



Coworkers collaborating with virtual reality

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Organisations are not doing enough to prepare for the future of work, finds PwC report

Singapore, 13 November 2018 – While the majority of businesses recognise which capabilities are important for their future success, many are failing to take the actions needed today to build or even introduce them into their organisations. These actions include using data analytics to make workforce decisions and creating a compelling work experience for employees.

This gap will put them at risk in the future when it comes to attracting,

developing and retaining the talent they need to succeed.

These are some of the key findings of PwC's latest Future of Work report, produced in collaboration with Lynda Gratton, Professor of Management Practice at London Business School. The report is based on a survey of 1,246 business and HR leaders from 79 countries, including 334 respondents from South East Asia. It focuses on 45 capabilities and identifies where organisations are most 'at risk' by looking at the number of respondents who say a capability is important to the future of their business but indicate that they're not yet taking action.

Nicole Wakefield, People and Organisation Leader, PwC South East Asia Consulting, says:

"Global megatrends such as the rapid introduction of disruptive technology, demographic pressures on business and the rise of the gig economy are transforming the way we work. It is easy to be overwhelmed with these complexities, however companies who are able to be agile and adapt quickly to drive a positive outcome for themselves and society are most likely to thrive now and in the future."

The untapped potential of data and analytics

The survey finds that companies around the world are struggling to use data and advanced analytics to make better decisions about the workforce. Encouragingly, South East Asia seems to be advancing at a faster pace of take up than the global average. The top risk both globally and in South East Asia relates to using workforce analytics in improving the working environment and people's behaviours.

Although more than 70% of respondents in South East Asia (vs 63% globally) say using data analytics in workforce decisions is important, only 34% in South East Asia and 27% globally actually use it. In addition, only 48% in South East Asia (vs. 38% globally) use data analytics to predict and monitor skills gaps in the workforce, while almost 40% (vs. 31% globally) use sophisticated workforce planning and predictive analytics and 35% in South East Asia (vs. 28% globally) use data analytics to help limit bias in hiring and to craft incentives tailored to individuals.

Martijn Schouten, Singapore People and Organisation Leader, PwC South East Asia Consulting says:

“The survey findings highlight the clear need for organisations to invest in continuous learning and (re)skilling of their workforce with a focus on growing adaptability and agility of their Human Capital. Digital tools that facilitate workforce and capability planning, skills assessment and provide opportunities to upload content for learning, will accelerate this process and enable leaders and HR to make better and quicker people decisions.”

Creating the right people experience is vital or risk missing out diverse talent

Six of the top ten ‘at risk’ capabilities globally relate to the people experience. In South East Asia, half of the top ten ‘at risk’ capabilities relate to the use of technology and data analytics, while the other top concerns relate to diversity of talent, workload, mobility and autonomy.

One area organisations can do more is around managing workloads. Globally, while 76% of respondents believe this is important, only 50% say they are doing something about it – making this the #6 ‘at risk’ capability globally. In South East Asia, this ranks #3, with an alarming 78% of respondents believing this is important and only 52% doing something about it.

Martijn Schouten, Singapore People and Organisation Leader, PwC South East Asia Consulting says:

“Many people work in extremely demanding work cultures. While the corporate response both globally and in the South East Asia region in recent years has been to provide company wellness initiatives, sustainable change will only occur if work itself is redesigned so that it delivers meaning and vitality, and in an environment conducive to maintaining productive energy levels.

“The disruption that technology brings is like a double edged sword – on the one hand it presents opportunities to reduce workload through automation and working remotely, on the other hand it can bring about uncertainty and tension to timelines and workload planning. Organisations should take the lead to communicate clearly and transparently around their plans, decisions

and expectation to address the anxiety and aim to be a force of stability during these times to create a better people experience for employees.”

Some of the other ‘at risk’ capabilities that relate to the people experience include:

Diversity of talent: While 71% of respondents in South East Asia view the need to engage flexible talent as and when necessary as important, only 47% are actively doing something about it. 75% see that it is important to move away from an ‘up-or-out’ career model towards multiple career paths that cater to diverse employee needs and aspirations, while only 51% are actively taking action about it. This will be increasingly important as the way people work and their relationships with organisations becomes more fluid. Identifying where and how to engage this flexible talent will become increasingly important for organisations, yet few are prepared for this shift.

Mobility: While 68% of respondents (vs. 63% globally) view mobility as important in South East Asia, only 44 % of respondents in South East Asia and 41% globally have effective global mobility and collaboration programmes in place to make the best use of talent across borders. Both organisations and employees are seeking out greater flexibility across geographical regions and markets.

Autonomy: Providing autonomy over where and when people work is increasingly important in attracting and retaining talent. While 73% of respondents in South East Asia (vs. 70% globally) believe this is important, only 49% (vs. 45% globally) currently give their employees a high degree of autonomy.

Other key findings from PwC’s Workforce of the Future report include:

☒ Globally, HR leaders are more comfortable about their efforts to prepare the workforce of the future compared to non-HR leaders. In 42 of the 45 capabilities, a higher percentage of business leaders than HR saw their organisation at risk.

☒ HR’s ability to navigate the technology landscape is a top ‘at risk’ capability for organisations across the globe. But HR and other leaders don’t see it the

same way: 41% of HR Leaders are confident that their HR departments are up to speed in this area, but only a quarter of business leaders agree.

☒ The good news is that the capabilities that respondents rate as the most important are the ones where they are taking the most action, both globally and in South East Asia. There is no overlap between the top ten 'at risk' capabilities and the top ten considered extremely high in importance.

-ENDS-

Notes to editors:

About the report: PwC's 2018 Workforce of the Future report - *Preparing for Tomorrow's Workforce Today* – is based on a survey of 1,246 business and HR leaders from 79 countries. 59% of the respondents were HR professionals, and 41% were business executives, of which 13% were C-suite level leaders. A copy of the report can be downloaded at: www.pwc.com/futureworksurvey

Top 10 organisational capabilities ranked by risk (South East Asia)

☒ Q - How important are the following to the future of your organisation? ('Extremely High Importance' or 'High Importance') and

☒ Q - To what extent do you agree or disagree with these statements right now? (those that do not agree)

Question	Risk factor rank
We use insights from big data and advanced analytics in workforce decision-making.	1
We are able to engage easily with flexible talent as and when they are needed.	2
The workload is manageable enough at our company that employees are able to make full use of their vacation allowance and relax away from work pressures most evenings and weekends.	3
We use data analytics to de-bias hiring and rewards.	4

Our HR leaders have a depth of understanding and insight into the technological landscape.	5
We have effective global mobility and collaboration programmes that make the best use of talented people across borders.	6
We have moved away from an 'up-or-out' career model towards multiple career paths that cater to diverse employee needs and aspirations.	7
We use sophisticated workforce planning and predictive analytics.	8
We use data analytics to predict and monitor skills gaps in our workforce.	9
Our employees have a high degree of autonomy over how they work, e.g. they can influence which projects they work on, which teams they work with and how they structure their work day.	10

About PwC

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