

Perspectives

The future of work — are Asia Pacific employers prepared?

In Asia Pacific's diverse markets, some countries have put policies and practices in place to meet the advancements of technology, while others appear less prepared for the future of work. To meet the future head on, employers must shift their mindsets and prepare to shed some of their conventional wisdom. How ready are Asia Pacific employers to do that?

Employers in Asia Pacific are gearing up for the future of work. In the region's diverse markets, some countries have put policies and practices in place to meet the advancements of technology, while others appear less prepared.

As work becomes increasingly fluid, the old rules that determined success may no longer apply. New players can — and have — disrupted more established ones, even in markets that do not seem to have the technological or talent infrastructure to support them.

To meet the future head on, employers must shift their mindsets and prepare to shed some of their conventional wisdom. A recent Willis Towers Watson Global Future of Work Survey delved into 10 Asia Pacific markets to ask: how ready are employers to do that?



A closer look

Some markets have already jumped ahead — for instance, in the Philippines, employers estimate that 22% of work is already automated compared to a regional average of 13%.

Singapore's use of automation is seeing the largest jump regionally, with 29% of work expected to be automated by 2020.

India is close behind at 27%, which may have wide-ranging implications for this low-cost labour market. In fact, 61% of employers in India think that they will require fewer full-time employees in three years' time.

The advent of automation

When it comes to the future of work, employers agree that automation and digitalisation are expected to increase. Currently, employers in Asia Pacific say that 13% of work is automated — by 2020, this percentage is expected to jump to almost a quarter (Figure 1).

Employers are also consistent on the fact that the percentage of full-time employees across their operations will decrease (Figure 2).

However, this isn't all bad news; automation and digitalisation are used mostly to support, not replace, humans (Figure 3). While this news will bring relief to employees, many of whom may worry about their job security in the face of this advancing technology, these changes still have far-reaching implications for employers, changing the way work gets done and is managed.

Figure 1. The advent of automation in Asia Pacific

What is the percentage of work done by automation in your organisation?

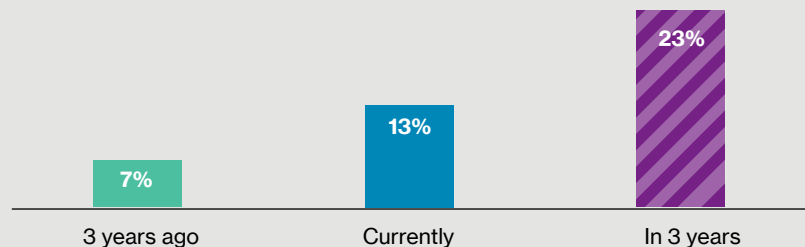


Figure 2. Percentage of full-time employees are expected to drop

What is the approximate percentage of workers in each category at your organisation?

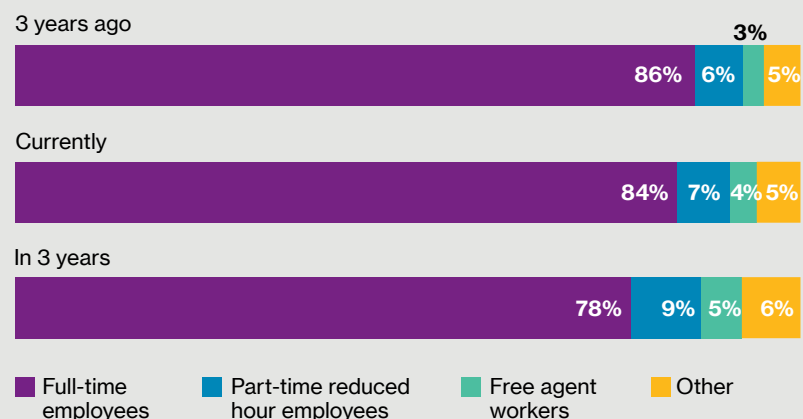


Figure 3. Automation and digitalisation are used to support, not replace, humans

To what extent are automation and digitalisation currently being used at your organisation to:

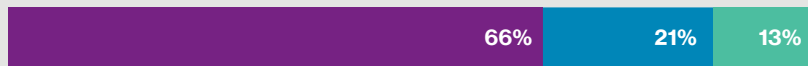
Support humans completing business processes



Take over some of the work found in jobs and business processes



Autonomously complete work



1 - Not at all/2 3 4/5 - To a great extent



A closer look

A third of employers in Indonesia (36%) and the Philippines (33%) said that digitalisation is used to **autonomously complete work**, compared to 3% of employers in Singapore.



A closer look

Half of employers in India and China agree that digitalisation is used to **support humans** completing business processes.

A significant shift in talent landscape

The required change in skill sets and talent that is inevitable with changing technology has far-reaching implications for employers. Most expect positive changes in work flexibility and collaboration (Figure 4). While some employers do think that the changes will require fewer employees, over half said that they would need to pay more for employees with certain skills. So we can expect to see a shift, not a decline, in employment – with higher demand for certain skills, and perhaps a tapering off in others.

Many governments recognise this shift and are attempting to get in front of it. For instance, the Singapore government has put into place foundations to develop digital capabilities through education and technical training. This is particularly apparent in sectors such as health care, financial services and retail.

In India, the National Skill Development Corporation (NSDC) offers similar programs through public-private partnerships. It aims to provide skill-based training to nearly 150 million people by 2022.

Figure 4. How will work change?

Which of the following areas of your workforce and work activities are changing today or will change in the next 3 years due to automation?

	Currently	In three years
Increasing work flexibility	45%	65%
Enabling work to be done in other locations	39%	65%
Improving collaboration and information sharing	66%	59%
Requiring us to pay more for employees with certain skills sets	49%	56%
Requiring us to have less employees	20%	48%
Requiring/enabling us to use more non-employee talent	20%	58%
Changing the way we design jobs so they can only be done by employees with more skills	31%	48%
Changing the way we design jobs so they can be done by employees with lower skills	30%	49%

Governmental bodies in Malaysia, Vietnam and Thailand are also establishing bodies to focus on design and implementation of policies to bridge the demand-supply gaps in the skilled workforce.

Are employers prepared?

Employers are also aware of the pressing need to rethink their approach to work. The ways in which Asia employers are preparing for change are vastly different (Figures 5 and 6). Approximately a third of employers are considering action on key fronts such as identifying



A closer look

Three quarters of employers in Singapore expect to see an increase in demand for employees with **more** skills in three years, compared to 48% in the region.



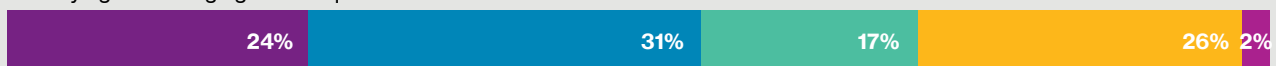
A closer look

In India and the Philippines, 61% of employers said that they expected to see an increase in demand for employees with **lower** skills. An equal percentage in both markets also said that they may have fewer employees all together in three years.

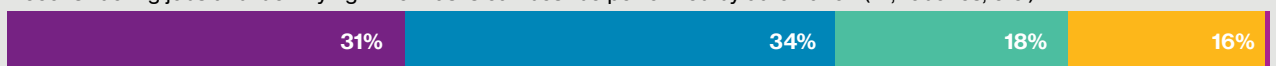
emerging skills, deconstructing jobs or matching talent to new workforce requirements, with smaller percentages planning to take action this year.

Figure 5. What actions have HR taken to prepare for change?

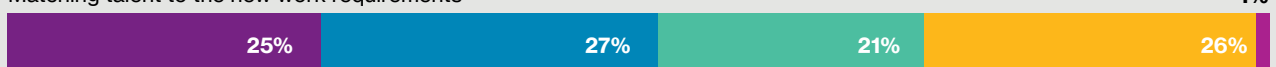
Identifying the emerging skills required for the business



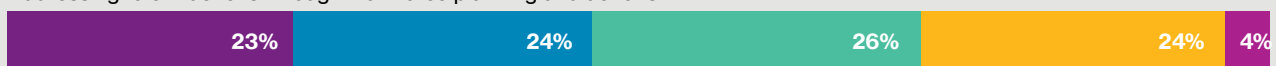
Deconstructing jobs and identifying which tasks can best be performed by automation (AI, robotics, etc.)



Matching talent to the new work requirements



Addressing talent deficits through workforce planning and actions



Enabling careers based on a more agile and flattened structure



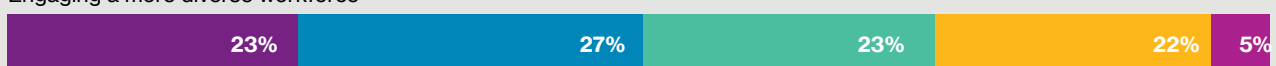
Aligning executive compensation to the new business realities



Reconfiguring total rewards and benefits



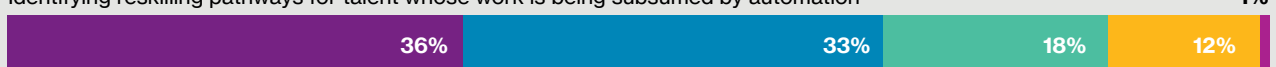
Engaging a more diverse workforce



Assessing talent to identify "skill and will" gaps



Identifying reskilling pathways for talent whose work is being subsumed by automation



■ Unprepared
 ■ Considering actions to take to become prepared in the future
 ■ Planning to take actions this year to become prepared
 ■ Already taken some actions and are somewhat prepared
 ■ Already fully prepared

It's natural that these emerging trends will cause employers to be unsure of how to proceed. Across countries, the data suggests a broad diversity in employers' preparedness (Figure 6). Much will depend on a country's makeup – both of its general population as well as its labour force – and its majority industries. In a market such as China, for instance, which has a large manufacturing sector but is also largely homogenous in its population, it's perhaps unsurprising that over a third of employers say that they are unprepared to engage a more diverse workforce, but have made better headway in identifying emerging skills, or deconstructing jobs.

When bracing for change, the attitude and involvement of leadership is a key success factor. When one looks at overall impact (Figure 7), while the majority of employers feel automation will have a positive impact on workers, only half are confident that senior leadership is paving the way effectively.

The road ahead

The only certainty about the future of work is its uncertainty. Recently, we've seen strong players such as Alibaba.com and JD.com from China, or Snapdeal or Swiggy from India, emerge from markets that have seemed underprepared for technological innovation.

The reality is that emerging technology has made it easy for smaller companies or startups to “leapfrog” more established companies and create a niche for themselves, even in an underdeveloped marketplace. In fact, it may be cumbersome for established players in developed markets to compete, saddled as they are with legacy systems that will need to be updated and a workforce that will need retraining to be more tech proficient.

Figure 6. What actions have HR taken to prepare for change? (by country)

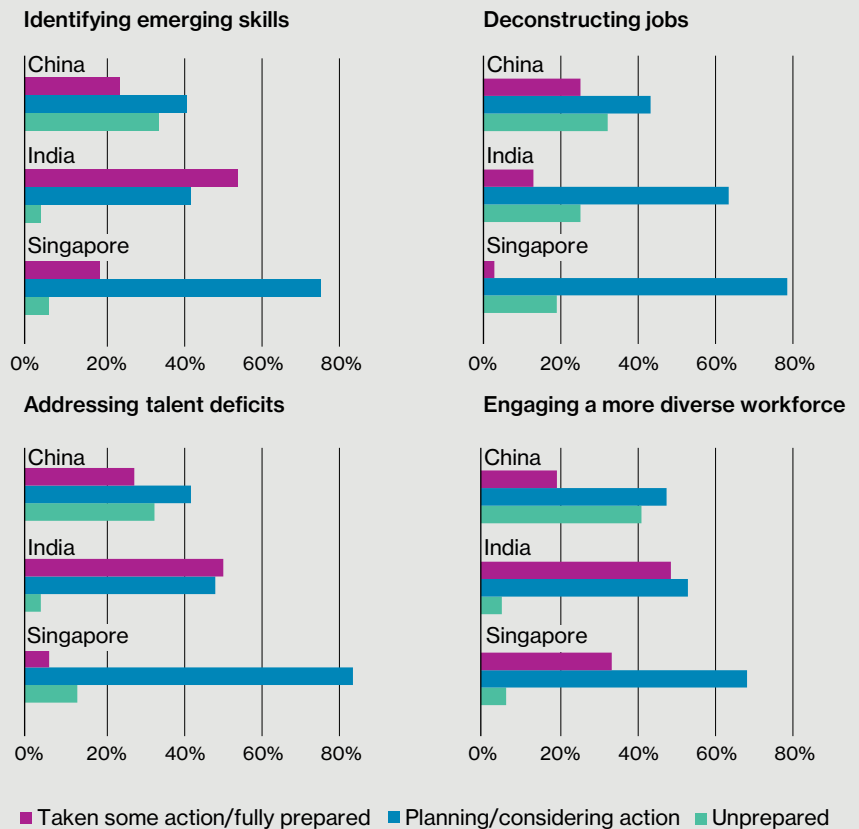
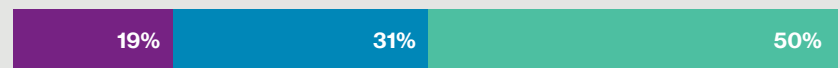


Figure 7. The expected impact of the future of work

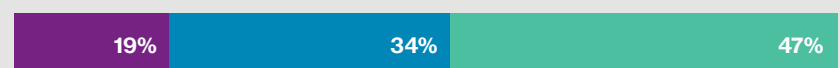
My organisation's approach to organisation design, effectiveness and change accounts for the impact of work automation



Applying automation to work will have a good/positive impact on workers in my organisation



Senior leadership at my organisation is actively planning for and developing ways to combine human and automated work



Legend: Strongly disagree/disagree (purple), Neither agree nor disagree (blue), Strongly agree/agree (green)



A closer look

Employers in developing markets are more optimistic that senior leadership is actively planning for and developing ways to combine human and automated work – 50% in Singapore, compared with 63% and 70% in India and the Philippines, respectively.

Get fully prepared for the future of work

While the Fourth Industrial Revolution disrupts how work gets done, it also makes the talent market more inclusive and global. The shortage of highly-skilled employees in a developed market may be addressed by seeking talent from emerging markets using different talent platforms.

In higher cost markets, companies may source “lower skilled” work

through alternative means, such as automation, as part of the remix of jobs, to find cost and speed advantages. Individuals may not be in traditional full-time jobs, but may be able to access work on platforms where those skills are sought. Platforms such as Airtasker, Upwork and Freelancer Alliance, which provide an online and mobile marketplace that enables users to outsource everyday tasks, are used widely in both mature and emerging markets.

The future of work expands the breadth of options for both global employers and employees. For HR, now is the time to engage with the business about the impact of technology and to work collaboratively to create agile and flexible solutions to how work is done.

Contact us

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About the survey

The Willis Towers Watson *Global Future of Work Survey* was conducted in November 2017. A total of 909 companies worldwide, including 507 from Asia Pacific, participated in the survey.

About Willis Towers Watson

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