



# Workforce Of The Future

2021 APAC Workforce Insights Report  
September 2021



# Contents

Executive Summary	3
Who We Surveyed	4
Drivers of Change	5
Challenges Reshaping the Workforce	6
Where the Jobs Are	8
Flexible Work Model	10
Hiring Remote Talents Abroad	11
Challenges in Hiring and Managing Remote Talents Abroad	12
Appendix	13

# Executive Summary

Pandemic-induced lockdowns since 2020 and the consequential slowdown in economic activity have created uncertainties for businesses and transformed the contours of daily work routines. Companies are still trying to establish a firm foothold in managing and building their workforce more than a year and a half into fluid COVID-19 conditions

The Workforce Report 2021 sheds light on the pressing human resources challenges faced by companies operating in Asia Pacific and the rationale behind current and future approaches to workforce management. The report aggregates the views of more than 1,500 business leaders on the frontline of decision-making regarding human capital to better understand the magnitude of the difficulties.

We surveyed a cross-section of industries spanning 12 Asia-Pacific markets — Australia, China, India, Indonesia, Hong Kong, Malaysia, New Zealand, Singapore, South Korea, Taiwan, Thailand and Vietnam.

Here are the key findings:

- **Up to 85 per cent** of the respondents face challenges in building their workforce. The main issues impacting companies are **restrictions on global mobility, lack of Talent** and **high attrition** among workers with specific skills. **Salary costs** remain a major consideration.
- The most in-demand skills are in **Technology and Sales**, while

sourcing, retaining and equipping Talents with future-ready skills is critical.

- **Being flexible** is the key to building a future-ready workforce. Half of the companies surveyed are receptive to **hybrid work arrangements**—a mixture of home and office. Firms that offer this operational mode are more likely to attract and retain Talents.
- **55 per cent** of the companies who struggle to fill positions locally are willing to **engage overseas Talent remotely**.
- Although more companies are willing to hire remotely and create hybrid work arrangements, they are still grappling with implementation. The main roadblock is uncertainty about how to **track and monitor** the performance of their team.

Asia Pacific remains a vibrant market with excellent opportunities as companies continue to invest in customer and client acquisition. While businesses drive dynamic growth **strategies, sourcing and retaining Talents** remain a significant challenge for most.

Winning in this landscape means gaining the best Talents to take advantage of opportunities to scale rapidly. **Speed of Talent acquisition** is essential, and businesses need to invest in the time to rethink their workforce strategies to ensure they are resilient, flexible and competitive.

Winning in this landscape means gaining the best Talents to take advantage of opportunities to scale rapidly.

85%

face challenges building their workforce

**Technology and Sales**

are the most in-demand skills.



50%

are open to hybrid work arrangements



55%

of companies open to engaging overseas Talent remotely

# Who We Surveyed



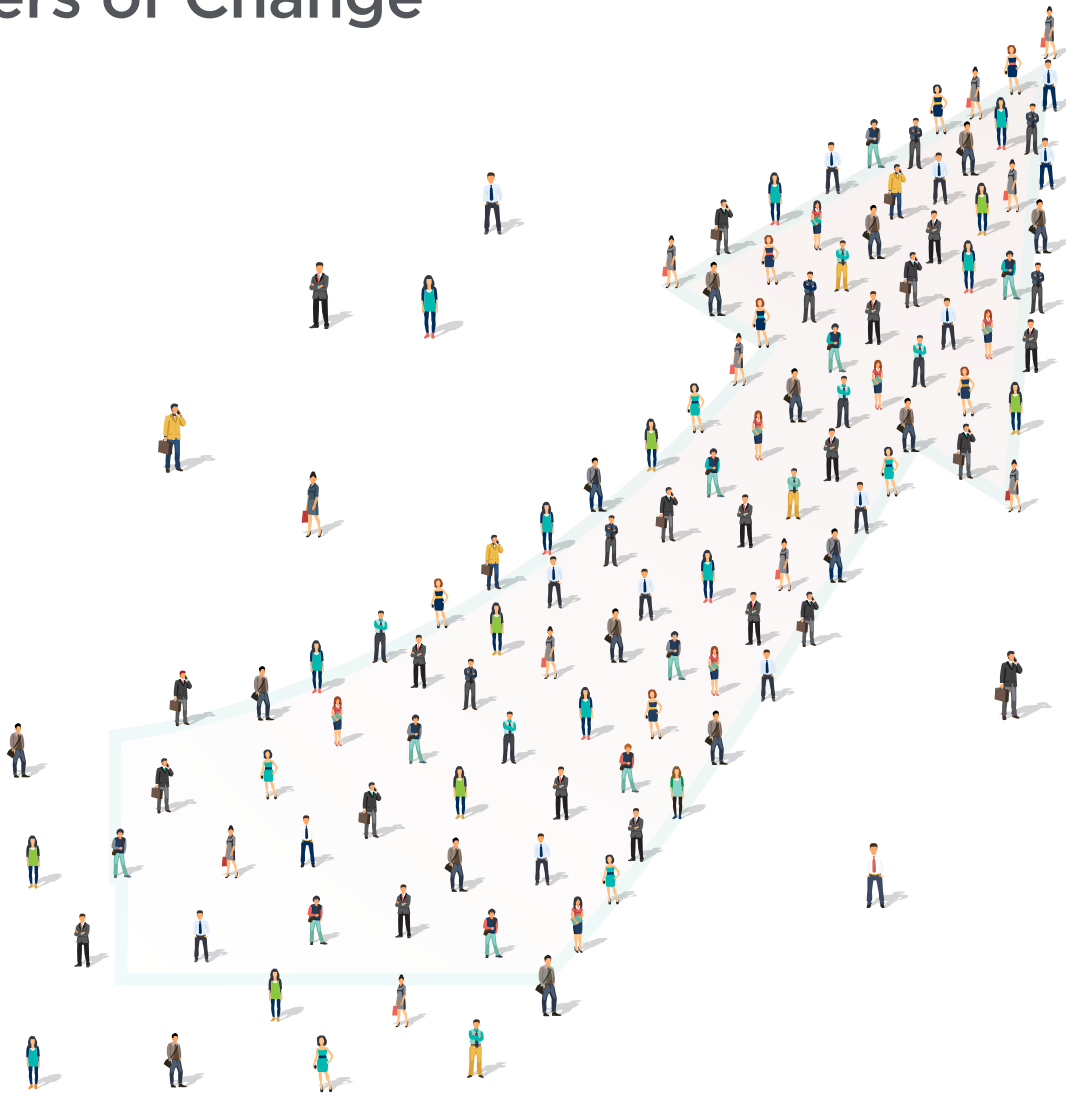
We surveyed a cross-section of industries in 12 markets in Asia Pacific.

- Industry respondents:**
- Automotive
  - Banking, Investment and Insurance
  - FMCG and FMCD
  - Government & Statutory Agency
  - Healthcare, Life Science and Pharmaceutical
  - IT and Technology
  - Logistics and Supply Chain
  - Manufacturing and Engineering
  - Professional Services, Consultancy and BPO
  - Others (ie: Construction, Education, Retail and Trading)





# Drivers of Change



The combined health and economic shocks of 2020 has **profoundly impacted markets**; upending travel, both across and within borders. It is also causing disruptions to global supply chain and the travel and hospitality sectors. Almost all sectors were disrupted one way or another.

Some markets managed to ride out the storm and avoided a slump. For example, Vietnam was the [top-performing economy in Asia in 2020](#), growing 2.9% according to government estimates.

More than a year into the COVID-19 pandemic, the **Asia-Pacific economies are beginning to bounce back**. The Asian Development Bank forecasts growth in Asia of [7.2% in 2021 and 5.3% in 2022](#).

At the same time, COVID-19 has accelerated the region's **digital transformation**. Since the pandemic began, 70 million people age 15 and above in Southeast Asia have become **new digital consumers**, according to a [report by Facebook and Bain & Company](#). Online spending per person across Southeast Asia is predicted to soar from \$238 in 2020 to \$381 by the end of 2021. This growth represents attractive business opportunities across the **Technology and Digital sectors**.

# Challenges Reshaping the Workforce

Based on our annual Workforce Insights Survey, up to **85 per cent** of the respondents said they face challenges building their workforce. All organisations surveyed tell us that the availability of Talent is their number one concern.

From our survey, organisations face four key challenges in building their workforce.

## Global Mobility Constraints

The pandemic has restricted travel, both across and within borders. Across all the markets surveyed, one of the top challenges in building a workforce is **constraints in global mobility**.

Organisations are finding it difficult to move people to their offices in different markets. This is largely a result of government-imposed travel restrictions due to COVID-19, whether domestically or internationally.

**Tight local employment laws** are also a constraint on Talent mobility. Why is this significant? In simple terms, the best Talent with the right skills needed to support business expansion may not reside in a company's local market.

Some emerging technologies are advancing faster overseas, leaving local Talent out of step and without the latest skills. These skills also take time to pick up, and markets can't churn out acceptable graduates at the rate needed.

As a result, businesses based here often have to **look overseas** to bring in the right Talent and skills.

## Lack of Local Talents

Even before the pandemic, it was slightly cumbersome but doable for companies to source Talent from overseas and bring them into the market where they operate.

However, those options have become severely limited or impractical mainly due to travel

## Top Challenges Reshaping the Workforce



Global Mobility Constraints



Lack of Local Talents



High Attrition Rate



Cost of Hiring

restrictions related to the COVID-19 pandemic. Restrictions of international mobility may impact business growth, with companies **unable to onboard** the Talent they need.

#### High Attrition Rate

Another critical issue that organisations face is the **high attrition rate** of employees in certain segments or with specific skill sets. With global mobility constraints and a lack of local Talent, this problem becomes more pressing especially when companies are looking to grow fast.

Employees are leaving jobs for various reasons. Some emerging technologies are advancing faster overseas, leaving local Talent out of step and without the latest skills. These skills also take time to pick up, and markets can't churn out acceptable graduates at the rate needed when demand in their sector is high. Many people are disconnected by the isolation and **"Zoom fatigue"** faced during COVID-19 work from home arrangements, while others simply want a fresh start.

#### Cost of Hiring

Retention takes on greater importance given the competition to hire the best people. The lack of Talents available locally and cross-border travel restrictions are the top challenges faced by all markets.

A combination of global mobility restrictions, lack of supply of suitably skilled local Talent and high attrition rate has led to **rising people costs**. This results in companies having to offer higher salaries for new Talent, and **increase the compensation** for existing Talent to keep them from leaving.



**Retention** takes on greater importance given the competition to hire the best people. The **lack of Talents available locally** and **cross-border travel restrictions** are the top challenges faced by all markets.



### Key Findings

In Singapore, businesses cited **"Lack of Talents Locally"** as their biggest challenge building a workforce.



**Markets facing the least challenge in hiring locally:**

Taiwan  
India  
New Zealand  
Indonesia  
Malaysia  
Hong Kong

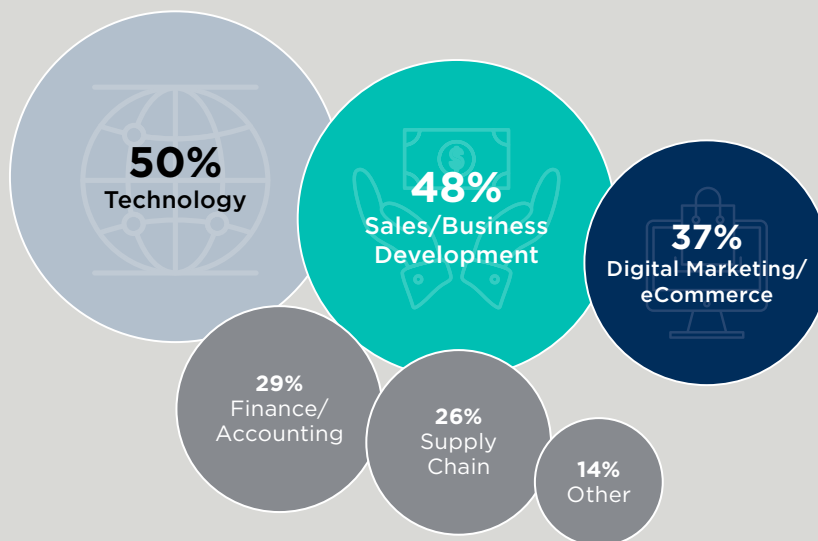


The **IT sector**, for example, has witnessed a Talent acquisition war. On one side, companies are offering higher salaries to suitably skilled top Talent. Meanwhile on the other side, existing employees are often not the best fit for the latest technology projects, so they require upskilling.

Taking all the above into consideration, the survey also revealed that **retention of Talent** has gained strategic importance given the competition to hire the best Talent. Companies are also **rethinking future roles** and responsibilities of their workforce.

# Where the Jobs Are

## Top In-demand Skills At A Glance



The market for skilled digital Talent is highly competitive. The **era of digitisation** has introduced a range of job profiles that has resulted in a rise in demand for relevantly skilled and highly equipped Talent.

More companies are seeking Talents in **Technology, Business Development, Digital Marketing** and **e-Commerce**.

Prior to the pandemic, companies surveyed said they were already seeing **disruptive changes** to their business models resulting in a profound impact on some industries. To successfully compete in this new marketplace, companies had to quickly embark on **digital transformation journeys**. For example, the development of smart inventory management systems and other processes based on the Internet of Things has forced companies to **relook at traditional roles** in order to stay competitive. Companies we spoke to recognise that to drive future success, they have to invest heavily in **Data Science and AI**.

We are seeing a significant impact on the jobs market, with more demand for specific skills.

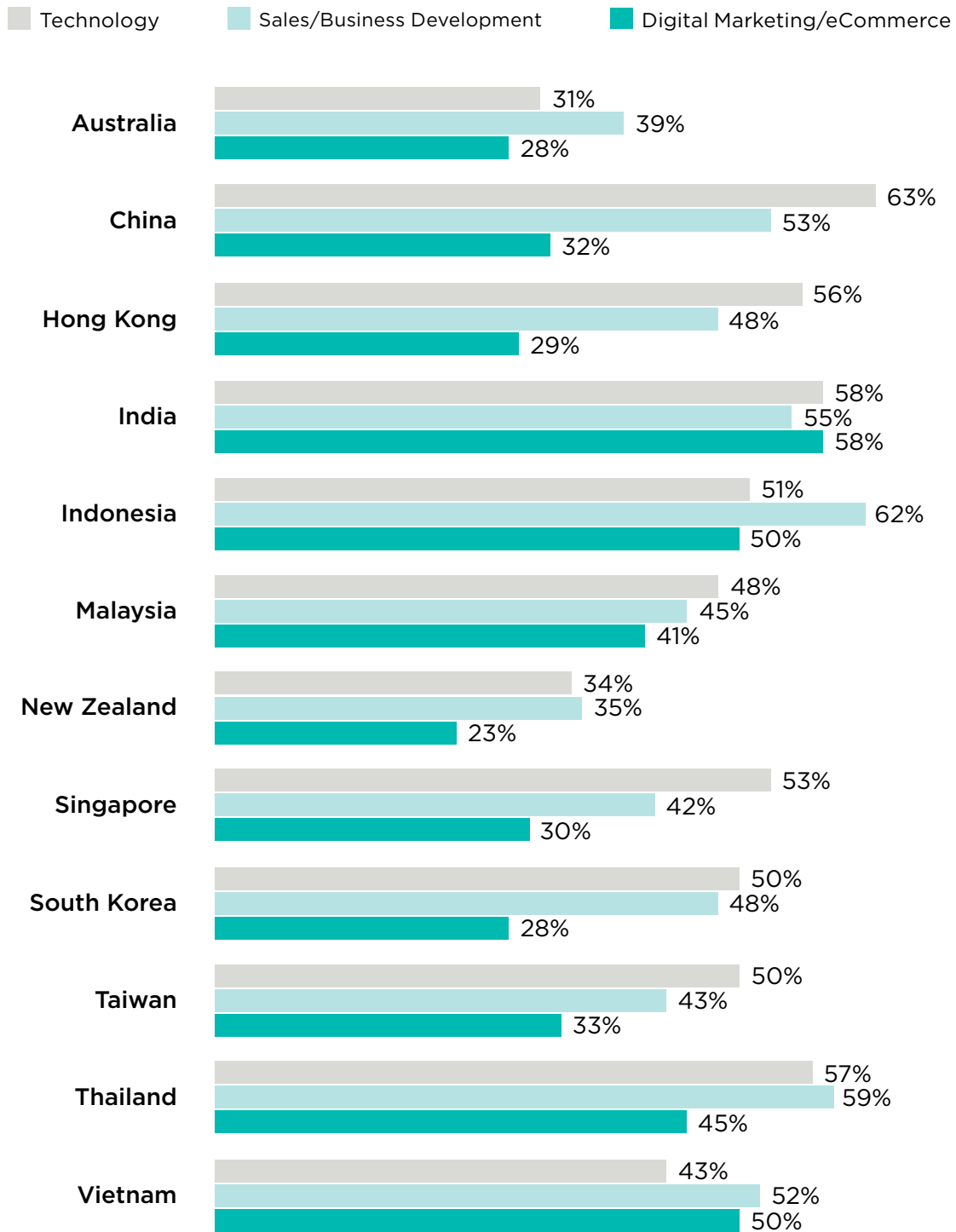
Two areas of skills lead the demand for Talents, as reflected in the survey results. Firstly, in today's highly competitive landscape, a business with the best salesforce will most likely gain the upper hand and biggest market share. All industries in Asia Pacific are embracing digital transformation to streamline operations and reach out to digital-savvy consumers. These developments are driving demand for next-generation sales professionals who can harness the

power of analytics, digital tools, and agile processes.

Secondly, having the Technology to provide an excellent online payment experience is especially important amid the disruptions from COVID-19. Agile companies eager to leverage the rapidly evolving digital marketplace must have a reliable, fast online platform to engage their target markets, clients and consumers. As companies continually pursue growth, these developments will lead them to seek Talents in Technology, Business Development, Digital Marketing and E-commerce.



## Top Three In-Demand Roles (By Markets)



# Flexible Work Model

If business leaders learned anything from the pandemic, it is that being **flexible in workforce management** is key to future success. Traditional models have shifted with many companies continuing to implement work from home arrangements to ensure the health and safety of their staff.

In our survey, **nearly 50 per cent** of companies stated that they are open to **hybrid work arrangements**. Many organisations now recognise that a flexible model featuring a mixture of home and office work is more likely to help retain and attract Talent.

Today, some employees have mixed feelings about heading back to work in their office. While some are looking forward to reconnecting with their colleagues and getting back into some semblance of normal business activity, others do not share the enthusiasm. Hence, companies that fail to address their employees' preferences for flexible, hybrid arrangements could see a rise in attrition.

However, some companies still find it challenging to adapt to new working models. This is largely because they are not sure how to **track and monitor the performance** of their team members working from home or operating remotely overseas. But with **the right tools and training** in place, more companies are becoming comfortable with such arrangements.

## Key Findings

**Markets where respondents prefer a hybrid model** that leans more towards working from home rather than office.



**Markets that showed an exceptionally high work from office preference:**

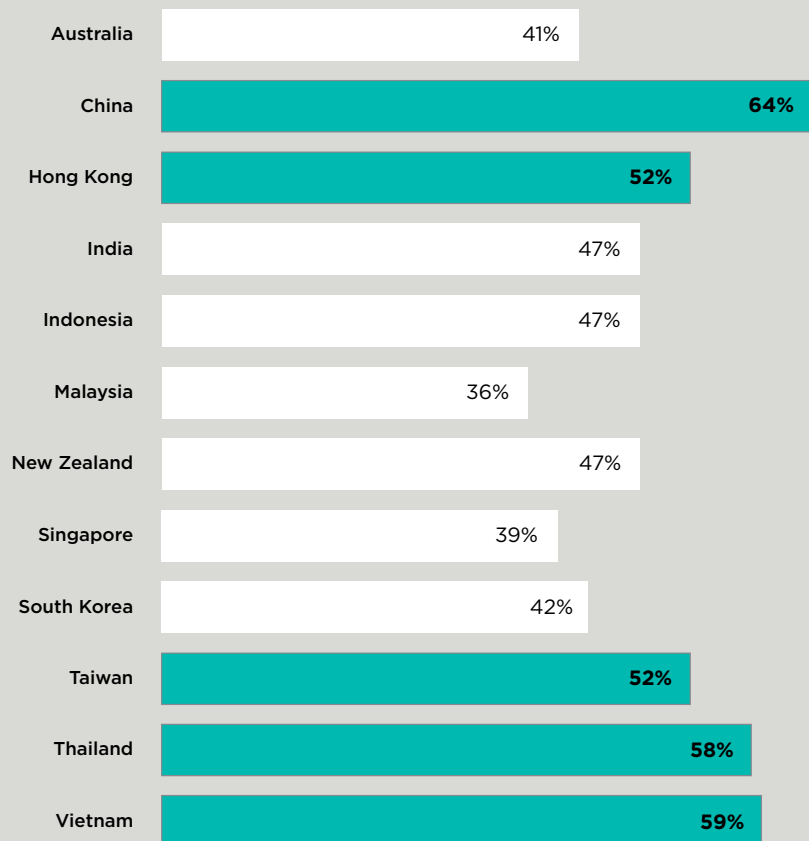


**48%**

of companies want their employees to return to the office.



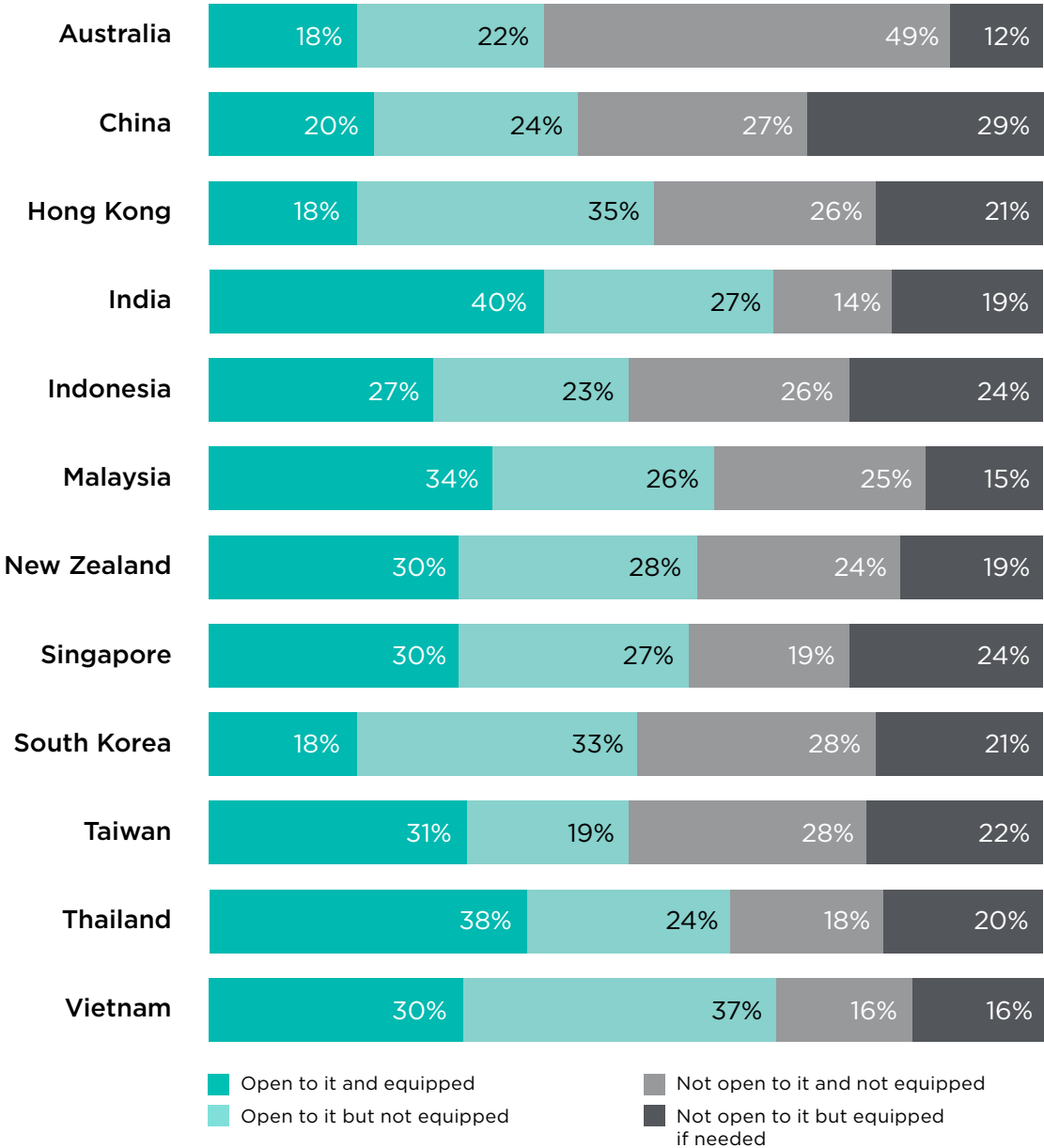
## Preference For “Mostly Working From Office”



# Hiring Remote Talents Abroad

## More Open To Remote Talents Abroad (By Markets)

Across markets surveyed, all respondents are open to hiring remote Talent but are not equipped.



# Challenges in Hiring and Managing Remote Talents Abroad

## 55%

of companies that face challenges hiring locally are open to engaging overseas talent remotely

### Most Common Challenges in Adopting Remote Work



Performance management



Time zone differences



Language & cultural barriers



No office to support operations

### Markets Most Open to Hiring Remote Talents Abroad



57%  
Singapore



60%  
Malaysia



58%  
New Zealand



62%  
Thailand



53%  
Hong Kong



67%  
India



51%  
South Korea



67%  
Vietnam

In many ways, the pandemic has normalised remote work. Companies are starting to realise that it is easier to recruit and retain employees who prefer those work arrangements. Location flexibility also opens up the possibility for recruiters to manage overseas Talents without bringing them in to the market where the company is based.

Companies are seeking to leverage emerging opportunities and capitalise on market conditions by **expanding locally, regionally or beyond**. But sourcing and retaining Talents in the company's local market can be difficult given the intensity of competition for the best Talents.

If organisations find that hiring local Talent is too challenging, one option is to **hire people who live across borders and manage them remotely**. For example, consider a company set up in Hong Kong to gain close access to capital investment and clients. The firm's back-office support can reside remotely in Malaysia, while its

delivery team can be spread across various regional markets based on their expertise.

**55%** of Asia-Pacific businesses reported that they are open to hiring and managing remote Talents across borders as the best workforce solution.

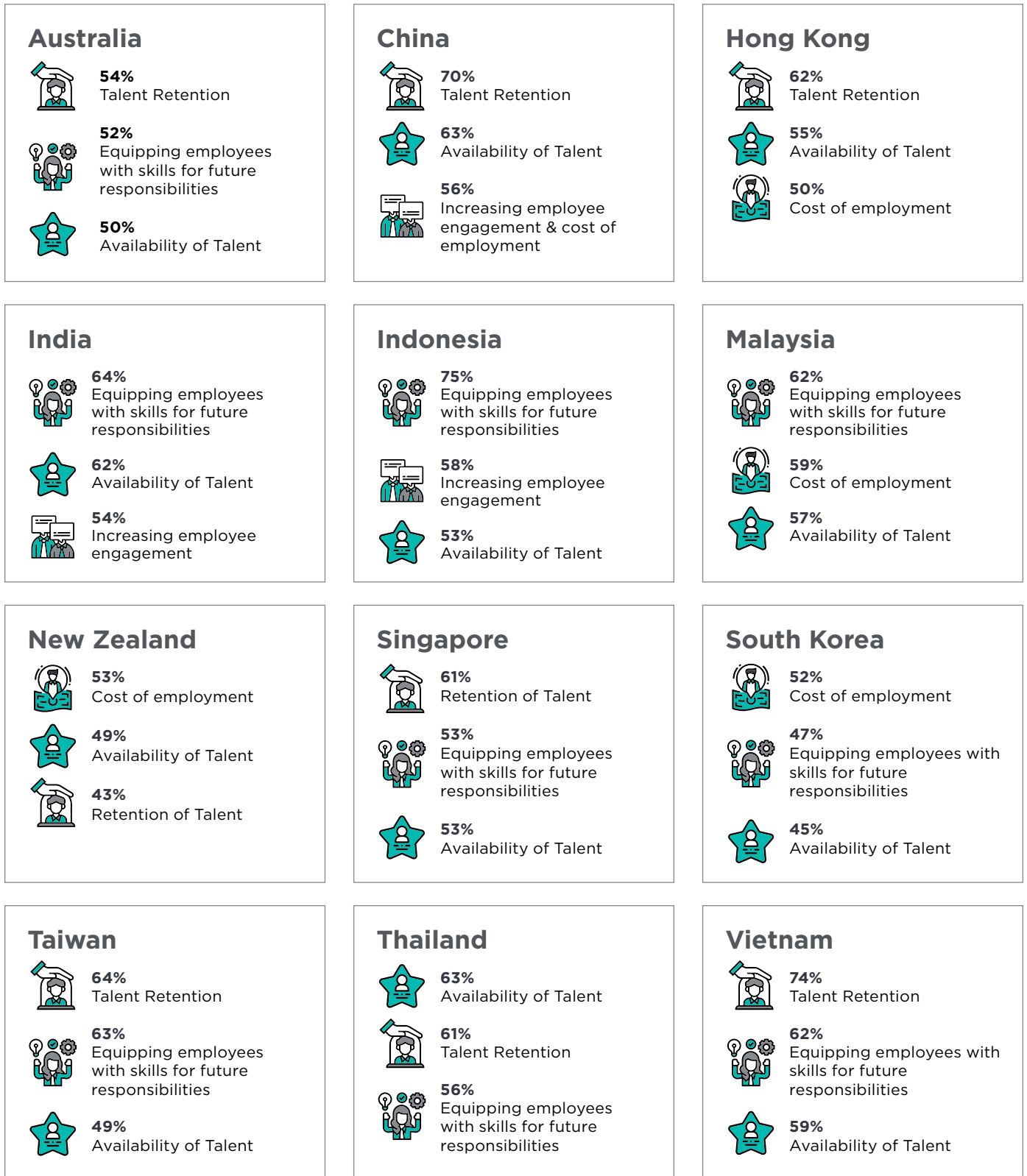
The PERSOLKELLY Regional Talent Solutions (RTS) addresses these very concerns. We help companies manage workforce challenges and gain access to Talent across the 12 Asia-Pacific markets covered in our survey and the Philippines.

Asia Pacific remains a vibrant market with excellent opportunities as companies continue to seek future expansion. Winning in this landscape means gaining the best Talent to take advantage of opportunities to scale rapidly. Speed of acquisition is essential. PERSOLKELLY can support businesses to rethink their workforce strategies across APAC to ensure their organisations are resilient, flexible and competitive.



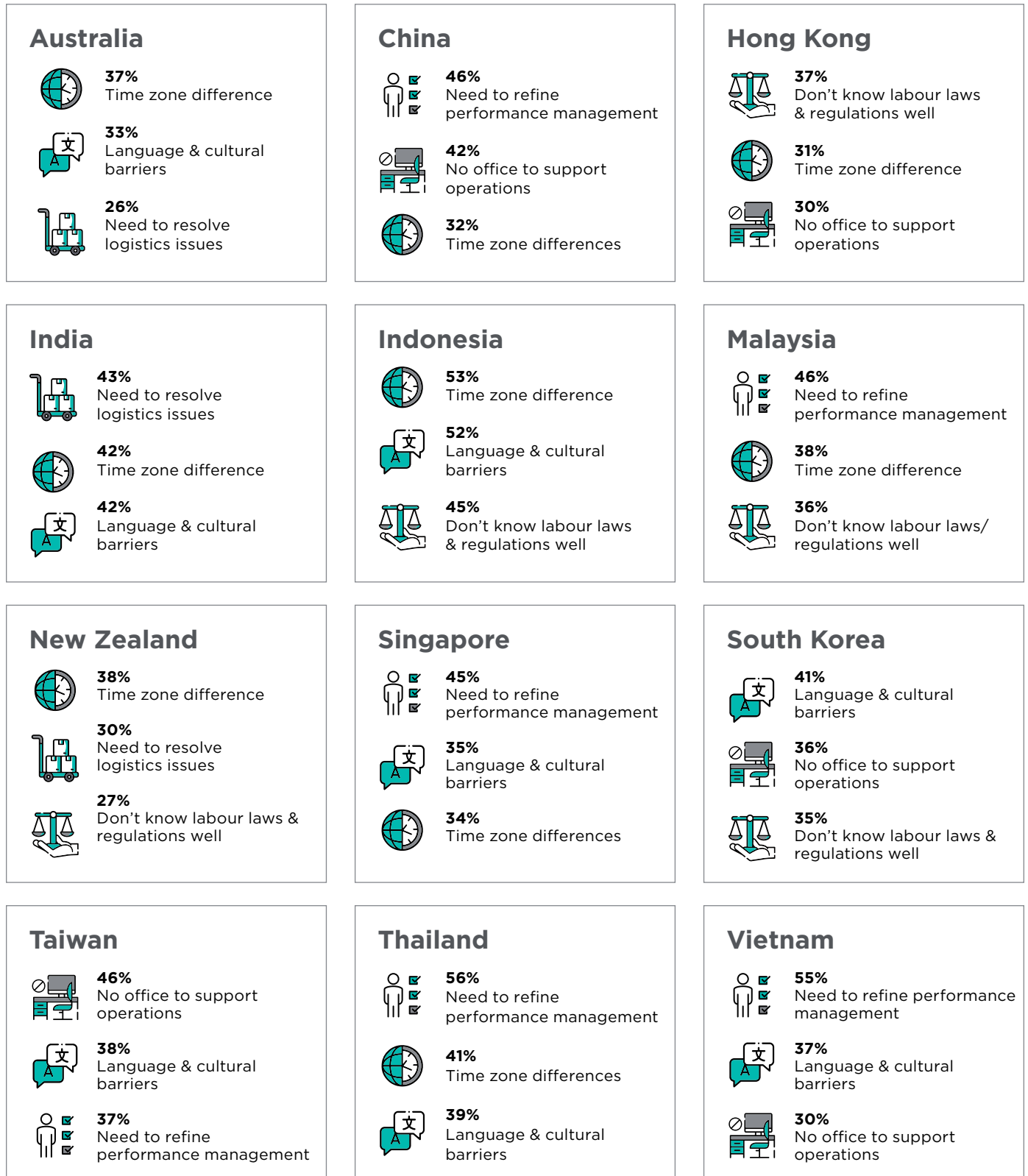
## Primary Considerations For Workforce Strategy (Top 3 by Markets)

Availability of Talent is a universal consideration, followed by equipping employees with skills for future responsibilities and retention of Talent.



## Challenges in Adopting Remote Work (Top 3 by Markets)

The most common challenges include the need to refine performance management, language and cultural barriers, and time zone differences.



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