

## ASIA PACIFIC'S NEXT-GENERATION CEOS NAVIGATE AN ERA OF "POLYCRISIS" TO BUILD RESILIENT BUSINESSES

*With no respite from challenges and constant technology change, next-generation CEOs continue to prioritise leadership practices originally adopted as pandemic responses*

**Hong Kong SAR – 22 February 2024** – Asia Pacific's next-generation CEOs are increasingly aware that running a long-established family business or an innovative startup is fundamentally different today than it was even three to five years ago. As Teneo's "[Next-Generation CEOs in Asia Pacific: Leading in an Era of Polycrisis](#)" report explores, new modes of management and operations that many thought were temporary responses to the pandemic have become entrenched business practices.

The report, published for the second consecutive year by Teneo, the global CEO Advisory firm, is based on interviews with a new group of CEOs of public and private companies across the region. This includes young, second- and third-generation leaders taking over and steering major family-owned enterprises toward new frontiers, as well as emerging CEOs founding the region's most exciting new companies. The CEOs interviewed run companies from headquarters in Australia, the Peoples' Republic of China (including mainland China and Hong Kong SAR), Japan, the Philippines, Singapore and South Asia.

"It was a privilege to speak to this new group of CEOs to explore how they are leading their businesses in this newly emergent age of 'polycrisis,' when a range of political, social, environmental and technological forces are colliding to create a hugely complex operating environment," said Lauren Chung, CEO, Asia Pacific Strategy & Communications, Teneo.

"Our first report highlighted that many leaders had adopted more nimble, short-term planning approaches, but most considered this a response to pandemic operating conditions. However, this year's report reveals that many of the management changes originally adopted to run businesses in the unpredictable pandemic era have become entrenched. This is in response to consistently higher degrees of uncertainty due to new technology developments such as artificial intelligence (AI); heightened geopolitical risk as areas of tension and conflict multiply; and the responsibility they hold to create positive social and environmental impact."

### **Defining leadership amid change**

The fact that more than half of the world is going to the polls in 2024 is one of the most potent symbols of change in the air. That said, the report confirms that next-generation CEOs in the region are natives of change. Against this backdrop, they emphasise the need for empathy when dealing with stakeholders and the aforementioned need to balance short- and long-term planning – thinking three to five years ahead but being ready to pivot with little forewarning. Talent remains a consistent priority. Getting the right people has become harder than ever, so smart hiring and retention are critical.

### **Risk and geopolitics have redefined resilience**

As one CEO explained, corporate behaviours that might have been considered protectionist a few years ago are now basic risk mitigation practices. This is apparent as nearshoring and the “China+1” strategy have become basic requirements to ensure supply chain resilience. At the same time, regulatory requirements have only become more complex – alignment across Asia Pacific markets is non-existent, leading to the need for constant monitoring of the wide range of regulations in flux across the region. At the same time, rapidly developing technologies such as AI have yet to be addressed in most regulatory regimes, pointing to further change to come.

### **Cautiously embracing artificial intelligence**

Next-generation CEOs across Asia Pacific took issue with the media hype portraying AI as an existential threat to humanity. Most saw great promise in the technology, but noted that, with the human-AI split across most tasks still 90%-10%, this is still early stages. At this point, the strongest potential is in boosting efficiency in labour-intensive areas such as data aggregation and summarisation – making AI technology a potential game-changer in areas such as compliance monitoring and ESG reporting.

### **ESG must pivot from performative to demonstrable**

Despite controversy over the term “ESG,” CEOs in the region see the concept of sustainability as core to day-to-day operations. This is perhaps most apparent in the shift seen from making ESG pledges to the need to show concrete progress toward those targets – something that requires diligent monitoring and clear reporting. This places a premium on the governance pillar, which needs to be robust to lay a foundation for effective “S” and “G” and for verified reporting of actual progress across all three.

### **Balancing stakeholder communication channels**

While it might be natural to assume that corporate communications would be fully digitised in this age of instant messaging and social media, next-generation CEOs show a degree of reticence regarding social media. They are acutely aware that social media is awash in miscommunication and misperception, and thus want to ensure that they balance their social media activity with one-on-one interaction with key stakeholders. And this personal interaction is more frequent in the age of polycrisis, with in-person meetings complemented by frequent instant messenger exchanges or video calls.

### **CEOs value personal relationships amid heightened uncertainty**

Another holdover from the pandemic era is sustained focus on talent. Companies continue to offer flexible working arrangements, particularly to attract top talent; however, leaders want to see employees in the office regularly to build relationships and share ideas. Similarly, CEOs themselves highlight strong personal networks as key to their ability to lead. Several highlighted personal networks they have nurtured for 20 or 30 years as among their most valuable sources of insight, alongside trusted media outlets, academics and consultancies.



## **Optimism amid uncertainty**

While change and uncertainty were dominant themes in almost every interview conducted for this year's CEO report, the emerging generation of leaders is strikingly optimistic about the future. For example, every CEO interviewed was deeply aware of the myriad risks and uncertainties surrounding new technologies such as AI. At the same time, most pointed to the immense potential it has to benefit businesses and employees if adopted in a risk-aware manner within carefully crafted regulatory guidelines.

Navigating amid an environment of polycrisis requires vigilance and preparation. If companies are to prosper amid this uncertainty, they must constantly monitor geopolitical, economic and social developments and be ready to implement nimble and sometimes bold changes of strategy when required.

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Our full range of advisory services includes strategic communications, investor relations, financial transactions and restructuring, management consulting, physical and cyber risk, organisational design, board and executive search, geopolitics and government affairs, corporate governance, ESG and DE&I.

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