



# THE STRATEGIC IMPERATIVE : Talent Retention and Succession Planning for HR Professionals and Leaders

*Talent retention and succession planning are crucial for organisations in the Asia Pacific region, which currently faces significant challenges with talent scarcity, retention, and attraction. In this write-up, we will discuss the importance of talent retention and succession planning in the region. Additionally, we will outline step-by-step approaches that HR professionals and leaders can take to adopt a proactive stance in talent retention and succession planning.*

## Why are Talent Retention and Succession Planning Important in the Asia Pacific Region?

Talent retention and succession planning are critical for organisations in the Asia Pacific region grappling with talent scarcity, particularly in retention and attraction. Despite its large population, the region faces challenges in maintaining a robust talent pool, intensifying competition for skilled professionals. Hence, retaining top talent becomes a focal point for maintaining competitiveness.

### Leadership Pipeline

The leadership pipeline in some Asian organisations appears weak due to difficulties in retaining employees with leadership potential. Succession planning can help organisations identify future leaders and encourage talent retention by assisting employees in making career plans and providing development opportunities. Mercer's "Talent Trends 2022" report highlights that organisations in Asia are actively investing in leadership development programs and focusing on developing their leadership pipelines.

## Boomerang Talent

Former employees, known as boomerang talent, can significantly benefit organisations in the Asia Pacific region.

### Turnover

High turnover rates present a substantial challenge to talent retention across Asia. Mitigating turnover among top performers through succession planning, and offering career paths and development opportunities, is vital. Addressing high turnover rates involves improving employee engagement and retention, as highlighted in the "Talent Trends 2022" report.

***HR professionals and leaders in the Asia Pacific might hesitate to engage in advanced talent retention and succession planning due to various factors:***

### Short-Term Focus

Organisations in the Asia Pacific often prioritise immediate business needs and results over long-term planning. As a result, HR professionals and leaders may overlook important talent retention and succession planning initiatives. It is vital to strike a balance between short-term goals and long-term planning in order to ensure the continued success of the organisation.

## **Rapidly Changing Business Environment**

The dynamic and fast-paced nature of the business environment in Asia Pacific makes it challenging for organisations to anticipate future talent requirements and plan for succession effectively. Uncertainty about market conditions and industry trends may hinder proactive planning efforts.

## **Talent Mobility and High Turnover**

In some Asian countries, there is a cultural emphasis on career mobility and continuous learning, resulting in higher turnover rates as employees seek new challenges and growth opportunities. The constant movement of talent within the region may make it difficult to retain and plan for long-term succession.

## **Traditional Hierarchical Structures**

Many organisations in the Asia Pacific have hierarchical structures and decision-making processes that limit HR's involvement in strategic planning. HR functions are often perceived as transactional or administrative rather than strategic partners, hindering their ability to drive talent retention and succession planning initiatives.

## **Limited Focus on Employee Development**

In some cases, organisations in the Asia Pacific prioritise external recruitment over investing in internal talent development. This approach can result in a lack of emphasis on succession planning and a reluctance to allocate resources for talent retention and development programs.

## **Cultural Factors**

Cultural norms and values significantly shape business practices in Asia Pacific. Traditional hierarchical structures, respect for authority, and seniority-based promotion systems may create barriers to implementing robust talent retention and succession planning strategies.

## **Lack of Awareness or Resources**

HR professionals and leaders may have limited awareness or understanding of the benefits and importance of talent retention and succession planning. Additionally, organisations may face resource constraints such as budget limitations or a shortage of skilled HR professionals, impeding their ability to engage in advanced planning initiatives.



***To address these reasons for reluctance, HR professionals and leaders in Asia Pacific can consider the following solutions:***

### **Foster a Long-Term Mindset**

HR professionals and leaders should collaborate to promote a long-term perspective, highlighting the benefits of talent retention and succession planning for sustainable growth. Emphasise the importance of investing in internal talent development and aligning it with the organisation's strategic goals.

### **Develop Talent Forecasting Capabilities**

Enhance the organisation's ability to anticipate future talent requirements by leveraging data analytics and workforce planning tools. Encourage close collaboration between HR professionals and business leaders to identify critical roles, assess potential skill gaps, and develop targeted development initiatives.

### **Promote Learning and Development Culture**

Encourage a culture of continuous learning and development within the organisation. Provide resources and opportunities for employees to enhance their skills and knowledge, fostering a sense of career growth and progression. This can be achieved through training programs, mentoring initiatives, and career development plans.



## **Implement Succession Planning Programs**

Establish formal succession planning programs that identify high-potential employees and create tailored development plans for their career progression. These programs should include regular talent reviews, mentoring relationships, and opportunities for exposure to different parts of the organisation.

## **Enhance Employee Engagement**

Invest in employee engagement initiatives to create a positive work environment that fosters loyalty and commitment. Regularly solicit employee feedback, address their concerns, and recognise and reward their contributions. Engaged employees are likelier to stay with the organisation and contribute to its long-term success.

## **Promote Work-Life Balance**

Recognise the importance of work-life balance and offer flexible work arrangements to accommodate employees' personal needs. This can help reduce burnout, increase job satisfaction, and improve retention rates.

## **Promote Diversity and Inclusion**

Embrace diversity and inclusion initiatives to attract and retain top talent. Organisations should create inclusive work environments where employees from diverse backgrounds feel valued and have equal opportunities for growth and advancement.

## **Empower HR as Strategic Partners**

Organisations should empower HR professionals to become strategic partners by involving them in decision-making processes and giving them a seat at the table. HR professionals should be equipped with the necessary skills and knowledge to contribute to talent retention and succession planning discussions.

***Below is the step-by-step proactive approach that Leaders and HR can start with:***

### **Identify critical roles**

Leaders and HR should identify critical roles within the organisation that require succession planning. These roles are typically leadership positions or positions that are difficult to fill. According to KPMG's "2022 CEO Outlook: Asia Pacific," HR leaders in Asia are focusing on identifying critical roles and developing succession plans for these roles to retain talents.

### **Develop a talent pool**

Once critical roles have been identified, leaders and HR should develop a talent pool of employees who have the potential to fill these roles. This can be done by assessing employees' skills, experience, and potential.

### **Create development plans**

Once a talent pool has been identified, leaders and HR should create development plans for each employee in the pool. These plans should include training, mentoring, and coaching to help employees develop the skills and experience needed for leadership roles.

### **Monitor progress**

Leaders and HR should monitor the progress of employees in the talent pool and adjust development plans as needed. This will help ensure that employees are on track to fill critical roles when needed. HR leaders may focus on measuring the effectiveness of their talent management programs.

### **Communicate with employees**

Leaders and HR should communicate with employees in the talent pool about their development plans and career paths. This will help employees understand their potential within the organisation and encourage them to stay with the organisation.





### ***Investing in talent retention and succession planning yields numerous benefits for organisation.***

Enhanced employee engagement and satisfaction contribute to a positive work environment and a high-performing workforce. Maintaining a stable and experienced workforce ensures organisational stability and continuity, reducing disruptions during leadership transitions. By attracting and retaining top talent, organisations gain a competitive edge in the market. Furthermore, fostering a culture of growth and innovation allows organisations to adapt to changing market dynamics and seize new opportunities.

As HR professionals and leaders plan for the future, talent retention and succession planning should be key focal points.

The ongoing migration trend and the need for future planning, such as preparing for 2024, make it even more critical to focus on these areas. Despite external factors that may seem beyond their control, leaders must adopt a proactive approach, focusing on what is within their sphere of influence. By implementing effective talent retention strategies, anticipating talent gaps, and developing a robust succession plan, organisations can navigate talent challenges, foster employee engagement, and drive organisational success. Embracing talent retention and succession planning as a strategic imperative will position organisations for resilience and success in the ever-evolving business landscape.



## Conclusion:

Talent retention and succession planning are critical for organisations in the Asia Pacific region to overcome talent scarcity, develop strong leadership pipelines, and reduce turnover rates. HR professionals and leaders play a pivotal role in driving these initiatives by fostering a long-term mindset, developing talent forecasting capabilities, promoting a culture of learning and development, implementing succession planning programs, enhancing employee engagement, promoting work-life balance, empowering HR as strategic partners, and promoting diversity and inclusion. By taking proactive steps in talent retention and succession planning, organisations can secure their future success in the highly competitive Asia Pacific market.



By

**Victor Lam**

*Senior Director, Learning Academy*  
PERSOLKELLY Consulting



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