

Reviving Workplace Success in Asia Pacific - Perspectives from CHROs

As the disrupted economy recovers post-pandemic, companies face new challenges and ways of working. The last 24 months have changed everything. For businesses. For leaders. For employees.

The knock-on effects of these changes are endless when envisioning the future impact on organizations in Asia Pacific and the world of work. One thing is certain – the pandemic and its inherent influence on business has highlighted the need for adaptability and resilience in today's workforce, accelerated the shift towards a new, digital economy and accentuated the importance of restoring balance across the organization to thrive.

Asia is at the forefront of a workplace revolution, with technological advancement, an evolving workforce, and changing social norms transforming the business model and how we work. Companies must stay ahead of the curve by understanding these trends and their potential impact.



“To be competitive in the current job market, it’s important to have a flexible working environment. Even if you don’t want to take advantage of the flexible working options yourself, it is becoming increasingly essential to have them in place so that your company can attract the best talent.”

Christophe Lange, Vice President, Human Resources, APAC, EMEA, Specialties & Commercial Excellence at Ingredion.



The New World of Work

Harnessing the Power of Adaptability

Businesses today must continually adapt and evolve, ask what employees need for success and implement changes that create a more productive work environment.

In this whitepaper, we speak to key HR leaders and influential players in the Asia-Pacific market to understand how companies manage the changing workplace. We examine the challenges and opportunities of this dynamic environment and how businesses can ensure that employee needs are met. We also consider the broader impacts of workplace transformation on environmental, social, and governance (ESG) requirements.

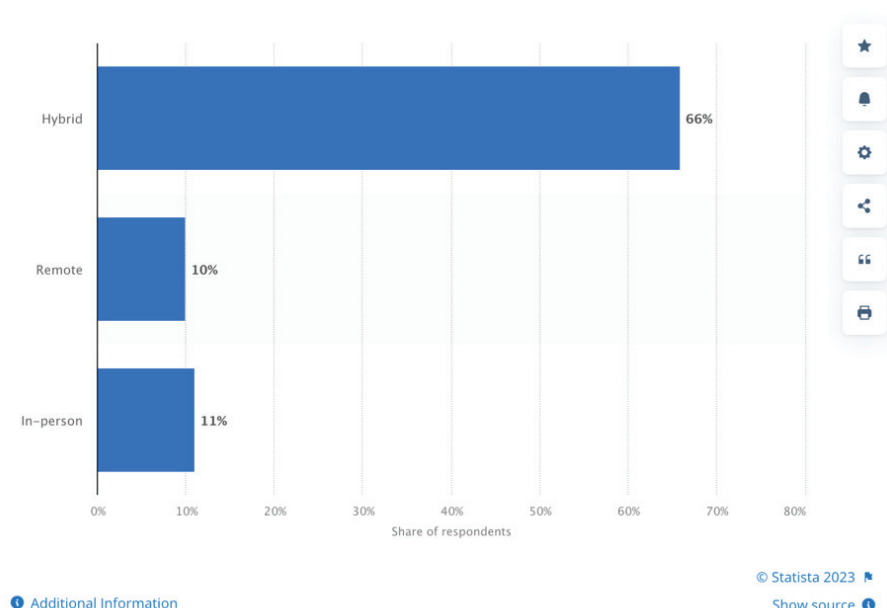
This whitepaper provides a valuable resource for organizations preparing for the future of work.

Transforming The Work Environment

With businesses forced to reassess how they operate and recognize the need for change, the traditional work model is unsustainable. Hybrid working has become the “new normal”, bringing fresh challenges such as the rise of the disappearing office, rebuilding the employee experience, productivity, wellbeing and work-life balance, personnel development, the Great Resignation, technology and sustainability. We also need to find new ways of working that, at their core, support people, profit AND planet.

The good news is many businesses are already leading the way in the future of work.

According to Statista, in a 2022 survey conducted among employees in the Asia-Pacific region about work-life balance, 66 per cent of respondents stated they would prefer a hybrid work mode. In contrast, ten per cent preferred in-person work.



Transforming the Way We Work

Organizations worldwide are adapting quickly to the new reality of hybrid working, and policies must be amended for this. HR Leaders can create a sustainable future workforce with the right strategies that allow organizations to be at the forefront of promoting balance and establishing lasting change.

In areas of Asia affected heavily by the pandemic, drastic workplace changes are needed to guarantee employees' safety and productivity. Re-evaluating policies such as health and safety procedures, communication strategies, access rights, and security measures can create an environment where virtual and physical workplaces coexist in harmony.

Unlocking a Diverse, Dynamic and Sustainable Future

However, working remotely across the Asia-Pacific is no simple task. Success depends on understanding local culture and requirements. For instance, specific cultural

expectations exist in countries like Japan, South Korea and Taiwan. In India, remote work may be more cost-effective but faces infrastructure issues. Australia and New Zealand are seeing more remote work, but this must comply with their employment laws.

However, many organizations have adopted new approaches for their individual markets, with no single policy working universally.

Pierre Petrissans, Head of Human Resources Asia Pacific, IDEXX Laboratories, commented, *"We found that people in Japan, Korea, and China wanted more guidelines on balancing work and life. In these three countries and Taiwan, we provided guidelines that allowed people to work from home or remotely some days.*

"In other countries, like Australia, New Zealand and Singapore, people can come to the office or work from home whenever they want. For example, if they need to onboard someone new, have a one-on-one meeting with a subordinate, or start a project with project team members. But there are no set rules," he continued.

The Vital Role of ESG

Harnessing Sustainable Growth Through ESG in Asia Pacific

When re-looking at these organizational strategies, businesses in Asia must consider ESG principles when re-evaluating strategies. Establishing a circular economy approach is essential for sustainable growth in the region.

Low Khim Wah, Regional HR Director Greater Asia, International Flavors & Fragrances, said, *"Investors today want companies to be responsible and to take care of all their stakeholders. And having good ESG policies is something that will not go away. If a company doesn't address these issues, they will only get worse and will require more attention in the future. Every company needs to do what it can to be "in the good books" of investors."*

Embracing an Inclusive Future

With the growing awareness of ESG practices, companies in Asia Pacific have been changing their vision and mission statement to include more sustainable goals. This shift focuses on implementing inclusive policies like those on diversity and inclusion in workplaces and guidelines on employee welfare and benefits.

The most significant diversity change is company culture. Organizations must create an inclusive environment to support and promote diversity, which may entail adjustments to recruitment and promotion processes and changes to workplace policies and procedures.

According to PwC, Asian females are more likely to evaluate future employers based on their diversity. 66% think employers must disclose diversity data, and 76% look at leadership team diversity when accepting a job – with these figures rising for career starters.

<https://www.pwc.com>

"Diversity comes in as a strategy. It is a strategy because it's just common sense that you should not ignore the recruitment of 50% of the population."

Jacqueline Yew, Human Resources Director, Operations & Technology Goodyear Asia Pacific Region, Goodyear Tire Management Company (Shanghai)

Myanmar conglomerate Excellent Fortune Development Group (EFD) affirms that diversity is integral to its company culture. During the hiring process, it strives to find the best candidate regardless of race, religion, or gender. In response to the pandemic, the company initiated more technology-driven working environments to reduce reliance on physical presence, allowing for a larger candidate pool and creating an inclusive atmosphere while securing the best personnel.

Committed to its DE&I goals, International Flavors & Fragrances, an industry leader in food, beverage, health, biosciences and sensorial experiences, has a recruitment policy to ensure diversity, even for internal promotions. Furthermore, **diversity objectives** mandate **at least 50% female representation** in managerial positions.

"I would say it's less about resetting; it's more a gradual, continuous evolution. With the focus being on gender diversity and inclusiveness of people from any and every part of the world, to be considered for opportunities, and I would say in some ways, this remote hybrid work actually promotes it."

Jayaram Philkana, Head – HR, Asia Pacific Region, Syngenta.



Supawadee Suwankongka, Regional Lead, Talent & DEI – Human Capital Group, Hitachi Asia Ltd, said, "We take a global approach to reaching our customers. We believe in building a diverse and inclusive workplace, where everyone is given the chance to fulfil their potential based on their will and competencies. We aim to become a leading Social Innovation Business where we can contribute to society. As a global company, we operate across regions, and we have had to learn how to integrate different cultures seamlessly. By leveraging the strengths of each culture, it can create a unified way of working towards shared goals such as social innovation, customer centricity and sustainability."

Resetting for a Diverse and Inclusive Company Culture

Establishing a diverse and inclusive company culture may require an organizational reset. This entails completely rethinking how it communicates, resolves conflicts/disputes, and sets expectations for remote teams.

It also means empowering and encouraging employees to take initiative and ownership; converting virtual learning into permanent skills; revamping recruitment programs to better define workplace values; improving workplace safety measures; and providing more career advancement opportunities for employees and flexibility for different family needs.

Hitachi, for example, encourages its employees to embrace a positive culture and diversity through its Diversity Equity Inclusion (DEI) strategy. This signifies a commitment to becoming a truly global entity by transforming corporate culture. DEI can help create new innovations to better serve all customer segments worldwide while urging everyone to accept new ideas in the workplace.

With renewed energy, focus and commitment from both leadership and employees to implement these changes, companies can achieve a more robust social ESG strategy that benefits everyone.

Maximizing Employee Engagement, Productivity, and Positive Carbon Footprint

Organizations can reset their company culture by focusing on engagement, productivity and the impact on the organization's carbon footprint.

A recent IDC Survey highlighted that flexibility and sustained employee productivity continue to be the strongest sentiment in the region.

Organizations in Asia Pacific are moving towards strategies beyond flexibility that drive employee engagement, such as providing opportunities for team-building activities or introducing new measures for corporate social responsibility projects. By recognizing the importance of ensuring good standards across all three criteria of ESG activities, APAC companies are now making a concerted effort to support changes within their organization to sustain their success.

Companies must look at simple but effective ways to engage employees beyond virtual events etc., and enable them to connect with other team members across the globe to create an engaging and rewarding working environment.

Phimthong Lamsa-ard, Head of HR Thailand, Vietnam & Indochina, Diversey Hygiene, mentioned, "In the current climate of hybrid workplaces, HR should establish a physical space for employees to use for collaboration, connection, coaching and celebration. Creating a warm, welcoming atmosphere does not need to be large or costly, but it's vital for shaping an engaging and motivating environment."



want flexibility

IDC reveals that more than 56% of employees in Asia/Pacific* want flexible work with options to work both in the office and remotely, even beyond the pandemic



more productive

Furthermore, IDC data shows that more than 70% of the employees said their productivity was higher or at least at the same level as pre-pandemic

*<https://www.idc.com/getdoc.jsp?containerId=prAP48993022>

Hitachi's focus on employee engagement and health and wellbeing has significantly increased employee satisfaction scores in the past year.

Also, Petcare Innovation leaders IDEXX published their first responsibility report in 2020 to create a more respectful work environment for its people and the environment. It also looked at ways to enhance connections across the organization, including linking talented people in Asia with those from the US and Europe through mentoring programs and seminars. This enables professionals in each region to learn and share knowledge and experience from more experienced experts in other parts of the world.

Rethinking Governance Strategies for Accountability and Engagement

As more companies embrace remote working, there is also an important need to rethink governance strategies. Organizations must consider a range of mechanisms to hold their workers accountable, from performance tools and recruitment processes to exit management. This involves providing the proper support for team members, such as the technology to keep them engaged, guidance for effective communication in remote teams, and equipping leaders with the right tools for managing dispersed workforces.

Jayaram Philkana, Head – HR, Asia Pacific Region, Syngenta, said, *“Governance is arguably the most critical aspect of Environmental Social Governance (ESG). For companies, embracing ESG has become a must to raise money at a lower rate compared to those who don't have ESG certification. This requirement is likely to become even more prevalent in the near future, making ESG a critical driver of positive change.”*

Reimagining ESG Compliance in Asia Pacific

Providing clear communication and resources to help employees navigate the new landscape is also crucial. A framework is required that looks beyond financial performance and to improvements in company-wide sustainability efforts – accounting for the less tangible effects and prioritizing welfare.

Companies can drive improved performance and social engagement by supporting and understanding individuals' needs. Offering flexible working is only one component. Further initiatives are required, such as targeted mental health initiatives, creation of digital opportunities, and wellbeing checks.

In Aon's 2022 Asia Pacific Employee Benefits Trends Report, 46% of employers prioritize employee wellbeing, yet 1 in 2 lack a clear benefits philosophy and 1 in 5 don't review their benefit offerings regularly. Companies must prioritize building an effective benefit plan that puts employee wellbeing first.

“Sime Darby partnered with The Mind Faculty to provide employees with prepaid sessions for psychological counselling. This initiative was started in 2020 and has been maintained ever since due to its popularity. It's confidential – we do not need to know who's accessing these services; we are only made aware if the ten sessions have been exhausted, at which point more can be purchased,” commented Roselaini Muhamad Faiz, Group Chief Human Resources Officer, Sime Darby Group.

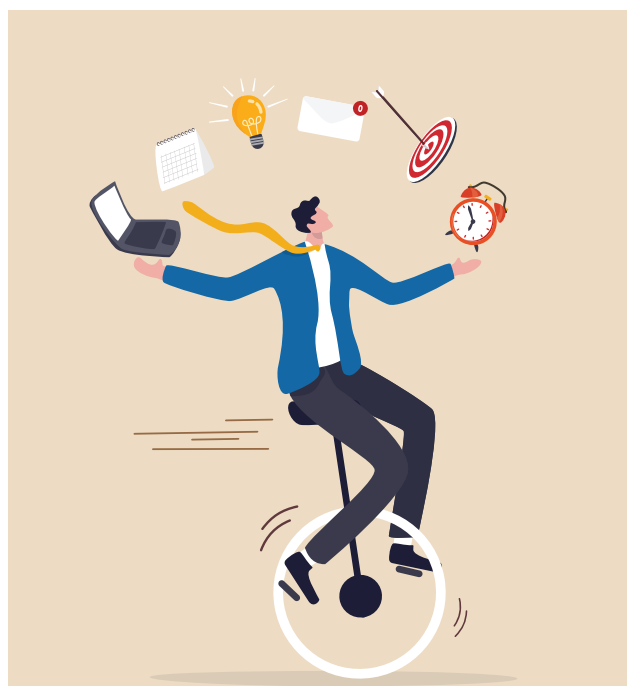
Social engagement is also being prioritized, with virtual team-building activities and events becoming more commonplace. At Goodyear, they launched 'Project Bounce' to encourage employees to exercise and, with the steps they accumulated, compete in teams to raise money for its charity of choice.

Ultimately, these changes are helping create more supportive and productive workplace cultures that recognize the importance of nurturing employees' minds and bodies.

Ingredion, a leading global ingredients solutions provider, has increased investment in employee wellbeing to drive higher productivity and better talent retention. Even during the Covid-19 pandemic, its turnover rate was less than 5%. Currently, it stands at around 7% - well below the market rate.

International Flavors & Fragrances, which operates across 65 countries, including China, Japan, India, Vietnam, Indonesia, Thailand and the Philippines, reported that in every one of their countries, employee wellness was highlighted as a critical topic to address.

However, activities and programs must be tailored to the particular region. For example, Goodyear emphasizes workplace health and safety in China due to its associate's needs. For other parts of Asia, it's focusing on capability building to help employees cope better with the impacts of the pandemic.



ESG And The Technological Revolution

Automation Technologies Empowering Talent Mobility and Value Maximisation

Implementing automation technologies has become invaluable as business leaders adapt to new working methods. Automation helps reduce costs and manage operations more efficiently in a crisis; removes the need for physical presence in offices or at customer sites; drastically reduces the company's carbon footprint; boosts employee engagement with modern communication channels such as chats and virtual meetings; and enables talent mobility without additional cost or complexity.

However, a recent report by Deloitte revealed that South Asian countries are the least prepared in the APAC region for workplace automation.

Despite this, companies recognize the need for technology to keep their business running and enable effective communication, especially during the pandemic. Ingredient has set an agenda for IT by 2030, which more than 40% of managers in Asia have already adopted. IDEXX Laboratories is becoming increasingly tech-focused, with customers now valuing their product and service data the most.

From an HR perspective, automation can be used to support employees. In Dec 2022, CHEMFAB Alkalis launched its Adrenaline HR Management System - a digital platform with integrated HR subsystems, from time attendance to knowledge management.

Some companies are now using AI to interact with customers. Phone calls no longer require a human response; instead, AI-powered robots provide answers quickly and accurately. If the query is too complex, the customer is redirected to someone who can provide more detailed assistance.

Technology has been instrumental in enabling a new era of work and managing talent. But businesses must do more than just adopt technology to adapt to the changing environment. Companies must also have employees with the right skill sets, knowledge and capability to use disruptive technology and get the most out of it.

Technology Revolutionising Environmental Management

Technology also enhances how companies tackle environmental issues, resulting in improved ESG scores. This generates value for organizations and stakeholders alike.

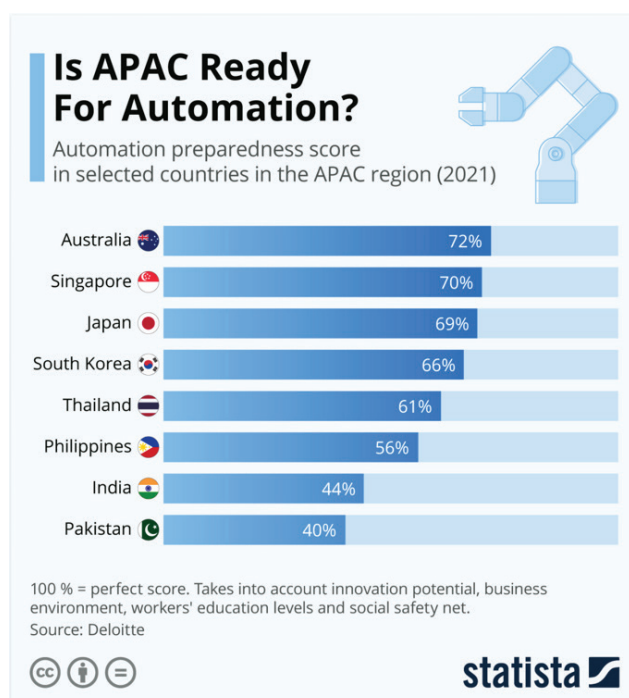
Innovative new technologies help reduce the company's carbon output and reliance on the earth's resources. These range from AI-powered precision agriculture techniques that drive efficiency and eliminate wasteful behaviours to integrated data-logging tools which provide ongoing insights into energy usage patterns within an organization.

EFD Group, a speciality chemicals company, takes a comprehensive approach to protect the environment. It sets carbon targets to reduce energy use, and recycle and reuse materials. And more recently, is using fewer chemicals, reducing plastic and collaborating with farmers for positive environmental outcomes.

At Syngenta, its Farmer-Centric Ecosystem (FCE) initiative leads the way for environmental sustainability. The system reduces water consumption by using crop protection chemical technology, improving the ecological landscape.

This is mirrored at the agricultural company LongPing High-tech which is reducing the number of chemicals through biotechnology – with the most advanced biotechnology laboratories in Latin America and China. Geena Liu, Head of HR – Global, stated, “We also use drones in research and development and also in production. We are considering developing a robot for warehouse management to locate seeds.”

Ingredient invests in environmental solutions, with successful results - a 30% reduction in its carbon footprint from flexible working in its Singapore office and similar reductions across Asia and worldwide. It also commits to sustainability by investing in renewable energy sources, reducing water usage, and positively impacting local communities.



Through sustainability reporting, organizations can demonstrate and track their commitment to positive change and sustainability goals. According to KPMG's 'Global Survey of Sustainability Reporting 2022', the Asia-Pacific region is a global leader in sustainability reporting, with 89% of firms providing related information - a 5% increase since 2020 and a 39% jump compared to ten years ago.

According to research by Economist Impact and Baillie Gifford, corporates in the Asia-Pacific region are more likely to dedicate a unit to ESG reporting. This region has the highest levels of disclosure, and investors show the most confidence when it comes to social metrics compared with other regions.

Talent Attraction and Engagement in Tech

An improved environmental focus results in employees having a greater sense of agency and understanding their work's effect on bettering the planet's ecology. For example, if they maintain quality standards at a manufacturing plant, they can take pride in knowing their efforts are helping decrease harmful pollution.

People are not just looking for a job with a good salary anymore. They want to know a company's purpose and how they can make an impact not just within the company or in terms of the market but also in terms of their wellbeing and the environment.

Vijay Kumar. J, Group Chief Human Resources Officer, CHEMFAB Alkalies – which manufactures commodity chemicals for industrial applications – said, *"Our goal is to improve the lives of everyday people. We have expressed this internally, through every level and role in our organization, prompting people to realize that they're working towards something bigger than just a job. This purpose-driven mission has been a major pull for many people."*

Therefore, companies are recognizing how ESG achievement is central to creating an organization with a shared purpose, leading to higher motivation and performance levels. Technology can make great strides when used in conjunction with environmental issues, not just for commercial gain but for the greater good too.

Daphne Lin, Chief Human Resources Officer, Cognixus Technologies, stated,

"When people join our organization, they understand that their primary purpose is to achieve something great and make a positive impact. I look for candidates who have a strong desire to do something meaningful, contribute, and demonstrate that they can succeed. That's the type of candidate I'm looking for."

HR Leaders: Propelling the Future of Work

The Critical Role of HR Leaders in an Ever-Changing Workplace

The future role of HR leaders across Asia is more critical than ever. They must understand complex perspectives and rapidly adapt to changing employee behaviour, leveraging AI technologies while striking a balance between their new and traditional roles in recruitment, engagement and performance management.

According to PwC's Digital HR Transformation Survey 2022, 96% of HR leaders see their role shifting from solely being service providers towards being employee experience designers, change agents and talent developers.

There is also an increasing focus on sustainability, requiring core business operations and HR practices to be socially responsible and ethical, with attention to sustainability metrics and reporting. Moreover, being part of decisions affecting the environment, social responsibility, and governance.

24% of HR leaders say their leadership development approach does not prepare leaders for the future of work, according to a recent survey by Gartner.

www.gartner.com/en/articles/what-will-hr-focus-on-in-2023

Kong W. Chin, Chief Human Resources Officer, EFD Group, said,

"Only by preparing for the future can we hope to stay ahead of the competition. This is especially true in the banking industry, where change happens rapidly. By being proactive, we can ensure that our business not only survives but thrives in an ever-changing landscape."

Daphne Lin, Chief Human Resources Officer, Cognixus Technologies, followed up by saying, *"Human Resources professionals today are more change leaders as we are an integral part of the transformation process. Flexibility and resilience are essential traits for HR professionals to adapt to situations, yet be resilient enough to recover from failure quickly."*

To remain competitive, HR leaders must be at the forefront of change, actively working to shape their organizations' future, including being part of boardroom conversations and strategic decision-making. Understanding the business challenges can help the company remain competitive and successful, avoiding becoming an 'antique organization'.

HR professionals have become vital in unlocking workplace success in Asia and are the biggest influencers in restoring the future workplace balance!

Three Tips for HR Leaders in Asia:

1. **Engage and Upskill Your People** - offering flexibility and time for education and training ensures employee engagement and motivation. Additionally, investing in initiatives such as mental and physical health activities reduces stress levels. While celebrating success reinforces the importance of hard work, collaboration and dedication. Fostering an environment where employees feel valued and supported leads to higher job satisfaction, higher productivity and better engagement - all vital ingredients for success!
2. **Sustainability with ESG as a Necessary Strategy** – leaders must consider the environmental impact of decisions, and embrace social responsibility and good governance to foster trust, respect and ethics. In addition, ESG ensures the long-term effects of business practices are considered, leading to policies that prevent burnout and promote healthy work/life balance.
3. **Tech and IOT Fluency in the Organization** – employers should enable remote access to jobs, automate tasks, and monitor performance metrics to allow individuals to structure their productivity. This allows for flexible and remote working hours, while providing employers with up-to-date data on employee performance. Moreover, more accessible communication between colleagues eliminates the need for lengthy meetings or travel, fostering closer connections and a more balanced lifestyle.



Lelia Lim,
Founder and Managing Partner,
Lim-Loges & Masters.
LeliaLim@limlogesmasters.com



www.LimLogesMasters.com

China . Hong Kong . India . Thailand . Vietnam . Malaysia . Singapore

RHQ: 10 Marina Boulevard, Marina Bay Financial Centre Tower 2,
#39-01, Singapore 018983 . O: +65 6725 6341

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Low Khim Wah, Regional HR Director Greater Asia, International Flavors & Fragrances. Singapore

Phimthong Lamsa-ard, Head - HR, Thailand, Vietnam, and Indochina, Diversey. Thailand

Pierre Petrissans, Head of Human Resources Asia Pacific, IDEXX Laboratories. Singapore

Roselaini Muhamad Faiz, Group Chief Human Resources Officer, Sime Darby Berhad. Malaysia

Supawadee Suwankongka, Regional Lead, Talent & DEI – Human Capital Group, Hitachi Asia Ltd. Thailand

Vijay Kumar. J, Group Chief Human Resources Officer, CHEMFAB Alkalis Ltd. India

