This report follows telephone and face-to-face interviews with 50 practitioners and an online survey. The survey was conducted in the final quarter of 2016 via self completion with nearly 600 participants taking part. For the purposes of this report 420 relevant responses were analysed.
Welcome to the Prospect and PublicAffairsAsia 2017 State of the Industry Report. Firstly, we’d like to thank everyone that took part in either our salary survey or interviews. Without your help this report would not have been possible.

We surveyed over 400 corporate communications practitioners and interviewed, in depth, 50 leaders within our industry including Heads of Communications and leaders of Communications agencies across the Asia Pacific region. The report and its insights are based on the data we gleaned from both the survey and interviews as well as anecdotal evidence we’ve seen in the market ourselves. It’s clear that there are some areas of real opportunity that emerge from the findings, including the fast-moving digital space, but also issues of concern around budgets, talent retention and the lack of certain skills.

The in-house teams continue to grapple with ever-changing digital channels, in particular the challenge of finding the best way to use them as a way to communicate with audiences and harness their power. There is a wide consensus amongst in-house leaders that more needs to be done to lobby for the function internally to keep up with the pace of change.

Agencies are having to reframe and adjust their offerings to move to a more integrated business model to accommodate the demand for digital from their clients. The agency sector is continuing to grow and strengthen but it’s also becoming increasingly competitive, sparking an ever-increasing war for talent.

Despite a challenging economic climate, salaries and bonuses are on the rise. In-house salaries are higher than those in agencies, despite budget cuts within the communications functions.

You’ll be encouraged to hear that our findings give grounds for optimism for our industry in 2017. Should you need any more information on the results of the report, please don’t hesitate to get in touch and we’d be delighted to provide you with more insight.

“...opportunities in the fast-moving digital space, but also issues of concern around budgets, talent retention and the lack of certain skills”

Emma Dale, Managing Director, Prospect
emma@prospectresourcing.com
Money Matters:
Across APAC practitioners recorded an average salary increase of 5% last year - a slight reduction on 2015 and also down on the 7% reported in 2014. Average in-house salaries remain higher than average agency salaries. Sectorally, Public Affairs and Government Relations roles salaries are higher, outstripping Corporate Affairs, Communications and PR. Average bonuses were up in 2016 compared to the previous year. Australia continues to top the average earnings league, with Singapore, China, Hong Kong, SE Asia and India next in descending order. Predictions for 2017 salary increases remain optimistic despite economic uncertainty.

Internal Issues:
The Communications and Corporate Affairs industry in APAC has matured significantly in the last five years. To succeed, practitioners need to show a combination of resilience, empathy, decisiveness and diplomacy. But first, they must be able to communicate, and they need to be able to write. Understanding the business, and the macro-economic environment in which it operates, is essential if the function is to continue to evolve and secure its seat at the top table. Talent issues remain a critical concern for many managers. Companies need staff with new skills, such as digital and content curation, but insist this cannot be at the expense of fundamentals such as good writing and story-telling capabilities. While management’s understanding of the function is advancing, the need to prioritise budget towards revenue-generating areas means many communications and Corporate Affairs departments are facing real-terms budget freezes or reductions. Internal communications is far more important today, and employees have become one of the most influential, if sometimes overlooked, stakeholder groups.

External Issues:
A more demanding and complex stakeholder environment means corporations need to engage with far more points of contact than ever before. Communicators are at the front line, attempting to build and defend their company’s social licence to operate. This process requires localisation, and a refocussed effort among Public Affairs and government practitioners, who must also manage increased regulatory scrutiny.

Digital:
The growth in digital is by far the biggest industry shift seen in recent years. It allows communications professionals to engage a wide range of new groups, from civil society to consumers. It has not, however, supplanted traditional media, which remains vitally important for all but a few practitioners interviewed.

Agency Issues:
Despite pressure on in-house budgets, many agencies report significant growth. Digital is forcing them to reconfigure their offering and search out new talent. Client relationships can be stressful, with less sophisticated clients lacking awareness of the modern communications environment and what can be achieved by working in partnership with their agencies. Retained business is under pressure and competition is causing margin worries among some agency leaders. Changes in client needs and the wider operating environment are resulting in internal restructuring towards offering increasingly integrated specialised services. Hiring for these emerging areas is challenging. Digital, employee engagement, video and content curation are all growth areas, although some consultancies view these as low margin compared to strategic services such as Public Affairs and Issues Management. Healthcare, Tourism and the Food Industry are among the fastest growing client sectors.
Section 1: In numbers - salaries and benefits

420
The number of survey responses included in this report.

US$136K
Average 2016 salary across APAC
Up from US$131,000 in 2015

bonus
The average 2016 bonus across APAC was US$29,000 - up from US$25,000 in 2015

5%
Average increase in salary among this year’s survey respondents

52%
Expect same percentage salary increase in 2017

20%
Expect higher percentage salary increase in 2017
... and, 28% expect their increase to be lower

20 years +
After 20 years the average salary across the industry in APAC is US$195,000

top:
Country: Average salaries in Australia rank highest at US$199,000, followed by Singapore, China and Hong Kong
Profession: Public Affairs and GR pros earn most in APAC, averaging US$175,000

agency
The average APAC agency salary was US$119,000 in 2016 - up from an average of US$107,000 in 2015

US$158K
The average in-house corporate salary (across all functions)

3.5 days
The average number of days spent on training in 2016

20 days
The average holiday entitlement among professionals in APAC

54%
Get more holiday the longer they remain with company

Country: Average salaries in India rank lowest at US$91,000
Profession: Internal communications and PR professionals earn least - APAC average US$115,000

bottom
1.2: Salaries In Detail

Average Salary by Profession:

<table>
<thead>
<tr>
<th>Sector of employment, both agency and in-house</th>
<th>Salary US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Relations &amp; Public Affairs:</td>
<td>US$175,000</td>
</tr>
<tr>
<td>Corporate Affairs:</td>
<td>US$170,000</td>
</tr>
<tr>
<td>Corporate Communications:</td>
<td>US$136,000</td>
</tr>
<tr>
<td>Internal Communications:</td>
<td>US$115,000</td>
</tr>
<tr>
<td>Public Relations:</td>
<td>US$115,000</td>
</tr>
</tbody>
</table>

Respondents = 420

Average Salary by Career Length:

<table>
<thead>
<tr>
<th>Length of career, both agency and in-house</th>
<th>Salary US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 years +:</td>
<td>US$195,000</td>
</tr>
<tr>
<td>16-20 years:</td>
<td>US$176,000</td>
</tr>
<tr>
<td>11-15 years:</td>
<td>US$131,000</td>
</tr>
<tr>
<td>6-10 years:</td>
<td>US$117,000</td>
</tr>
</tbody>
</table>

Respondents = 420

Average Salary by Location:

<table>
<thead>
<tr>
<th>Country of employment, both agency and in-house</th>
<th>Salary US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia:</td>
<td>US$199,000</td>
</tr>
<tr>
<td>Singapore:</td>
<td>US$151,000</td>
</tr>
<tr>
<td>China:</td>
<td>US$149,000</td>
</tr>
<tr>
<td>Hong Kong:</td>
<td>US$133,000</td>
</tr>
<tr>
<td>SE Asia (Excl. Singapore):</td>
<td>US$95,000</td>
</tr>
<tr>
<td>India:</td>
<td>US$91,000</td>
</tr>
</tbody>
</table>

Respondents = 420

It has been another challenging year economically but salaries are still on the rise. According to the survey, the average salary has gone up by 5%, which is slightly down on last year. At Prospect, we note that when candidates move jobs externally, they typically receive an increase of between 10% and 15% in their pay.

Despite 2016 seeing big changes to the breadth and depth of the corporate communications role, it is Corporate Affairs and Public Affairs practitioners who are receiving the biggest pay cheques. From the sentiments in our salary survey, coupled with interviews carried out with Heads of Corporate Communications, teams are having to do more with less - fewer people, lower levels of retained agency support and smaller pay increases.

The training received by staff last year remained disappointing, just 3.5 days per person on average, even if that was an increase on the previous year’s 2.7 days. In an industry where talent is in high demand and firms are desperate to retain their staff, this needs to be addressed. As we mention later in this report, retaining and acquiring the best talent is the issue that keeps managers awake at night. Our report also explores why staff leave. More money, better benefits and the desire to learn are key reasons, so solutions to these problems need to be found.

Benefits still seem to be very standard across Asia, with healthcare, performance-related bonuses and contributory pensions being the key elements. A third of all firms are now offering their staff flexitime and this is encouraging in an industry popular with women, who often have to balance home-life with their careers. With the continuing struggle to find talent, firms need to trust their employees to work remotely, allowing for greater work-life integration.

Salaries among those working in the in-house sector are still higher than for those working in agencies despite growing evidence of a big squeeze on departmental budgets. Having invested heavily in expanding their functions, MNCs are moving into a consolidation phase, with cost-cutting common across Corporate Affairs and communications teams.

As we look to next year, it will be interesting to see whether in-house professionals decide to stay in their existing roles or consider it time to join the agency sector, which still shows significant signs of growth.

Comment by Emma Dale, Managing Director, Prospect
## 1.4: Common Benefits

We asked practitioners what benefits they received. Here’s what they told us:

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage Receiving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>71%</td>
</tr>
<tr>
<td>Performance-related bonus</td>
<td>53%</td>
</tr>
<tr>
<td>Dental care</td>
<td>40%</td>
</tr>
<tr>
<td>Contributory pension</td>
<td>38%</td>
</tr>
<tr>
<td>Flextime</td>
<td>33%</td>
</tr>
<tr>
<td>13th month salary</td>
<td>28%</td>
</tr>
<tr>
<td>Shares or share options</td>
<td>23%</td>
</tr>
<tr>
<td>Personal development allowance</td>
<td>22%</td>
</tr>
<tr>
<td>Car or car allowance</td>
<td>19%</td>
</tr>
<tr>
<td>Complimentary food and drink</td>
<td>18%</td>
</tr>
<tr>
<td>Housing allowance</td>
<td>14%</td>
</tr>
<tr>
<td>Gym membership</td>
<td>13%</td>
</tr>
<tr>
<td>Non-contributory pension</td>
<td>9%</td>
</tr>
<tr>
<td>Social club membership</td>
<td>7%</td>
</tr>
<tr>
<td>Flights to home country</td>
<td>7%</td>
</tr>
<tr>
<td>No additional benefits</td>
<td>7%</td>
</tr>
<tr>
<td>Additional holiday for purchase</td>
<td>6%</td>
</tr>
<tr>
<td>School fees paid or subsidised</td>
<td>4%</td>
</tr>
</tbody>
</table>
2.1: The Making of a Communications Professional

Public relations and Public Affairs are people-driven industries. Across Asia, the sector is staffed by a talented group of committed professionals who are grappling with significant changes in the operating environment. These shifts demand dramatic changes in the toolkits and skill sets they harness to do their jobs. The industry draws its senior management from a wide range of sectors, with many having started out in marketing and communications roles, the media and government. Others have taken a less traditional route, with this year’s interviewees including a former musician, academics and engineers.

The industry has matured significantly in the past five years, offering a potentially lucrative career path for the next generation of Asian millennials well versed in the new digital forms. Regardless of background, the personal characteristics required to be an effective communications professional are clear: resilience, empathy, clarity of thought plus the ability to take bold decisions and defend them diplomatically.

The fundamental skills are much as they were when PR first emerged: practitioners must be able to communicate and tell a compelling story. But the knowledge they need today is much broader. Awareness of content curation, channel management and an ability to understand data and analytics are increasingly essential.

The ability to adapt is vital. Change is the new normal. Communications can be as much about the visual messaging as the words.

Successful communications professionals also need to understand the way their business works, how it makes money and why macro-economics and the operating environment impact profits.

A director-level interviewee suggested that business acumen, curiosity and diplomatic tenacity are as important as the ability to tell – and sell – a good story.

2.2: Talent Issues

After rapid shifts in the industry landscape, the range of skills that professional communicators must possess is significant. The single biggest management challenge is talent. Compared to the West, highly qualified professionals who are aware of cultural nuances are still relatively scarce. Allied to this, staff retention has become a key concern due to the speed with which younger employees, who often expect to be promoted before they are ready, move between roles and companies.

With a fast-developing industry in Asia, one senior China-based practitioner characterises the industry as “immature but growing up fast”. Asia offers some of the best of the global communications work, particularly in areas such as digital. But it also presents some of the worst aspects, such as pay-for-play PR and underdeveloped core skill sets, notably the ability to write effectively both in English and local languages. The industry continues to operate at both ends of the quality spectrum and this means there is much scope for future development.

While functions have undoubtedly “blended”, some practitioners believe key functions such as Government Relations and legal will remain broadly independent of the communications and marketing function, even if there is significant collaboration and “chatter” between the two.
2.3: HR Issues Under the Microscope

1. Top Jobs Blocked?

In previous years, we have reported a significant squeeze in opportunities for foreign professionals in Asia. Top-level salaries and benefit packages have been dramatically scaled back or removed altogether as management looks to make cost savings and hire local talent.

However, in many organisations the top communications and Public Affairs roles are still held by Australians, Europeans and North Americans who moved to Asia Pacific when businesses were in their early expansion phase. With fewer opportunities for these professionals to move to new roles, this has resulted in congestion at the top of some organisations, where communications heads remain in post despite having moved to localised contracts and benefits. Put simply, they enjoy living and working in Asia, where taxes remain low and living conditions are very favourable.

Western professionals concede that their future career options in Asia Pacific are far more restricted than they were a decade ago. Vacancies at the top level now often explicitly target local talent and no longer offer the significant salary and benefits once handed out to entice Western talent to the region.

Despite these efforts to change the profile of top managers, the senior tier remains largely Western. Up-and-coming local managers can often be frustrated at the dominance of foreigners, who they believe are blocking their internal career progression. The preponderance of Western executives in both in-house and agency functions is a key factor behind the misconception that local talent cannot progress to the top tier of the industry, particularly when moving from in-country to regional roles.

2. Hug Staff Close

At the mid-level of the industry the problem is shorter tenures, with people moving too quickly, particularly in China. Retention remains a major challenge for those responsible for hiring, particularly in the increasingly competitive agency environment. One Singapore-based agency MD said she expects people to move every few years and has built her business strategy and client management approaches to accommodate this regular churn in personnel.

Staff will often move for a small increment in salary or an enhanced title, resulting in “title inflation” in some organisations. To overcome this, one agency head said companies need to promote more opportunities for career progression, developing new skills and shaking up client responsibilities. Other agency chiefs stress the importance of fostering a culture in which staff continually learn new things and are given significant levels of coaching and mentoring by senior colleagues. One effective way for agencies to retain staff is to ensure they encourage the development of roles around individuals’ strengths and preferences. For example, moving some into more integrated roles and away from pure communications or PR, or encouraging staff who enjoy client management to specialise in that area.

3. From Agency to In-House

Despite efforts to counter it, many agency managers still report that their staff ultimately want to move from agency to in-house, where average salaries remain higher even though there are fewer openings. For ambitious mid-level staff, the agency sector is often treated as the stepping stone to an in-house role. Once they make the switch, employees believe the roles can be more rewarding, both professionally and financially, if less wide-ranging.

Many staff who move in-house say they enjoy being involved in the development of a project, from planning to execution. One Corporate Affairs manager who previously worked agency-side said this holistic engagement can be much more rewarding. However, on the downside, she noted that the pace can be slower, causing frustration to those programmed to respond to the fast-moving demands of an agency role.

Not all agencies view staff turnover as a cause for concern – providing, that is, that the right staff move on. “I would question whether it’s healthy for the same teams to be in place year after year,” says one regional agency lead. “Sometimes, poorly performing staff get too comfortable and that can be just as bad as losing good people too quickly.”
2.4: Why do staff leave?

- A To secure more money or better benefits
- B To get a more prestigious job title
- C Feeling undervalued due to reduced budgets
- D Over-worked as a result of reduced head-counts
- E Lacking career progression
- F Feel that top jobs are still for foreigners
- G A desire to be specialists rather than generalists
- H Want to avoid having to manage people or clients
- I To gain international experience
- J Feeling they are no longer challenged or learning

2.5: What needs to be done

To retain staff, agencies and in-house management must do more to encourage a culture of internal career progression where all Asian nationalities believe they can go on to secure elite-tier regional roles. Without a clear, transparent career path, which has to be articulated by senior management, staff will often move between companies at the mid-level rather than map out career progression within their existing companies.
2.6: Sectors Under Pressure

Some sectors, particularly Financial Services and the extractive industries, have experienced several rounds of cost-cutting since the financial crisis in 2008. In some instances these cuts have been implemented without reductions in headcount, although in many organisations the corporate communications function is smaller today than five years ago.

Regardless of what has happened to their headcount, many in-house directors say they have reduced budgets available for things that were previously considered essential, such as sponsorship, training, business travel and recruitment. With the industry delivering just 3.5 days’ training per employee while at the same time reporting severe skill shortages, these budget restrictions are having a negative impact on the future development of the communications function.

One upside of the pressure on budgets is that agencies are often brought in to conduct project work, assist in crises or support events where previously these may have been managed in-house. According to many interviewees, project-based spend with agencies is increasing rather than being cut. Companies are buying in support as and when needed, rather than developing a “team of all the talents” internally. This is creating some very significant opportunities for Asia’s fast-developing agency sector, which itself reports further shifts away from retained business to project-related activities.

With few Communications Directors expecting any significant team growth, they now have to focus on squeezing more from existing staff and budgets while drafting in agencies if additional capacity is needed. With some companies experiencing a freeze on external recruitment, these managers must recruit internally when people leave or capacity shortfalls develop. The head of an 80-strong team, who is currently not allowed to hire externally, said it is difficult to recruit and redeploy internally because current bench strength is weak. He is forced to move “division two” staff around his team rather than hire in “premier league” talent.

Reduced budgets have also resulted in some companies entering a period of perpetual motion. The communications team at one telecommunications firm has experienced five structural reviews in as many years. This year’s interviewees report significant structural changes to the in-house function. To achieve cost savings – but also to develop an integrated communications offering – PR, marketing and digital are increasingly under the management of a single Communications or Corporate Affairs Director. But the remit of the functional head is often extended without any proportionate increase in resources or headcount. This is resulting in many managers being over stretched.

2.7: The Business Contribution

The Achilles heel of the communications industry remains the same today as a decade ago. It is difficult, if not impossible, to directly link communications efforts to the company’s P&L. Over the past decade, directors have benefited from above-inflation budget settlements as companies beefed up the function. But with this growth period seemingly over, resources are now being put into what management believes are revenue-generating functions, such as additional sales capacity. For many in-house communications and Corporate Affairs leaders interviewed, there is a strong sense that their functions have hit the equivalent of an internal glass ceiling. The majority of the in-house interviewees do not foresee any real-term increase in their budgets. As a result, very few companies are planning to increase their communications headcount in 2017.

Communications and Corporate Affairs teams are unlikely to grow even if the overall business grows. Where revenues fall, these teams could be first in the firing line. One leading regional in-house director says communications may always, therefore, be considered to be a support function.

In companies where budgets are still increasing in real terms, the convergence of marketing and communications has also intensified the competition for budgets. The Corporate Affairs Director of a major FMCG company says that persuading his boss that Corporate Affairs adds equal value to marketing can be difficult. The integration of digital, marketing and communications and Corporate Affairs functions frequently results in management pursuing overall cost savings, which can leave some areas short-changed given the current preoccupation with digital-related activities.
2.8: Management Perceptions

As economic growth slows in Asian markets, the overall operating environment remains uncertain, causing many CEOs and finance directors to take a cautious approach during budgeting rounds. However, while they are not currently supporting communications teams with additional budget, they do appear to be increasingly aware of the scope and value the function can bring to the business.

Some respondents report a tremendous improvement in understanding and support at the boardroom level. Communications professionals are being viewed as partners who are brought into conversations and business decisions at an earlier stage. Developing a positive reputation among stakeholders is increasingly important in Asia Pacific and this is currently a major focus for many practitioners.

To underscore the value they bring to the business, many communications and Corporate Affairs directors are pressing for more regular and formal planning meetings between their teams and business units. While some function heads still sense that such engagement is viewed as a “nice to have”, they feel they are making progress.

Communications heads who sit on regional management committees, or who are represented at board level, say this dramatically enhances the positive impact they can have on the business they work for.

2.9: Progress Still needed on the Domestic Front

There is still significant progress to be made, particularly among Asian companies. Those working for Chinese companies and SOEs that have recently gone multinational say their function is still widely undervalued by management.

Some industry veterans also warn that the subtleties of the communications business can often be lost on top managers in high-growth Asian businesses, particularly the ‘tech tigers’. These companies often have huge valuations but are led by young and relatively inexperienced managers who do not always value the communications function.

One function lead for such a business says he finds it difficult to persuade management to even pursue tried and tested approaches. He says the company needs to focus much more on outreach and engagement - internally and externally - if it is to overcome poor decision-making and develop sound communications.
2.10: Internal Communications

Internal communications is increasingly important to corporate success. Engaging employees not only makes them feel part of the firm and more inclined to stay, it can also make them advocates for the business. Industry research reveals the increased importance of trust to businesses operating in Asia. The word of employees is deemed more authentic and trustworthy than that of the companies themselves or the media, so Communications Directors are missing an obvious trick if they fail to harness their staff as everyday advocates. First they have to win their trust and respect.

Strategic internal communications can be a highly effective tool to get staff to believe in the company they work for. Once established, this internal credibility can be projected out to the external environment. At a time of crisis, staff who believe in their company can become a solid line of defence against critics. Internal communications, therefore, should no longer be viewed simply as a way of keeping staff informed about internal developments, but also as an effective way of building trust and transparency with external stakeholders. Like it or not, these groups are more likely to believe the word of your staff than statements from your CEO.

Recognising the importance of harnessing the energy and voices of employees, several major companies have formally established Employee Engagement functions, often a collaborative effort jointly funded and run by the Human Resources and Corporate Affairs or communications departments.

HR is likely to retain control of internal policies, but communications functions increasingly manage the dialogue, so practitioners need to build relationships with their colleagues in HR.

One function head says it will be increasingly important for communications professionals to build internal mechanisms allowing them to advise whether a commercial decision is the right or wrong thing to do. At a time when public trust in institutions is low, simply acting in accordance with the law is no longer enough in the “court of public opinion”. It is therefore important that the communications function is engaged internally to assess the likely media and stakeholder response to potential commercial decisions.

Many agencies report significant growth in revenue related to internal communications and employee engagement projects and are building practices around this service offering. Digital has also increased the need for greater staff engagement – both to use staff to amplify messaging and to control online activities which could affect the business.
Function heads report an acute problem with writing and language capabilities among their teams and the agencies they use. With many millennials having grown up communicating in “emojis” or in 140 characters or less, there are widespread concerns about their ability to write more complex content, particularly focused on crisis and issues management or concerning regulatory and Public Affairs issues.

While there is pressure to develop new skills, such as content curation and channel management, these are no substitute for writing skills and effective storytelling capabilities.

It is also increasingly important to encourage teams to stop thinking about channels first. Instead the strategy should be to focus on what companies want to say and their audience. Only then should the strategy focus on the medium.

In Asia, where many companies lack a narrative that supports business strategy, their future development could be undermined if their communications function cannot develop their story and communicate it effectively to stakeholders.
Section 3: External Issues – The Challenges and Opportunities

Patterns of communications and Corporate Affairs engagement are changing. In the digital age engagement has shifted away from direct messaging to the formation of broader and deeper conversations with stakeholders.

Stakeholders themselves are more demanding – and less trusting. While traditional media can still be the route to many influencers, effective communications require a thorough understanding of the stakeholder environment.

Companies need to develop the capability to reach out to, and engage in dialogue with, a wider audience. Several senior practitioners said their roles have changed. Many professionals believe the purpose of their role is to see how their company is actually perceived by stakeholders. This requires a change in management mindset as companies navigate this shift.

In China, for example, one function head said his role is now far broader than a decade ago, encompassing the full spectrum of external affairs, from public relations and government affairs to media, international relations, creating shared value and event management.

3.1: Building and Defending the Licence to Operate

Aside from digital, the biggest shift that communications professionals are experiencing is how to respond to rising levels of engagement among stakeholders. The proliferation of groups from employees to government and civil society groups is adding renewed importance to the communications and Corporate Affairs function. Stakeholders want to know much more about the company behind the products they buy or the services they use. Communications Directors must therefore develop strategies that effectively build, secure and defend their company’s ability to operate.

Corporate Affairs managers are acutely aware that this licence to operate is no longer simply granted by regulators or policymakers. Society has a key role to play and can influence policymakers.

This presents communicators with both a challenge and an opportunity. The challenge is to create consistent messaging; the opportunity is offered by a wide range of new channels and approaches to communicate with different stakeholder segments. In a crowded marketplace, catching the eyes and ears of stakeholders requires sophisticated multi-platform strategies and the need to engage with non-traditional partners.

"It is important to communicate the benefits of your products to local communities. You need to focus on what they mean for people and their families, rather than how they’re better than your competitor’s offer. It is also important to continuously tell and retell your story in a fresh light."

Rachel Catanach, Senior Partner and President, Greater China, FleishmanHillard
3.2: Localisation in an Era of Globalisation

The need to localise messaging and face-to-face engagement with diverse stakeholder groups is resulting in greater structural decentralisation. For example, the senior Government Relations director of a major healthcare company has a team of six: two in Singapore, two in Vietnam and two in Indonesia, all ultimately reporting to a Government Affairs chief based in Japan.

Working relationships can often be remote. This presents day-to-day communications and management challenges across the vast Asia Pacific region. Regional heads say they have to travel more to deal with in-country problems across the wide group of functions they now manage. This is not a positive use of their time and does nothing for their work-life balance.

Many companies report rapid growth in markets such as India and Vietnam and are expanding teams in these countries. However, sometimes this investment in growth market teams comes at the expense of budgets and staff at the already-stretched HQ level. Communicators are also making better use of experts within their organisations. Following the example set by companies such as Apple, they increasingly harness the “C Suite” – the CEO, CFO and CTO, for example - to front communications and media events.

The rise of the regulator in Asia is presenting significant challenges for corporations and opportunities for agencies. The communications leader for one of the world’s largest beverage companies said the issues he navigates have changed a lot over the past decade. Health and regulatory issues are far more prominent, he said, and it is vital that functions are reviewed to ensure they reflect this shift.

For many companies, Public Affairs and Government Relations functions remain vitally important and are often still distinct from related functions such as Communications and Marketing.

3.3: Public Affairs and Government Relations

Public Affairs and Government Relations engagement differs widely from market to market and sector to sector. The industry in Asia Pacific is not following the same model as in international hubs such as London, Brussels and Washington.

From an agency perspective, the market remains a lot less developed. In Asia, agencies view their role as supplying clients with the knowledge and toolkits to solve their own problems, rather than acting as their advocates in the corridors of power. In Hong Kong, for example, there appears to be little direct corporate-to-government engagement, although broader PA-style activity is significant. Revenues related to regulatory intelligence have increased substantially for some agencies.

Countries where classic Public Affairs activities are taking hold include Australia, India and Singapore, with Japan also becoming a developed marketplace for Public Affairs and Government Relations services. The Public Affairs market is expanding quickly in “issues-rich” markets and sectors, putting China and Indonesia on the radar as potential growth regions. A small number of well-connected, owner-managed Government Relations firms are flourishing in Asia, sometimes partnering with communications operators when they need to develop programmes combining political or regulatory intelligence with external outreach and communications.

The structure of in-house Public Affairs and Government Relations functions is also changing. With many elements of traditional communications moving to digital, which is often part of a combined marketing or communications function, elements of strategic communications are being transferred to Corporate Affairs departments.

While some large agencies are finding it difficult to replicate Public Affairs functions on the scale seen in the West, they are increasingly viewing government communications as a growth area. As a soft introduction into harder-edged Public Affairs work, several agencies are focused on delivering more sophisticated stakeholder mapping services, particularly in the civil society, government and regulatory spheres.
Why did you choose a career in communications?
“I like to talk but more importantly I like to listen. I like to persuade people that my argument is the best argument. I didn’t choose this career, it chose me.”

What makes a good communications professional?
“I have been able to play a big role in growing and shaping our business. The difference between good communications people and great communications people is commercial acumen, being able to understand the end result of what we do.”

What are the big internal challenges you face?
“In the past there were clear lines between brand, advertising, PR and marketing. You knew who your stakeholder was, where they were and what they did. That’s incredibly blurred now, so ownership of an area or process is less important than it was even two years ago; collaborating between functions to meet a customer or audience need is the end game.”

Are you adequately supported by management?
“We are no longer funded on a transactional project-by-project basis. We now seek budget on a thematic basis. We look market-by-market at the top two or three issues we want to move the dial on. We then make the case for budget by issue not by project. We are in a good place with management.”

How have you responded to digital and integrated communications?
“We call it join the dots. It’s that simple. What you are saying in one part of the business must make sense in another part of the business. What you are saying in social must align with what you are saying in policy. It’s common sense but it’s harder to achieve across the business than you might think.”

Is traditional media declining in importance?
“It depends, a story in the Wall Street Journal is likely to be read by all of our investors. In India, newspapers are growing not declining. But your content has to be empathetic – individuals will decide how, where and when they get their content. So your message has to be relevant and consistent across channels.”

What do corporate communications and Corporate Affairs people most need to know?
“You need to be able to write. It doesn’t matter if it’s only 140 characters. You need to make sense of what you’re trying to say. You need to understand the economic environment: if you do not know how your business makes money you are always going to be a function of marketing.”

And what else?
“To survive you don’t need to be the most intelligent, you need to be the most adaptable. You have to move from fixed strategic plans to operating by thematic principles. And there will always be too much to do. So manage your energy, not your time.”
Digital technologies have revolutionised the communications industry. They have fragmented the media ecosystem but opened up a host of opportunities to reach new audiences and in large numbers.

Digital has been the ultimate disruptor for communications professionals, both in-house and agency. While some companies are still finding their feet in the digital space, others have torn up the rulebook and are using digital to take risks and reach new points of contact.

For some practitioners, digital has reached the tipping point, it has become the default option. At a time when a digital voice is expected on every issue, many businesses are appointing a Chief Digital Officer or a Chief Social Media Officer. Large full-service agencies report that around 25% of their staff are now hired for their digital capabilities across paid, owned and earned media.

But social media is not, and never will be, the solution to all communications problems. In certain companies senior management are reticent about large-scale social media engagement – particularly in some Asian corporations, where a broad understanding of communications can be lacking. B2B businesses, and those in conservative industries, are also slow to adopt digital communications.

The advent of fake news online, and growing concern over the reliability of online advertising metrics in the paid media space, could result in some companies slowing down their conversion to predominantly digital approaches.

But there can be no doubt that digital is dramatically changing the working day, injecting urgency with a minute-by-minute, 24-hour breaking news cycle.
4.1: The Problems with Digital

A  Fragmentation
B  Volume and Scale
C  Shorter Response Time
D  Tribal and Partisan Audiences
E  Talent and Skills
F  Stakeholder Activism
G  Fake News
H  Dubious Ad Metrics

Watch Video:

Click the screen below to watch Cecilia Ma Zecha, Head of Digital Communications, Asia at McKinsey examine how digital and social are heralding an era of change.

Jin Montesano, Chief Public Affairs Officer at LIXIL Group

“Digital is a huge external challenge for communications teams. The media environment has totally transformed itself and continues to transform in ways that are difficult to anticipate. It has become far more fragmented, requiring teams to be much more agile and better resourced. We are seeing a form of digital tribalism where people put themselves into little gated communities of like-minded thinking. They only want the news they can relate to and the publications they trust. Technology, mobile, and social trends allow people to live in these gated communities of ‘groupthink’, which only reinforces what they already believe to be true. This poses huge challenges for communications teams who are trying to reach their target audiences. How do you cut through and make your corporation’s point relevant now?”

While one agency head concedes that not all communications is digital, he insists that all communications must now have a digital dimension.

For consultancies, the increase in digital business means the profile of their teams is changing. Traditional PR and communications agencies are drafting in digital media buyers, analytics experts, creatives and advertising experts. Agencies have to adapt to working with professionals with different mindsets who are used to operating in a different environment to the traditional PR ecosystem.

Digital also requires significant upskilling among communications practitioners. Without fully understanding the mechanics and metrics of digital communications, agency professionals will be unable to work with in-house teams, while in-house professionals will be unable to formulate the business case for investment in the digital sphere.

In markets such as China, where digital is booming, some agency MD’s are expressing concern that their inability to recruit sufficient talent means they will be unable to serve future client needs.
4.2: The Quest for Content

While the adage that “content is king” remains true, digital is driving significant change to the concept of content. The Head of Global Communications for an Asian tech giant is charged with growing and developing a “content lab” to develop materials outside traditional content and PR that can control messaging and reputation. Many other companies are following similar models, creating vast pools of content tailored for different audiences and different platforms.

However some purists remain. Several of those interviewed were reluctant to accept that digital is now the default option for communications activities. They view digital as a marketing platform, believing that serious stakeholder engagement should still be conducted either face-to-face or through traditional routes using tried, tested and trusted media.

Given this division of views, it may be important for communications professionals to counsel management against “digital by default” and to avoid viewing it as the solution to all their problems. The real solution, say many professionals, is to ensure that messaging is adequately communicated across both traditional and digital channels.

Digital has, however, introduced greater measurement capabilities and greater levels of accountability. In the digital world it is easy to track who reads what and how long they spend doing so. This means communications professionals must develop new skills in digital analytics and measurement. Increasingly, corporate communicators must be able to understand and challenge the results given to them by agencies and external vendors that broker deals on platforms such as Baidu, Facebook and Google.

4.3: Controlling the Digital Message

Who controls digital messaging is an important question. In highly regulated sectors, such as Financial Services, many companies insist that each and every piece of digital messaging is fed through the Public Affairs or Corporate Affairs function before transmission. This conservative approach, typically driven by regulatory or fiduciary fears, means companies are often behind the curve in deploying digital.

Other companies have put in place global controls on digital engagement with a centralised team responsible for approving initiatives.

Some companies appear to take a more relaxed approach, allowing individual business units or country teams to manage their own digital presence under centrally agreed rules.

It is important that digital media strategy incorporates staff beyond traditional communications functions. Risk-averse companies actively discourage their staff from engaging in company-related tweets and social media engagement. By doing this, they may be missing the opportunity to use staff as brand ambassadors. To control social media messaging, many companies are forming policies for employees. For example, one leading telco has put 37,000 staff through compulsory social media training.

Generally, communications directors accept there is little they can do to totally control social media. However, that means it is important that they effectively monitor the medium, even where management is resistant to engagement. While many of today’s Directors of Corporate Communications or Public Affairs are not “digital natives”, it is increasingly important that they speak the language of digital and keep up with the latest developments and platforms.

4.4: Traditional Media

Digital may be the game changer for many corporate communicators, but research for this year’s report signals that traditional media remains vitally important to most companies. For many PRs, a positive mention in the FT beats a digital reference hands down, both in terms of impact and kudos. It may no longer be the complete picture but PR leaders still believe traditional media is vital to...
reach elites, particularly key opinion formers, such as government and NGOs.

At the same time, resources in newsrooms are shrinking, with a decline in serious business comment. PR industry veterans are concerned about what they see as an over-simplification in the way information is presented and consumed in what has become a highly competitive multi-media environment.

As a result of these changes, journalists seldom have the time to familiarise themselves with the stories that may be important to any individual company. In the past, a well-trained journalist working for an independent publication was perceived to be the most important weapon in a PR professional’s armoury, bringing objectivity and third-party verification. One Communications Director said there are “fewer and fewer of these journalists around. Where they exist, they remain important, but they are a dying breed, under more and more strain to publish on many more platforms than before.”

**4.5: WARNING SHOT: The Rise of Fake News**

Digital is not just disruptive. It can be dangerous. Fake news - and fake, or wildly exaggerated, ad metrics - are issues of critical concern for the industry. Where factually incorrect reports are deliberately distributed online, it is important for companies to ensure they get the correct version of the story into the digital domain.

If the fake story has been planted maliciously, or for financial gain, it is unlikely that it will be corrected, but PR professionals say it is important that such stories are challenged by publication of the facts. Where fake news is the result of misreporting, digital offers the opportunity for a correction to be made online, even if the print version remains out there.

Correcting facts online, even if only in the cached versions in reports online, limits future repetition of the same error in a search-led era where media feeds off media. PR professionals who routinely buy online ad space or sponsor online content should also be familiar with the language of measurement to ensure the data they receive from agencies and online media platforms is accurate.
Section 5: Agencies and In-House: Two Sides of the Same Coin?

Both the in-house and agency sector are crucial to the future of the communications and Corporate Affairs industries. To prove their value, both have to build respect and achieve measurable returns on investment.

Some agency heads suggest that as a whole the consultancy sector is underselling itself. Despite intending to aim higher, many agencies still sell per press release or explain measurement in clippings. Agency leaders know they have much more to offer, but some report that it is too easy to fall into the trap of offering yesterday’s services in markets where client sophistication can still be relatively low.

In overall terms, this year’s survey finds a thriving agency sector, driven by the combined forces of digital, capacity shortfalls in-house and greater competition. While most agencies report year-on-year revenue growth, the balance of business has continued to shift away from retained business towards project-based revenue.

Given the potential for development, with some agencies still recording 20% year-on-year growth in their larger and more established markets, a general concern about staffing remains an issue for many agency heads. Despite the economic slowdown in some key Asia markets, wage inflation remains a concern. Fears that increased competition will result in some agencies competing on the basis of price could create long-term tensions in the sector.

Talent is a critical issue for all agencies. Recruitment is a big problem in markets such as China and existing staff do not necessarily possess all the required skills. One agency leader gives her team a 70% rating in terms of meeting client needs. Despite efforts to encourage spontaneity, she believes her teams are still not proactive enough.

Some agency heads also believe that mid-level staff lack the confidence to challenge a client. Others suggest that the problem begins with clients. Often they do not like to be questioned, viewing their agencies as a source of additional capacity rather than strategic, trusted counsel.

5.1: Upskilling to Serve Clients

The CEO of one major networked agency says his firm has made significant progress in its efforts to deliver top quality services from its 320 staff. The biggest challenge, he says, is delivering a consistent level of quality across markets and services.

Others believe they have won the talent war. One relatively new market entrant says the team he has built is “brilliant”, regretting only the difficulty in finding more people with the same aptitude and skillset to power the business opportunities springing up.

Several major agencies face significant talent and resource problems in mainland China, where experienced people remain in short supply. Having focused heavily on growth in the early years of their development, several report their structure and management teams are not totally fit for purpose as they move into a more competitive, quality-driven market. Some agencies have already implemented significant internal streamlining and restructuring in China, while others say they are actively considering further leadership changes to ensure their business is on a solid, long-term footing.

In addition to digital skills, agency heads are encouraging the next generation of management to “think outside of the box” and solve problems in new ways. Agencies also need to develop staff capable of thinking strategically about how they approach storytelling. Others suggest that agencies still have work to do in encouraging leadership skills among their teams, so they can persuade clients that the service they are providing is essential to their business needs. Some agency insiders see a risk of their business being perceived as a “jack of all trades, master of none” due to their increasingly extended service offerings in an era of integrated communications.
5.2: Regional snapshot

**China**: Agencies say there is growth potential despite the recent slowdown. Digital, Public Affairs and crisis practices growing.

**India**: Agencies who entered early are reporting healthy growth across the country. Recent market entrants targeting foreign MNC business.

**Hong Kong**: Core PR market has become very competitive, some suggest it is now close to saturation point. Public Affairs activity remains limited.

**Singapore**: As more and more regional HQs locate to Singapore, the City State has become a hub for Corporate Affairs agencies.

5.3: Retained Versus Project Work

With far greater competition, allied to an uncertain economic climate, fees are being driven down by many clients. Sensing economic turbulence ahead, particularly in markets such as China, clients want to build flexibility into their agency contracts, moving towards project rather than retained work.

There is no single solution to how agency revenue streams should be balanced. Some agencies have become very effective at chasing project work, particularly in the developing markets. Others, particularly some medium-sized in-country agencies, still try to insist on retained work even if the first client in any given sector is serviced at a loss. One MD of a Chinese-based Public Affairs and communications firm says 80% of his revenue comes from retained work. Under the model his company uses, business from the first client in any sectoral practice will be loss making, with the second operating at break-even and the third and subsequent clients driving profits. In Public Affairs, where political intelligence is important, this retention-based model - which mirrors a subscription-based revenue model - can be used to develop high-margin services in areas such as healthcare and pharmaceuticals.

Other agencies report that retained revenues in services such as brand building are more resilient than in other areas, while newer agencies report a greater reliance on project-related revenue in the early years of their development.

5.4: On The Record

Lee Nugent, MD Strategy and Consulting, TEXT 100 APAC

Which elements of your role do you enjoy most?

“In my role I enjoy getting the most out of people. Structure and process are important, but getting the best out of your talent to deliver the best for your client is the secret of success in building a good agency.”

What are the external challenges agencies face in APAC?

“The continued drive to profitable growth in a region where we are seeing a China slowdown and some local economies which are not in the best shape is a challenge. Within that finding and retaining the right talent is the biggest factor. In certain territories wages are spiralling. Finding, hiring and holding on to talent would allow us to grow faster.”

What is the growth opportunity?

“Digital of course. And content is huge. Content strategy and content delivery are huge. We’re seeing growth in design and video and integrated consultancy. We are seeing a decline in pure media relations. But it is not going to die. It’s just going to become more specialist, and as it becomes more specialist it’s going to become more valuable.”

Where are the growth countries?

“For us India is a big growth market. It is many nations inside one nation. We have offices in different parts of India, with different growth patterns and different service offerings based on the different business environments. Some areas are focusing on tech, some on startups. That creates huge opportunities for us. China still has growth potential, but in Beijing and Shanghai we can’t recruit fast enough. And Australia is a great market. It is probably where we see our most creative output.”
5.5: Structural Shifts

There is definitely no “one-size-fits-all” model for structuring a full-service agency in the digital age. Most agencies have moved away from account-based structures and offer clients services based on the principle of greater specialisation. The old “account-centric” model appears to be out of date and out of favour, with one agency chief insisting that a team of specialists will always outperform a team of generalists.

The global structure of agencies can have a significant impact on results. One relatively new entrant to the Asian market said her company maintains a single, global P&L which encourages the greater sharing of clients and referral of business from market to market.

The era of integrated communications is also causing structural realignment. In many agencies the difference between communications and marketing has become a grey area. As a result, another agency head says it is important not to become “lost in a wasteland of greyness” where traditional communications firms effectively become marketing businesses with bolt-on PR and social media expertise.

One agency leader said agencies need their staff to operate “T-shaped”. They must have some knowledge of a wide range of areas but also need to be able to go deep down into their specialism.

In terms of structure, the head of one global agency operating in China warns against too much top-down management. He says that agencies, his own included, can be too rigid in approaching structural questions – warning against centralised procedures and processes which prevent local management growing their businesses in line with local norms and trends.

One area where this centralised approach can cause tension relates to global salary scales. Several agencies report that wage inflation is running ahead of fee inflation meaning they have to explain to HQ that margins will be squeezed if they are to retain market share.

5.6: Client-Side Issues

Client motives are generally not difficult to read. According to one Asia Pacific agency CEO, they essentially want more “bang for their buck”. This reflects one of the key drivers behind the move for integrated communications.

While understanding what motivates clients may be easy, working with them is not always so straightforward. Many agency staff say clients are often not prepared for the programmes they are about to engage in. In many instances this reflects the fact that they have been fast-tracked into managing their company’s agency relationships. Several in-house practitioners interviewed conceded that past failures to secure value for money or effective campaigns could be down to the mismanagement of the agency relationship by their own staff.

Among senior agency figures there is also a strong sense that many clients have little or no preconception of how much time some projects will take. They also routinely fail to realise what can realistically be achieved through strategic communications.

These problems do, however, present opportunities. Said one agency leader: “One of the most difficult but rewarding aspects of my role is to help clients understand their issues, working with them to improve their analytical skills to change their views about how things should be done.” This model of operation is coming to be known as “consulting through partnership”.

However, another agency leader said consultancies can iron out many of the problems by taking a step back and actually listening to the client. “I listen with the intensity that others reserve for speaking,” he said.

In Asia, where many companies are still relatively young, it also remains important that agencies are aware of how risk-averse their clients are. This is particularly so in areas such as digital, where agencies pitch a different prospectus to that of a traditional PR agency. In some instances all the client wants are “the basics and nothing too risky”, concedes one agency head.
5.7: Value For Money

Several in-house professionals interviewed still questioned the “value for money” they receive from agencies. One CCO believes it is almost always more expensive to commission work externally than to undertake the same project in-house.

Other in-house leaders say the size of the agency is a pointer to what can be achieved and how much they will pay to secure it. Boutique operations are perceived to “pitch with the people that look after you subsequently”. Clients, however, do concede that there is a trade-off. By working with smaller agencies they often forgo breadth of experience and service provision to secure cost savings.

In general, the agency market in Asia Pacific is becoming far more crowded. All major global brands and many European and US agencies are now directly engaged in the region. A new wave of domestic players of all sizes are putting up stiff competition, often from an initially lower cost base than their internationally networked counterparts. Many boutique operators, sometimes sole traders, have also been launched, carving out niche businesses in areas ranging from content curation to sustainability and CSR through to regulatory affairs.

This combination of boutique, in-country and regional competition is putting big agencies on notice. They can no longer automatically expect to be treated as the “go to” agency based on their global reputation. “We now select the best agency for the project – big or small. We are no longer keen on automatically using the big players we’ve worked with globally,” says one Greater China Communications Director.

Increased competition is resulting in some agencies competing on price, particularly in areas such as content and digital, which can already be lower margin. Over time this could erode the value of communications work and result in an imbalance in the market.

This issue comes as the talent war continues to result in wage inflation, presenting potential margin risks for the agency sector as a whole.

5.8: Areas of Growth

Across the agency world, digital has had a very positive impact on growth rates. But other practice areas and sectors are driving new business. The Hong Kong office of one of the largest global players reveals that revenues related to employee engagement and internal communications now account for 20% of its total business.

Several practice areas, such as brand building, stand out as important areas of growth among consultancies operating in Asia Pacific.

High-growth practice areas:
- Digital and analytics
- Paid and search
- Content creation/community management
- Visual and video
- Profile-raising and brand building
- Employee engagement and internal comms
- Public and Regulatory Affairs

High-growth sector areas:
- Healthcare
- Tourism
- Supply chain
- Food industry
5.9: Agency Management

This year’s interviews reveal that agency CEOs still face a juggling act in trying to balance competing demands on their time. Many concede there are simply not enough hours in the day to deal with the balance sheets, HR and staffing issues, client work and new business. As a general rule of thumb, the larger the agency, the more time its managers are spending on operational issues, meaning they can be distant from day-to-day client work.

Agency heads report that they routinely spend between 33% and 50% of their time on operational activities. The amount of client work conducted by MDs is much higher among small and medium-sized businesses and in owner-managed agencies. The Managing Director of a 30-strong China agency spends 50% of his time on client work, preferring to focus on “chasing business and dealing with clients” rather than working on the detailed financial accounts that are demanded in networked agencies.

Ideally, said senior managers, the best approach to time management should be to split their time three ways between managing the business, developing new clients and managing existing client relationships. The big challenge for agencies, says one MD, is to ensure that client retention is given top priority. To achieve this, many agencies have put in place significant training around client management practices.

Another agency leader also notes it is important to ensure top-flight talent isn’t forced out of the business by its structure. In the past, to secure promotion, people used to have to take on additional responsibilities, often involving people management. Employees who didn’t want that responsibility simply left the business altogether.
To ensure they remain relevant, communications and Corporate Affairs professionals need to add value to their business. In coming years, function heads will have to overcome their resistance to thinking in terms of dollars and cents and develop a hard-headed boardroom mentality. Said one director-level interviewee: “We need to be able to understand the external environment and be able to assess how this is going to impact our business in dollar terms. We must be able to use our efforts to align with business priorities to increase market share.”

6.1: What would you spend an additional US$250K on?

- Spend it on agencies or people – not tech
- Spend it on customised content
- Spend on polling and research – something few do well in Asia
- Buy in analytical software and the human capital to run it
- Hire a top digital person
- Boost in-country capacity
- Hire a powerful film-maker
- More travel and more training
- Build Government Relationships
- Reverse the trend towards in-country capacity and bolster HQ level capacity
- Bring in someone to deliver strategic thinking and campaign planning
- Spend on customer acquisition campaign tests
- Spend it on digital due to increased ability to measure

To prove their value, and to secure budgets in what will be increasingly tough negotiations, many managers believe the next generation of management need to think like corporate leaders and not just corporate communicators. “They need deep industry knowledge, an international perspective and be motivational – both with their teams and their management. They should understand the full spectrum of communications, be able to navigate digital – and read the FT every day.”

To close, we asked in-house professionals what they would do if they secured a quarter of a million US dollars in additional budget. Responses varied widely, revealing the scale of the challenge and the intense, and sometimes conflicting, competition for resources.
6.2: Time to Lead

The future for the communications profession in Asia Pacific is encouraging. Even so, budget growth is slowing in some companies, while among agencies increased competition and client pressures could restrict future growth and put pressure on margins. The shortage of talent is holding the industry back, and while the number of days given over to training is growing, it appears some companies are still paying lip service to this fundamentally important area.

To harness the opportunities that exist, the industry will need to further adapt while remaining true to many of the original industry principles. Said one top-level practitioner: “We need to be more responsive. We need to undo many old habits: PR can be very traditional. We need to be forward-looking and not scared of the future.” In many organisations, the communications and Corporate Affairs function has successfully secured a seat at the top table. Where it has, there are strong signs that both the business and the function benefit. However, there is more to do, particularly if the communications industry is to overcome the commonly held view that it is a cost centre rather than an integral part of the business development function.

Securing greater boardroom recognition will require greater advocacy and leadership among senior communications and Corporate Affairs professionals. “We must know how to lead. Too many of us remain stuck in the experts zone and do not become leaders. We have to better understand the mindset of the CEO,” concludes one senior practitioner.

In the end, the successful development of the communications and Corporate Affairs industry in Asia, as elsewhere in the world, requires it to secure a seat at the top table when the big decisions are made.
PublicAffairsAsia

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