

2018 APAC WORKFORCE INSIGHTS

Q1 2018

Gig Economy: How Free Agents Are Redefining Work



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INTRODUCTION

The work world is rapidly transforming with fast injection of technological progression, globalisation, and rising expectations of workers' skill sets. The world's unpredictable political and economic situations, aging population, different work ideals of each generation and changing employer needs, will all contribute to greater diversity for the workforce. Employers will now face a variety of challenges involving a diverse and polarising workforce, and juggling the need for increased productivity and efficiency with resources through economy of scale.

With this evolving workforce trend in mind, PERSOLKELLY embarked on quantitative research through an online survey with hiring managers and candidates between the ages of 20 - 70 years old, across a wide range of industries and nine regions in Asia Pacific (APAC) from October - November 2017.

The survey, commissioned across Australia, Hong Kong, India, Indonesia, Malaysia, New Zealand, Singapore, Thailand and Vietnam, obtained 9,295 responses.

The primary objective of this survey is to explore the key insights of the changing workforce amongst different generations and sectors, and how these trends might create impact in the employment scene across the APAC region in 2018 and beyond. These insights will help employers creatively respond to the changing workforce needs in attracting more relevant talent and retaining valuable employees.

APAC WORKFORCE INSIGHTS SURVEY 2018

In the context of a changing work world, there has been widespread discussion about the increasing prevalence of a gig economy.



43%

of respondents agree that people looking for work today are more likely to be seeking flexible contract-based roles than traditional permanent full-time roles.



Generation Z

are more likely to agree contract-based roles are more popular amongst jobseekers than permanent full-time roles.

Hong Kong

is leading the way in the free agent trend with 55% of respondents agreeing there is a shift in the workforce.



What will drive an increase in employees seeking work as a 'free agent'?

60% of respondents value flexible working

A SHIFT TO A CONTINGENT WORKFORCE HAS PROS AND CONS FOR BOTH ORGANISATIONS AND EMPLOYEES.



Access to a fluid workforce that is adaptive to change (37%)



Increased employee satisfaction and productivity (40%)



Challenges integrating freelancers and permanent staff (44%)



May lose protections and access to health and safety provisions etc (36%)

ORGANISATIONS

EMPLOYEES

What is the main recruitment and retention challenge facing organisations today?

'Meeting the complex needs of great talent in areas of career development, flexibility, financial compensation and reward. Finding the balance between allowing an individual to have work life balance while at the same time ensuring necessary outcomes are delivered from the business perspective.'

Hiring Manager

SUMMARY: TOP 4 IMPLICATIONS OF THE FREE AGENT TREND

1. The gig economy is not yet widespread, but is gaining traction in pockets of the workforce – with age proving to be the main differentiator of attitudes and behaviour
2. Flexibility is the main driver for those seeking a new employment experience. Employers that recognise this will achieve improved employee outcomes and sustainable high performance in an ever-changing environment
3. It is widely accepted that there are both pros and cons associated with the gig economy - for both the individuals employed in non-permanent roles and the organisations incorporating freelancers and contractors into their workforce
4. Across the region and industry, technological, demographic and market forces are driving these changes and they are more likely to accelerate than slow down
 - a. For most, a job for life is a thing of the past as 'portfolio careers' - working in multiple roles such as part-time, freelancing or in temporary assignments rather than a traditional full-time position - become increasingly common. Nowadays employees at all levels are combining periods of permanent full-time work with periods of time spent outside of the workforce, or in casual work. In this environment careers become a pattern of different jobs and different employers
 - b. Similarly, companies no longer need to invest in expensive, inflexible long-term employee contracts; rather they can bring in individuals with specific skillsets as needed, or grow and shrink their workforce as demand, resources, profitability etc. ebbs and flows

TRENDS

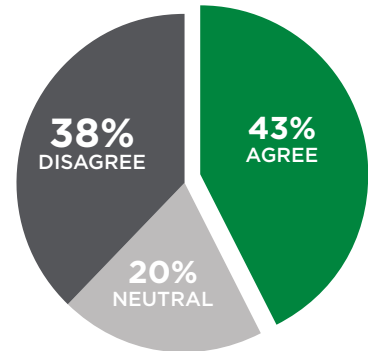
People looking for work today are more likely to be seeking flexible contract-based roles than traditional permanent full-time roles.

Whilst there is a lot of industry discussion and media coverage around the 'gig economy', in practice the data suggests that there is not currently a widespread shift away from traditional permanent full-time roles.

AGREEMENT BY COUNTRY

The employment market in Hong Kong is perhaps embracing the free agent trend the most, with over half of respondents here agreeing that there is a preference for more flexible employment. Vietnam was the only other country to have at least half of respondents agreeing

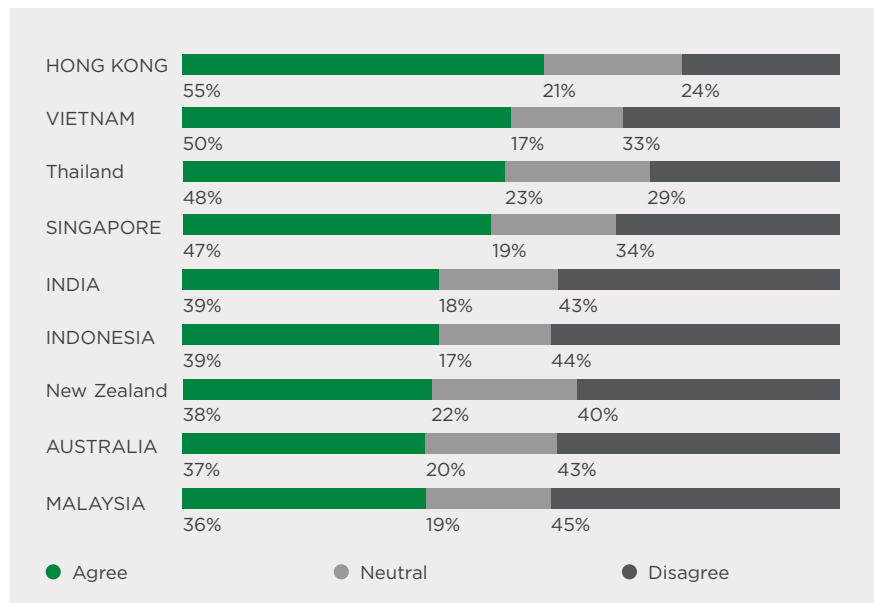
with the trend. Hong Kong saw a 40% increase in the size of their flexible workforce from 1999-2015 according to a report from the Legislative Council Secretariat, with these latest responses suggesting that trend will not be slowing down in the near future.



Hong Kong is embracing the free agent trend the most.



5 out of 9 markets have more respondents who disagree than agree.



TRENDS

‘People don’t feel the same commitment to a company or job as much as they used to. So staff are more likely to “job hop”...’

Hiring Manager

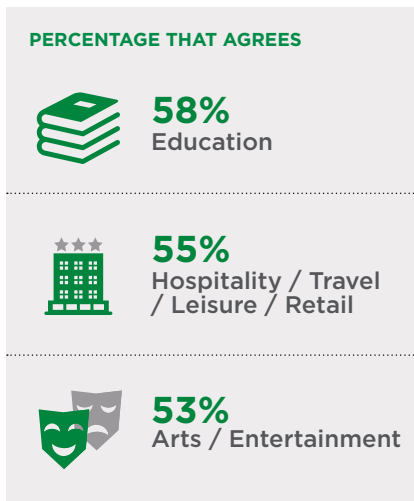
MANAGEMENT’S VIEW

It is likely that hiring managers have a greater awareness of the links between flexible work, positive employee outcomes and improved business performance than candidates. Similarly, they are more likely to recognise the organisational benefits of an agile and adaptive workforce.

AGREEMENT BY INDUSTRY

The gig economy is most associated with app-based platforms that schedule work in individual gigs such as driving passengers, making deliveries or cleaning homes. However, it can extend into more professional roles, as organisations seek to hire senior staff on a contract basis for key projects or to fill a skills gap over the short-term.

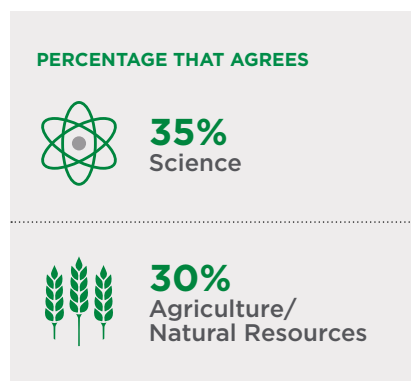
Preference for flexible contract-based roles is significantly higher in three industries:



47%

of hiring managers agree that workforce preferences are shifting away from traditional permanent full-time roles, compared to 41% of candidates.

The gig economy appears to be least prevalent in Science maybe due to the reliance on grants and funding applications and Agriculture/ Natural Resources which tends to rely on casual/seasonal/fly in-fly out workers.

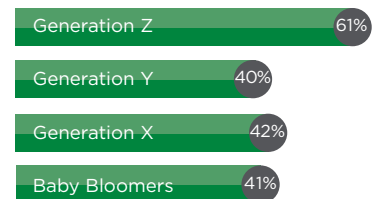


The gig economy is most associated with app-based platforms

AGREEMENT BY AGE

Whilst there may not yet have been a widespread move away from traditional permanent full-time roles, there are clear differences by age.

Generation Z are significantly more likely to agree that jobseekers are seeking contract-based roles, suggesting that in time a greater proportion of the workforce will be seeking more flexible employment opportunities.



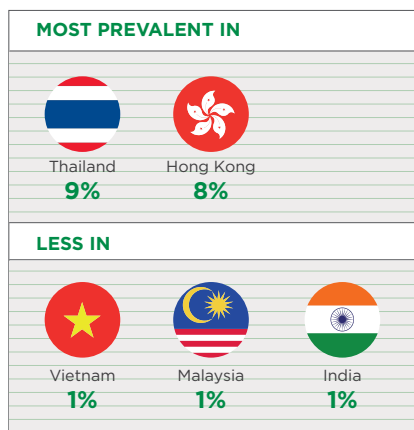
GenZ

are more likely to look for instant recognition, instant feedback and an instant work-life balance. They are also significantly more likely to agree that jobseekers are seeking contract-based roles.

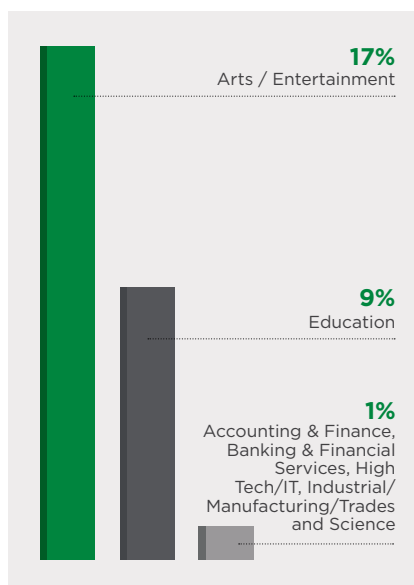
This may reflect how different life is for the youngest cohort of workers born between 1995 and 2009 (Gen Z), even compared to their slightly older peers Gen Y (born between 1980 and 1994); and their expectations of work are different too. Rather than starting at the bottom and earning trust and respect through long hours, young people are more likely to look for instant recognition, instant feedback and an instant work-life balance.

WHO ARE THE FREELANCERS?

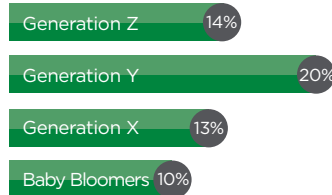
Three percent of those responding to the survey are currently freelancers.



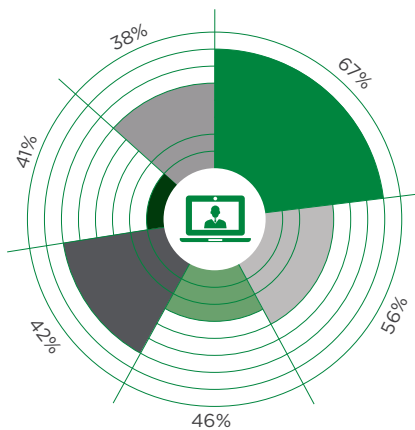
Industry is the key differentiator with the proportion of freelancers ranging from a high of 17% to a low of 1%:



A much larger proportion of respondents are currently in a fixed term/contract role (16%). Here we see some differences by age with Generation Y more likely to be working in this kind of non-permanent role:



Predictably, respondents already working as freelancers are more likely to agree that those looking for work are seeking flexible contract-based roles than respondents in other work status categories. Interestingly, those currently in fixed term/contract employment are least likely to agree, with 42% actually disagreeing, suggesting that a sizeable proportion of this group would prefer permanent employment.



- Freelancer
- Permanent part-time
- Casual/Temporary
- Looking for work
- Permanent full-time
- Fixed term/Contract

KEY TAKEAWAY



The future looks flexible...

The gig economy is not yet widespread, but is gaining traction in pockets of the workforce. There is a stark difference in attitudes amongst Gen Z and current employment patterns amongst Gen Y. Given this, the shift towards flexible contract-based roles is likely to accelerate in the future as these generations enter more senior roles where they are able to assert more control over when, where and how they work.

KEY DRIVERS BEHIND THE TRENDS

Globalisation, technological advancements and demographic shifts have changed the nature of work. From an organisational perspective, change is being driven by the need to respond to global changes and increasing competition; whereas for today's diverse, multi-generational workforce, a desire for flexibility is leading staff to demand a say in how their work lives are structured.

Why do some people prefer flexible contract-based roles rather than traditional permanent full-time roles?



FLEXIBILITY IS THE MAIN DRIVER ACROSS EACH COUNTRY.

MOST DOMINANT IN:



Singapore
66%



Australia
60%

LEAST DOMINANT IN:



Indonesia
42%

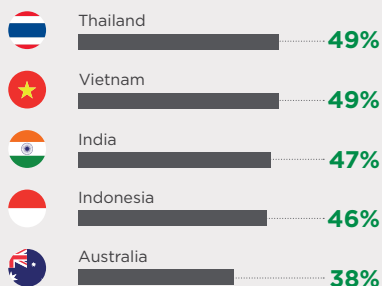


Malaysia
41%

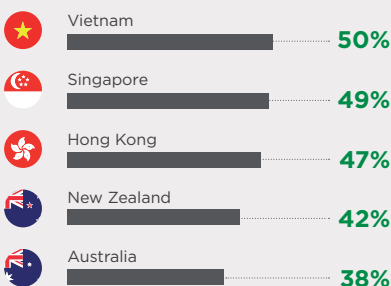
DRIVERS BY COUNTRY

After flexible working, the main reasons to pursue contract-based work vary across the region.

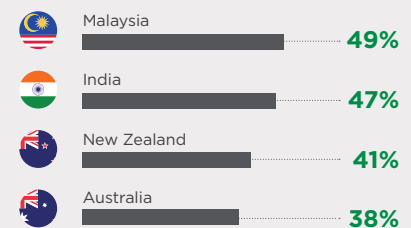
EARN MORE MONEY



MORE VARIED/INTERESTING WORK



ROLE AND SKILL ALIGNMENT

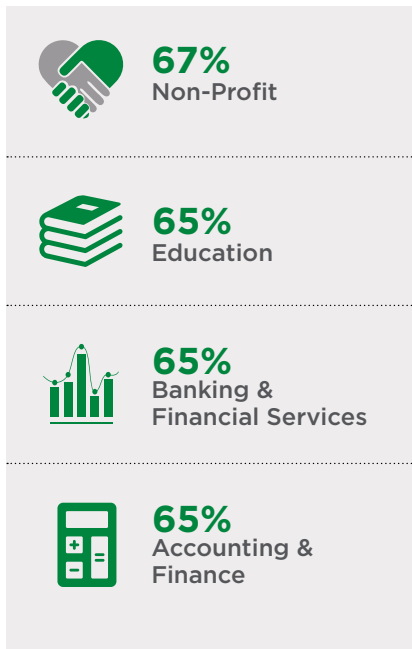


'Factors such as conducive working environment, short travelling time, established employee benefits, work life balance are the basic requirements and not a bonus.'

Hiring Manager

DRIVERS BY INDUSTRY

Flexibility is the main driver across each industry, and particularly so in:

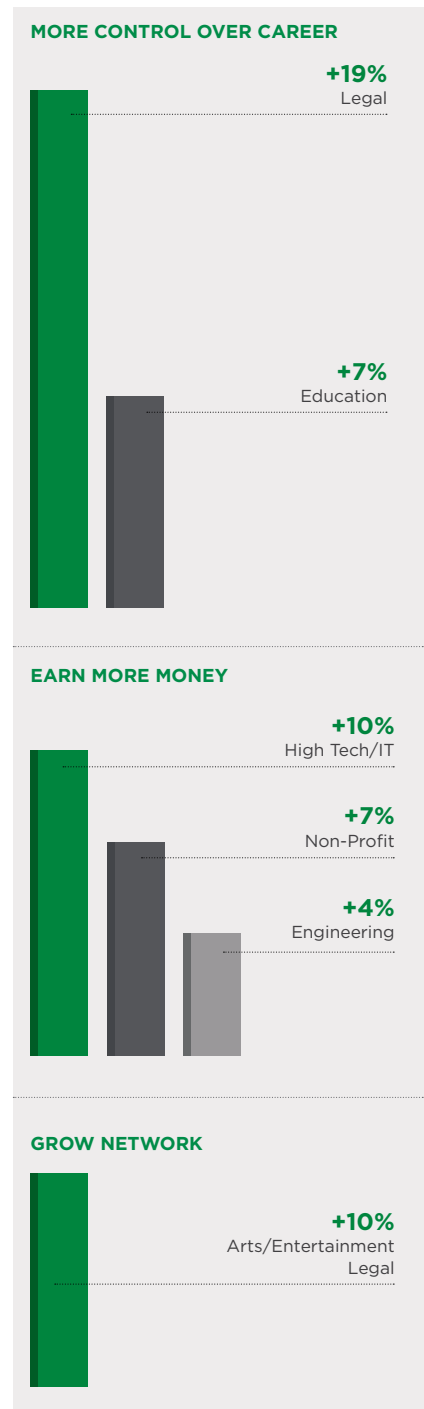
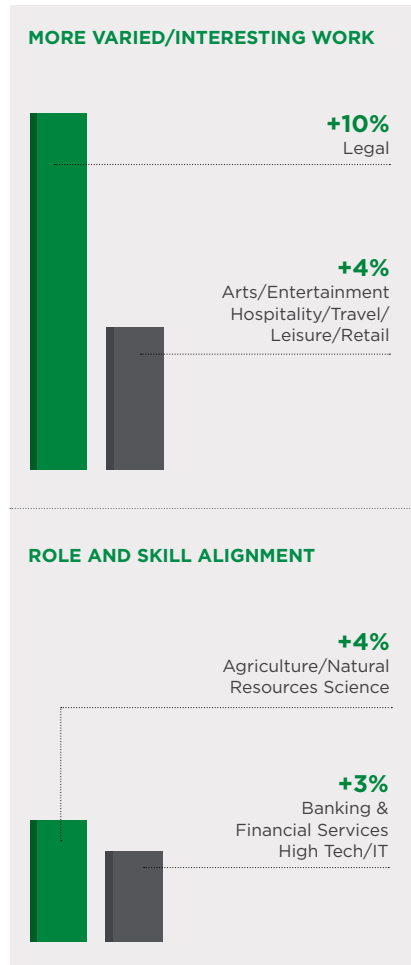


37%

of respondents thought the ability to have more control over their career was a reason to pursue flexible work

The Non-Profit sector is a challenging workplace. Those in senior roles are grappling with the changing nature of the sector as it moves towards market-based funding models whilst frontline staff juggle high client workloads with administration.

Looking at the industry distribution of above average scores shows some key differences in motivators to pursue contingent opportunities.



KEY DRIVERS BEHIND THE TRENDS

KEY TAKEAWAY



The importance of flexibility...

As the workforce places greater value on flexible working, there will be a shift away from traditional permanent full-time roles. Employers that can make flexibility a core part of their employee value proposition will achieve positive employee outcomes across key measures such as attraction, retention, well-being and engagement.

DRIVERS BY AGE

Each generation has their own reasons for why they might prefer to act as a free agent. As Generation X manage family responsibilities, flexibility becomes a key benefit; whereas for Generation Z a sense of control, access to stimulating work and ability to grow their network are the biggest incentives. Generation Y is seeking better remuneration and the Baby Boomers are attracted by roles that enable them to fully utilise their experience.

FLEXIBLE WORKING



MORE VARIED/INTERESTING WORK



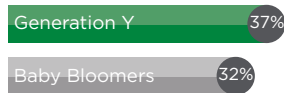
ROLE AND SKILL ALIGNMENT



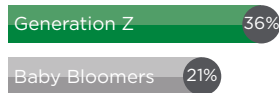
MORE CONTROL OVER CAREER



EARN MORE MONEY



GROW NETWORK



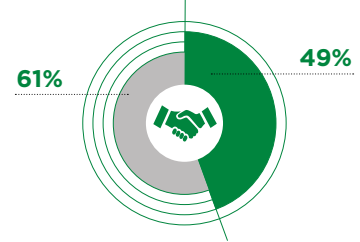
LEGEND



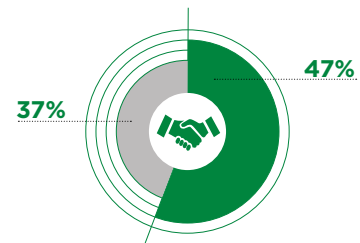
WHAT DRIVES THE FREELANCERS?

Those in fixed term/contract based roles have quite different attitudes to the freelancers:

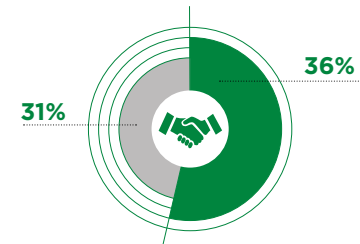
1. They are less likely to have taken a non-permanent role because of the **flexibility** it can offer:



2. They are more likely to have taken such a role because it was **more suited to their specific skills**:



3. And because they are looking to **grow their network**:



LEGEND



43%

of those already working in flexible roles are more likely to agree more control over their careers is one of the biggest reasons to pursue this style of work; compared to 37% overall.

IMPACT

The main benefit of the gig economy is that it enables staff to meet their work life needs by working when and where they choose.

However, there has also been widespread criticism with some freelancers facing issues around protection and fair pay. Other contractors have found the roles to be less flexible than expected with companies pressuring them to work at particular times. Workers in this category are also less likely to access benefits such as holiday or sick pay.

What is the likely impact of some people preferring flexible contract-based roles over traditional permanent full-time roles?



Four in ten respondents claim that flexible contract-based roles lead to increased choice and employee satisfaction



36%

A similar proportion claim that such employment patterns put workers at risk

IMPACT

The multi-national aspect of the gig economy can appear to benefit both workers and organisations. Organisations in high-income countries with high labour costs can hire workers from low-income countries and offer a very competitive or higher wage.

However once this becomes a widespread trend, there are both social and economic implications. In the high-income countries workers are at risk of their jobs being outsourced or having to accept reduced wages, whilst workers in the low-income countries operate in what is technically an unregulated labour market.



Organisations

in high-income countries with high labour costs can hire workers from low-income countries and offer a very competitive or higher wage.

IMPACT BY COUNTRY



Looking at how the perceived impact of people moving away from permanent full-time roles varies across the region reveals some interesting patterns.

How do perceptions differ across countries?

POSITIVE	
TOP TWO IMPACTS	
Australia	New Zealand
	Increased employee satisfaction and productivity
	Companies can access a fluid workforce
	India
	It saves organisations money
	Increased employee satisfaction and productivity

MIXED	
TOP TWO IMPACTS	
Thailand	Vietnam
	Organisations face workforce integration challenges
	Increased employee satisfaction and productivity
	Malaysia
	Organisations face workforce integration challenges
	It saves organisations money

NEGATIVE		
TOP TWO IMPACTS		
Hong Kong	Indonesia	Singapore
	Organisations face workforce integration challenges	
	Workers may lose their protections	

Not all organisations may be able to offer flexible working patterns:

‘Large organisations have the flexibility to offer reduced hours/ work from home/days off, so employees tend to think this should be available to all, but small organisations need the continuity of permanent full-time or permanent part-time, with not totally inflexible hours, but at least consistent hours to manage work flow of others in a small team. The current climate is making these employees hard to find.’

Hiring Manager

What do you think are the main challenges facing organisations today with regards to the recruitment and retention of staff?

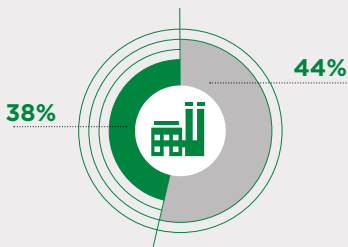
‘Moving from a traditional model of full time controlled staff to a more flexible workforce that allows the specific skills needed to be accessed when needed and workers to have the desired flexibility is being held back by legislation and a lack of understanding of the benefits that could be accessed.’

Hiring Manager

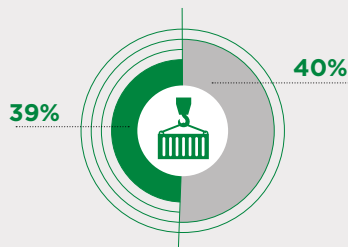
IMPACT BY INDUSTRY

Looking at the top two impacts in the five largest industries (by respondent number) shows a high degree of consistency with similar benefits and concerns.

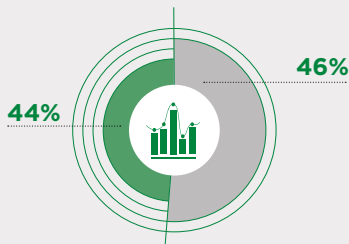
INDUSTRIAL/MANUFACTURING/TRADES



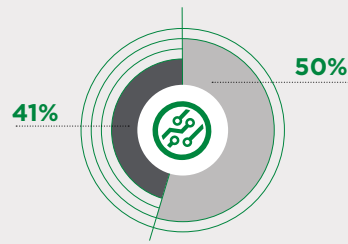
TRANSPORT/LOGISTICS/WAREHOUSING



BANKING & FINANCIAL SERVICES



HIGH TECH/IT



PROFESSIONAL SERVICES



LEGEND

- Increased employee satisfaction and productivity
- Organisations face workforce integration challenges
- Workers may lose their protections
- It saves organisations money

IMPACT BY AGE

Whilst perceptions of the impact of the gig economy are largely consistent by generational group, Baby Boomers and Generation Z are outliers on a number of considerations:

- **Baby Boomers** are more likely to agree that the following will occur as a result of people preferring flexible contract- based roles rather than traditional permanent full-time roles:



increased employee satisfaction and productivity as individuals choose what work they do



companies are able to access a fluid workforce that is adaptive to change

- **Generation Z** are also more likely to agree that there will be increased employee satisfaction and productivity as individuals choose what work they do; and also that there will be increased labour force participation as people can work where, when and how they want/need to.





Professional services

are most likely to recognise that an increase in flexible working can result in improved employee outcomes.



Baby Boomers and Gen Z

are most likely to agree that there will be increased employee satisfaction and productivity as individuals choose what work they do.

WHAT DO FREELANCERS THINK THE LIKELY IMPACTS ARE?

The data is consistent by current work status across four of the seven impact statements; with freelancers more likely to agree with the following positive outcomes:



+9%

Increased employee satisfaction and productivity as individuals choose what work they do



+5%

Increased labour force participation as people can work where, when and how they want/need to



-6%

Organisations face challenges regarding the integration of freelancers and permanent staff

And less likely to agree with the following negative outcome:



+7%

A shift away from permanent full-time roles puts workers at risk of losing their protections, entitlements etc

As found previously, the attitudes of respondents currently in fixed term/contract employment tend to be more aligned to the average, rather than the freelancer group. The only difference with regards to the perceived impact of a move to flexible working arrangements is they are more likely to agree that:

KEY TAKEAWAY



It's a balancing act.

Few would argue against the notion that society is undergoing disruption resulting in new business models, technological developments and demographic shifts.

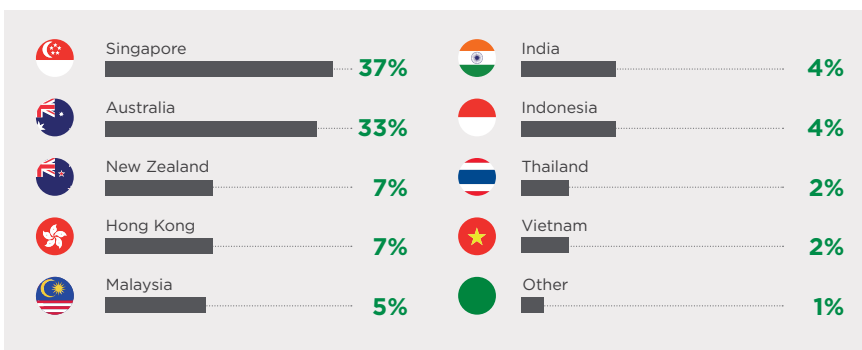
In this context it is perhaps not surprising that the employment landscape of the past is being questioned. As jobs become redundant, new ones that we don't even know about yet will take their place. In this context it is surprising that the gig economy may be the future of work? The challenge is how to balance the pros and cons that this new world of work offers.

METHODOLOGY

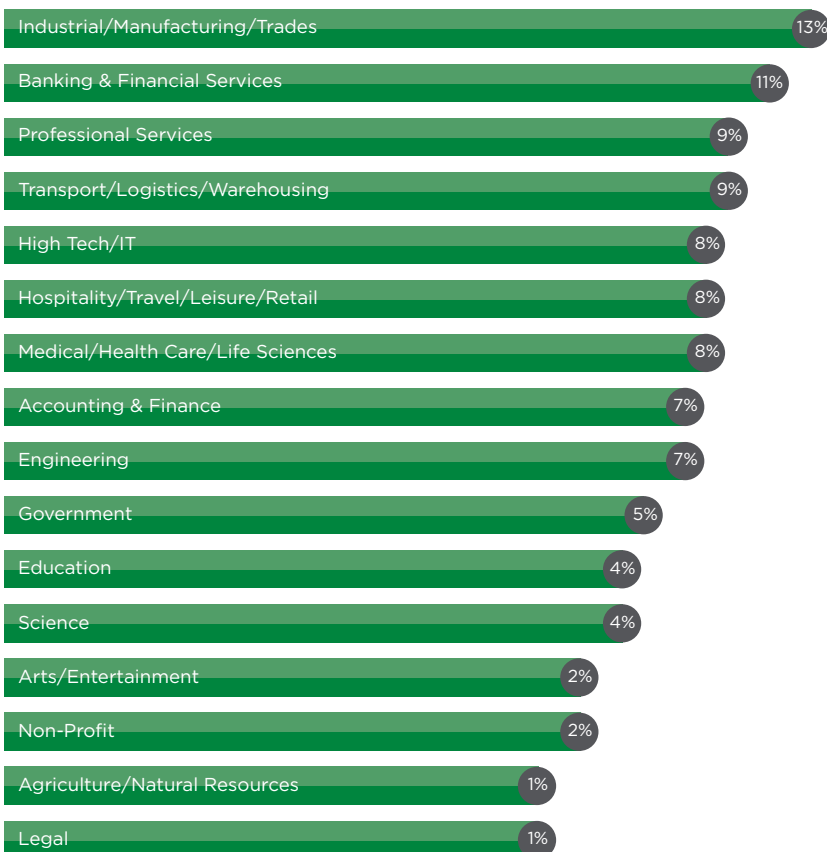
PERSOLKELLY and Insync undertook quantitative research with hiring managers and candidates across Asia Pacific in October-November 2017. The survey explored the workforce trends that are likely to be impacting employers in 2018 and beyond. The data and insights in this report are based on the responses of 9,295 hiring managers and candidates. Percentages don't always total 100% as respondents could select more than one option for certain questions.

WORKFORCE PROFILE

COUNTRY



INDUSTRY



ROLE*

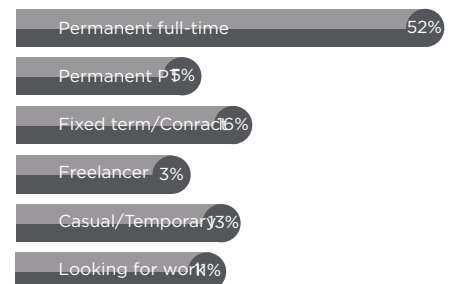


LEGEND

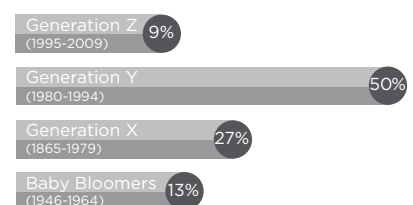
- Hiring Manager
- Candidate

*Respondents were asked whether hiring staff is a key part of their role. Respondents were then categorised based on their response. Hiring managers were instructed to answer the survey based on their experience of hiring staff for their organisation; whilst candidates were asked to respond based on their personal experience as a worker.

WORK STATUS



GENERATION



PERSOLKELLY is one of the largest recruitment companies in Asia Pacific that provides comprehensive end-to-end HR solutions. It combines resources and operational expertise of its key brands i.e., Kelly Services, Capita, PERSOL in Asia Pacific, First Alliances, BTI Executive Search, and PERSOLKELLY Consulting.

Headquartered in Singapore, PERSOLKELLY spans over 50 offices across 13 countries including: Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam.

PERSOLKELLY is a joint venture between PERSOL Holdings, Japan's second largest recruitment firm and Kelly Services Inc., a global leader in workforce solutions.

For more information, please visit www.persolkelly.com