

# New ways of work:

## Spotlight on workplace transformation in South-East Asia

SUPPORTED BY 

Economist Impact, supported by Google Workspace, conducted a survey of more than 600 knowledge workers across Asia Pacific about their experiences with hybrid or flexible work.

The research shows that the pandemic has changed the way organisations are looking at the nature of work. Some form of flexible work is here to stay, and organisations continue to find new ways of work that provide them with solutions that are flexible, collaborative, and productive and secure. This article—one of a four-part series examining the future of work in the region—focuses on South-East Asia (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam).

The series complements Economist Impact's 2021 global study on the future of hybrid work, "Making hybrid work human", which can be accessed [here](#).

### Key findings

- While hybrid work has made inroads across all markets in South-East Asia, the majority of knowledge workers in the region (63%) expect to be working fixed hours with no flexibility after 2022.
- Most respondents are positive about the impact of hybrid work. 74% of South-East Asian workers say flexible work arrangements improve inclusion at their organisations, driven by Singapore and Indonesia.
- Despite overall positive sentiments, most respondents (67%) claim that their companies have issued a policy requiring their employees to be back in the office full-time.

### The future of work is still in progress in South-East Asia

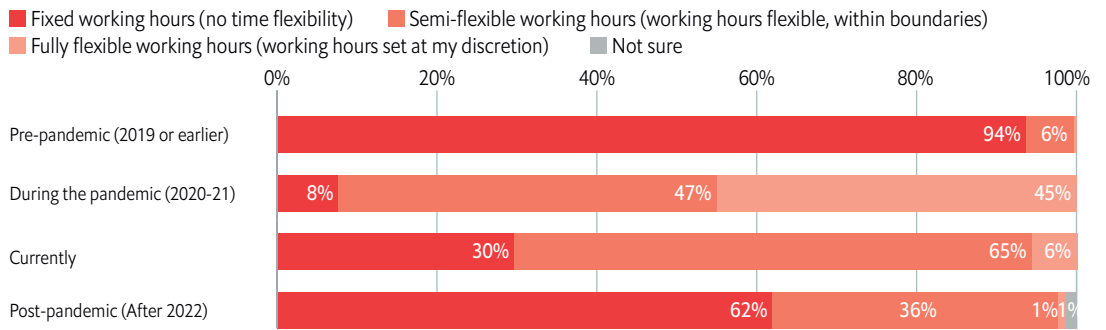
When the global hybrid work experiment abruptly landed on South-East Asia's shores, an opportunity arose for an interesting question. How would South-East Asia—a diverse region with one of the highest mobile internet adoption rates in the world—fare in the face of a global reimagining of work?

### Aligning with global trends

A broad survey of the region by Economist Impact reveals that hybrid work has made significant inroads among companies in South-East Asia. In nearly every market, some form of hybrid work experiment has emerged as organisations pursued business continuity during covid-19.

**Figure 1: No return to pre-covid working hours**

How would you describe the flexibility of your working hours (or expected working hours in the case of 2022 or later) during the following time periods? (% respondents)



Source: Economist Impact.

These policies are unlikely to completely disappear, even as societies learn to live with the virus. For example, while only 2% of Malaysian respondents benefited from one day of remote work a week pre-pandemic, around 38% expect at least one to five days of remote work per week from 2022. Similar results were recorded across other markets such as Singapore (34%), Vietnam (34%) and Thailand (32%), where roughly a third of respondents expect to spend some part of the working week outside the office.

“As we’ve experimented with new policies and technologies, it’s surprised us how productive

we can be without in-person presence,” says Doris Sohmen-Pao, chief executive officer at the Human Capital Leadership Institute (HCLI).

On average, most respondents to the Economist Impact survey in South-East Asia (76%) think that flexible work models will soon become standard practice for most organisations. The view that this is achievable in the next three years is especially strong among Malaysian and Vietnamese (80%) companies.

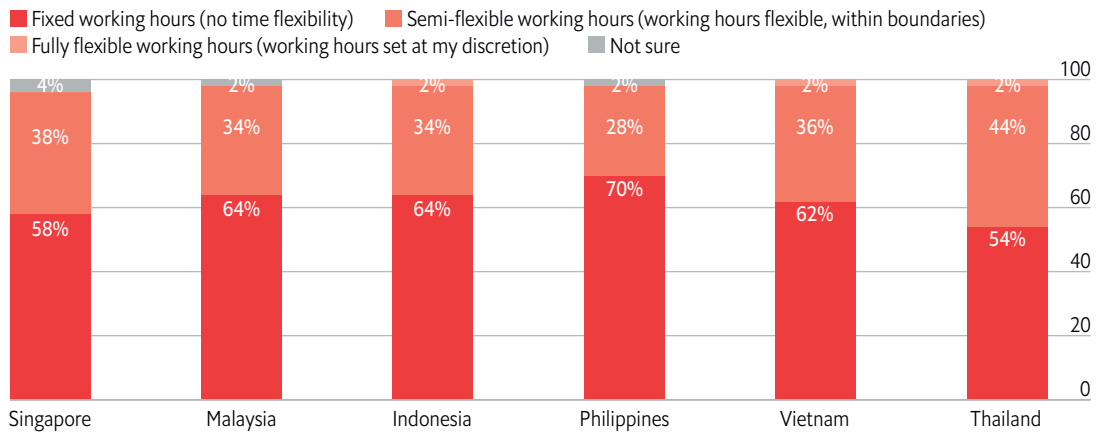
According to Nayan Parekh, principal at design and architecture firm Gensler, employer attitudes



<sup>1</sup> SMEs are defined as organisations with fewer than 2,000 employees.

**Figure 2: Some kind of flexibility expected**

How would you describe the flexibility of your working hours in the case of 2022 or later? (% respondents)



Source: Economist Impact.

**“As we’ve experimented with new policies and technologies, it’s surprised us how productive we can be without in-person presence”**

Doris Sohmen-Pao, Chief Executive Officer, Human Capital Leadership Institute (HCLI)

towards hybrid work in South-East Asia have been fairly mixed. That said, many organisations in Asia Pacific were making the changes needed to support hybrid work even before the pandemic. The crisis merely broadened existing policies to encompass other aspects like mental and physical health.

For firms, flexible work is also an opportunity for improvement. Among Indonesian respondents, for instance, the top benefit of flexible work lies in its ability to boost employee productivity, an especially strong sentiment among small-to-medium-sized enterprises (SMEs) (60.7%).<sup>1</sup>

In a region with some of the most overworked populations in the world,<sup>2</sup> the majority of

respondents believe that flexible work has positively impacted their work–life balance. With the exception of Singapore (36%), roughly half of all respondents say their physical wellbeing has improved due to flexible work, while 62% of Indonesians and Filipinos say they have benefited financially.

Considering the significant gains in terms of their overall wellbeing, it is not surprising that, on average, respondents across the region said that flexible work has improved the overall quality of their work, particularly those from Malaysian SMEs (83.3%).

SMEs also appear to demonstrate some level of openness on the question of flexible working, especially those in Malaysia and Singapore which expect more flexibility than their larger counterparts. Given that SMEs make up over two-thirds of both economies, the overall trend could offer a hint of future developments.

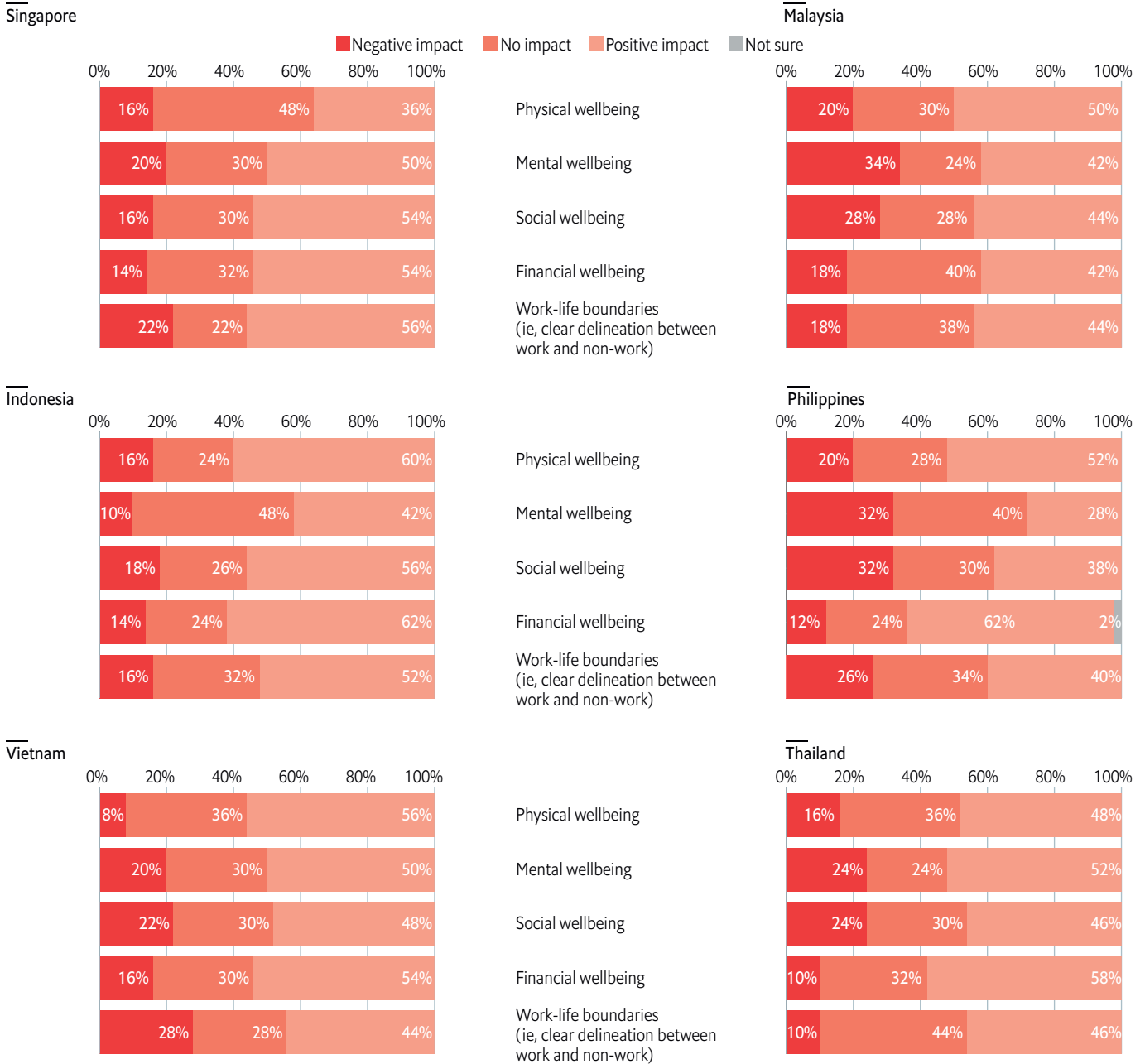
**Balancing sunk costs and challenges**

Despite overall positive sentiments towards hybrid work, most respondents report that their

<sup>2</sup> <https://www.who.int/news/item/17-05-2021-long-working-hours-increasing-deaths-from-heart-disease-and-stroke-who-ilo>

**Figure 3a: The many positives of flexibility at work (by market)**

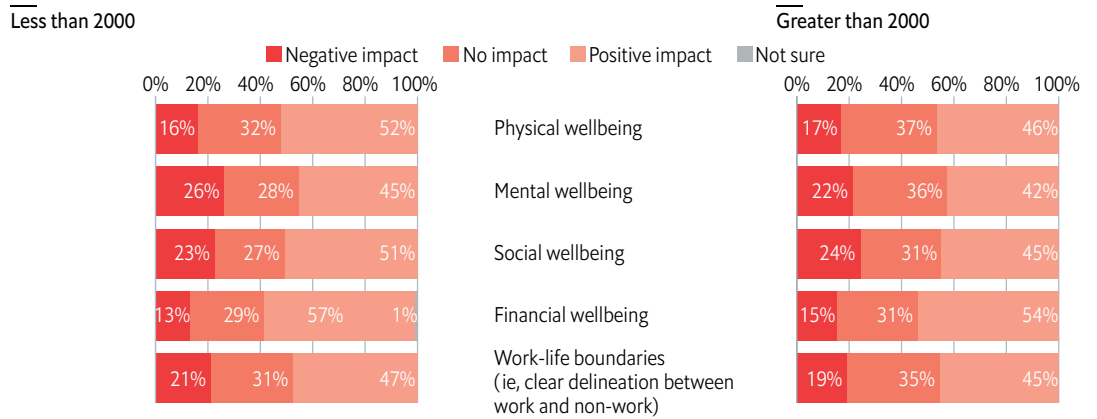
Based on your experience, what kind of impact can flexible work models have on employees regarding the following? (% respondents)



Source: Economist Impact.

**Figure 3b: The many positives of flexibility at work (by company size)**

Based on your experience, what kind of impact can flexible work models have on employees regarding the following? (% respondents)



Source: Economist Impact.

organisations have issued policies requiring employees to return to the office full-time, while those with access to fully flexible models have plummeted to single digits.

Roughly only a third of those from Malaysia (36%) and the Philippines (30%) say their organisations have a semi-flexible approach to in-person work.

Ms Sohmen-Pao points to a strong sense of hierarchy and obligation in Asian societies as a

reason many companies in the region are driving a return to the office; however, space restrictions also play a role.

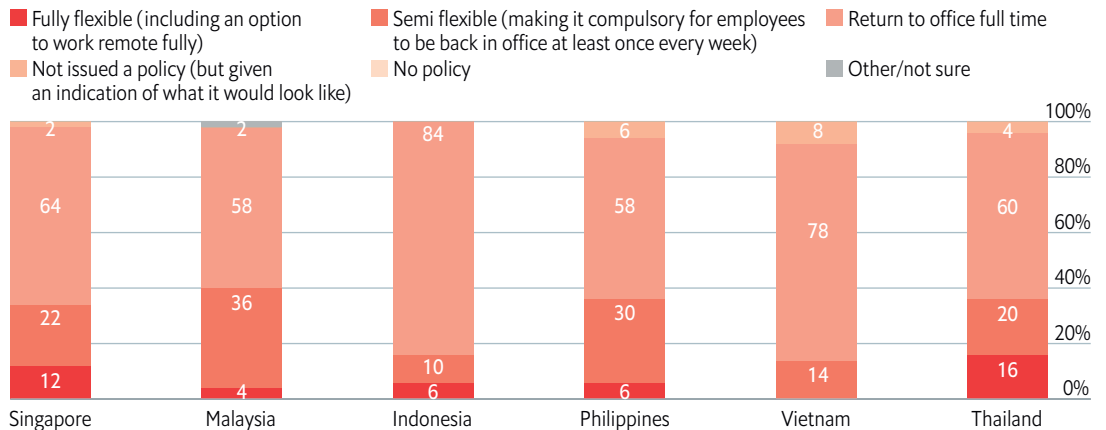
“Tight quarters in residential spaces are often compounded by the norm of living in multi-generational households, making it difficult to find a quiet space to work,” she says. “For many, a return to the office is very welcome.”

Ms Parekh says companies found hybrid work particularly challenging when it came to



**Figure 4: South-East Asian companies singing a different tune**

Has your organisation issued a policy regarding employees' working arrangements (for instance regarding remote work or flexibility in working hours) for after the covid-19 pandemic? (% respondents)



Source: Economist Impact.

**“Tight quarters in residential spaces are often compounded by the norm of living in multi-generational households, making it difficult to find a quiet space to work”**

Doris Sohmen-Pao

onboarding new joiners and inducting them into the company culture. Ms Sohmen-Pao concurs, adding that consulting firms may offer great examples of how to achieve success with remote teams.

“I think there can be a more balanced approach to hybrid that uses offices as a sticky glue,” says Ms Parekh.

These sentiments align with some of the more negative findings of the survey, particularly in terms of how hybrid work impacts organisational culture. For example, most respondents claim that a lack of face-to-face supervision creates

distrust between managers and employees, while limited interactions between colleagues have had a deleterious impact on employees’ mental health. For Filipinos, working outside the office seemed to greatly undermine communications with colleagues (82%).

Another major challenge to hybrid work was concern among respondents about the sunk costs of unused office space and operational resources, especially among large companies in Indonesia (77.3%) and Singapore (59.3%) which both have expensive real estate environments.

*Improving access for all*

Despite the relative drawbacks, workers in South-East Asia still appear somewhat bullish on the question of hybrid work, especially in terms of how it could positively impact issues of accessibility and inclusion. Indonesian (82%) and Singaporean (84%) respondents note that virtual meetings have improved inclusion and participation across their teams.

### Different set of challenges for SMEs

A few difficulties companies face in making hybrid working models work for them align with some of the more negative findings of the survey, particularly in terms of how hybrid work impacts organisational culture. For example, most respondents claim that a lack of face-to-face supervision creates distrust between managers and employees (59.8% in SMEs and 61.8% in large companies), while limited interactions between colleagues have had a deleterious impact on employees’ mental health in both SMEs (67.4%) and large companies (64.2%).

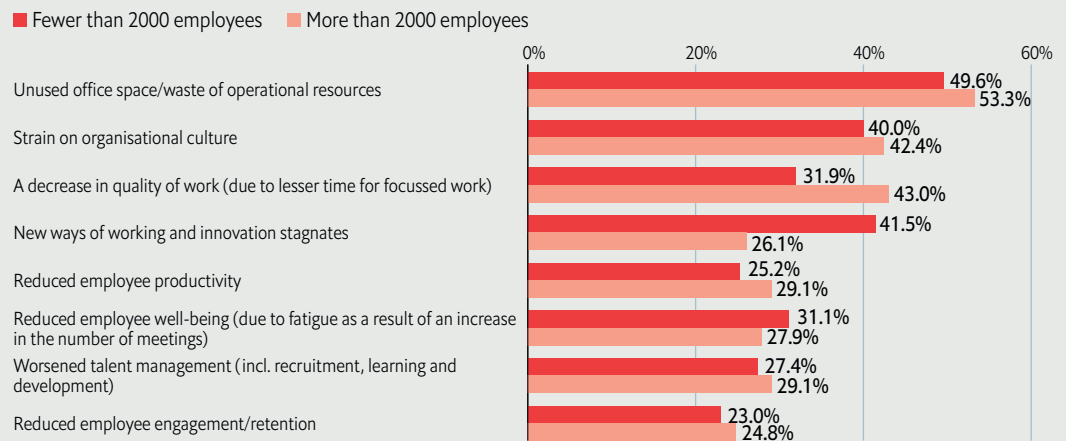
Another major challenge was about the sunk costs of unused office space and operational resources, especially among large companies in Indonesia (77.3%) and Singapore (59.3%) which both have expensive real estate environments.

While both SMEs and large companies are similarly faced with these challenges, there are other concerns that are impacting companies differently, based on their size. For example, fewer SMEs have suffered from a deteriorating quality of work as a result of the adoption of hybrid work models—while 43.0% of large companies that work quality has declined as a result of less time for focused work, only 31.9% of SMEs report experiencing this challenge.

On the other hand, while the adoption of hybrid work models disrupts SMEs’ shifts to new ways of working and can result in stagnated innovation, large companies are able to retain focus and continue innovating. This reflects in the survey findings in 41.5% of small companies picking this as a top-three challenge when it comes to implementing flexible work models, as compared to just 26.1% of large companies that do so. This likely owes to the fact that several larger organisations have been able to pivot more swiftly to changing working from an operational perspective, given their adequacy of resources.

**Figure 5: Not all plain sailing when it comes to the adoption of hybrid work models**

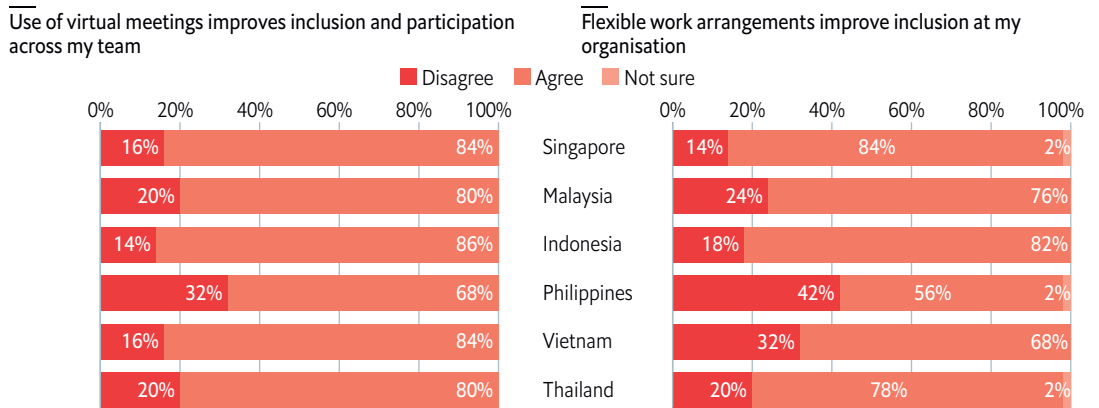
Based on your experience, which of the following do you consider to be the most significant challenges organisations can face when implementing a flexible work model? (% respondents)



Source: Economist Impact.

**Figure 6: More hybrid, more inclusive**

Based on your experience, to what extent do you agree or disagree with the following statements regarding the impact of flexible work models? (% respondents)



Source: Economist Impact.

While increasing accessibility is generally related to efforts to improve physical infrastructure, Ms Parekh says that virtual formats can create more equal access for differently abled workers. Flexible and hybrid work, according to survey respondents, offers significant benefits to those with caregiving duties, as well as those residing in rural locations.

Experimentation will continue to characterise South-East Asia’s approach to flexible and hybrid work, Ms Parekh believes, especially as many organisations continue to beef up their technology stacks to enable this change.



**Conclusion:**

With the onset of the pandemic, all markets covered in this research quickly moved first to fully remote, and then to hybrid and flexible work models. A majority of knowledge workers feel positively about the benefits of hybrid work, be it in terms of their physical, mental, social or financial wellbeing. However, company policies on return to office depend on their size and

vary widely between countries. Some are using flexibility as a way to retain talent and manage real estate costs, but many others are calling their employees back to the office full time.

As organisations develop policies around new ways of work, experts highlight the need for strong leadership that is focused on creating a work model that is inclusive and agile, ably supported by capable infrastructure.



---

While every effort has been taken to verify the accuracy of this information, Economist Impact cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report. The findings and views expressed in the report do not necessarily reflect the views of the sponsor.

---

Google Workspace is a solution for organisations of all sizes to connect, create and collaborate. It's the single, integrated home to apps for over 3 billion users—Gmail, Calendar, Docs, Drive, Meet and more.