

Financial sector needs more Asia-based board members but it's already doing better than all other industries

by Simon Mortlock



Paul Aldrich
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Only 4 per cent of Fortune 500 companies have directors from Asia on their boards, according to recent research from search firm CTPartners.

But here's a bit of good news: compared with other businesses, more financial institutions (six) have Asia-based executives. Below are the firms with board members in Asia, listed in order of their 2011 Fortune 500 ranking.

- **Goldman Sachs Group:** Lakshmi N. Mittal, CEO, ArcelorMittal S.A. (India)
- **Morgan Stanley:** Nobuyuki Hirano, deputy president, Mitsubishi UFJ Financial Group (Japan)
- **Aflac:** Takuro Yoshida, President of Nippon Tochi-Tatemono Co. Ltd (Japan)
- **Ally Financial:** Bernard Yeung, distinguished professor; and Stephen Riady, dean, National University of Singapore
- **Mastercard:** Edward Suning Tian, founder and chairman of China Broadband Capital Partners (China)
- **KeyCorp:** Shri Raj Kumar Gupta, partner of M/s Nand Raj Associates (India)

So why are financial institutions (slightly) ahead of other companies when it comes to Asian board representation?

"Within increased global scrutiny following the global financial crisis, banks and other financial services players benefit from having board oversight represented by people who are familiar with their markets, challenges and goals. This is particularly important for developing markets, in which things are changing quickly," Paul Aldrich, a managing partner at CTPartners, tells eFinancialCareers.

Why go local?

Board directors play an important role in influencing company policy and overseeing management performance, adds Aldrich. "This is best achieved when they have deep experience in the markets a business operates in. Directors based in Asia can bring substantial expertise in international business and growth markets."

Those with experience of managing teams in Asia are also well placed to spot unique hiring opportunities. "This is not to mention the important business and official relationships they bring to the table. They will also be able to better balance global policies and processes with the specific regional needs and differences of Asia Pacific."

And as Asia's financial centres continue to expand and provide a greater share of global profits, financial services organisations may be considering further boosting the ranks of Asia-based directors. Aldrich says he has had "enquiries" about whether more board members could be based in the region. He has also had discussions about the relevance and use of advisory boards.