

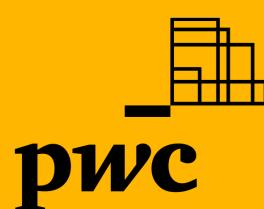


Time for a rethink?

Asia Pacific Workforce Hopes and Fears Survey 2022

July 2022

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A snapshot of key Asia Pacific findings

- Only 57% of employees in Asia Pacific are satisfied with their job.
- One-third plan to ask for a raise in the next 12 months and one-third plan to ask for a promotion.
- One in five intend to switch to a new employer.
- Less than half (45%) of all employees say their company is upskilling its workers, suggesting significant room for improvement.
- One-third say that their territory lacks people with the skills to do their job.
- Two-thirds feel they lack support for making ethical decision making.
- Employees expect organisations to be transparent on critical issues.
- Hybrid work is here to stay.



Mount Cook Village, New Zealand

Introduction

In the wake of COVID-19, employees across Asia Pacific are rethinking their lives, and work is topping the list. Talent is on the move to a degree not seen before. Thousands of expats have left the region and many locals have returned home. Millions of workers have quit or changed jobs. Employees say they want more meaningful work, a better deal around fair pay, and to be able to bring their authentic selves to work. But are their leaders listening?

PwC's latest Global Workforce Hopes & Fears Survey shows that the balance of power between workers and their bosses is shifting. Like their global peers, Asia Pacific employees feel confident and are ready to test the market. Nearly 18,000 Asia Pacific-based employees participated in our Hopes & Fears Survey, and their message is clear - don't take us for granted. In the next 12 months, around one-third plan to ask for a raise and the same proportion say they are likely to ask for a promotion. One in five intend to switch to a new employer. These results should be a wake up call for companies across the region, many of whom have already been grappling with a skill and talent shortage for years.

How leaders respond to the changing dynamics of their workforces will play a significant part in shaping the long-term strategic success of their businesses. One thing is for certain – doing more of the same won't cut it. The world has moved on. Simply lifting wages – a popular current strategy – is simply not a sustainable solution.

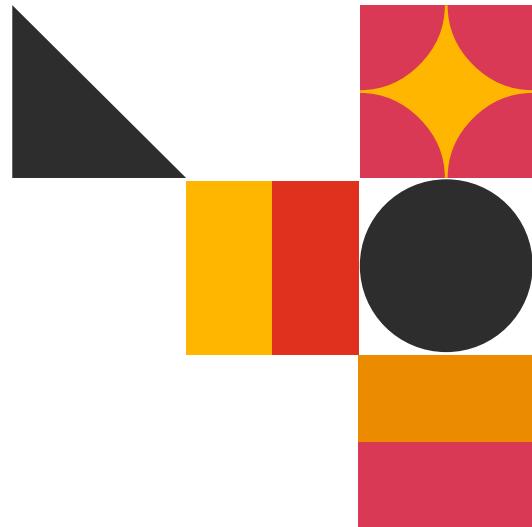
Companies in Asia Pacific face an additional set of challenges. The fundamentals that underpinned the region's dramatic growth and prosperity over the past three decades are not sufficient to carry the region through this era of continuous disruption. Technology and trade are transforming traditional value chains and regionalising new growth opportunities. Supply chains are shifting focus towards regional markets, requiring companies to invest in new skills and expertise. Jobs in Asia Pacific are changing – fast.

But there is an upside.

This new and rapidly evolving workforce environment offers leaders a once-in-a-generation chance to totally rethink conventional approaches to attracting, retaining and managing talent.

Recent PwC research has found that the workforce is the number one risk to growth—and also the principal means by which companies can execute growth-driven strategies. Leaders that can listen closely to what their employees value and respond with agility, flexibility and authenticity will earn a significant competitive advantage.

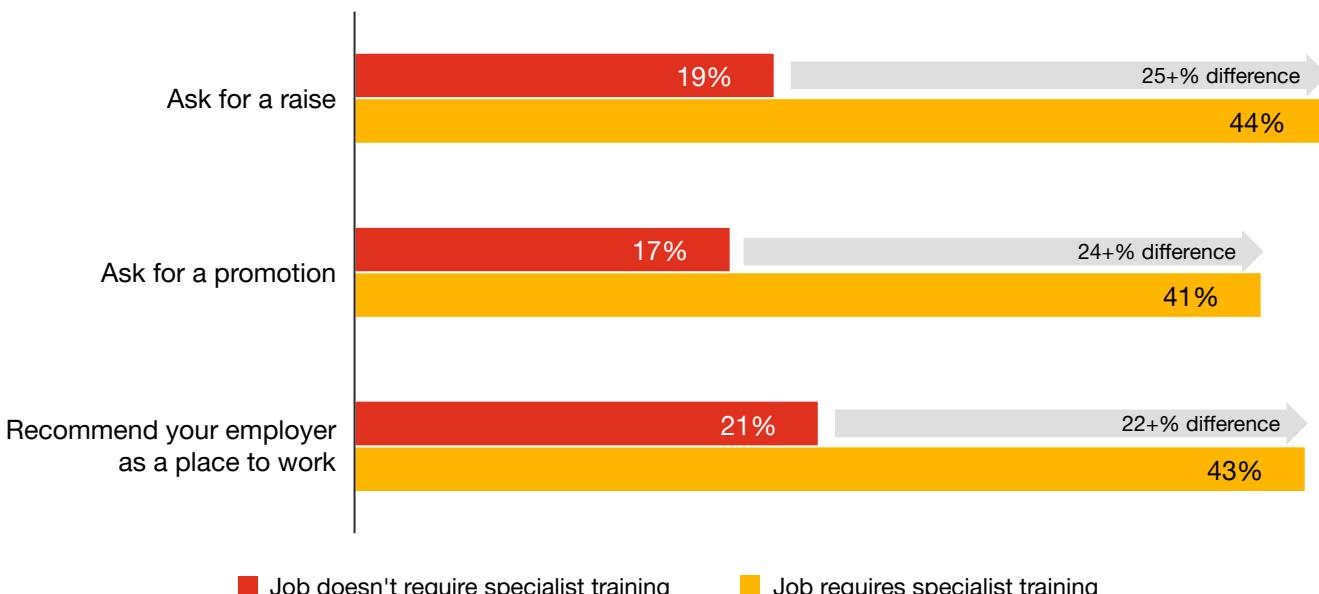
Specialisation and skills empower workers



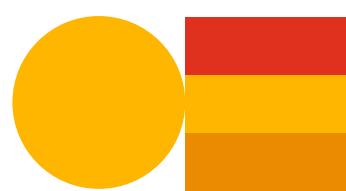
Employees with a specialisation are in high demand in Asia Pacific – and they know it. Those who say their job requires specialist training are significantly more likely to ask for a raise and a promotion compared to their peers. Specialisation empowers workers by giving them more confidence and bargaining power. But there's a boon for employers too - empowered workers are more likely to recommend their companies to others.

Having in-demand skills is another way employees feel empowered. Like specialist workers, those who think their skills are scarce are also more likely to ask for a raise and a promotion. Skilled workers are at a distinct advantage in Asia Pacific, where the skills shortage is particularly acute. One-third (33%) of all employees in the region say their territory lacks the skills to do their job, higher than the global average of 29%. In the region, Thailand and India have the biggest perceived skills gap.

How likely are you to take the following actions with your employer within the next 12 months? (Showing only “extremely likely” and “very likely” responses)



Base: Asia Pacific respondents where their job doesn't require specialist training (1,592) and where their job does require specialist training (8,756)





Upskilling needs to be mutually beneficial

So, when it comes to addressing skills shortages, are employers doing the right things? According to our survey, less than half (45%) are upskilling their workers, suggesting significant room for improvement. Too often, companies see upskilling as a short-term fix for plugging immediate skills gaps rather than a way to develop a strategically competitive workforce. Whatever companies are doing now around skills, it's not enough. In Asia Pacific, 42% are worried their employer will not teach them the technical or digital skills they need.

Leaders need to think about upskilling in a more holistic way. This means considering the needs of both employees and the company over the longer term, as well as the changes in the wider market. Ask “what skills do we expect our people to have in five or ten years?”, and then build a program to deliver it. For example, with banks pushing digital transformation and shutting branches, traditional roles such as tellers, branch executives and loan officers are expected to diminish dramatically. Banks also know they will need more cybersecurity professionals in the future. Why not upskill and redeploy branch employees into cyber roles now?

In China, Gen Z value employers who provide specialist training opportunities via diversified learning channels and personalised programs.

*Huxley Liang
Partner, PwC China*

Democratised and continuous learning

Another important step to upskilling is making learning more ‘democratic’. Upskilling should be open and available to all employees as soon as they join a company and at any point during their tenure. Even if someone’s job is not at risk of immediate disruption, they may want – or need – to move into more critical roles in the future. By investing in continuous and accessible learning, companies can build a more skilled workforce and demonstrate long-term commitment to their people. For example, PwC has invested US\$3bn to digitally upskill our people over a four year period. This means giving our employees opportunities to gain the knowledge, tools and ability they need to use advanced and ever-changing technologies in the workplace and their daily lives. Don’t be put off by the idea that the people you’ve trained may leave; the brand and loyalty dividend generated by democratised upskilling will outweigh the cost.

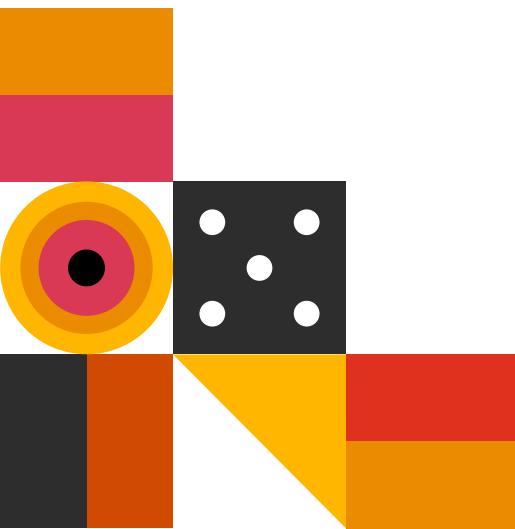
In Asia Pacific, upskilling efforts also need to be targeted and role-specific. Companies should avoid generic programs focused on technology skills that may only be applicable to a fraction of your whole workforce. Upskilling the small and medium-sized enterprises (SME) segment in particular must become a priority. SMEs are the region’s main employers and a critical link in servicing emerging local supply chains.

Learning should be available anywhere and anytime. Even in hybrid or fully remote workplaces, employees should always be able to develop skills directly relevant to their jobs.

*Dr. Pirata Phakdeesattayaphong
Partner, PwC Thailand*



Leh City, Indonesia



Don't forget well-being

The last two years of the COVID-19 pandemic have taken a significant toll on the physical and mental health of workforces around the world. Supporting worker well-being has become a priority for many companies. In Asia Pacific, it's the third most popular strategy for addressing skills shortages. Yet, in absolute terms, it's still relatively low - only 36% of employees say their employer supports workers with their physical and mental well-being. Given that Asia Pacific CEOs perceive health as the most material [risk to growth](#), could companies be doing more?

What, if anything, is your employer doing to address shortages in skills/labour?

Territories	Upskilling workers	Increasing wage	Supporting workers with physical and mental well-being	Automating and/or enhancing work via technology
Global	40%	33%	29%	26%
Asia Pacific	45%	38%	36%	33%
Australia	37%	33%	23%	15%
China	46%	38%	40%	40%
Hong Kong SAR	48%	57%	35%	36%
India	37%	41%	41%	42%
Indonesia	61%	34%	39%	31%
Japan	41%	34%	22%	17%
Malaysia	63%	42%	45%	35%
New Zealand	32%	27%	28%	18%
Singapore	46%	39%	33%	31%
South Korea	45%	34%	22%	30%
Taiwan	51%	45%	39%	40%
Thailand	41%	37%	41%	37%

Base: Asia Pacific respondents who agreed that their territory lacks people with the skills to do their work (9,211)



Money matters, but so does meaning

With employees more empowered than ever, simply offering more pay is not the answer. In the current tight labour market, some sectors are offering hiring premiums of 20-40%. This is not sustainable. To be sure, workers want to be rewarded fairly, but they also value other things. They want work that provides a sense of fulfilment and meaning, and they want to be able to bring their authentic selves to work. These priorities are the same regardless of whether employees work remotely, hybrid or always in-person. Do you know what really matters to your employees?

How important are the following factors to you when considering making a change in your work environment? (Showing only “extremely important” and “very important” responses)



Base: Asia Pacific respondents (17,992)

Delivering on societal purpose

In Japan, one of the most important things companies can do is provide training in the human or ‘soft skills’ to support their people. As part of skills development, employers should also call out the importance of conversations around social and political views.

*Akiyoshi Tan
Director, PwC Japan*

One of the most powerful ways to nurture meaning and fulfillment is by creating a clear link between what people do every day and societal purpose.

For example, in relation to Environmental, Social and Governance (ESG) matters, a significant number of employees across Asia Pacific feel their company isn’t doing enough to help them navigate these critical issues. Two-thirds (66%) feel they lack support for making ethical decision making, and three-quarters (73%) say they lack support for minimising their company’s impact on the environment. Over 60% have no support when it comes to protecting company or customer data.

While many organisations are embracing ESG, few are truly leveraging the power of their people to make it a competitive advantage. Employees are crucial to helping leaders identify the issues that matter and implement action. It’s one thing for employees to hear about an organisation’s approach to ESG, particularly if it is only high-level marketing. Companies that succeed will be the ones that make ESG real by breaking down what it means for their people, outlining the role people can play, and then supporting them to deliver.



Arashiyama, Japan



While all stakeholders are important, the voices of employees are particularly critical. A company cannot be truly successful over the long term if its core purpose is not aligned with the values of the people that work for it.

An organisation's stance is becoming increasingly important for attracting and retaining top talent. People are voting with their heads and hearts, and ultimately, their feet.

Norah Seddon
People & Organisation Leader
PwC Asia Pacific and Australia

Authenticity is key

Almost two-thirds of Gen Z and Millennials rate being able to be themselves at work as very or extremely important. So, how do leaders allow their people, particularly the younger ones, to be more authentic at work? The key is to focus on diversity, trust and empowerment. Diverse workplaces help people to feel free to be themselves. To create a sense of belonging across the organisation, leaders must show they value a wide range of skills, experiences and perspectives. They also need to promote diversity among leadership ranks. Employees want leaders to give them the skills and resources to perform their best and trust them to get on with it. The future will favour leaders who can foster people-centric ways of working – collaboration, empathy, empowerment, managing outcomes rather than inputs, creating connection amongst remote and dispersed teams, and building psychological safety.

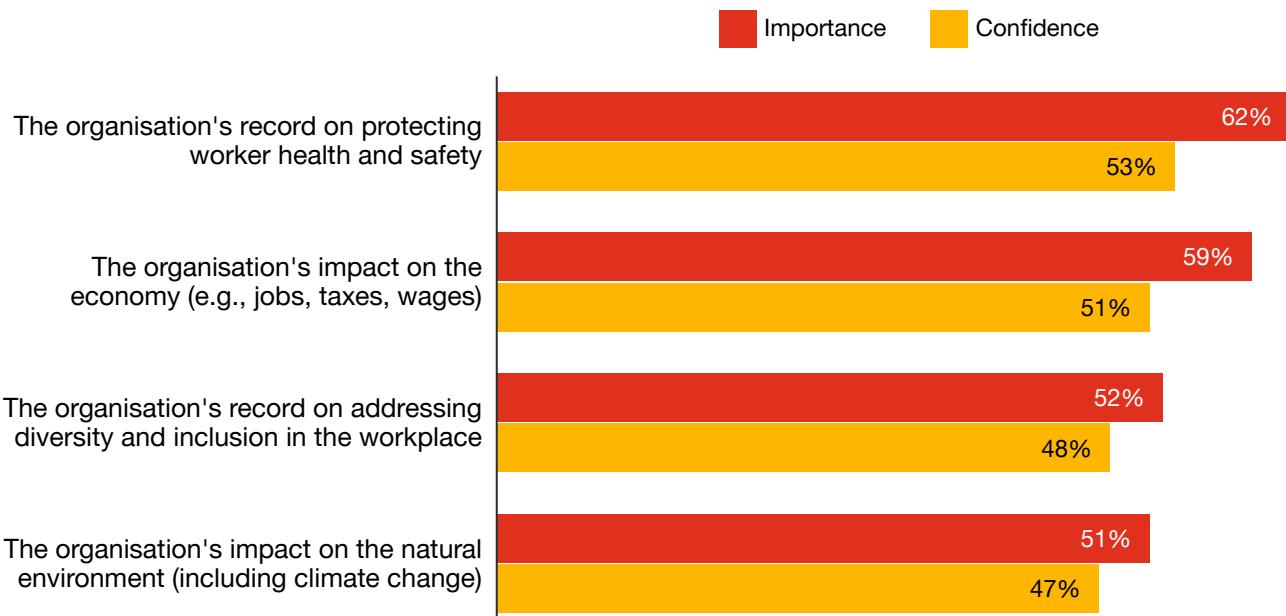


Build trust through transparency

If employees are able to feel authentic and their work is meaningful, then they need to be able to trust their company. But trust requires transparency, and our survey has revealed a stark transparency gap among Asia Pacific employees. For example, when it comes to worker health and safety, 62% of employees expect organisations to be transparent but only 53% are confident they are. A similar gap exists around trust that their company is being open and honest about its impact on the economy, the environment and diversity and inclusion. Leaders need to address this disconnect – quickly. Don't be afraid to share the steps you are taking to address issues that employees care about. Transparency is critical to building trust.

How important is it to you that your employer is transparent about each of the following areas?
(Showing “extremely” and “very important” only)

How confident are you that your employer is transparent about each of the following areas?
(Showing “extremely” and “very confident” only)



Base: Asia Pacific respondents (17,992)



Make it personal

Employees in Asia Pacific are restless. Just over half are satisfied with their job, over a third plan to ask for a pay rise in the next 12 months, and one in five intend to change employers. Given the acute skills shortage across the region, companies must do more than attract new staff; they'll also need to 're-recruit' the talent they already have by creating the conditions that make people want to stay.

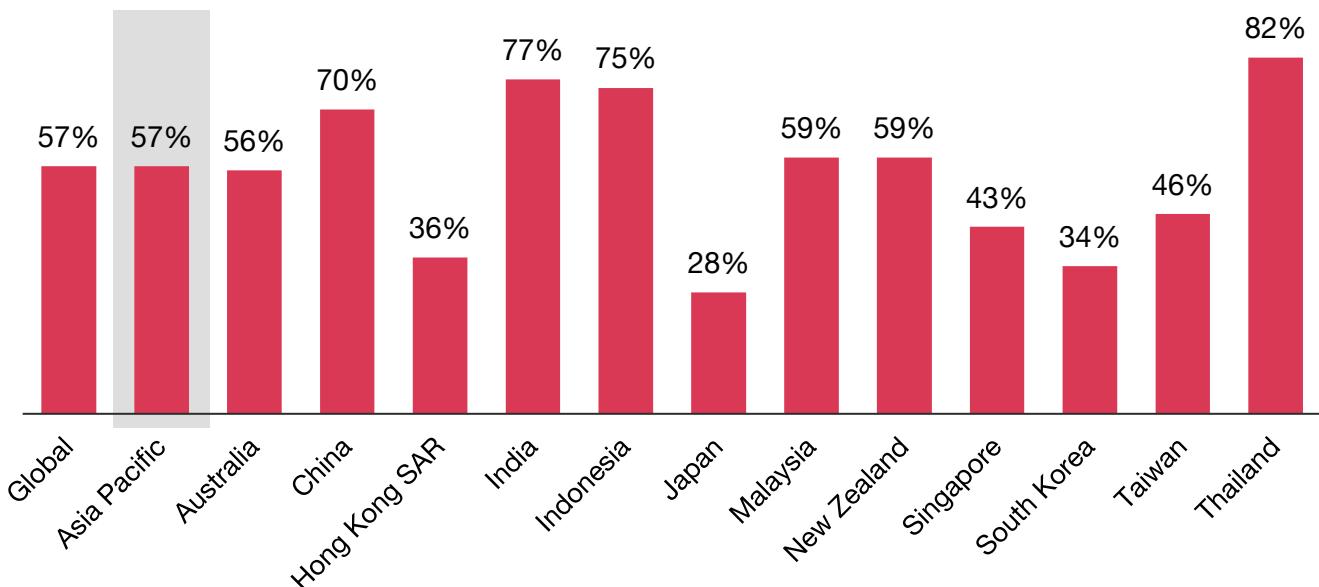
The critical task for leaders is to shift the current overemphasis on performance back towards people. Employees want to be seen as individuals and recognised for their unique contribution, not just workers fulfilling a role. There are three key factors to consider when it comes to both attracting talent and building loyalty with current employees:

- 1. Rethink your approach to rewards.** Think in terms of 'total reward' rather than just salary or bonuses.
- 2. Get hyper-personalised.** Understand the different preferences of your people and tailor your offer to suit. Link rewards to what your people really value. Some employees may prefer to be given back time over a pay rise, for example.
- 3. Give employees a positive experience around reward.** Give timely feedback aligned to performance, set meaningful goals, and communicate clearly and often. Be transparent and consistent.

India, with its younger and globally-mobile population, is facing a unique challenge: hyper-growth and talent in huge demand globally and locally. Career conversations and career enablement are critical for organisations and their employees.

*Chaitali Mukherjee
Partner, PwC India*

How satisfied are you with your job? (Showing only "very satisfied" and "moderately satisfied" responses)



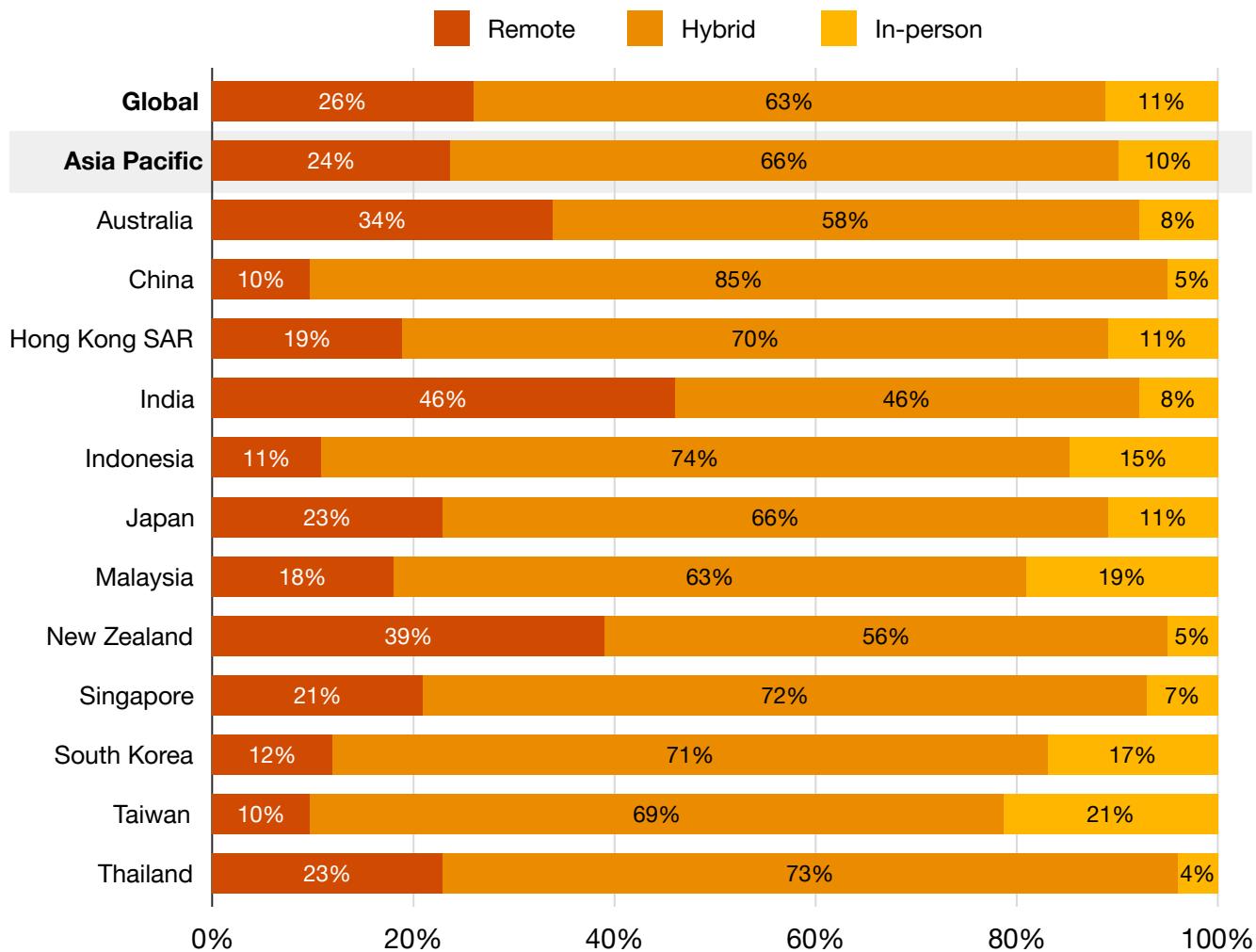
Base: Asia Pacific respondents (17,992)

Hybrid work: it's all about trust and empowerment

Across Asia Pacific, hybrid work is here to stay. Two-thirds of employees who can work remotely prefer hybrid work, and a similar proportion think their employer agrees. There is, however, significant variability across the region. Employees in China and Indonesia show the strongest desire for a hybrid model, while those in India, New Zealand and Australia have a comparatively high preference for remote work. In India, a whopping 46% of workers say they want to be remote, the highest proportion of any territory in the region.

How do leaders adapt to a future where hybrid or remote work is the norm? How do they address the issues that drive retention risk – meaning, fulfilment, authenticity – when employees don't work together each day? It's essential to recognise that hybrid, or flexible work, doesn't just mean working from home. What drives people is having the power to shape their work, which looks different for different employees and different roles. Some may want to purchase extra leave or have floating public holidays. Others may look for shift flexibility, job sharing, or be allowed to innovate. The key for leaders is to understand their employees' preferences and give them a say in shaping what their jobs look like. Ultimately it comes down to leaders trusting and empowering people to know what works best for them and the company. How do your employees want to work?

Regarding your current job role: How would you prefer to work 12 months from now?



Base: Asia Pacific respondents who stated that their job can be done remotely/from home (10,930)

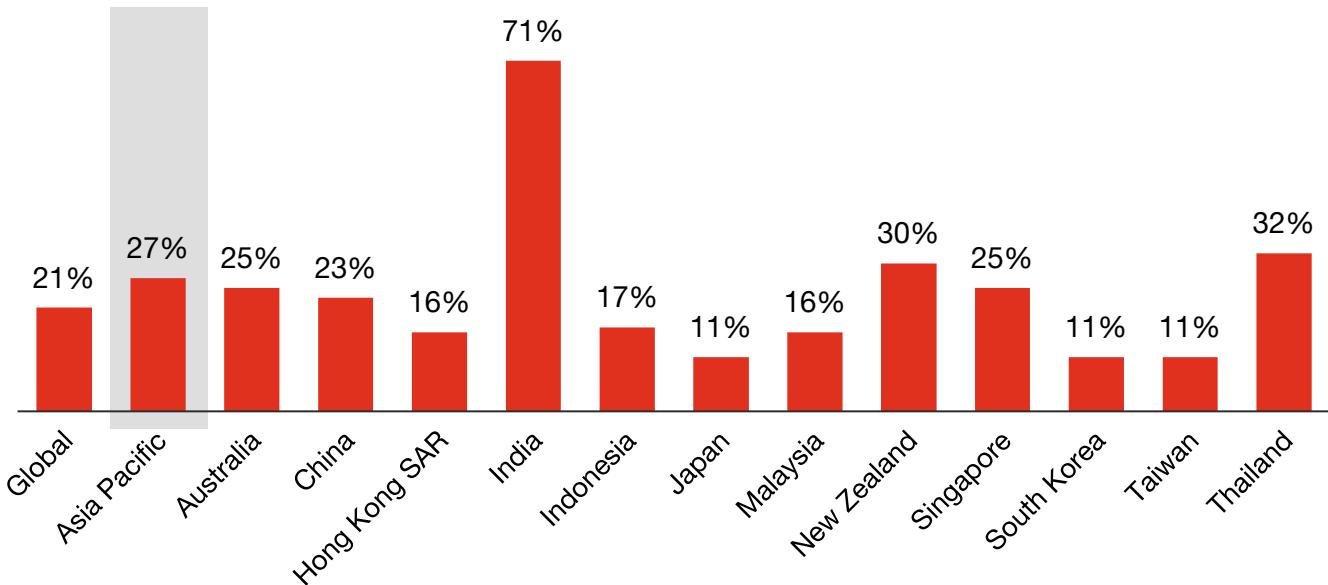


Kuala Lumpur, Malaysia

Don't overlook the 'non-hybrid' workforce

Although the majority of employees prefer hybrid work, companies need to be careful not to overlook those who work fully remotely or fully in person. The 38% of workers who can't work remotely are less likely to find their job fulfilling, feel financially rewarded and believe their team cares about their well-being. At the other end of the spectrum, employees who work completely remotely are twice as concerned about being passed over for a promotion and are more likely to change jobs, compared to hybrid or in-person colleagues. The fear of being overlooked is particularly acute in India, which also has the highest proportion of remote workers in Asia Pacific. Employers need to review processes and techniques to address proximity bias.

Based on how you expect to be working 12 months from now, how concerned are you about being overlooked for development opportunities e.g., career advancement?
(Showing only "extremely" and "very concerned" responses)



Base: Asia Pacific respondents (17,992)



A new breed of leaders

Leaders will need to adapt and evolve - at speed - to meet rising employee expectations for fair pay, meaningful work, authenticity and trust in a hybrid world. We expect new leaders with new skill sets and mindsets to emerge. We also expect to see leaders challenge the basic ideas that have guided organisations for decades, such as traditional hierarchical structures and command-and-control approaches. Organisations that thrive in the future will select and nurture these leaders and invest in leadership training and development. Critically, they will also invest in developing leadership skills of middle managers, who will be critical in making hybrid and flexible arrangements work for individuals and teams.

Key takeaways for employers

9 considerations for employers to understand what employees value and expect from their workplace

1. Invest more in upskilling your workforce to deliver mutual long-term benefits. Identify what skills your people will need in five or ten years, and then build a program to deliver it. Look beyond the short-term quick fix.
2. Worker well-being is becoming a priority for many companies. Given the scope and scale of both physical and mental health challenges facing workers today, can you do more to support your workforce?
3. Meaningful work, authenticity and fair pay matter. Do you know what your employees really want, and are your plans aligned? Gather data on employee sentiment, segment people and prioritise action plans for key groups.
4. Many employees feel their company isn't doing enough to navigate critical ESG issues. Align purpose, ESG and trust and work out how to better support employees to deliver on these agendas.
5. Employees want a new breed of diverse leaders who foster people-centric ways of working – collaboration, empathy, empowerment, managing outcomes and building psychological safety. Does your leadership need a refresh?
6. Transparency is critical to building trust with your workforce. Don't be afraid to share the steps you are taking to address issues that employees care about.
7. Employees want to be seen as individuals and recognised for their unique contribution, not just workers fulfilling a role. Rethink your approach to rewards, understand the different preferences of your people and tailor your offer to suit.
8. Hybrid, or flexible work, is about your people having the power to shape their work and is here to stay. Understand your employees' preferences and give them a say in shaping what their jobs look like. Trust and empower them to know what works best.
9. Success in a post-pandemic world will require a new style of leadership. Invest in developing leadership skills, particularly in middle managers, who will be critical in making hybrid and flexible arrangements work for individuals and teams.

Talking about my generation: Snapshot of employees' differences

Gen Z (ages 18-25)

- Least satisfied (53%) with their current jobs
- Most likely to ask for raise (40%) in next 12 months
- Most likely to leave workforce permanently or temporarily in next 12 months

Millennials (ages 26-41)

- Most likely to ask for raise (40%) in next 12 months
- Most likely to move for fairer pay (71%)
- Most concerned about role being replaced by technology (47%)

Gen X (ages 42-57)

- Least likely to feel they can be their true selves at work (47%)
- Least likely to find job fulfilling (48%)
- Least likely to have a plan to advance their career with current employer (39%)

Boomers (ages 58-76)

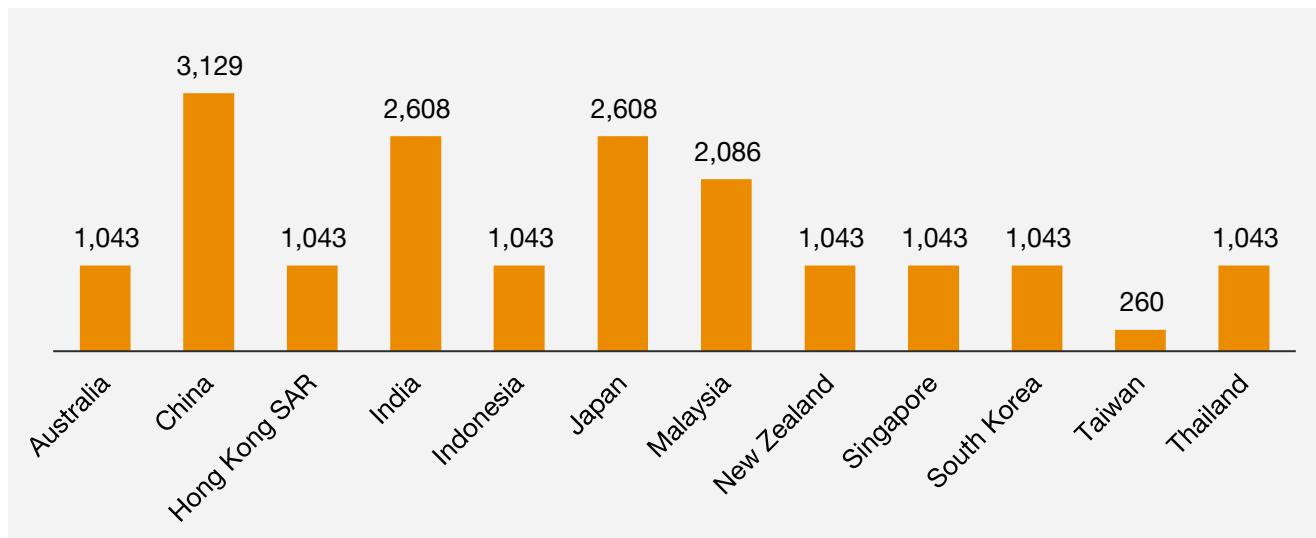
- Most satisfied (61%) with their current jobs
- Least likely to be concerned about employer transparency
- Least likely to be concerned about not being taught relevant technical or digital skills (23%)

Demographics of respondents

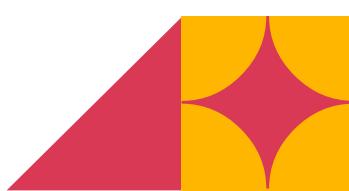
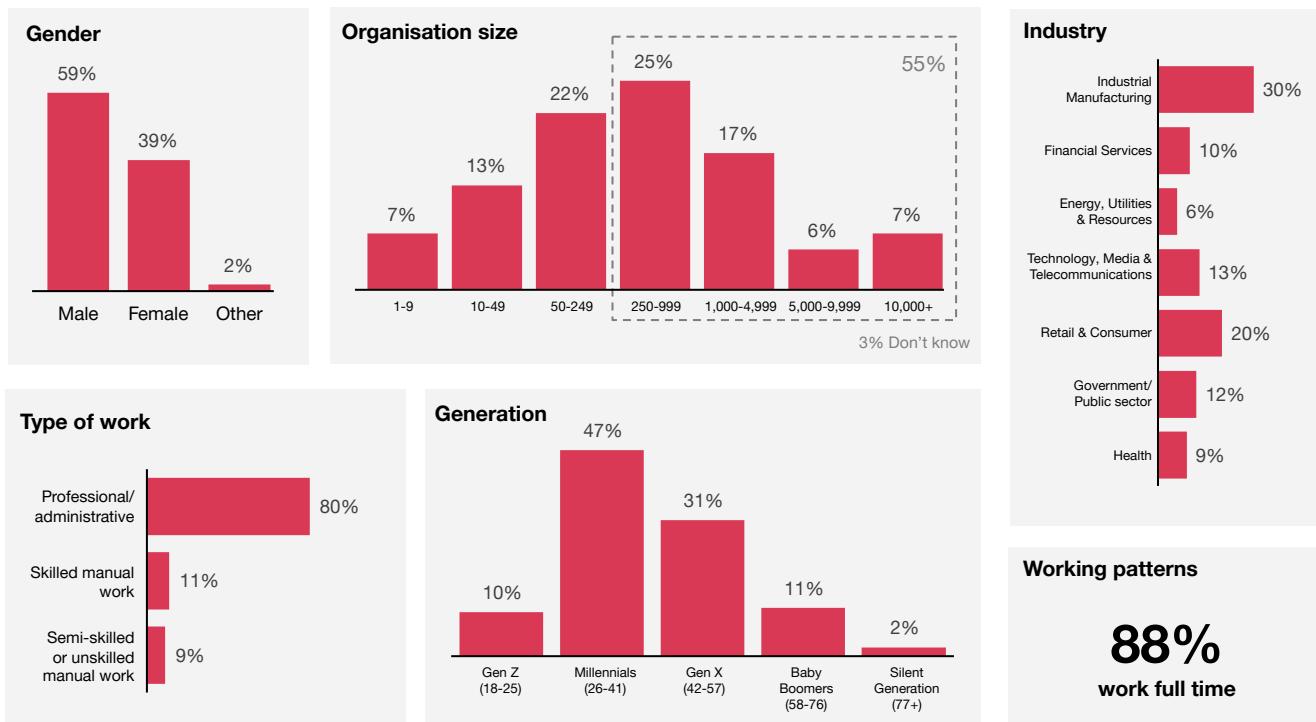
17,992 total responses across Asia Pacific



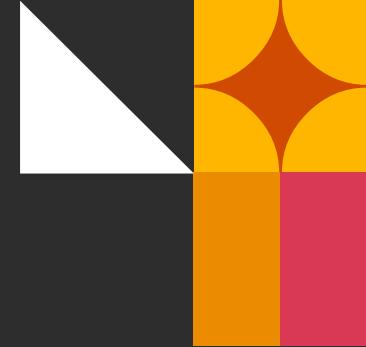
Geographic Profile



Demographic Profile



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