

en world white paper

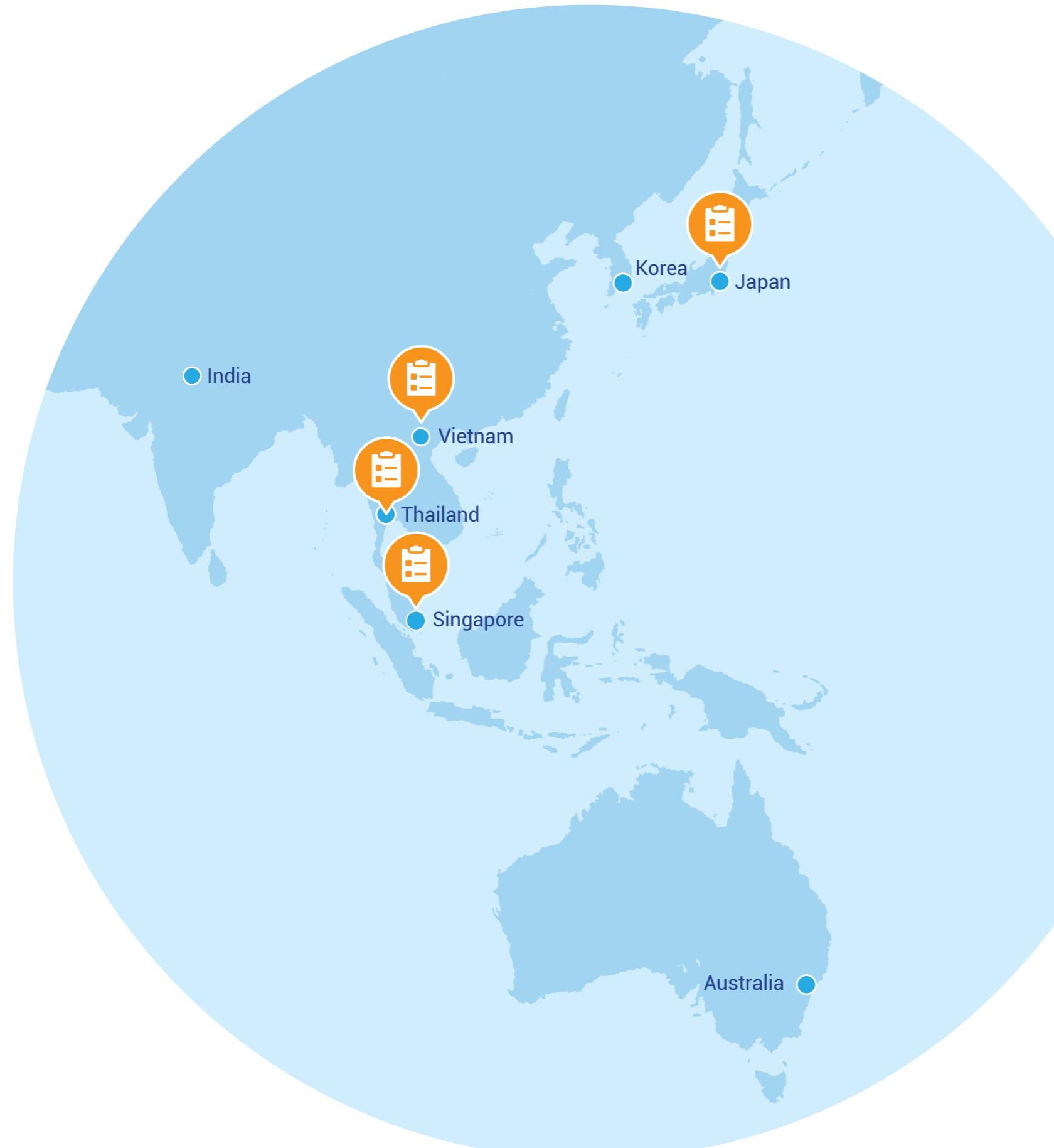
Challenges in recruitment and retention for foreign firms

APAC report for Thailand, Vietnam, Singapore and Japan

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Foreword



By the end of 2015, the ASEAN Economic Community (AEC) will officially be established, allowing relocation of labour in some industries within 10 South-East Asia countries. The AEC will be home of the world's 3rd largest workforce¹, behind China and India. More importantly, it is a young and ambitious labor force². Aside from the current difficulties related to education and migration, this is a major advantage for ASEAN countries in a highly competitive global economy.

With a good understanding of the strengths and weaknesses of managerial employees, companies in this region can develop appropriate human resource strategies to deal with the issue of "brain drain" and even benefit from the

"brain gain" that might occur once this community is formed.

This white paper based on research from en world, a group of recruitment consultancies with operations in 7 APAC countries, focuses on the current challenges in recruiting and retaining mid and senior employees for foreign firms in Thailand, Vietnam, Singapore and Japan. It was conducted in 2015.

The report outlines the perceived strengths and weaknesses of local managers in terms of skills and offers solutions to improve management capability and professional competence in the four markets.



The surveys were conducted in:



Thailand



Vietnam



Singapore



Japan

^{1 & 2} ILO Asia – Pacific Working Paper Series - Asean Economic Community 2015: Enhancing competitiveness and employability through skill development – February 2015

Result highlights

"Inability to find enough qualified candidates" is the main difficulty recruiting mid-level and senior positions over the last 12 months.

One of the most important factors in recruiting mid-level and senior managers for foreign companies in Thailand is the need for working experience in a similar field. However, respondents were the least satisfied with this skill of the managers in their firms.

The greatest challenge for foreign firms in retaining managers is competition in terms of salary and benefits in the three countries in South-East Asia. "Strong employer brand" plays an increasingly important role in attracting and retaining Japanese managers.

Mid level Thai managers are said to have good professional skill, high sense of responsibility and high adaptability.

Employees in Thailand are willing to take responsibility. Managers in Vietnam are eager to learn those in employees in Singapore are seen as logical thinkers. However, employees in those three countries are considered to be disloyal to their employer in stark contrast to employees in Japan.

A lack of creativity in management was noted across all regions.

Leadership skill is the most important area for foreign firms in developing training programs for management positions. In Singapore, financial assistance for self-development is ranked in the top 3 most popular training models for managers.

Recommendations



Firms need to develop their own “Employer Branding” program, including an Employer Value Proposition to enhance their ability to attract and retain talent.

According to the Harvard Business Review, [here](#) is why companies need to invest in employer branding.



Firms need to develop an “Employee Engagement” policy to increase profitability, productivity and client satisfaction while reducing employee turnover. Mutual understanding is a critical premise for employee engagement.

“The Impact of Employee Engagement on Performance” by Harvard Business Review is [here](#).



Companies should continue to provide leadership, management and professional development training through various programs and approaches. The quality and competence of managers is very important because they have the most influence on the quality of staff training. In addition, managers play a key role in ensuring staff commitment to the firm. Financial sponsorship (co-sponsorship) for self-development is a model that could be applied more widely for management positions.

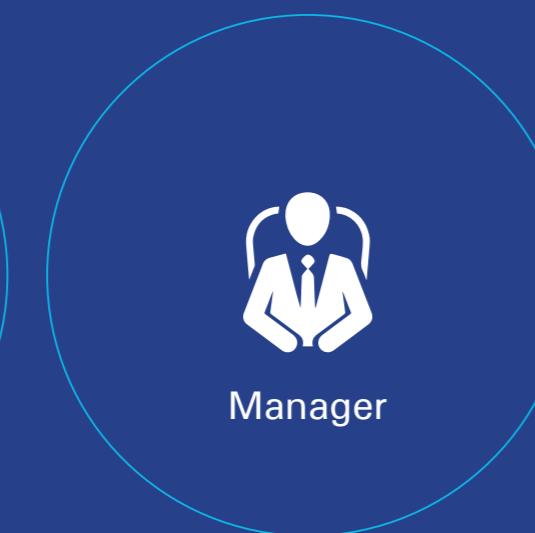


Recruitment agencies play the role of strategic partners. They not only help businesses hire employees, but also help identify the most qualified candidates through their clear understanding of client’s corporate culture and the strength and weakness of each candidate. This in turn helps companies save on training expenses. If the right candidate is chosen, his or her attachment to the firm will be higher, hence more productivity and efficiency.

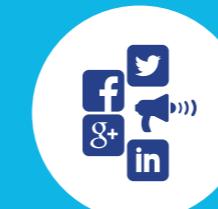
Survey overview

This online survey was conducted between May and August 2015 with clients of en world in Thailand, Vietnam, Singapore and Japan. The subjects of the study were directors and managers at different industries across the four geographies.

Participants:



Industries:



Advertising &
Marketing



Automotive
Manufacturing



Apparel &
Accessories



Accounting
Service



Agriculture



Automotive



Aerospace &
Defense



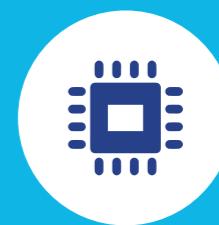
Banking & Financial
Services



Business
Service/Consulting



Chemical



Consumer
Electronics



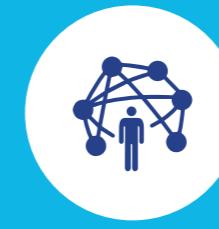
Electronic
Gaming



Hospitality &
Leisure



Internet/
E-commerce



IT/Tele-
communication



Industrial
Equipment



Multimedia



Machinery



Real Estate



Supply Chain
Management



Trading

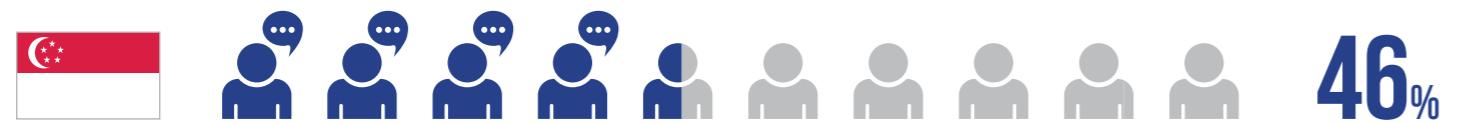


Comparing regional challenges in
hiring and retaining local managers

Efficiency of recruiting channels

Employee referral programs prove to be strong in Singapore and Japan. However, they do not have strong impact in Thailand and Vietnam. While firms in Singapore rarely use job sites to find candidates for management roles, it is still considered an effective recruitment channel in Thailand and Vietnam. Social networks are considered ineffective tools in hiring managers and senior employees.

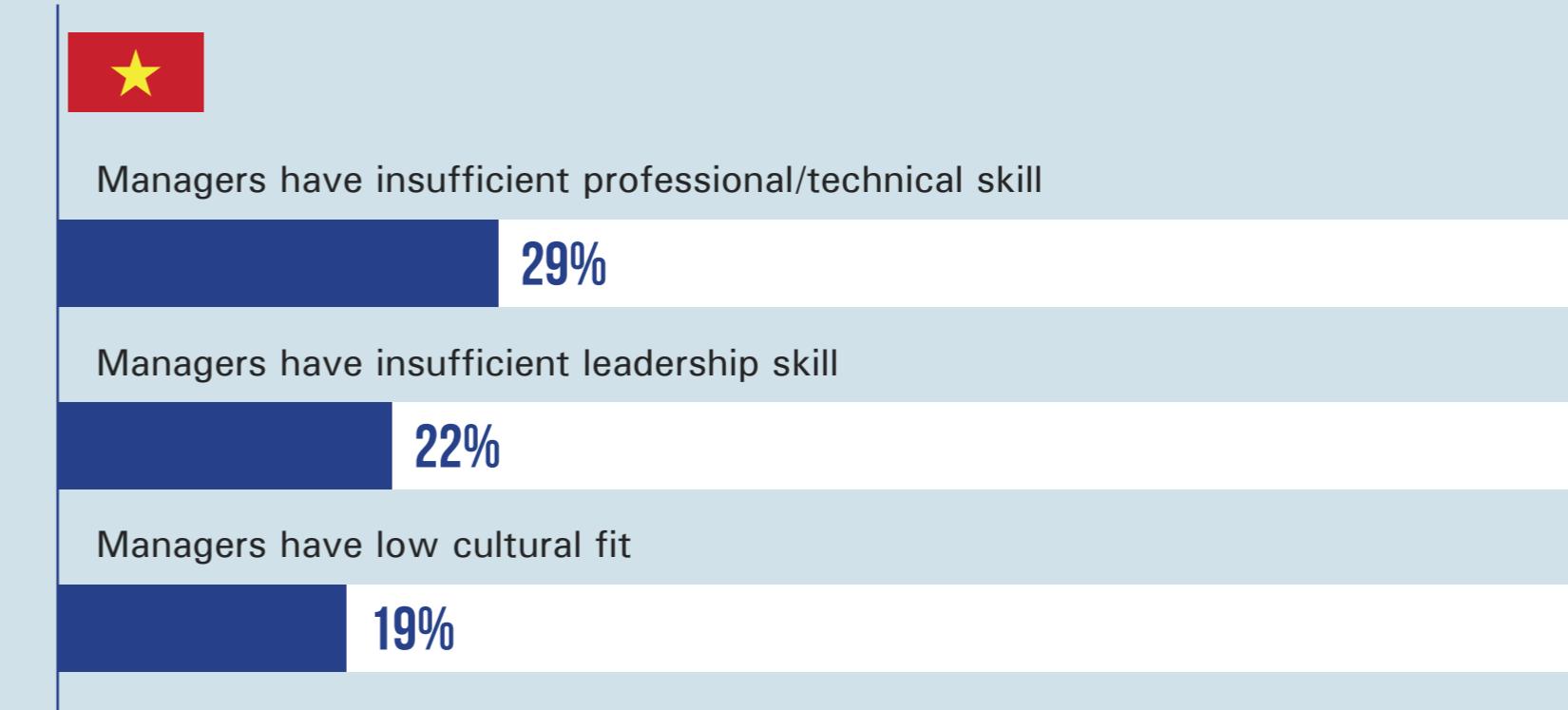
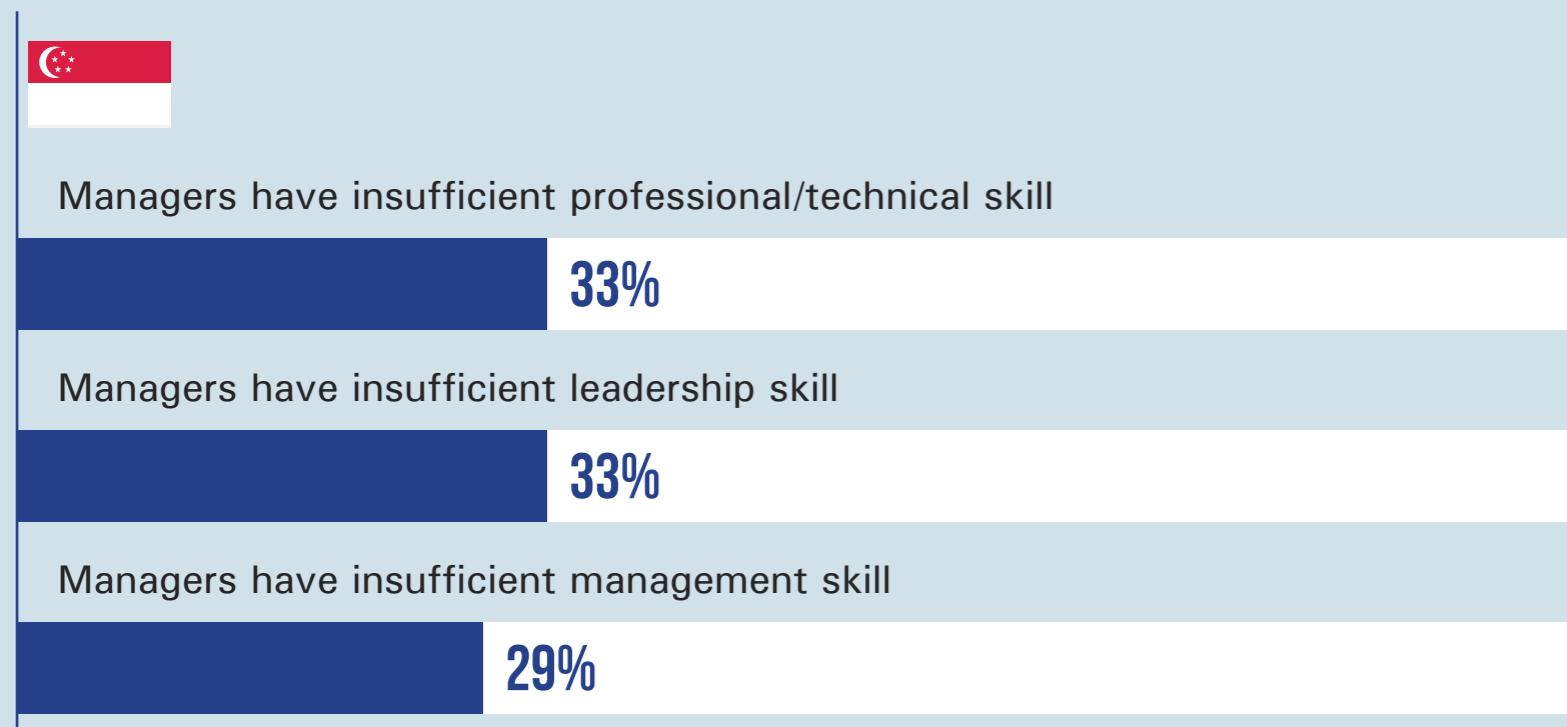
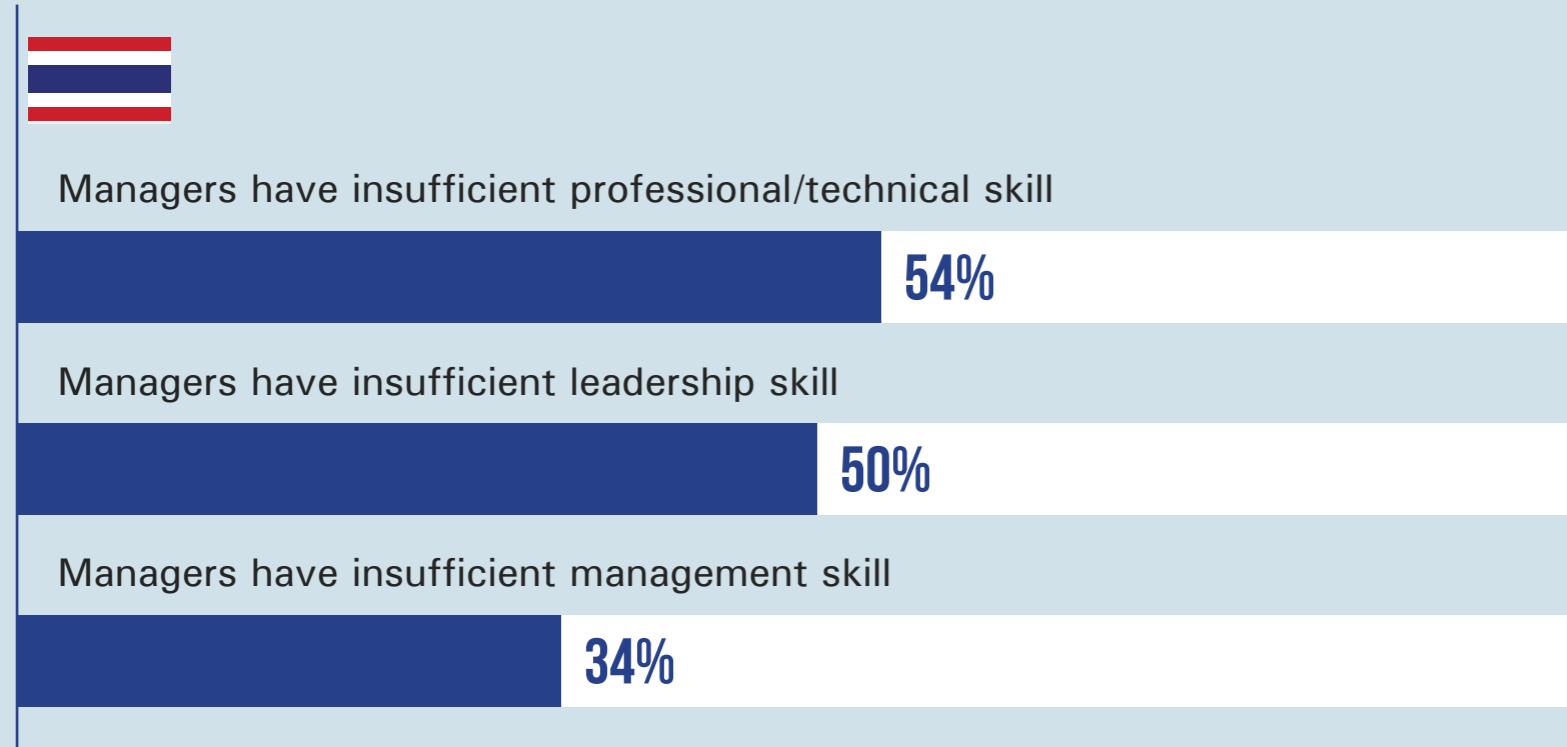
Recruitment agencies are viewed as the most effective channel for recruiting mid-level and senior managers:



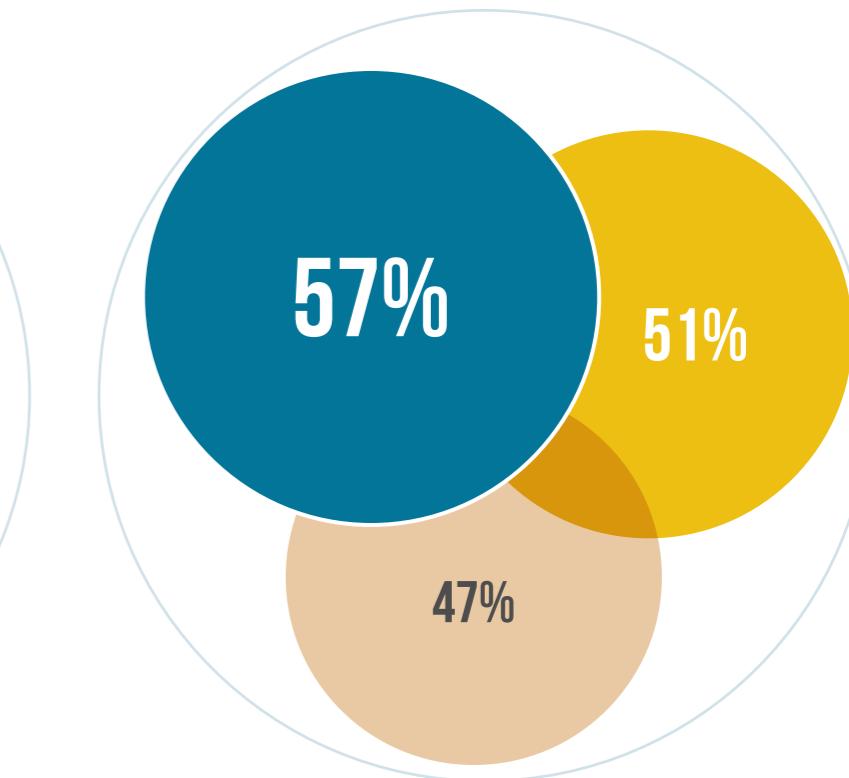
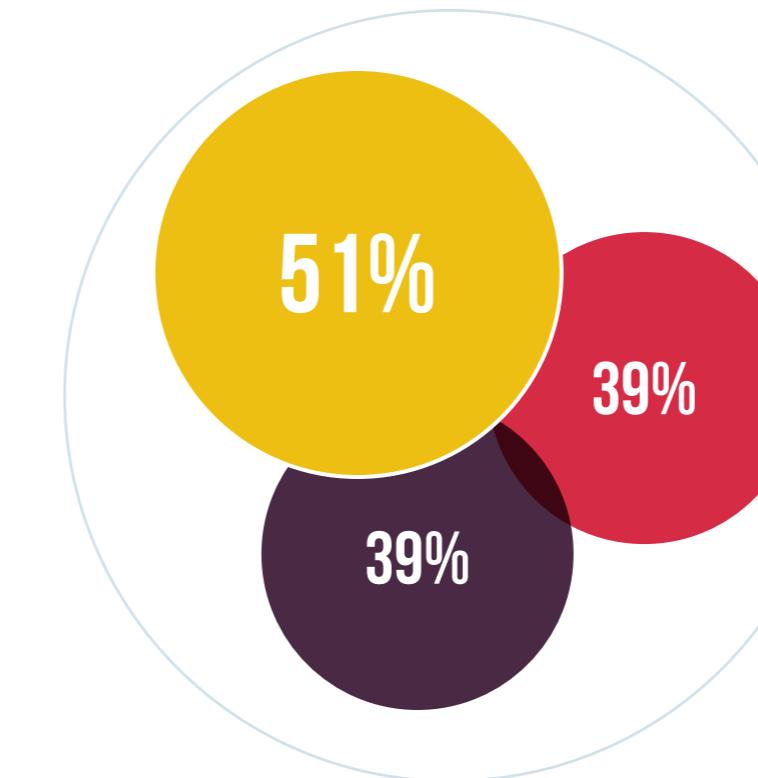
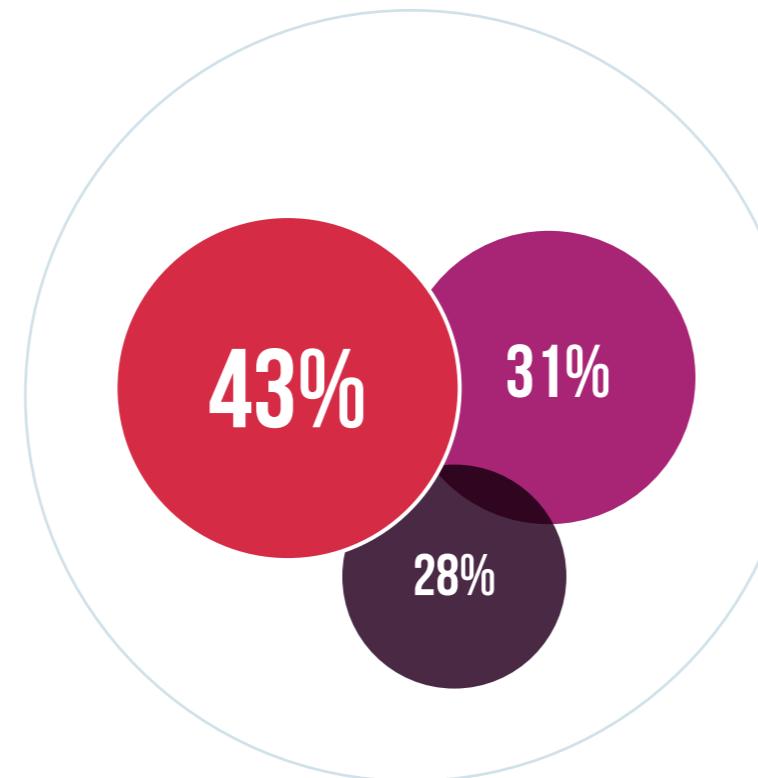
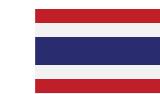
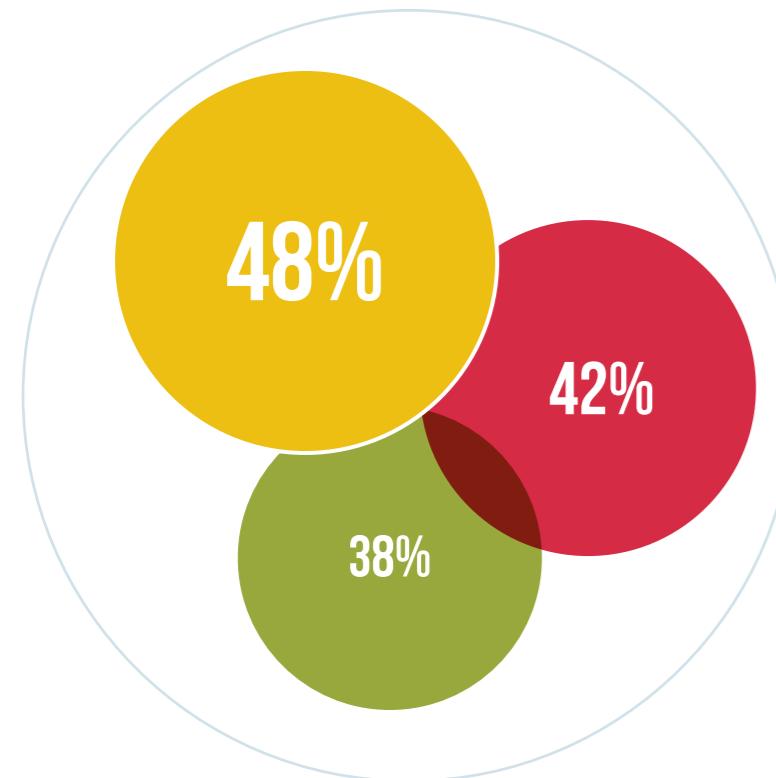
A shortage of high quality mid-level & senior managers

The survey showed that inability to find enough qualified candidates is the main challenge for recruiting management positions in Thailand, Vietnam and Singapore.

Top 3 skills deficits amongst managers



The 3 most important factors in managerial recruitment



For managers in Vietnam, English seems to remain a significant barrier for the management staff. 31% respondents in Vietnam survey consider English is in top 3 most important factors in recruiting management employees.

The common perception is that Japanese possess poor English skills. However, 61% of the companies surveyed in Japan are satisfied with managers' English skill. The effects of globalization in tasks and resources and cross border M&A also help improve the English skill of employees in Japan.

DESCRIPTION

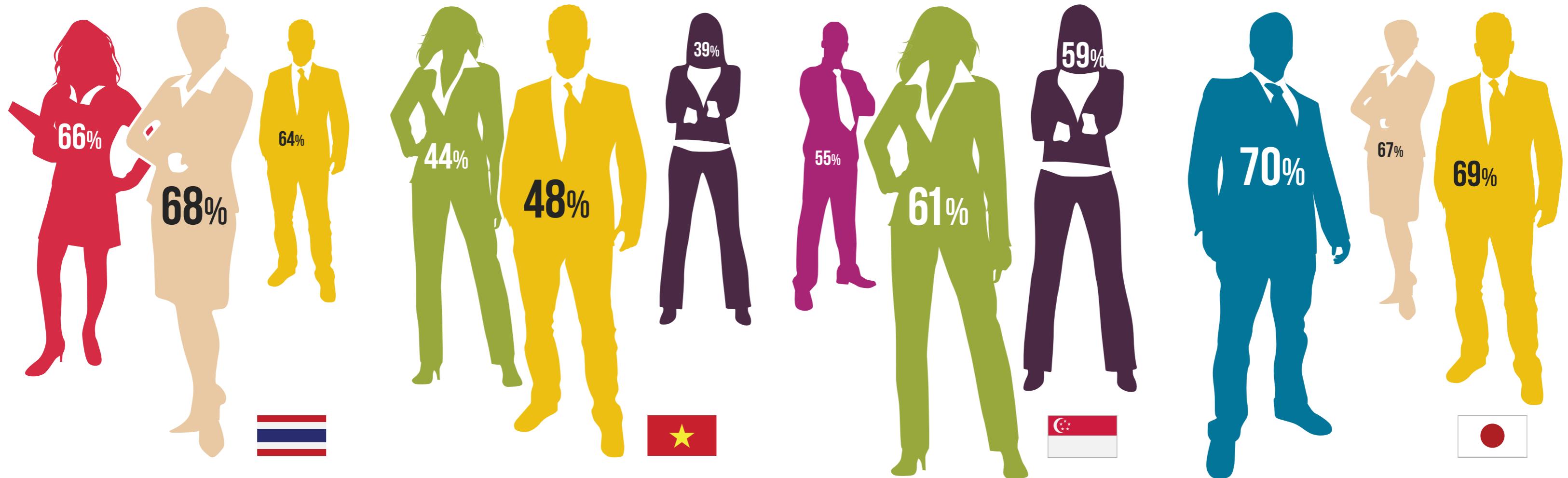
- Yellow circle: Leadership skills
- Red circle: Similar working experience
- Green circle: Management skill
- Purple circle: Foreign language skill (English)
- Dark blue circle: Cultural fit
- Teal circle: Communication skill
- Orange circle: Problem-solving skill

The 3 skill sets with the highest levels of satisfaction

Survey data shows that the level of satisfaction with the management team is inversely proportional to factors deemed to be the most important in recruitment, especially in Thailand. One of the most important factors in recruitment for foreign companies in Thailand is that they need candidates with working experience in a similar field, yet statistics show that this factor received the lowest level of satisfaction. In Japan, technical skill has the highest satisfaction rate while leadership and management expertise receive the lowest satisfaction rates, according to the respondents.



Skills with the highest level of satisfaction:



The 3 skill sets with the lowest levels of satisfaction



Cultural fit &
Similar working experience



Leadership skill &
Creativity



Leadership skill &
Management expertise



Managers' strengths

Managers in Thailand are willing to assume responsibility and their peers in Vietnam are willing to learn. Managers in Singapore are seen as logical thinkers and hardworking. Managers in Japan are seen to have high levels of technical skill.

Common strengths:



Professional skill/technique



Willingness to learn



Hardworking

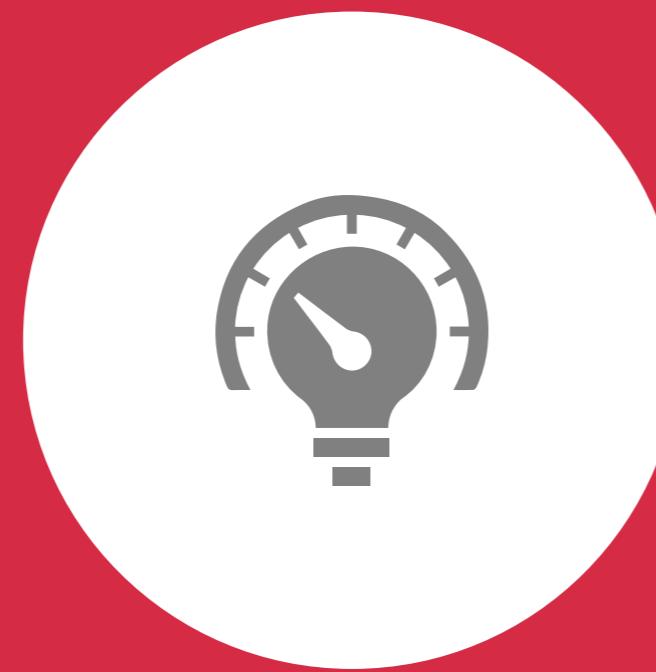


Managers' weaknesses

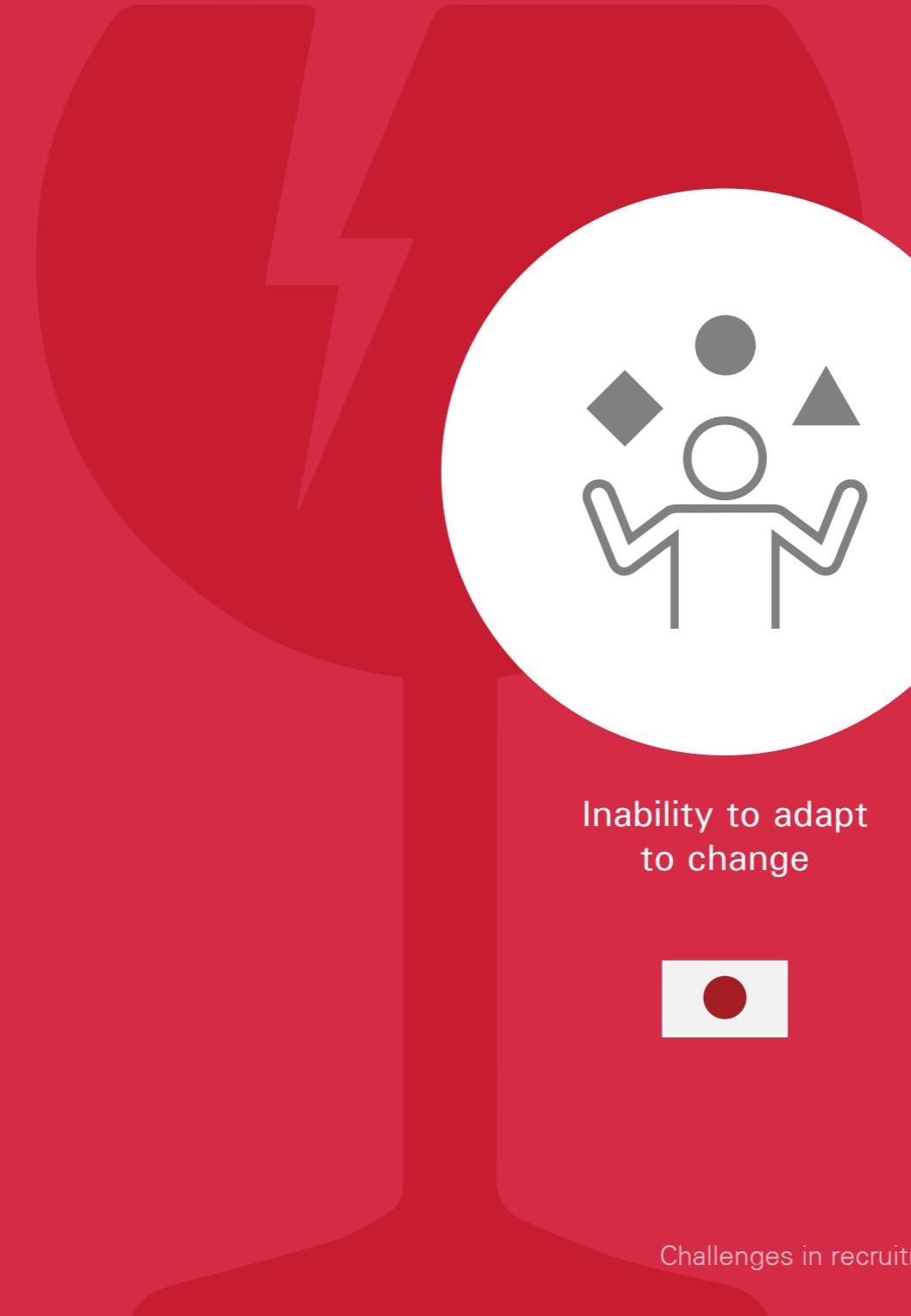
Common weaknesses:



Lack of loyalty
to the company



Lack of creativity



Inability to adapt
to change

Biggest challenges in retaining managers

The biggest challenge for foreign companies in retaining staff is staying competitive in terms of salary and employment benefits. Respondents in all three SEA countries share this view as they rate this as the top challenge.

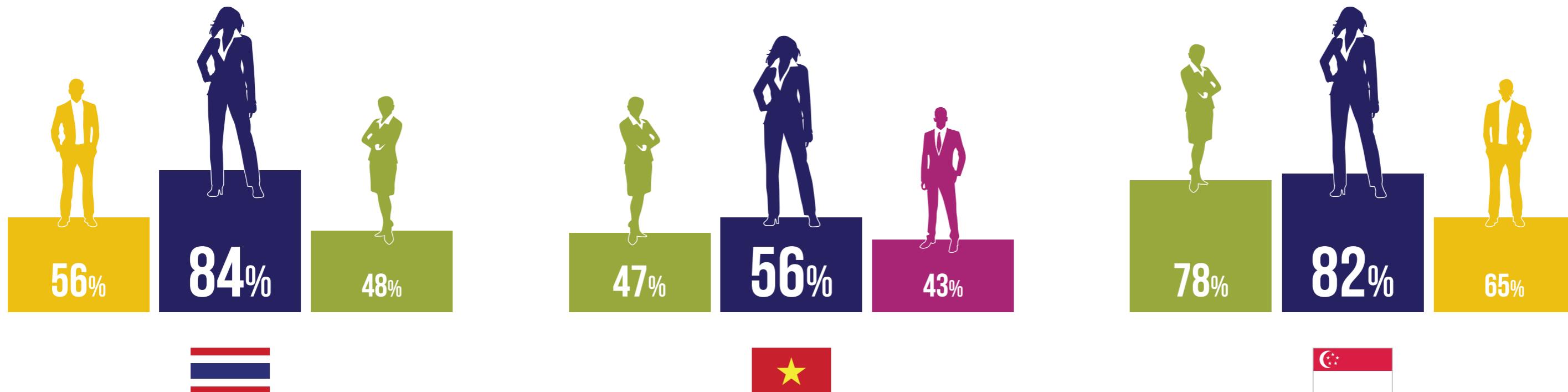
DESCRIPTION

 Better remuneration by industry peers

 The employee feels the need to change (after 3-5 years of working in a company)

 Lack of career development opportunities

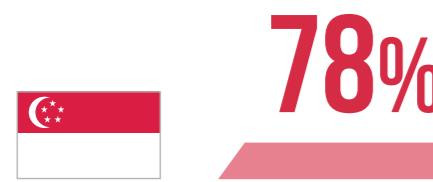
 Unable to co-operate with line manager



In Japan, the 3 most powerful incentives to attract and retain Japanese managers are: a clear career path, a higher salary, and having a strong brand name as an employer.

Top training content for management employees

Respondents in all four countries selected “Leadership skill” as the most important content for upcoming training.



60%



48%



Top 3 forms of training for managers

On-the-job training is the most commonly applied form of training in Thailand, Vietnam and Singapore. Thailand and Vietnam send managers abroad for training, which is among the top 3 most popular forms. In particular, Singapore gives financial support (co-sponsorship) for self-training of management staff.

The chart below shows the percentage of respondents in choosing the top 3 forms of management training in their companies:

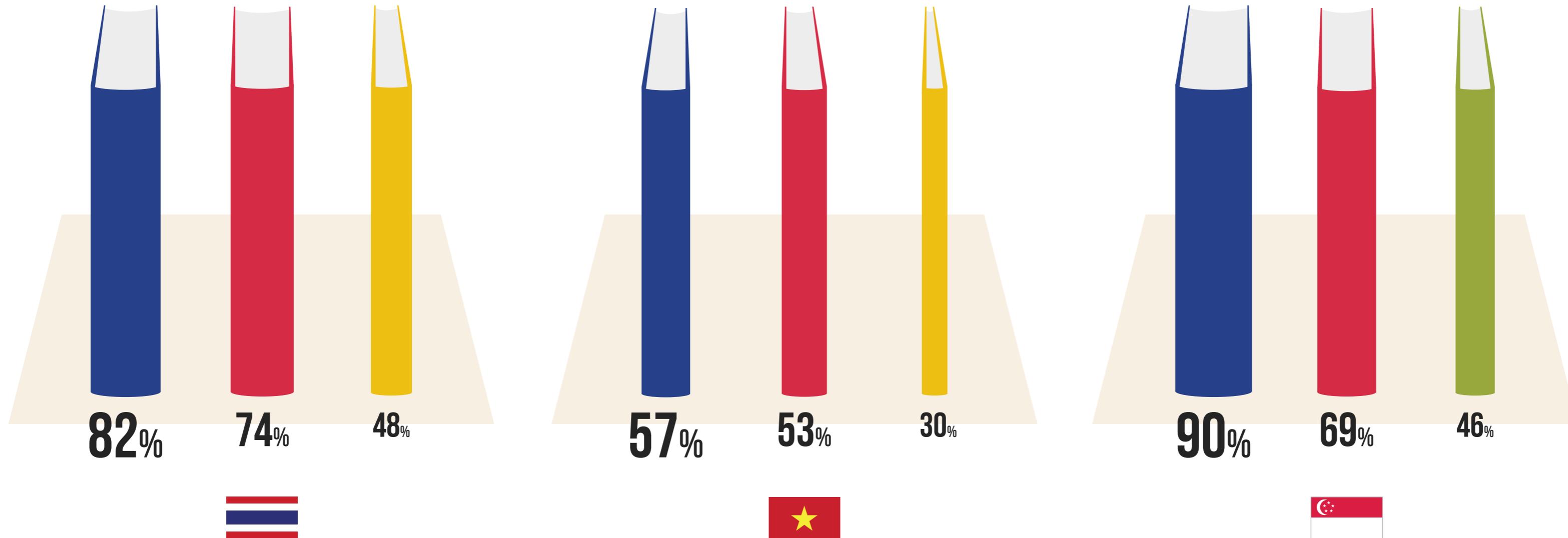
DESCRIPTION

On the job training

Internal intensive training

Short-term overseas training

Financial support (co-sponsorship) for self-training



Conclusion

1

According to the survey, Thailand, Vietnam and Singapore are all facing a shortage of candidates for management positions, in both quantity and quality.

2

The surveys conducted in Thailand, Vietnam, Singapore and Japan show that mid-level and senior personnel in each country have their own unique strengths and weaknesses. One of the most important factors in recruiting mid level and senior managers for foreign companies in Thailand is that they need candidates with working experience in similar field, yet statistic show that this factor received the lowest satisfaction.

3

Due to employees' lack of loyalty to firm, companies in Thailand, Vietnam and Singapore are facing a major challenge in retaining managers as they have to deal with fierce competition from their rivals in terms of salary and benefits for managers.

4

In addition, lack of creativity is a common weakness shared by human resources in Japan and the three South-East Asian countries. Singaporean managers seem to get an edge with better ratings in logical thinking, hardworking and integrity. Thai in turn have a high sense of responsibility, good professional skills and adaptability. Japanese score very high in terms of technical while employees in Thailand, Vietnam and Singapore all receive very low satisfaction ratings in loyalty to firm criterion.

5

Although leadership and management skills are among the definite requirements in recruiting management employees, they are the most inadequate areas for managers in the the countries surveyed. Among survey participants, 48% in Vietnam, 74% in Thailand, 78% in Singapore and 60% in Japan answer that this will be the main area of training for management employees.

Message from en world Thailand

Belinda Skinner - Country Manager



Hiring the right people is not a new challenge, nor is retaining them. So often, we are so focused or in deep need of hiring, that once we bring someone on board, we tend to believe our task is over. But not so! We must retain them. Everyone is different; I don't need to tell you that. The same motivation doesn't apply to everyone. A baby-boomer is looking for stability and somewhere to put their loyalty into. A Gen-X is looking for success and achievement. A Gen-Y is looking for instant gratification. So how do we satisfy all? To be honest – with great difficulty!

We first need to understand some of the most common retention problems. This report will show you some of the interesting and most common underlying issues. We found that the issues are different from country to country. In Thailand, one of the strongest issues was cultural fit.

I can understand this issue immensely. I have been working in Thailand now for 10 years and have witnessed many changes. Thailand is an emerging market, with many strong multinational companies operating here. Our consultants at en world Thailand are highly trained to act as a consultant, not just a recruiter. One of our main focal points is to match the company's cultural and environment fit to the potential candidates. A candidate may appear a perfect match to you on paper. Their qualifications, experience and education match what your job description is requesting. However, there are two important points most people overlook. That is cultural and environment fit. We can help you with that!

Contact me at belinda.s@enworld.com if you are facing challenges in finding the right managerial talents in Thailand and Asia-Pacific region.

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[VIEW DETAIL](#)

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en world is a group of recruiting consultancies specializing in professional and managerial roles. Operating from 7 countries, we support global companies' recruitment needs through our Asia Pacific network.

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