

HUMAN Resources Trends in the ASEAN INTEGRATION

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AGENDA

OVERVIEW: ASEAN INTEGRATION

HR MANAGEMENT TRENDS

CHALLENGES IN THE WORLD OF WORK

THE FUTURE OF WORK

Figure 2: Eight macro trends will propel global economic growth over the coming decade



Source: Bain Macro Trends Group analysts, 2011

ASEAN Human Capital Overview



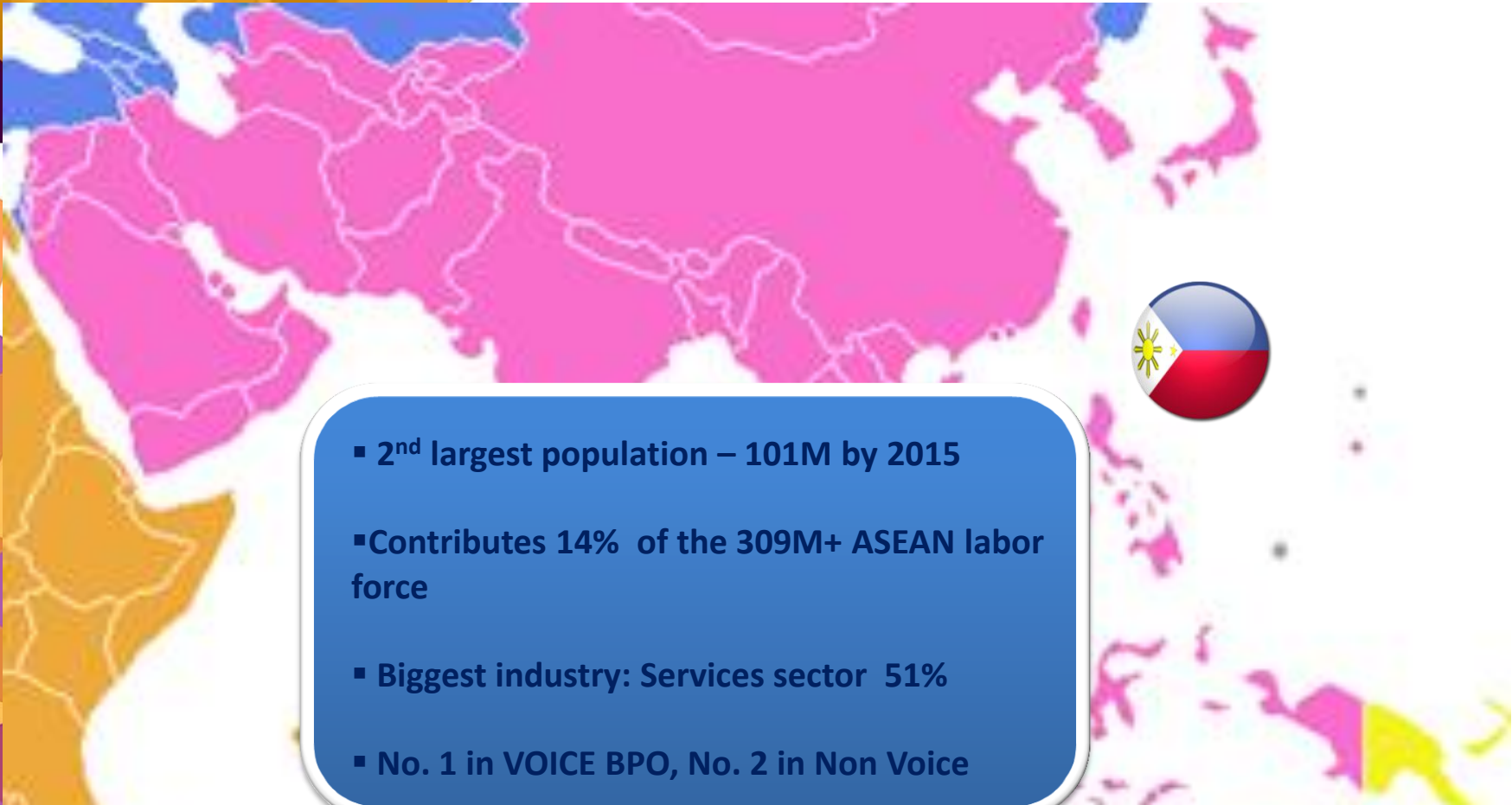
- In short, Asia is where the world's growth surge is, and where the smart money will be headed.



Asia will add an additional US\$5.5 trillion in growth by 2020, while the US will only generate an extra US\$2.9 trillion.

Source : DBS Group Research

ASEAN Human Capital Overview



- 2nd largest population – 101M by 2015
- Contributes 14% of the 309M+ ASEAN labor force
- Biggest industry: Services sector 51%
- No. 1 in VOICE BPO, No. 2 in Non Voice

HUMAN RESOURCE MANAGEMENT TRENDS

HR Trends @ Work



01

Globalization: Human Interconnections Everywhere



- Globalization - Interweaving of markets, technologies, systems that shrinks the world from large to small
- Rise of the new *Lingua Franca*, “Globish”
- “Think globally, act locally” mindset
- Interconnectivity for greater regional impact



ASEAN INTEGRATION

10-member country pact that seeks to create a free flow of goods & services

'COMMON market' for member countries

ASEAN economies will expand annually by 10% up to 2016

Interconnected standards, policies, but not fully integrated

02

Demographic Shift: Workforce Generational Mashup



- Generational diversity in the workplace



02

Demographic Shift: Workforce Generational Mashup



- Ageing workforce shifts workplace trends
- Phenomenal workforce trend where all generations work together in a organization
- The rise of millennial workforce

02

Demographic Shift: Workforce Generational Mashup



2020: three worlds

The nature of work
5 years from now

Fragmentation

'Orange World', where businesses are fragmented and companies are small and nimble, relying on an extensive network of suppliers. Companies have multiple clients and contracts and they routinely supplement their workforce with a globally diverse network of 'team workers' – technologically savvy, networked employees who are contracted on a supply and demand basis, anywhere in the world.

**Workforce
Development**

Collectivism

**Employee
Engagement**

'Green World', where companies have developed a powerful social conscience that's closely tied to their brand. Their focus is on sustainable and ethical business practice and they attract employees with values that reflect their own. Their success is largely driven by a high degree of employee engagement. This impacts business decisions about mobility and the way employees work.

Individualism

**Workforce
Empowerment**

'Blue World', where corporations are king and individual preferences override belief in collective social responsibility. These companies have invested heavily in the talent pipeline and believe in developing people as assets and take a paternal approach to their workforce. While the work is pressurised and fast-paced, employees are committed, well trained and more likely to remain with a single employer long-term.

Integration

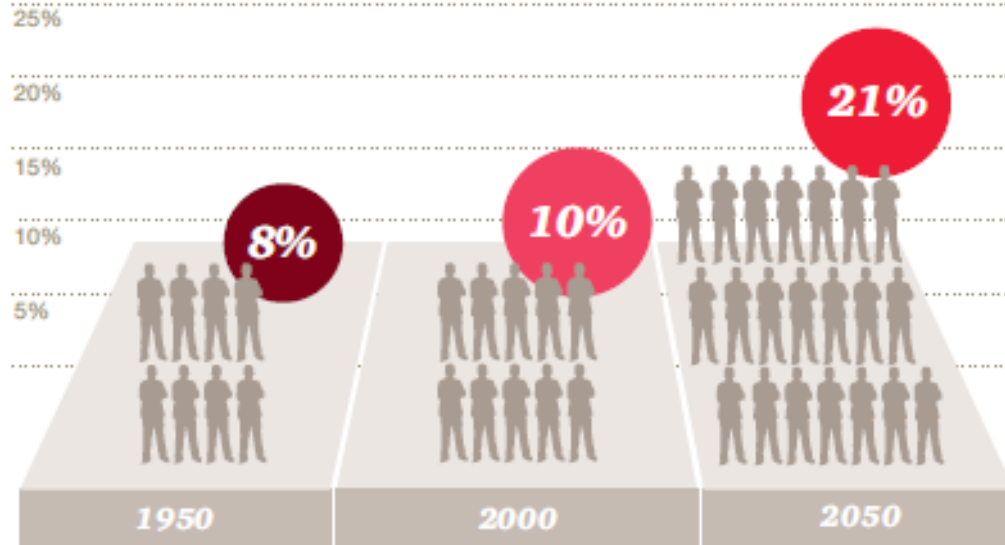
*Talent Mobility 2020: PriceWaterHouseCoopers, 2012

02

Demographic Shift: Workforce Generational Mashup

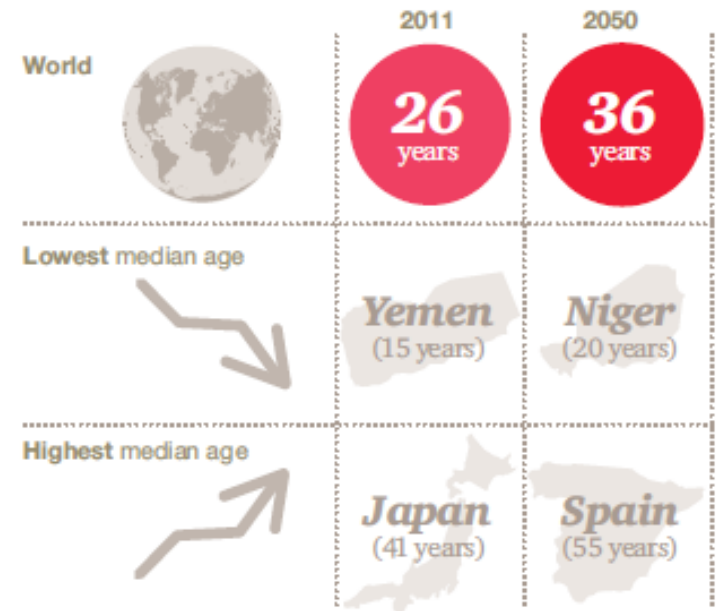


Proportion of the world population aged 60 years or more



Source: UN report World Population Ageing 1950–2050

Median age



02

Demographic Shift: Workforce Generational Mashup



Millennials keep one eye on the job market



I am always actively on the lookout for other opportunities and keep an eye on the job market

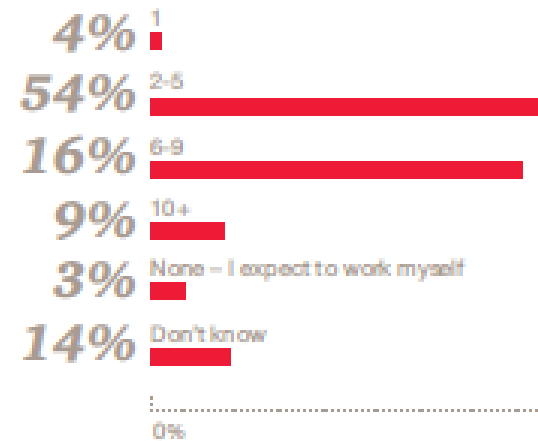


I am not actively looking for another job, but would be open to offers



I plan to stay in my current job long-term

How many employers do you expect to have in your career?



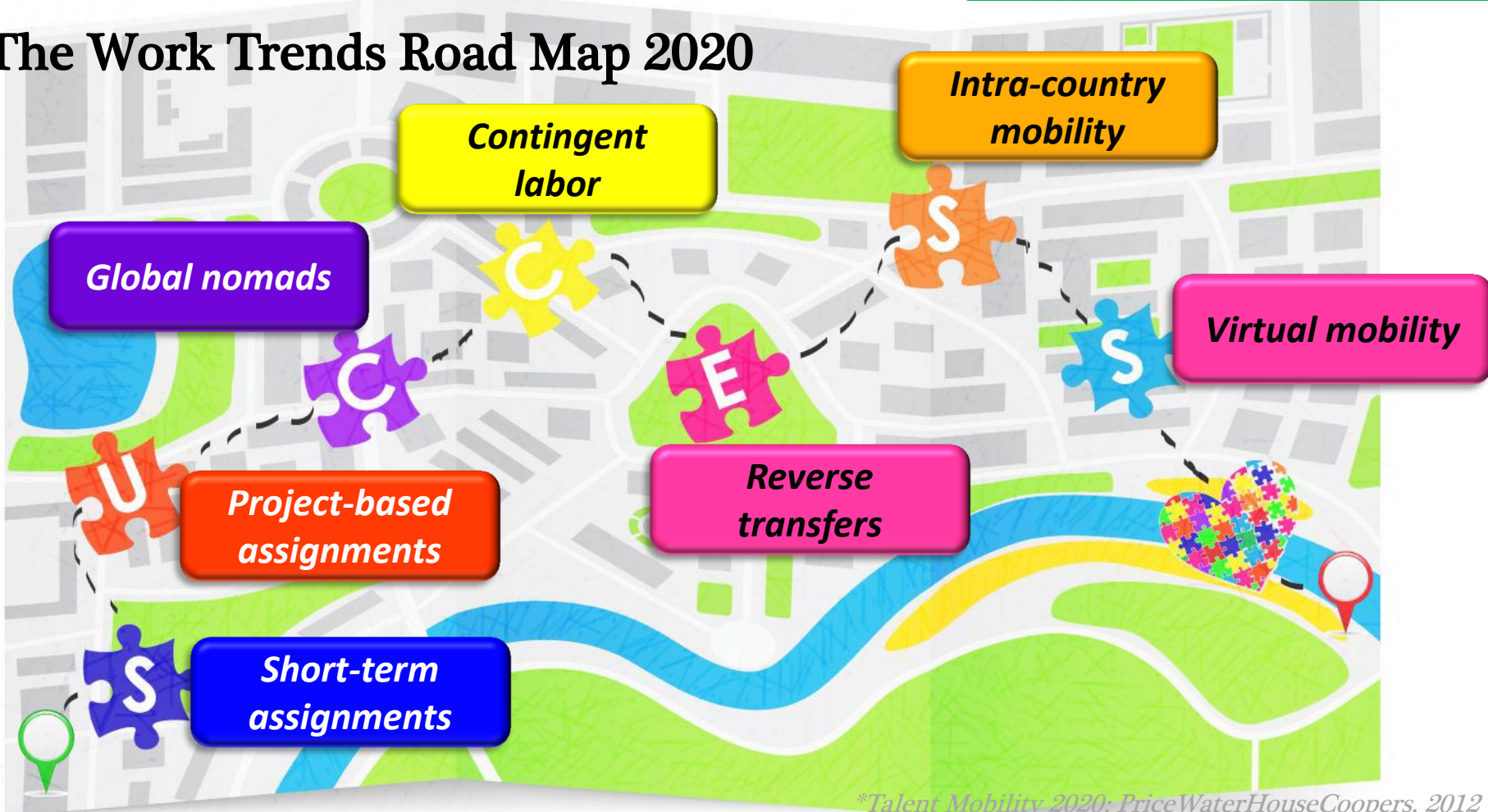
Base: All graduates

02

Demographic Shift: Workforce Generational Mashup



The Work Trends Road Map 2020

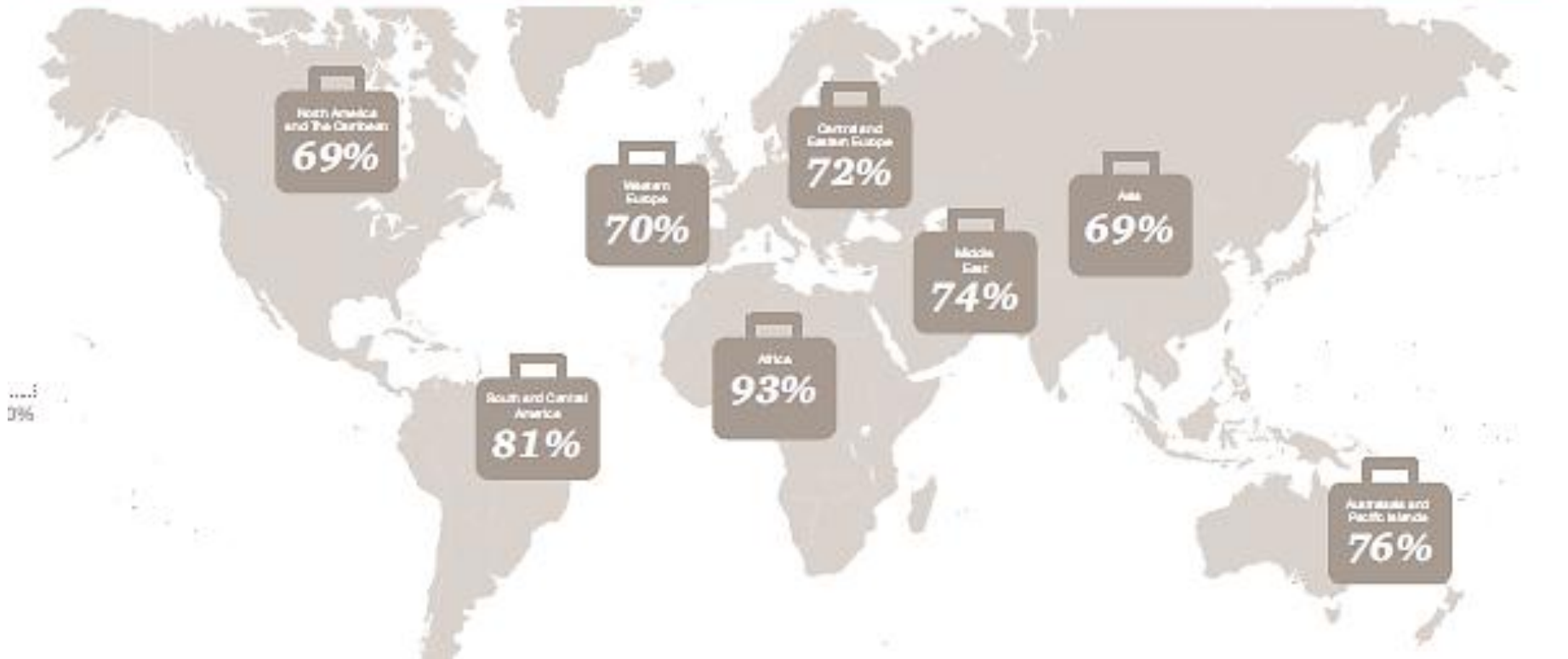


02

Demographic Shift: Workforce Generational Mashup



I would like to work outside my home country in my career



**Talent Mobility 2020: PriceWaterHouseCoopers, 2012*

03

Talent Mobility: People working around the globe

- The rise of international mobility

1970-1990

International assignments are mostly driven by large multinationals based in the US and Europe. These organisations send talent from the HQ country out into the field to manage operations in other parts of the world. Many assignments are from the US into Europe, but oil and gas, mining and other industries dependent on natural resources regularly send staff to more far-flung destinations. Assignees are usually sent off for a two to five-year period and are incentivised with attractive expatriate packages.

1990-2010

Demand for global mobility of talent increases as new markets emerge for companies to sell their products and services to, and also manufacture their goods at lower cost. Offshoring gathers pace. A new breed of mobile worker emerges alongside the expatriate and meets the globalisation demand through commuter, rotational, and technology-enabled virtual assignments. The flow of talent is still predominantly from West to East, or intracontinental, but companies begin to tap into rich talent pools in emerging markets, particularly India and China.



03

Talent Mobility: People working around the globe

- The rise of international mobility

Future view

2020

Global mobility continues to grow in volume. Within the context of closely aligned international regulatory frameworks, the growth of cross-border acquisitions by sovereign wealth funds, lingering public investments in private business concerns, greater security cooperation between nations, and information technology that can identify and connect talent in an instant, global mobility becomes part of the new normal. Mobility of talent is fluid. For example, a Chinese company may engage a European team to manage an investment in Africa.



03

Talent Mobility: People working around the globe



Challenges of talent mobility

- New talent, new destinations
- Giving people what they want
- Bringing down the political barriers
- More sophisticated regionally programmes

04

Technological drift: Everyone is a networker

- “We shape our tools and thereafter our tools shape us.” - *McLuhan*
- Borderless world; instant access to information
- Technology: A universal distraction
- Proper mix of tools will best enable the workforce to increase efficiency, propagate useful ideas, and contribute to the organization’s collective intelligence

04

Technological drift: Everyone is a networker

- Collaborative tools that extend to stakeholders
- Work environments that become direct extensions of the human senses
- Multisensory communication techniques that allow workers to multitask without losing focus
- Knowledge repositories that enable employees to receive advice and best practices from virtual mentoring—avatars

Potential technological transformations in the workforce in the next 10 years include

TELECOMMUTING

WEB 2.0 AND TELEWORK

SHARED WORKSPACE

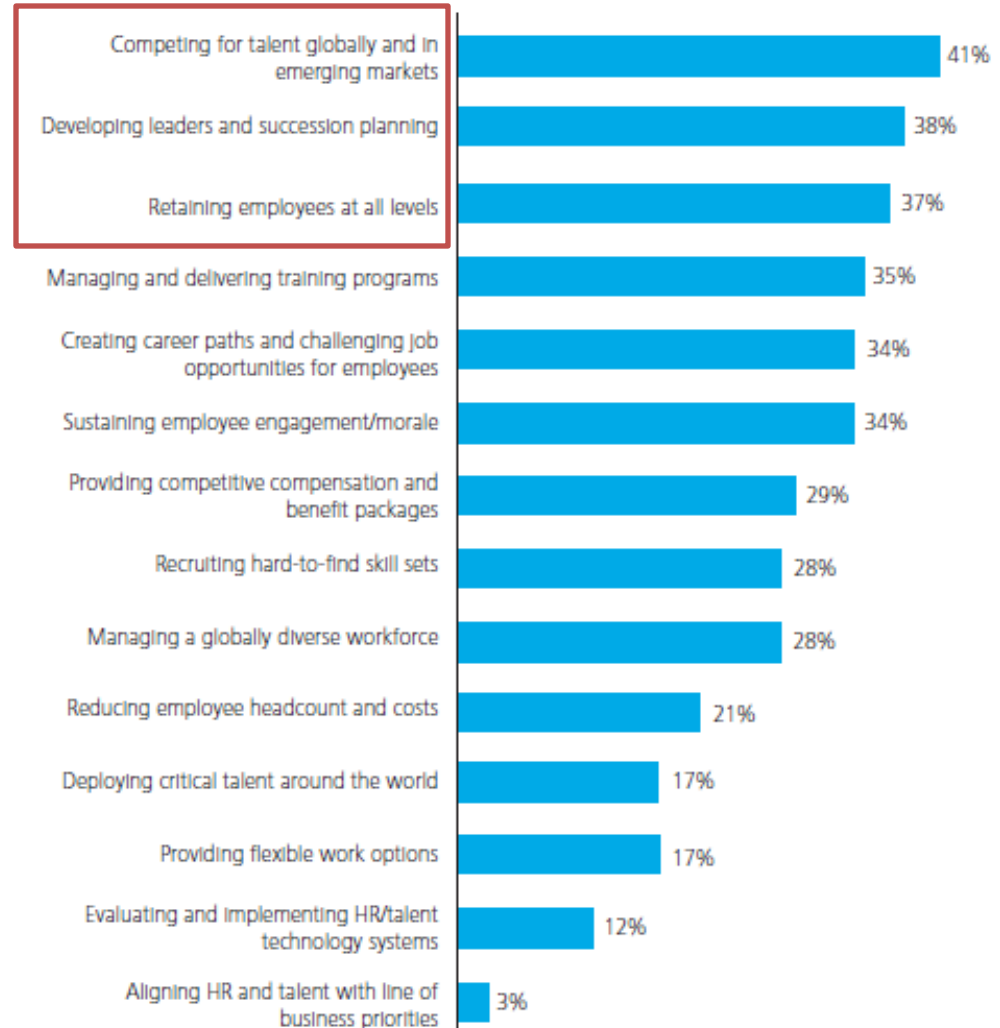
HUMAN RESOURCE MANAGEMENT TRENDS

Workforce challenges



Challenges in the Talent Frontier


Figure 4. What are your organization's most pressing talent concerns today?



- **Managing the talent paradox**



Challenges in the Talent Frontier

- Advent of global race for talent
 - Getting new people in new jobs in new places (Attraction)
 - Lack of strong workforce engagement plans (Retention)
 - Creating the next generation global leaders
- 

CHALLENGE 01

Global race for talent

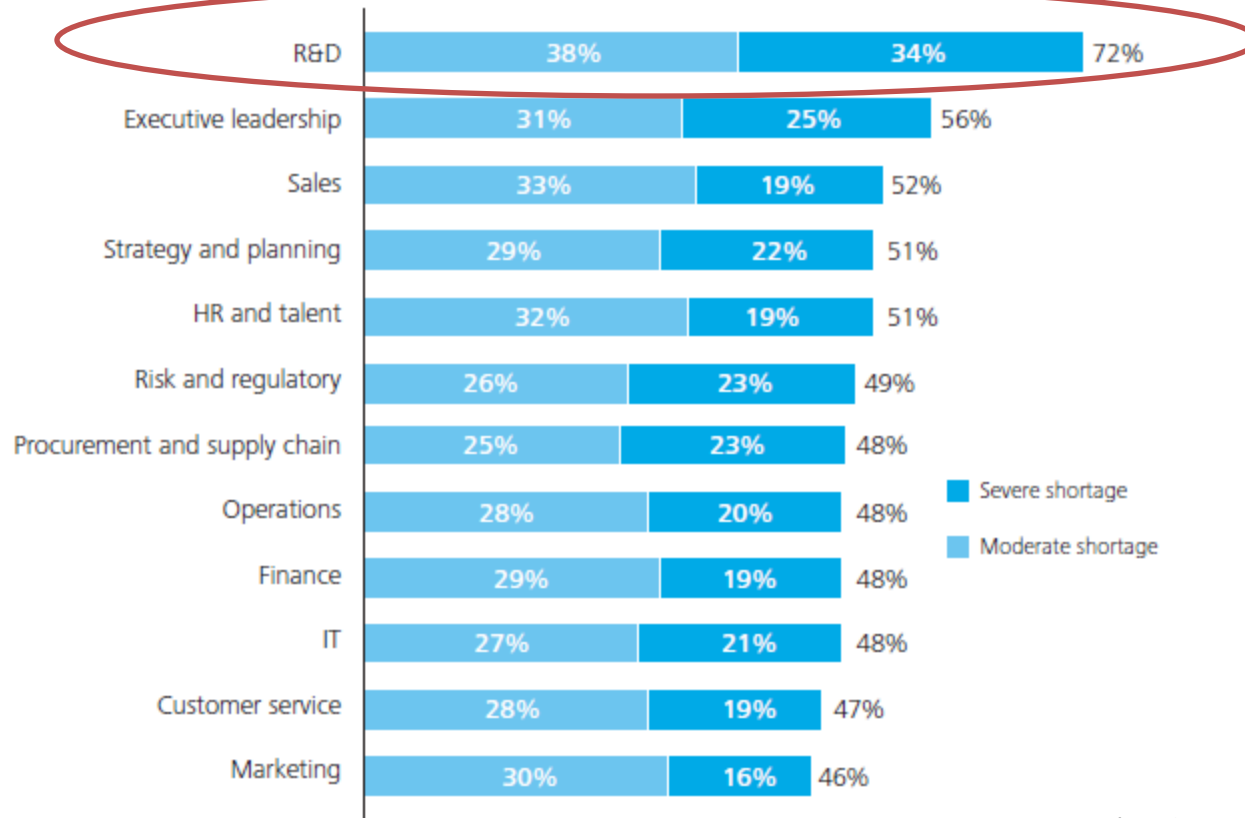
4 Out of **10** Rated **competing for talent globally** as one of their most pressing talent concerns*

- Lack of specialized skills sets needed in the market

CHALLENGE 01

Global race for talent

Do you expect to see talent shortages in the following areas over the next year?



- Talent shortages across the globe is due to lack of qualified skills sets & skills mismatch

Recruitment Facts: SFI Group Statistics

1

1000 Candidates



THE INITIAL SCREENING:

Not Qualified, Not Enough Skills, No Relevant Work Experience, Applied to an Unfit Position, Generic or Poorly Written Resume

Only Around 10% of the Candidate Population Would Qualify for the Initial Assessment

100 Candidates

2



ASSESSMENTS on Knowledge, Skills & Abilities + Behavior

Only Around 40% of the Candidate Assessed Would PASS the Employability Assessment

40

Candidates



= 10 Persons

Recruitment Facts: SFI Group Statistics

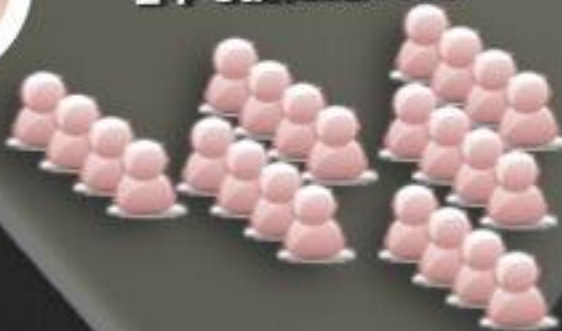
3

40 Candidates



4

24 Candidates



8

Candidates
for Employment

INITIAL INTERVIEW:

Bad First Impression, Late for the Interview, Not Confident, Not Articulate, Poor in Communications, No Relevant Work Experience to Share, Wrong Values, Bad Attitude, Negative Mindset

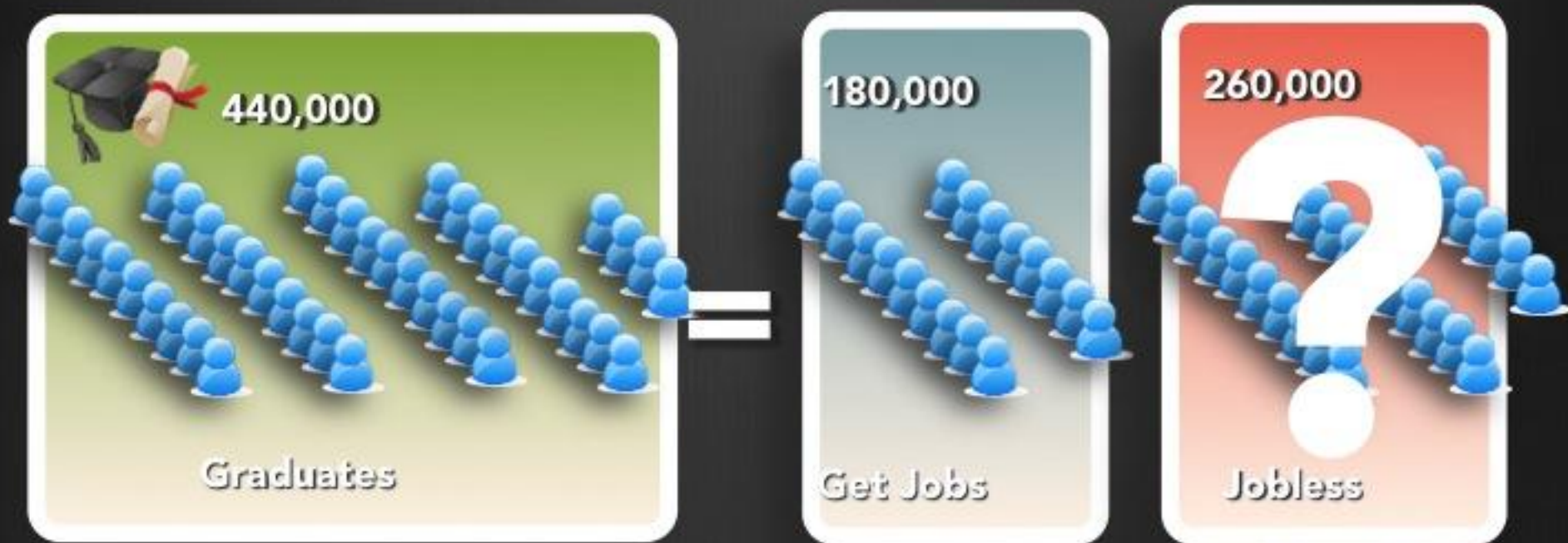
Only Around 40% of the Candidate Population Would Qualify for an Endorsement with our Clients

***Gives Near Hire Training & orientation to increase # to 60%**

INTERVIEW WITH CLIENT

Only Around 30% of the Candidate Interviewed Would PASS and be offered EMPLOYMENT

Graduating Students Entering the Philippine Workforce



Taken from the National Statistics Coordination Board's (NSCB) report by Dr. Romulo A. Virola on Philippine Education's Enrollees per Level (2005)

CHALLENGE 01

Global race for talent



- a. There is a real **Talent Shortage** in the market
- b. There is an existing Skills Gap between the available workforce and the positions industries need to fill
- c. The Education Sector and the Industries are Misaligned
- d. The Technology is too fast for Educational Institutions to be current in their curriculum
- e. The Quality of Education is not up to par with Global Standards

CHALLENGE 01

Global race for talent



Skills gaps in the Philippines are in the service industry, export sector, and technologically intensive sector

Gaps are **severe in creativity, leadership, and problem solving skills**

CHALLENGE 02

Getting new people in new jobs in new places



- As the workforce landscape changes, **new people with new skills in new jobs in new places** are needed
- Growing **emphasis on talent strategies** aimed at more effectively recruiting, connecting, and managing a global workforce
- Raise the bar in key talent areas

CHALLENGE 02

Getting new people in new jobs in new places



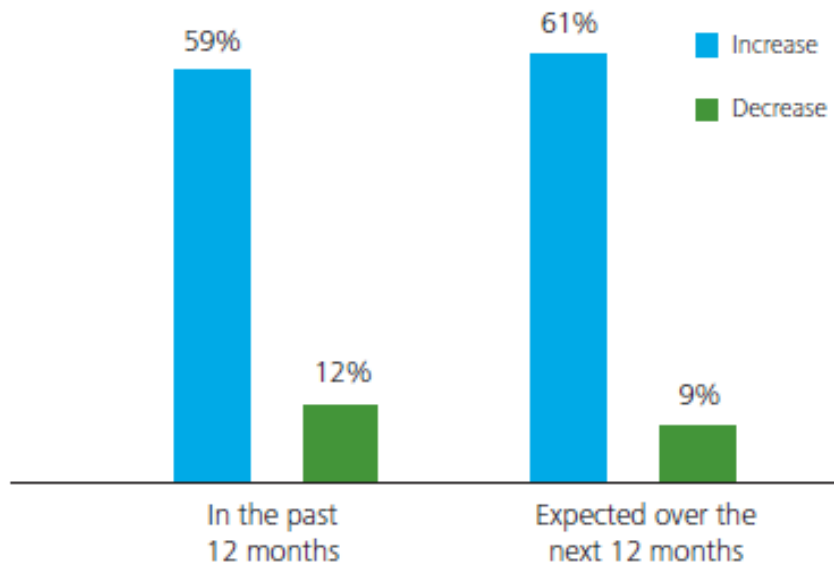
| | |
|----|---|
| 1 | Ability to work in a team |
| 2 | Ability to make decision & solve problems |
| 3 | Ability to plan, organize and prioritize work |
| 4 | Ability to communicate effectively |
| 5 | Ability to obtain and process information |
| 6 | Ability to analyze quantitative data |
| 7 | Technical knowledge related to the job |
| 8 | Proficiency with computer software programs |
| 9 | Ability to create and edit written report |
| 10 | Ability to sell and influence others |

CHALLENGE 03

Lack of retention plans



Changes to your organization's voluntary turnover rate?



- Faced with a possible post-recession “resume tsunami”—companies recognize the need for proactive retention plan
- Demographic shift also drives this trends
- Few companies surveyed have a clear idea of what is driving turnover

CHALLENGE 04

Creating the next generation of leaders

7 Out of **10** Expect to increase the focus on **developing high-potential employees** and **emerging leaders**

- Huge gap between generational difference at work is a challenge for accelerating leadership programs

CHALLENGE 04

Creating the next generation of leaders

| | |
|----------------------------------|---|
| Collaborative orientation | Global mindset / cultural agility |
| Developer of people | Future-focused |
| Learning agility | Adaptability / change orientation |
| Digitally proficient | Innovative / creative champion |
| Conscious Leader | 360 communicator |

HUMAN RESOURCES
MANAGEMENT TRENDS

The future of work



Future Work Skills 2020

While all six drivers are important in shaping the landscape in which each skill emerges, the color-coding and placement here indicate which drivers have particular relevance to the development of each of the skills.

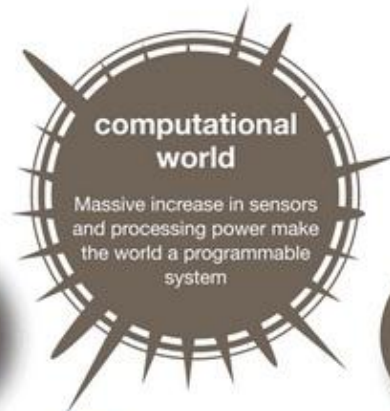
KEY



Drivers—disruptive shifts that will reshape the workforce landscape



Key skill needed in the future workforce



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OPEN FORUM

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