

The Great Resignation in Asia-Pacific:

Is data the answer
for companies?



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The Great Resignation in Asia-Pacific

A trend that saw millions of people resign their jobs in the United States and then Europe in 2021, is now a matter of concern across the Asia-Pacific too. Talent shortages have been reported in Indonesia, Malaysia, the Philippines and Thailand among others, with companies struggling to retain and attract talent.

A 2021 study by consulting firm Mercer found that 55% of employers in Southeast Asia cited employee dissatisfaction with pay as the main cause for attrition. Employees' ability to receive better benefits at other companies (46%) and limited opportunities for career advancement (43%) were next.¹

Numbers such as these lie at the core of the 'Great Resignation', a term coined by Professor Anthony Klotz to reference the mass exodus



of people from the workforce in the wake of covid-19.² These resignations have been driven by widespread feelings of burnout from the tumultuous events of 2020 resulting from poor work-life balance (among other factors) and growing dissatisfaction with the state of their working lives.

These feelings were already present prior to the arrival of covid-19. The pandemic exacerbated an already simmering situation: in the early months of the crisis, the job market was characterised by uncertainty and mass layoffs as businesses fought to survive amid low levels of consumer spend and high disruption.

As vaccine rollouts spread worldwide, workers have increasingly found themselves reluctant to return to their old jobs, and have the upper hand over companies desperate for skilled talent. "The balance of choice has massively shifted back towards the employees; there just wasn't this option before," says Darren Thayre, head of innovation, Global Strategic Initiatives at Google. "People feel empowered and really quite bullish about the kind of flexibility they need to be the best version of themselves *and* to do great work—you shouldn't have to choose between these two things."

¹ <https://www.asean.mercer.com/newsroom/key-drivers-of-employee-turnover-in-asean.html>

² <https://www.bloomberg.com/news/articles/2021-05-10/quit-your-job-how-to-resign-after-covid-pandemic>

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The global remote work experiment has also proven to be a double-edged sword for employers. While digital technologies have helped ensure organisational continuity, they have also blurred the lines between employees’ personal and professional lives. Dining rooms and bedrooms transformed overnight into work spaces, while countless stories emerged of

workers juggling an impossible combination of professional work and care responsibilities.

Psychotherapists point out that the closure of offices and limited social lives also meant workers never got a break, compounding the sense that they had to be “always available”.³

³ <https://www.bbc.com/worklife/article/20210622-why-its-so-hard-to-put-boundaries-on-our-time>

A mindset shift around work

These difficult working environments are part of a wider set of problems that have driven workers towards better opportunities. A recent Pew Research Center survey found that workers in the United States repeatedly cited low pay (63%), a lack of opportunities for advancement (63%) and feeling disrespected at work (57%) as the top reasons for resignations. Respondents who quit were also more likely to say their new jobs offer better pay, promotion opportunities and more work-life balance, suggesting that these benefits are top of mind for most workers.⁴

“I think the pandemic has made most people look at themselves and question whether or not they are happy, and whether they are doing things that allow them to be happy not just at work but in their home or social life too,” says Mr Thayre.

For workers, the pandemic and its many upheavals represented an opportunity to reimagine traditional notions about work, and “take control of their personal and professional

lives”.⁵ The biggest leaps in resignations have occurred among employees between the ages of 30-45, which could be attributed to the likelihood of these employees having to manage child and elder care, and the undue burden placed on them to juggle multiple responsibilities at home and work.⁶

“Like in many other industries, we are seeing people working longer hours when the line between work and personal time becomes blurred, so understandably, our colleagues are now looking for a higher degree of flexibility in their work arrangement,” says Clemens Philippi, chief executive at insurer MSIG Asia.

Mr Thayre says these sentiments aren't exclusive to those in lower-level positions. They are present all the way through to the top ranks, which has pushed firms to be “more empathetic to this inflection point; and some firms have seen this as an opportunity to pivot how they operate, so they can offer folks what they are truly looking for”.

⁴ <https://www.pewresearch.org/fact-tank/2022/03/09/majority-of-workers-who-quit-a-job-in-2021-cite-low-pay-no-opportunities-for-advancement-feeling-disrespected/>

⁵ <https://today.tamu.edu/2022/02/11/the-texas-am-professor-who-predicted-the-great-resignation/>

⁶ <https://hbr.org/2021/09/who-is-driving-the-great-resignation>

No easy remedies for employers

For businesses, the Great Resignation has proven a major headache with no easy remedies. Putting aside laid-off workers, voluntary resignations have the potential to cost businesses billions of dollars in impacted productivity, especially as their ranks of middle managers are increasingly hollowed out.⁷ The loss of these workers has increased the pressure on lower-level employees, who are leaving their jobs at only slightly lower rates.

Another issue is that most employees are demanding more flexible work options and better work-life balance as post-covid recoveries continue.⁸ A survey in mid-2021 found that as many as 39% of adults would consider quitting if their employers were not flexible about work.⁹ These sentiments are in stark contrast to employers' insistence on a return to the office, and it's clear that taking this one-size-fits-all approach after the widespread success of the remote work experiment is backfiring.

Large companies such as Google, Ford Motor and Citigroup are heeding the call of employees by promising more flexibility for their workers. In the United Kingdom, 30 companies are set to trial a four-day work week pilot, with no changes to employees' benefits and pay.¹⁰ Similarly, in Japan, several companies have begun experimenting with a four-day work week, with Panasonic the latest large company to offer interested employees a third day off in the week so they can pursue personal interests.¹¹



⁷ <https://fortune.com/2022/02/22/worker-shortage-companies-offering-perks-benefits-most-common/>

⁸ <https://www.wsj.com/articles/workers-care-more-about-flexible-hours-than-remote-work-11643112004>

⁹ <https://www.bloomberg.com/news/articles/2021-06-01/return-to-office-employees-are-quitting-instead-of-giving-up-work-from-home>

¹⁰ <https://www.bloomberg.com/news/articles/2022-01-18/u-k-companies-pilot-four-day-work-week-with-eye-on-productivity>

¹¹ <https://asia.nikkei.com/Business/Business-trends/Panasonic-joins-Japan-s-budding-shift-toward-4-day-workweek>

Heightened risks and trends are pushing companies to explore digital technologies to hire better and faster for less, and also retain current staff. Some are taking a data-driven approach that will empower them with precise information needed to make strategic shifts in their hiring processes and employee-engagement programmes.

It is something employees want – a survey by research firm Milieu found that a majority of employees in Singapore, Vietnam, Thailand and the Philippines are eager to move to a four-day work week, although workers in Cambodia and Myanmar showed little desire to work fewer days, likely because workers want to make more money.¹²

Some companies are banking on ever more enticing carrots such as higher pay or better benefits to lure new hires. According to one survey, more than half of workers have reported new or increased perks from their employers over the past six months.¹³

Despite these efforts, companies are still struggling to fill open positions, leading to significant costs as backlogged hiring processes begin impacting overall productivity. According to the Society for Human Resource Management, the average costs of recruiting a single employee is US\$4,129 and it takes an average of 42 days to fill a position.¹⁴

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¹² <https://www.cnn.com/2022/03/02/is-a-four-day-work-week-catching-on-in-asia-it-depends-on-the-country.html>

¹³ <https://fortune.com/2022/02/22/worker-shortage-companies-offering-perks-benefits-most-common/>

¹⁴ <https://fortune.com/2022/02/22/worker-shortage-companies-offering-perks-benefits-most-common/>

Exploring a data-driven approach to people management

Detailing the problem

Not all companies face the same hiring and retention issues, and understanding how each problem plays out in specific contexts is key. Luckily, most firms already possess the data they need to make strategic decisions.

How many are leaving voluntarily, versus those who have been laid off? What is the average age of resigning employees? One study by the *Harvard Business Review* found that many resignations that took place in 2021 were already in line with an existing, albeit accelerating trend, suggesting that the pandemic was not the beginning of something starkly different.¹⁵

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Using data, companies can gain a clear, quantifiable understanding of a problem and its root causes, that can then be harnessed to create strong worker retention programmes. An organisation must detect and deal with culture issues to effectively retain its employees and manage churn. It must also stay abreast of employees' expectations for the future, reasons for discontent or frustration. Data is key in all of this.¹⁶

Data and analytics help companies understand trends playing out in the workplace and respond to them. For example, Mr Philippi says his company relies on regular surveys to help its leadership teams remain empathetic and in conversation with their workers' concerns, which he says is key to ensuring employee engagement and performance. An employee survey in late 2021 revealed that employees' perceptions around three areas had improved significantly: having the tools and resources required for effective remote work, not facing obstacles in doing their job well, and teams being able to meet work challenges effectively.

¹⁵ <https://hbr.org/2022/03/the-great-resignation-didnt-start-with-the-pandemic>

¹⁶ <https://www.millanchicago.com/resources/improving-employee-retention-with-data-and-analytics>

“Our Sustainable Engagement Index improved by three percentage points compared to the previous survey, and exceeded industry and regional norms by seven percentage points,” Mr Philippi shares. “The pandemic has not changed but rather confirmed our approach to employee retention, one that values family culture and focuses on engagement and empathy.”

As a result of its continuous conversation with employees, the firm has also gained deeper insight into employees’ needs, leading to a company-wide rethink around the need for office space, for example. “In a sense, we are co-creating a future-proof office with our colleagues. This is helpful in getting buy-in as we share the ownership of our workspace with our employees,” says Mr Philippi.

Designing better hiring

Some companies are using data to boost their company’s standing among employees or market themselves to potential new recruits. For instance, data can be used to analyse the likelihood of employees recommending their firm to new hires, or to track employee sentiment over time.¹⁷ By creating a constant flow of data, companies can take tangible steps that directly address existing issues rather than past ones.

How valuable data is to the recruitment process is underappreciated. Having deep insight

into each company’s hiring process can help companies understand where to best invest its recruitment resources—from budgets to interviewers—on the candidates with the best potential.¹⁸ Data also facilitates better conversations between companies and their potential hires by enabling organisations better understand the kinds of questions or issues likely to be raised by employees.¹⁹

Digitalising successful retention

Retention is arguably one of the most difficult challenges companies currently face, especially as more than a third of workers (36%)—most of whom are young—say they plan to look for a new job within the next 12 months.²⁰ Unsurprisingly, the costs involved in recruiting an employee are much higher than in retaining one,²¹ a fact backed up by the 87% of HR leaders who say retention is a top priority.²²

Retention is an issue rooted in how a company treats and communicates with its employees from the outset. The more engaged employees are, the less likely they are to leave their jobs, which is why efforts have to begin from the moment a new hire is onboarded.²³ Digital technologies can help companies create the right structure that enables them to easily tailor their employee engagements, introduce a level of flexibility for better work-life balance, and upskill or reskill their workers.²⁴



¹⁷ <https://www.sogosurvey.com/blog/how-to-use-data-insights-to-improve-employee-experience/>

¹⁸ <https://resources.workable.com/stories-and-insights/data-driven-recruiting-101>

¹⁹ <https://www.sogosurvey.com/blog/how-to-use-data-insights-to-improve-employee-experience/>

²⁰ https://www.workhuman.com/resources/i/1451661-two-years-into-covid-the-state-of-human-connection-at-work/11?utm_source=trdparty&utm_medium=pressbusinesswire&utm_campaign=2022Q1_PR_Corporate&utm_content=WorkhumanResearchReport_post_whiqcta_22222

²¹ <https://www.forbes.com/sites/johnhall/2019/05/09/the-cost-of-turnover-can-kill-your-business-and-make-things-less-fun/?sh=52e50e707943>

²² <https://www.forbes.com/sites/forbestechcouncil/2022/03/24/technology-is-key-to-employee-retention/?sh=2476b8591682>

²³ <https://www.forbes.com/sites/forbestechcouncil/2021/12/21/tech-and-the-talent-crisis-how-digital-transformation-is-disrupting-hiring-and-retention-and-what-to-do-about-it/?sh=7157a32f5b47>

²⁴ <https://www.forbes.com/sites/forbestechcouncil/2021/12/21/tech-and-the-talent-crisis-how-digital-transformation-is-disrupting-hiring-and-retention-and-what-to-do-about-it/?sh=7157a32f5b47>

Peering into a digital working world

Digital transformation has been the subject of much talk as a potential solution to the Great Resignation, in particular around how it can enable remote or hybrid workplaces. Team collaboration tools aren't new, but they gained new dimensions of relevance and importance as large swathes of populations were forced indoors.

These tools enable employees to track their progress on shared projects, and communicate with each other through video or audio channels. The rise of remote working models has also led to a concurrent rise in cloud-based computing to support file storage and sharing for easier collaboration.



Tech companies like Google were already accustomed to enabling remote work for their employees, says Mr Thayre, though this time they have “not had to roll out much in the way of new technology—it’s more been about enhancing the solutions we already had.”

Mr Thayre says that due to their existing experience in supporting remote or hybrid options, the pandemic’s disruptions to their workflows were largely short-lived. The company also saw minimal impact on its attrition rates.

For MSIG, pre-pandemic investments in remote working solutions “provided a ready foundation and quickly enabled us to pivot swiftly to agile working, anytime and anywhere,” says Mr Philippi. “I would say the new digital workplace was mostly a necessity, but some really enjoyed the convenience and accessibility that came with it.”

However, not all companies will have the resources or experience to easily digitalise their workflows.

Mr Thayre admits that compared to Google, many other firms will have to make a “bigger shift” to accommodate remote work. However, technological infrastructure is only a part of the solution. Companies need to make an even bigger leap in their thinking around how these tools can facilitate a different approach to company culture—one that prioritises their people without compromising productivity.

Enriching company cultures

Mr Philippi points to digital technologies as a key solution to ensuring companies can continue to build corporate cultures even among teams working remotely. Mr Thayre concurs, adding that it's easy for remote teams to feel "isolated" from the rest of their colleagues—and the company at large—with mostly-digital workspaces.

"Corporate social media and employee engagement groups can be fantastic for this, all of which requires pretty simple tech these days," he says. Digital initiatives to enrich corporate cultures can extend beyond these simple social media-based communications platforms. Instilling a data culture across the organisation

is also an effective way to enhance innovation, improve customer experience, reduce costs, help improve retention and grow revenues.²⁵

"When you think of digital, you might think that it's easier to organise these virtual events but to digitally engage the hearts and mind of employees who are pressed for time, it will take a lot more effort to ensure the quality of content," says Mr Philippi. "It needs to be concise, relevant, easy to digest and—better still—interactive."

He shares that in an effort to overcome the constant challenge of digital platforms that are unable to convey a sense of true connection, the company has continuously run a diverse clutch of "virtual events such as health talks, workout sessions, lunch-and-learn talks and even our yearly dinner and dance, all of which were open for our employees' families to join."

Connection is only one part of fostering a positive company culture, however. Another aspect that companies should focus on is a sense of care for their employees, one that manifests in tangible ways. Mr Thayre points to the potential of perks like free access to online yoga classes or meditation that can facilitate employees' sense of wellbeing. "There's clearly a return on investment linked to it when you consider retention, sickness days or engagement and productivity," he adds.

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Clemens Philippi, chief executive at insurer MSIG Asia.

²⁵ <https://www.fastcompany.com/90732162/how-giving-workers-the-skills-to-succeed-can-counter-the-great-resignation>

Overcoming the Great Resignation

For Mr Klotz, the man behind the concept of the Great Resignation, its challenges are not going away any time soon—they could remain for another two to three years as companies and entire societies adjust to life after the pandemic.²⁶ Investments by companies in their employees' wellbeing and choices are key to ensuring their survival, whether it's through more flexible work options, better benefits or more inclusive working environments.

Mr Thayre says that it's very likely that remote work and digital collaboration solutions will only "evolve as greater investment and focus goes into them", these tools won't make substantial changes without a larger shift in companies' attitude towards work.

"Rolling out the tech to talk, interact and access systems is not that complicated," he says. "I think sometimes the simpler solutions are the best ones," he adds, pointing to policies like "low/no-meeting Fridays, or even global days off."

In all of this, allowing people to shut off from technology is as important as providing them new digital solutions. But the fundamentals have not changed, says My Thayre. In the end, people want to do great work at a place they feel they can be themselves, and be rewarded or recognised for that.



²⁶ <https://today.tamu.edu/2022/02/11/the-texas-am-professor-who-predicted-the-great-resignation/>

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