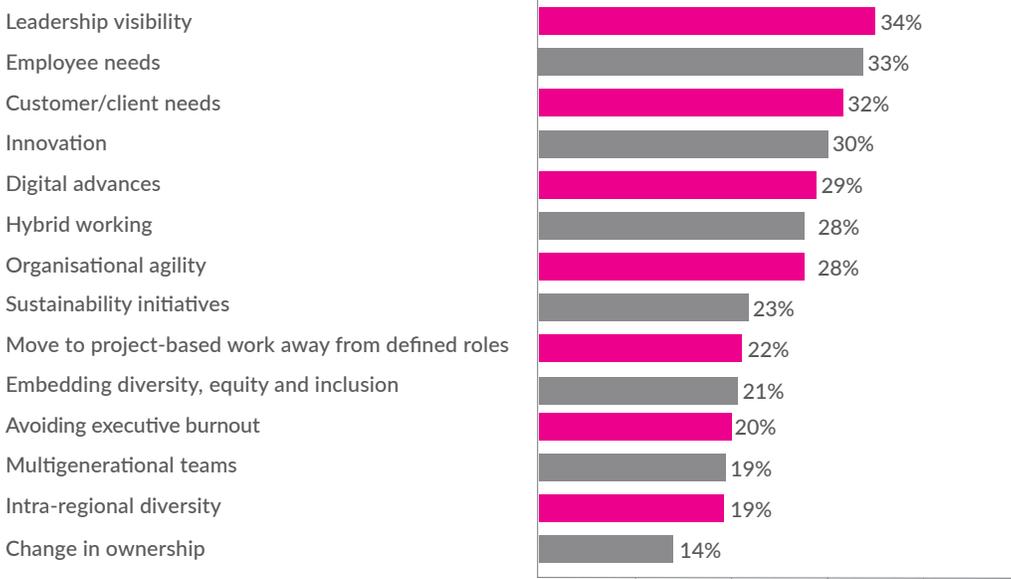
**Organisational agility**, a top driver in the region last year, and globally this year, is having significantly less impact on culture, falling from second to seventh place this year. On the other hand, **sustainability initiatives** feature more strongly this year; net zero initiatives were bottom of the list last year.

34% Leadership visibility

33% Employee needs

32% Customer/client needs

## Culture shift drivers





Economic projections, following the upheaval of the pandemic years, have introduced a degree of uncertainty. Consequently, the demand for soft skills has never been higher. Empathetic leadership remains pivotal, provided it aligns closely with strategic goals, and communication is impeccably clear. This clarity aids individuals in comprehending their significance within the organisation and the rationale behind tough but necessary decisions.

*-Philip Graham, Partner, Australia*

By sector, respondents in **technology** are distinctive for identifying **hybrid working** as the top driver of culture shift; and respondents in **professional services** highlight **project-based work away from defined roles** more than any other sector.

At what stage are these cultural shifts? There is a slight change this year in the **alignment of culture and behaviors** to **organisational purpose and business objectives**; this has improved by one point since 2022, scoring 7 out of 10.

## Environment, social and governance progress

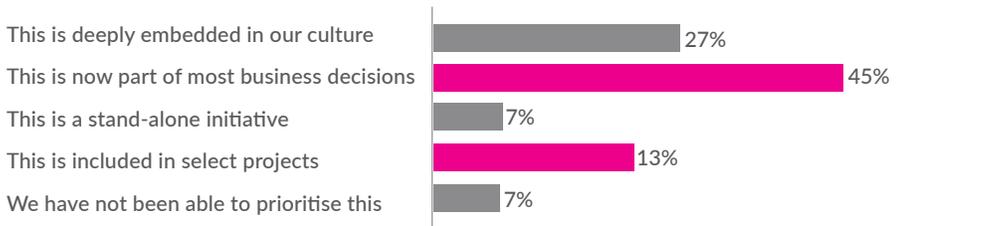
What impact are Environment, Social and Governance (ESG) initiatives having on culture?

We look at two areas here: ESG in general and Diversity, Equity & Inclusion (DEI) in particular. While we acknowledge that DEI is part of 'social' in ESG, we have separated it out to reflect the high proportion of organisations focusing specifically and separately on DEI.

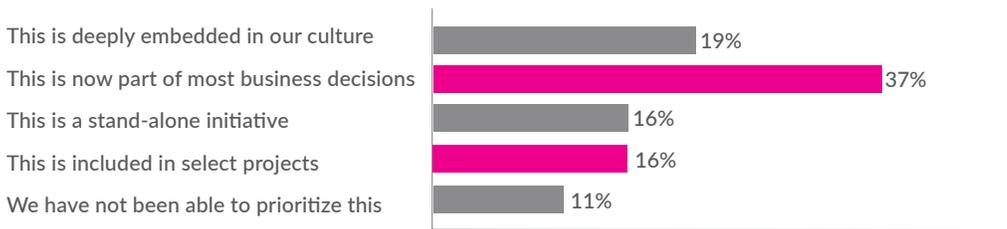
In our previous surveys, findings show that ESG and DEI are gradually shifting the culture of the organisation. This year shows marked improvement in **DEI** progress in Asia-Pacific: for **72% of respondents** DEI is deeply embedded in the culture, or part of most business decisions, compared with 48% for these measures last year. The region is ahead of the global average, with 57% reporting these measures.

There has also been significant improvement in **ESG** progress, with **56% of respondents** reporting this deeply embedded in the culture, or part of most business decisions, compared with 44% last year. The region is slightly ahead of the global average, with 52% reporting these measures.

### Diversity, equity & inclusion progress



### Environment, social and governance progress



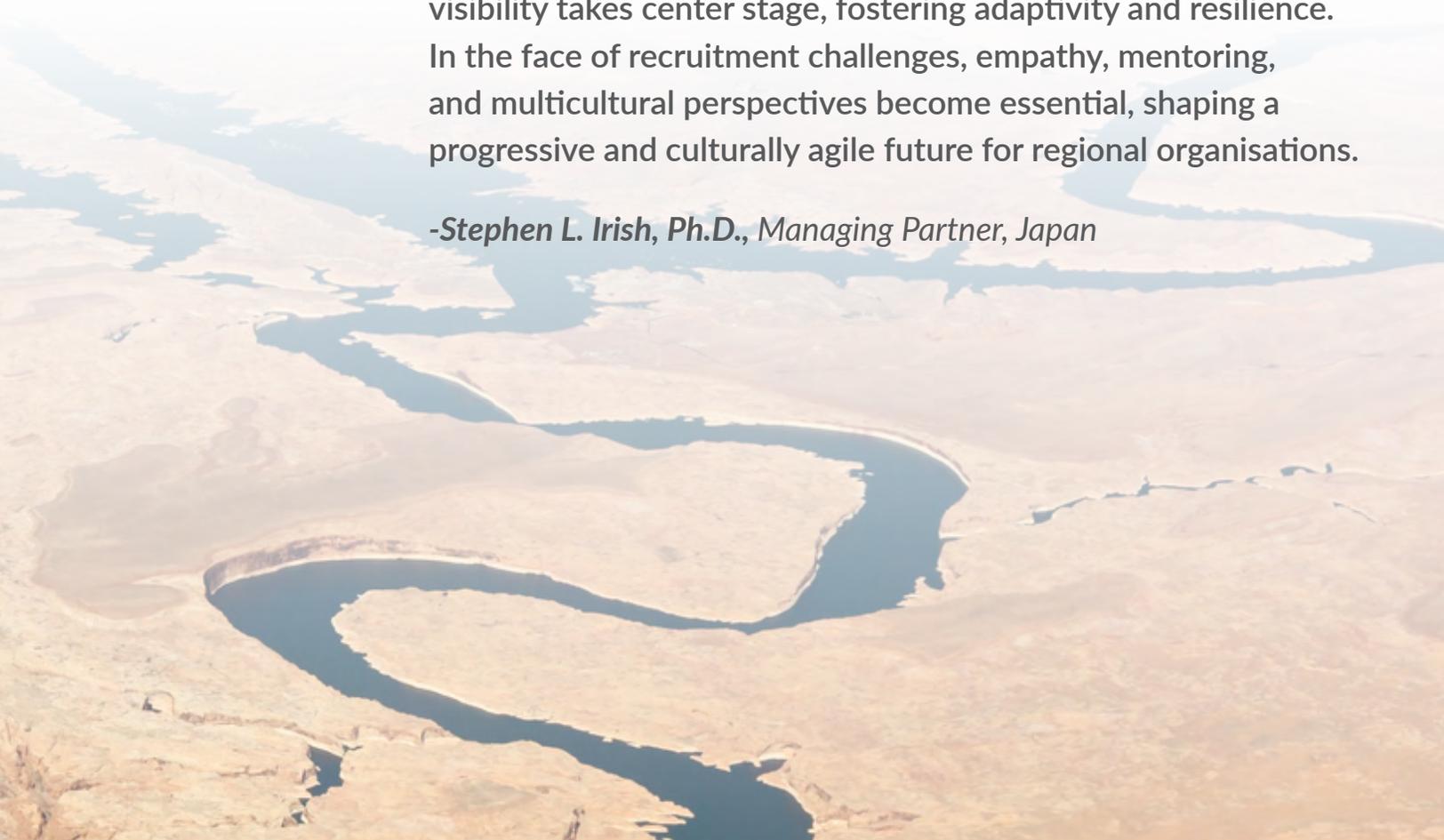


In the consumer and retail sector in India, leaders' standout quality is adaptability, particularly in the post-pandemic era. They are formulating strategies for sustainable supply chains and eco-friendly product lines to reduce their carbon footprint, appealing to environmentally conscious consumers. This dynamic landscape is fostering a fusion of tradition and modernity in retail experiences, as leaders focus on digital payments, omnichannel strategies, and eco-friendly packaging. Furthermore, the retail sector is placing a premium on personalized shopping experiences, harnessing AI and data analytics to align with contemporary goals.

*-Shalini Kandhari, Partner, India*

In Japan's Healthcare & Life Sciences sector, soft skills are the linchpin of transformative leadership. Amid growth challenges and talent alignment, pivotal skills include inspiring teams, driving change, and attracting/retaining talent. Leadership visibility takes center stage, fostering adaptivity and resilience. In the face of recruitment challenges, empathy, mentoring, and multicultural perspectives become essential, shaping a progressive and culturally agile future for regional organisations.

*-Stephen L. Irish, Ph.D., Managing Partner, Japan*



## Soft skills in leadership

Culture comes from the top, from leadership behaviour and soft skills.

We asked our respondents to rank the most valuable leadership soft skills, selecting up to five. Responses are widespread, with **inspiring teams** and **driving change** more pronounced, followed by **attracting/retaining talent**.

The importance of **inspiring teams** correlates with the importance of leadership visibility, the top driver of culture shifts in the region. With employee needs the second top driver of culture shifts, **mentoring** and **empathy** are important attributes for leadership, as well as **balancing employee and business needs**.

With 72% of respondents expecting recruitment challenges, **attracting/retaining talent** is the third most valuable soft skill, versus seventh priority among global peers. This reflects the **need for different executive skill sets**, the second top internal risk.

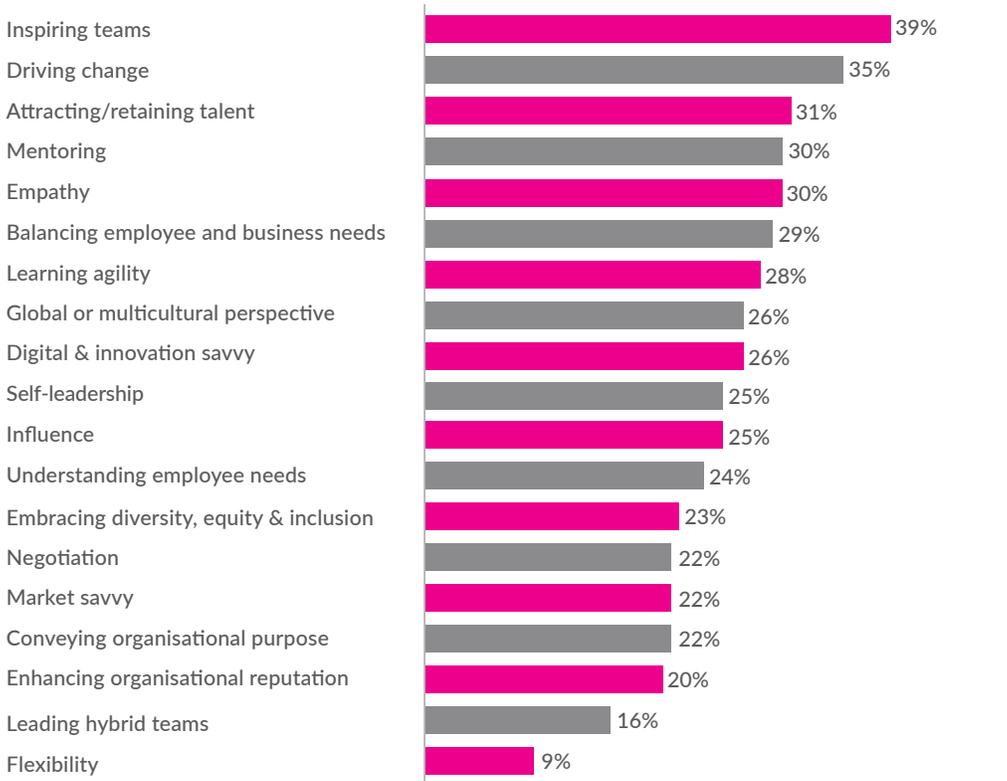
In other areas, respondents in Asia-Pacific place more value than global peers on **global or multicultural perspective** and **digital & innovation savvy**. They see less value than their global peers in **self-leadership**.

39% Inspiring teams

35% Driving change

31% Attracting/  
retaining talent

### Most valuable soft skills

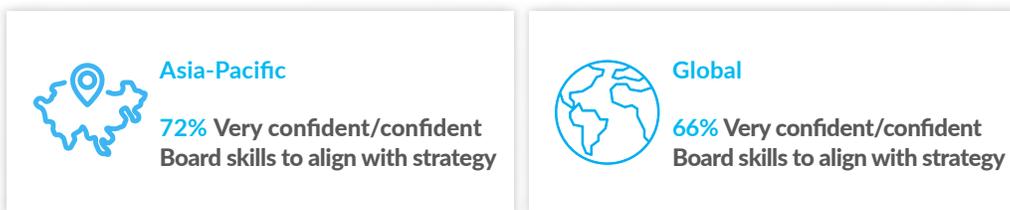


# 05 THE BOARD

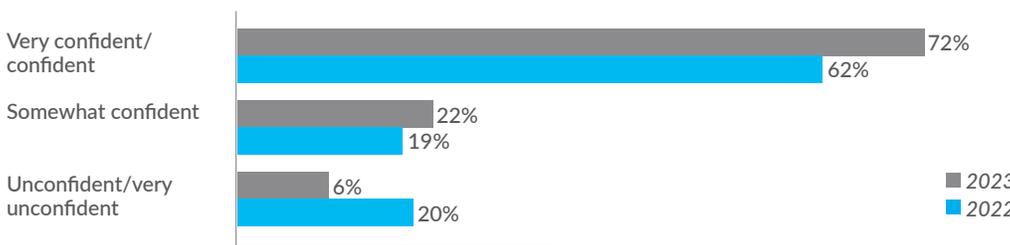
How confident are respondents that the skill sets within their **current board are aligned with strategy?**

Confidence in having the right talent on the board/executive committee to align with strategy is high, at 72% *very confident or confident*. Confidence tends to rise with seniority, but in Asia-Pacific confidence in both the workforce and the leadership team is yet higher, at 75% and 76% respectively.

Compared with the global average, respondents in Asia-Pacific are more confident by six points:



Confidence in board/executive committee skills has shifted significantly compared with last year, when a fifth of respondents were *unconfident or very unconfident*; that has now dropped to 6%. This year there is a 10-point increase in respondents who are very confident or confident, outpacing global peers, among whom there is a four-point increase.



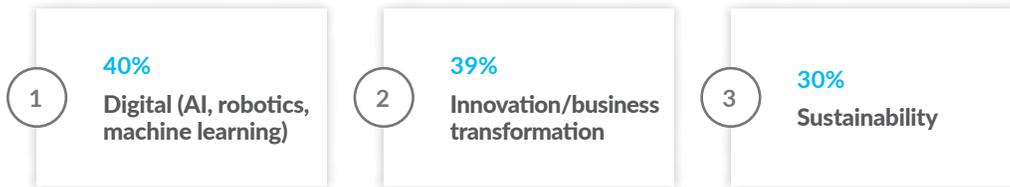


Boards in Asia-Pacific companies are adapting to shifting dynamics, including slower growth in China and the push for non-Chinese suppliers. They recognize opportunities for improved market positioning and growth by responding effectively. This strategic outlook has, in turn, led to a pronounced emphasis on recruiting global talent. Such talent is instrumental in meeting the evolving supply chain demands and ensuring the leadership of more competitive and internationally effective teams.

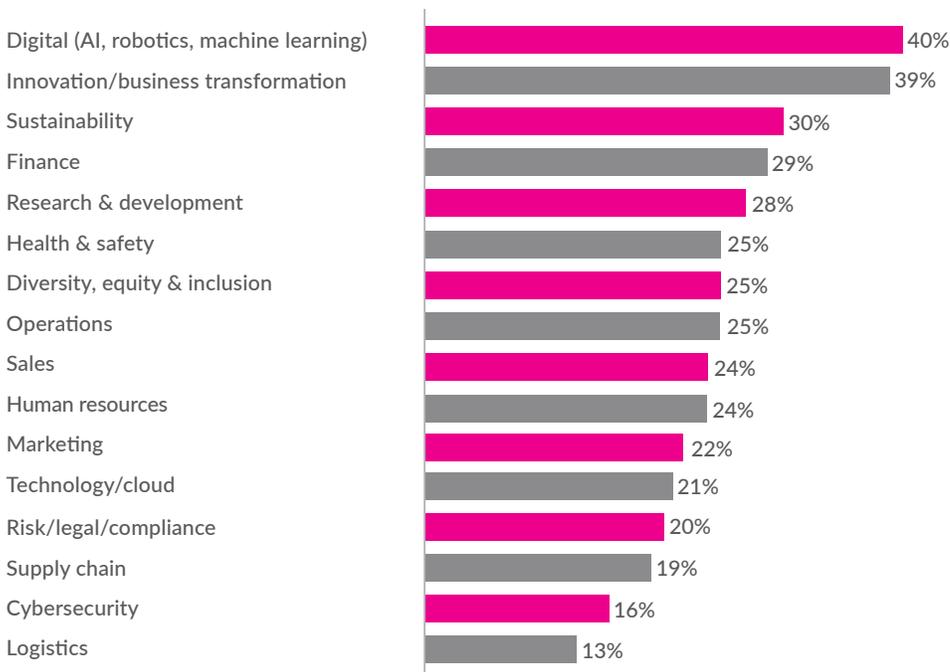
*-William J. Farrell, Managing Partner, Taiwan and South Korea APAC Regional Practice Leader, Private Equity & Venture Capital Practice*

## Strengthening board talent

We asked respondents ‘Does your organisation need to strengthen board talent in any of the following areas over the next two years?’



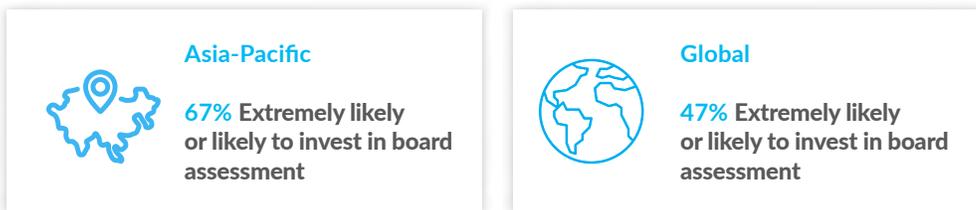
### Priority board skills



In keeping with global peers, the most important skills to strengthen at board level are **digital, innovation/business transformation** and **sustainability**, reflecting the top growth drivers of digital transformation and innovation, and the importance ascribed to sustainability opportunities.

The top priorities are broadly on par with findings last year, but skills in **finance** and **research & development** attract greater attention this year, with finance moving from eighth to fourth place, and R&D moving from 11th to fifth place. This makes the skills that need strengthening at board level the same top five skills that need to be strengthened at executive level (*section 03 Talent*). There is usually a difference, with the executive and the board complementing each other.

In shifting the focus a little at board level, to what extent will organisations conduct **board assessments**? 67% report it extremely likely or likely that their organisation will invest in this over the next two years, compared with 41% in 2022 and 33% in 2021.



Respondents in Asia-Pacific reveal higher levels of intent to invest than global peers in board assessment, and executive skills, reflecting human capital as a top growth driver alongside digital transformation, innovation and R&D, at both board and executive level.





Boards of Indian industrial and new energy companies are increasingly turning to the global talent market to identify Non-Executive Directors with skill sets that are challenging to find locally, such as digital acumen and sustainability expertise. Experienced candidates from diverse backgrounds are also in high demand as we see more multinational corporations appointing Indian leaders to their global boards.

*-Dinesh Mirchandani, Managing Partner, India*

There's a remarkable surge in digital-fuelled innovation and business transformation throughout the Asia-Pacific region. Our findings affirm a trend that many of us have personally experienced: there is a notable gap between the demand for leadership talent equipped with a contemporary, digitally enabled mindset and skillset. It underscores the pressing need for organisations and their board of directors to refresh and examine their skill sets to guide organisations effectively through this period of rapid change

*-Alun Parry, Managing Partner, Australia*

# CONCLUSION

Asia's highly adaptive digital consumers have spurred transformation and innovation, creating a robust growth platform, but with economic policy supporting consumer-driven growth, global recession is top of mind. As organisations in Asia-Pacific strive to maintain global growth through structural change, they are investing much more in diverse and globally-focused executives than global peers.

As global competition settles around digital capabilities, particularly AI and robotics, other avenues to growth are emerging, notably sustainability, with reportedly robust investment, a strong focus on skills and marked progress in corporate culture.

The fulcrum for adaptivity through strategy and talent in this region is global, providing for strategic flexibility leveraged by more globally-focused executives. In terms of growth potential, Asia-Pacific is in a strong position, but the pressure is on; organisations that flourish will compete the hardest for adaptive leaders who can deliver for adaptive consumers in the region and beyond.

[Read 2023 Boyden Global Executive Survey](#)



*This research was conducted in Q2 2023 among senior executives worldwide, with more than 200 responses from Asia-Pacific. These respondents are: 20 percent board/president/CEOs; 23 percent SVP, division or country heads; 14 percent tech/digital leaders; the remainder are operations, finance, HR, marketing & sales leaders and partners. By organisation, 56 percent are private/independent; 18 percent publicly-quoted; 8 percent private/family-owned; the remainder are private equity-backed, social enterprise and start-up businesses. By sector, 40 percent are in technology; 16 percent are in financial services; 12 percent are in industrial; 10 percent are in consumer & retail; 9 percent are in healthcare & life sciences; the remainder are in professional services, academic, non-profit and private equity.*

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