

The Business Case for Leadership Development and Coaching in **Hong Kong**

What CEOs want to know from
Talent and HR Leaders



INTRODUCTION

As **Hong Kong** navigates unprecedented market complexities and talent challenges in the midst of its evolving role straddling East and West, CEOs are looking to their Human Resources and Talent leaders for strategic solutions to future-proof their leadership pipelines. In this era of disruption, developing resilient, innovative and culturally fluent leaders has become mission-critical for driving sustainable organisational success.

This report outlines the compelling business case for prioritising investments in leadership development and coaching that Hong Kong's CEOs need to understand. With intense war for talent, a transition in Hong Kong's governance, and accelerating digital transformation, CEOs want quantifiable proof points on how these initiatives translate into demonstrable competitive advantages.

Sections of this report are devoted to articulating the ROI of leadership development, including mitigating risks around succession pipelines, enhancing cultural change capabilities for Greater Bay Area integration, and accelerating execution of strategic priorities. The financial impacts of losing critical leadership talent versus the corresponding impacts of personalized coaching and immersive leadership academies are contrasted.





Now more than ever, effective skill development is paramount for fostering resilience, agility, and growth within the Hong Kong market, a city I grew my professional career in, and am vested in seeing thrive.



The report details how coaching is being purposefully embedded as a development catalyst – through one-on-one executive coaching, team/group coaching, manager-as-coach training, and coaching integrated into cutting-edge leadership curricula. Success stories showcase how innovative organisations are leveraging coaching for cultivating agile, digitally-savvy, and cross-culturally dexterous leaders.

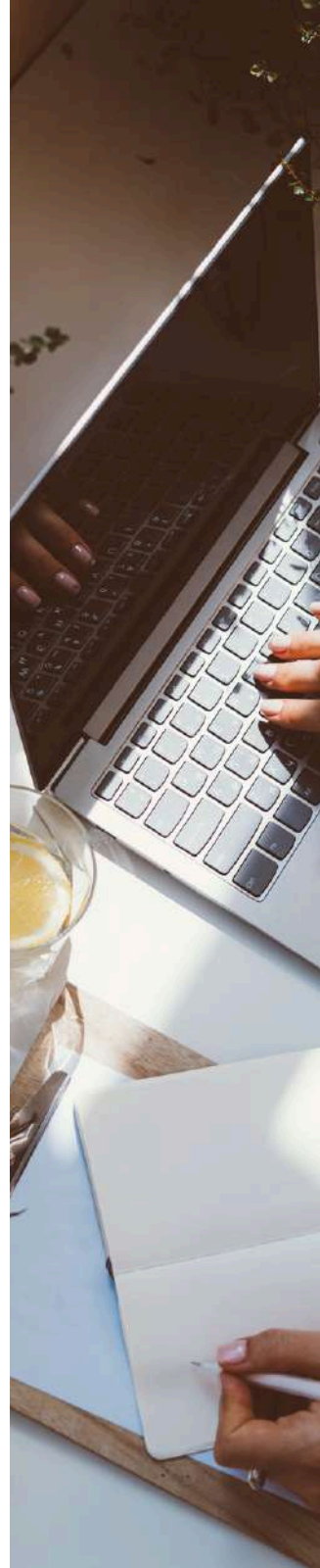
CEOs today are operating in perpetual beta mode, with volatility as the norm. This report provides Talent and HR professionals with a data-driven framework and real-world case studies for quantifying how prioritizing leadership development and coaching is a strategic imperative for thriving amidst uncertainty. Crafting a solid business case ensures these mission-critical initiatives get the investment prioritization and CEO sponsorship they deserve.

We thank our clients in this market for your partnership, and look forward to continuing to work shoulder to shoulder with you into the next chapter of the Hong Kong Talent story.

ALEXANDRA LAMB
Founder & CEO
BOLDLY

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Business Context and Talent Challenges in Hong Kong

Hong Kong's market factors in 2024 are heavily influenced by its integration with mainland China and its continued status as a global financial hub. The business context in Hong Kong reflects its position straddling East and West. International firms continue using Hong Kong as a regional headquarters due to its market freedoms, rule of law, and talent pool. This brings both opportunities as well as challenges navigating an evolving landscape.

According to the Quarterly Survey of Employment Situation report published by the Hong Kong Census and Statistics Department in early 2024, **labour shortages reached a 10-year high in late 2023**, with over 40% of companies surveyed reporting difficulties finding skilled staff. The construction, hospitality, and technology industries were among the hardest hit by manpower deficiencies.

An acute skills gap is also evident in Hong Kong's burgeoning innovation and technology sector. The Start-up Talent Demand Report 2023 by the Hong Kong Securities and Futures Commission found that **87% of start-ups faced hiring difficulties**, with software engineering, data science, and product management roles being the most problematic to fill. Experienced tech professionals are in exceptionally short supply as multinational firms increasingly base regional operations in Hong Kong.

The Hong Kong General Chamber of Commerce's annual skills survey also found that retaining skilled staff has become a challenge, with **voluntary turnover soaring past 12%** amidst stiff competition for a limited pool of qualified candidates. This report cited an aging workforce as the primary driver behind Hong Kong's intensifying talent crunch.



Over the past decade I've witnessed more visionary CEOs understanding that cultivating talent through coaching isn't just an investment in their people, but a strategic imperative for driving excellence and sustainable business success.

CHRIS FROST, MD ASIA, BOLDLY



Talent has long been one of Hong Kong's core strengths, but the city now faces major challenges attracting and retaining talent. With many experienced expatriates exiting post-pandemic and the surge in emigration of local professionals, Hong Kong is navigating a labor and skill shortage across multiple sectors. Hong Kong is thus increasingly dependent on mainland Chinese talent, which brings its own strengths, opportunities and integration hurdles. Developing domestic talent in Hong Kong is an imperative now, more so than ever, to maintain Hong Kong's competitive edge on the global scene.



What skills are imperative for business leaders in Hong Kong?

CEOs in Hong Kong care deeply about the city maintaining its position as a global talent powerhouse because having access to a deep, diverse pool of top leadership talent is absolutely critical to organisational success and competitiveness. Hong Kong's status as a talent magnet directly impacts a company's ability to drive revenue growth and access new markets. Top-caliber leaders are needed to identify opportunities, spearhead innovation, and steer successful expansion strategies in today's complex global landscape. Without this talent pipeline, growth stalls, operations are disrupted, and cross-border governance is compromised. For Hong Kong to maintain its position as a global talent powerhouse in 2024 and beyond, business leaders in the city will need to cultivate several key skills:

✔ **Adaptability and Resilience:**

The ability to quickly adapt to changing circumstances and display resilience in the face of uncertainty is paramount. Staying abreast of regulatory shifts, economic trends, and talent needs will be crucial for making smart pivots.



✔ **Cross-Cultural Competence:**

With Hong Kong becoming more deeply integrated with the mainland while retaining global linkages, leaders will need superb cross-cultural skills to effectively operate across diverse contexts. Understanding nuanced differences in communication styles, negotiating norms, leadership expectations and more between Chinese and Western cultures will be vital. Cultivating cultural intelligence will enhance team cohesion and external relationships.

✔ Strategic Talent Management:

Given Hong Kong's talent challenges in 2024, business heads must become masters at strategic workforce planning and talent nurturing. This involves skills like employment branding, competitive compensation structuring, tailored retention initiatives, upskilling/reskilling programs, robust leadership pipelines, and optimising talent mobility across the Greater Bay Area. Getting creative about sourcing and developing talent will be key.



CEO's should expect to see measurable results by investing in these areas. Fostering an organisational culture of agility will enable rapid response to market shifts and disruptions while empowering employees with the skills to seamlessly navigate Hong Kong's multicultural environment will unlock new partnership opportunities across global and regional realms. Moreover, committing to robust professional development programmes, and transparent career pathways will bolster retention of high-potential team members. A thoughtful, multi-pronged approach focusing on these key areas will ultimately yield a future-ready, highly-engaged workforce to overcome Hong Kong's skills shortages and economic headwinds. Crucially, it will fortify the organisation's reputation as an employer of choice for top talent.



Top Trends in Leadership Development in 2024–2025

Considering the essential need to develop the above skills and competencies in the domestic talent market, here are some of the top trends in leadership development we see CEO's getting behind in Hong Kong for 2024-2025:

✔ Grooming Purpose-Driven Leaders

Hong Kong's talent wars amidst social transition make purpose-driven leadership a powerful engagement tool. Companies are redefining leadership competency models around traits like ethical decision-making, fostering an authentic value-based culture, servant leadership philosophies, and leading with compassion and emotional wisdom. Sustainability and ESG mentalities are being embedded.

✔ Greater Bay Area Exposure

To facilitate talent mobility and integration across the Greater Bay Area cities, leadership programs are exposing Hong Kong managers to the broader regional landscape. This includes industry immersions, city study tours, temporary cross-postings, and building strategic networks to groom innovative region-fluent leaders.

✔ Customised Leadership Academies

Hong Kong's most future-focused organisations are investing in richly customised, cohort-based leadership academies. These intensive, highly contextualised experiences blend the best of executive education, individualised coaching, action learning projects, and integrated development planning to create a unique leadership edge.

CEOs in Hong Kong recognize these development areas as cornerstones for building future-proof leadership capabilities and shaping organisational cultures that can outperform in the decades ahead. These themes are unique to the Hong Kong leadership landscape, and hence need a tailored approach to development.

How is Coaching forming a key part of leadership development

Coaching is playing an increasingly vital role in leadership development strategies for organisations in Hong Kong due to this highly contextual development landscape. Industry reports have demonstrated the increasing use of coaching in Hong Kong in recent years, showing the need for a shift away from skills-based training to more competency and interpersonal based capacities for Hong Kong's current and future leaders:

From the 2022 Hong Kong Coaching Study by Hong Kong University

"The use of coaching services by corporations in Hong Kong has risen sharply over the past 5 years, with 72% of major firms now utilizing some form of coaching for leadership and talent development, up from just 42% in 2017."

From the 2023 ICF Global Coaching Study (specific Hong Kong data)

"Hong Kong had the 4th highest revenue growth globally for professional coaching services at 19.8% year-over-year. The number of coach practitioners in Hong Kong also grew by 14% from 2021 to 2022 as demand increased."

From the 2022 PwC Hong Kong Leadership Coaching Report

"Coaching is becoming increasingly ingrained as a perk for retaining top talent in Hong Kong. 82% of financial services executives surveyed cited coaching as an important element of their employment value proposition for senior leaders."

From the 2023 Bain & Company Leadership Development Benchmarking Study

"Hong Kong firms are among the leaders in Asia for embedding coaching across multiple leadership development practices - 67% use executive coaching, 41% provide team/group coaching, and 33% now train managers in basic coaching skills."

From the 2021 Hong Kong Institute of Human Resource Management Annual Survey

"65% of Hong Kong companies said they have expanded their investment and usage of executive coaching over the past 2 years, citing needs to accelerate leadership development pipelines, build more agile leadership mindsets, and support managers through heightened change/complexity."

The data from these reports clearly illustrate the significant rise in the prevalence, application, and investment in coaching across Hong Kong organisations over the past 5-7 years as a strategic tool for accelerating leadership capabilities.

Here are some of the key ways coaching is being leveraged in Hong Kong:

✔ Executive Coaching

One-on-one executive coaching is being widely adopted to accelerate the development of high-potential leaders and C-suite executives in Hong Kong. Experienced coaches provide personalised guidance, facilitate deep self-awareness building, identify development areas, and help leaders cultivate the mindset shifts and behavioral changes required at senior levels. This highly customized approach supports leaders navigating Hong Kong's complex business environment.

✔ Team/Group Coaching

With Hong Kong's emphasis on cross-cultural competence, team and group coaching interventions are valuable. Coaches work with intact leadership teams on team dynamics, effective collaboration across diverse styles, having constructive conflict, and aligning for peak performance. Group coaching also allows sharing perspectives across industries and companies.

✔ Leadership Coaching Skills

Many organisations are training their HR, L&D and frontline managers in basic coaching competencies to instill a more coach-like culture. This develops coaching capabilities distributed throughout the leadership ranks to support ongoing real-time development through methods like routine coaching conversations, observation and feedback.



✓ Coaching Integrated with Leadership Programs

Top leadership curricula integrate professional coaches throughout. Coaches provide pre-program interviews, accountability support, facilitation during in-person sessions, developmental plan tracking, and follow-up sustainability coaching post-program. This blended approach embeds coaching as a constant development discipline.

✓ Coaching Cohorts

Some firms group high-potential talent into small coaching cohorts led by an external coach over 6-12 months. The cohort approach provides shared learnings, peer support and accountability as participants navigate challenging real-world leadership projects or deployment experiences together with dedicated coaching.



Jardines - A Case Study



BOLDLY took a comprehensive approach to embedding coaching as a transformative leadership development solution across Jardines' diverse business portfolio. We began in 2017 by conducting an in-depth analysis of each business unit's talent priorities, strategic goals, and leadership capability needs. This allowed us to collaborate with the Group HR to precisely align proposed coaching solutions to the motivations of business leaders across different sectors, geographies, and sub-brands.



BOLDLY then designed integrated coaching roadmaps spanning one-on-one executive coaching, cohort-based coaching for high-potentials, team coaching for key teams, on-demand coaching for early careers, career counselling skills for HR, and coaching skills training for supervisors. Clear ROI models projected how these coaching interventions would align to strategy such as accelerating digital transformation, improving cross-cultural collaboration, enhancing succession pipelines, and driving cost savings in the coaching model.

Quarterly reporting was instituted at the Group level to continually evaluate coaching effectiveness through stakeholder surveys, utilization tracking, and outcome metrics. BOLDLY worked closely with Jardines Group HR to demonstrate progress updates and coaching impacts to top leadership. We also held roadshows, capability workshops, and executive meeting presentations to reinforce coaching's strategic value-add, and alignment to Group level goals. We continue to work with Jardines at all levels of the business to drive a coaching culture across the group today.

How should a HR or Talent Leader build the case for coaching and leadership development to their CEO?

When building the case for investing in coaching and leadership development to the CEO, HR and Talent leaders should focus on clearly articulating the strategic business impacts and ROI. Here are some potential ways to make a compelling case, with examples. You should select the approach that makes most sense in terms of your business context and CEO's personal style, however these approaches will ensure you're positioning the vital role of leadership development and coaching in terms that speak directly to the heart of the CEO's agenda:

✔ Highlight Competitive Talent Advantages

E.g. "Our ability to attract, develop and retain top leadership talent is one of our biggest competitive differentiators. With Hong Kong's war for talent intensifying, coaching and leadership development represent critical 'talent magnets.' For example, Company X credits their customised leadership academy as key to reducing executive attrition by 25% annually."

✔ Mitigate Succession Pipeline Risks

E.g. "Only 22% of our senior leadership roles currently have ready successors identified. Targeted coaching and accredited leadership curricula rapidly build stronger leadership pipelines. Across 10 critical roles, we've projected a \$15M cost exposure from interim leadership gaps without proper development pathways in place."

✔ Accelerate Strategy Execution

E.g. "Our 3-year strategic plan hinges on cultivating more innovative, digitally-savvy leaders to drive transformation. However, only 35% of our executives currently meet those new leadership competencies. An immersive coaching and development roadmap would accelerate closing those gaps and de-risking strategic execution."

✓ Enhance Cultural Change Management

E.g. *"As we further integrate with the Greater Bay Area, coaching sustainably embeds the cross-cultural dexterity required. By combining team/group coaching with leadership workshops, we'd accelerate the culture shift - XYZ Company leveraged a similar approach to increase cross-geography collaboration by 40%."*

✓ Drive Demonstrable Business Outcomes

E.g. *"A pilot coaching program for our Hong Kong regional VPs last year correlated to a 33% improvement in engaged leadership behaviours, which Gallup's research links to 21% higher profitability. Rolling out coaching and skill development more broadly offers enormous revenue and productivity gains."*

The key is using compelling data-driven examples, tying development directly to core strategic priorities, quantifying impacts and costs/risks where possible, and benchmarking to successful practices at leading organisations. This builds a factual business case for the CEO.



Here is a downloadable template that HR and Talent Leaders can use when building the business case for coaching to their CEO:



This template provides a simple but comprehensive framework for building a fact-based, ROI-driven business case to secure CEO/leadership backing for strategic coaching initiatives. Quantifying impacts upfront and articulating measurement accountability are crucial.

BOLDLY's Coach Bench—Strength in Hong Kong

As the city's premiere coaching solution partner, BOLDLY has cultivated an unparalleled bench of top coaching talent deeply experienced in supporting Hong Kong's most innovative organisations. BOLDLY's cadre of over 50 coaches based in Hong Kong possess extensive corporate leadership backgrounds coupled with rigorous professional coaching certifications. This bench provides clients with coaching resources possessing highly contextualised expertise across industries, business functions, and the nuanced challenges of operating in Hong Kong's unique East-meets-West market environment.



From tenured executive coaches adept at accelerating C-suite transitions to rising coaching stars skilled in developing emerging leaders, BOLDLY carefully curates its Hong Kong-based coaches to ensure the right fit for clients' distinct development priorities. This commitment to coaching excellence makes BOLDLY a trusted partner for organisations seeking to embed coaching as a transformative catalyst for evolving their leadership capabilities and culture.



To connect with any of our BOLDLY expert coaches please reach out to Alex Lamb (alex@boldly.app) or Chris Frost (chris@boldly.app) for discussion)

Conclusion

For CEOs, the question is not whether to invest in these mission-critical development areas, but how ambitiously to scale world-class leadership and coaching programs as catalytic organisational capabilities. Hong Kong's most future-focused enterprises recognize that lackluster leadership development is an existential threat in this era where agile, innovative leadership minds are the scarcest resources. They are making bold moves to secure differentiated leadership pipelines.



Talent and HR leaders are entrusted as the vital architects for evolving their companies' leadership competencies and mindsets in lockstep with shifting market realities. World-class CEOs look to these strategic partners to continually re-evaluate development needs, curate best-in-class leadership curricula and coaching initiatives, and purposefully align all efforts as competitive advantages. They expect robust measurement rigour, transparent ROI projections, and data-driven continuous improvement.

The business case is clear - organisations that out-leader their competition will invariably out-perform and outlast. Hong Kong's path to perpetuating its status as a global powerhouse for talent rests on the urgency CEOs and their Talent leaders place on future-proofing their organization's leadership capabilities. Those who heed this imperative create a sustainable leadership advantage.



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Company information: Lanterne Rouge Holdings Pte Ltd., the owner and operator of BOLDLY, is a limited liability company registered in Singapore with Unique Entity Number 201722197D. Our registered office is at 141 MIDDLE ROAD, #05-06 GSM BUILDING, SINGAPORE 188976.

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