

Flexible Work Arrangements in Asia: Executive Summary

Through in-depth interviews with seven regional representatives from Global Workforce Roundtable member companies and the collection of 35 questionnaires, the *Flexible Work Arrangements in Asia* study provides a better understanding of the types and extent of flexible work arrangements (FWAs) used in multinational corporations operating in the Asia Pacific region. The study also serves as a benchmarking tool for member companies within the Global Workforce Roundtable to compare their best practices with other MNCs. Finally, the report summarizes the regional outlook for the benefits and obstacles for flexible work arrangements and also provides a brief analysis of the cultural, political, and ideological perspectives in 11 countries within the region: Mainland China, Hong Kong, India, Indonesia, Japan, Korea, Philippines, Taiwan, Thailand, Singapore and Malaysia.

The *Flexible Work Arrangements in Asia* study found that 57% of respondents had established a formal flexible work arrangement policy within their company, but the expressed demand and utilization of these policies varied dramatically by company and country. The study reveals that the demand for flexible work arrangements across Asia is strongest in Japan compared to other countries such as Singapore, India, Thailand and Taiwan.

Differences in historical, political, economic, social, and cultural aspects of countries in the region define assumptions regarding division of labor and role expectations at work and within the family (Komarraju, 2006) and affect employees' outlook on work-family matters, including flexible work arrangements. Despite cultural resistance, many of the member companies participating in this study have successfully implemented FWAs in Asia. This is interesting since it may indicate that a company culture may be strong enough to overcome resistance imposed by country culture.

Examples of best practices from member companies in Asia Pacific

MULTINATIONAL CHEMICAL COMPANY

Description of FWA: Flexible work hours, commonly known as flex time. Core time is set in some locations, such as Hong Kong, Japan and Taiwan. The hours vary depending on local needs. The arrangement allows people to come in early or stay late. The arrangement was created to help employees deal with excessive commuting times, taking children to day-care center or senior care at home. Offered to all employees in 13 countries across Asia. Flextime is becoming industry practice in many countries.

Number of Employees at location: 10-700, depending on site. Predominantly local employees, some expatriates (less than 10%)

Success factors: Top management were champions for the program. Each country has an individual policy to meet local needs which is communicated to all employees.

Listening to the needs of employees, realizing that flexibility can be a *temporary* need. If an employee *really* needs flexibility, give it to him/her!

Utilization rate: No formal tracking, estimate that all employees use it from time to time. The majority of employees still come in during regular office hours most days to serve external customers and internal clients. Successful implementation is due to good back-up in each work group.

MULTINATIONAL ENERGY COMPANY, SINGAPORE

Description of FWA: A package of FWAs offered to all employees, consisting of the following: Working from home (most common), Career breaks – sabbatical, and Flexible hours. There are standard working hours, but subject to the operational requirements, employees may discuss and agree with their supervisors on different start and end times to suit their needs, Job-sharing, and Part-time work 2-4 days.

Number of employees at location: Singapore. 2,400 employees, predominantly local employees, but a large number of expatriates (more than 12%).

Success factors: The primary reason for success is not each individual arrangement, but the entire FWA package. The international mind-set of employees in Singapore increases demand for FWAs and has contributed to the success. Being a regional HQ it makes sense to implement measures that are in sync with global operations – and employees welcome this.

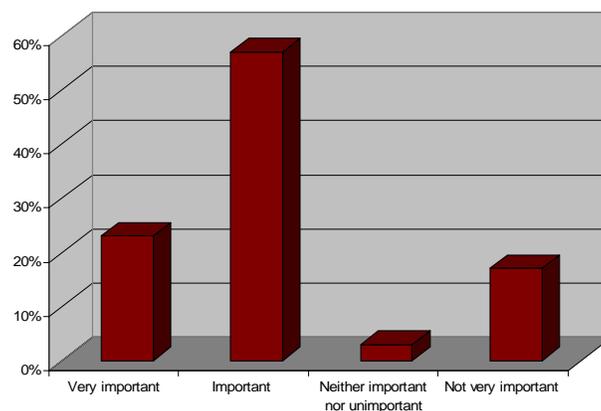
Utilization rate: Difficult to track, since FWAs are worked out between the individual employee and his or her manager. Currently, only career breaks and part-time are being tracked, but further down the line, the company might do more tracking.

One must avoid making general statements about the Asia Pacific region as a whole, as there are vast cultural differences among the countries. Some respondents felt, however, that the following differences between the western countries of North America/Europe and Asia could be generalized:

- Flexible work arrangements are not as prevalent in Asia as they are in the West
- People are typically not as aware of different options for working flexibly
- The mindset that one needs to be in office seems more customary in Asia
- Many countries in Asia are greatly influenced by Confucianism, which emphasizes hierarchy
- Asians seem to support the concept of “harmony” in their lives.

Employees, with the skill, knowledge, and creativity that they bring to work, are crucial company assets and flexible work arrangements are a tool that some companies have used to attract and retain talent. Eighty percent (80%) of the respondents in this study believed that FWAs were an important or very important tool for recruitment and retention of employees in the region. According to our respondents, the most important tool in talent recruitment and retention remains to be salary.

Diagram 1: FWA as tool in recruitment and retention, % of respondents



The study found that there are many reasons why companies operating in the Asia Pacific region, similar to other regions of the world, might implement flexible work arrangements, including:

- **Attract and Retain Talent**
- **Increase employee engagement, morale, loyalty, and health**
- **Demonstrate caring nature of company culture**
- **Increase diversity in the workplace**
- **Protect the environment, by reducing traffic congestion**

The study also confirmed what has been expressed in other research conducted, that women are a viable, yet largely underutilized pool of talent in the region. Study participants cautioned that though FWAs are not, and should not, be designed solely for women, such arrangements are particularly beneficial for attracting and retaining female employees.

In conclusion, the ability for a company to provide flexibility to their employees in Asia is not only dependent on the country culture; the company culture appears to play a large role too. Successful implementation of programs that create effective workplaces requires a supportive organizational culture, human resources policies and programs, and individual employees to be working in synergy, as identified in *The Work-Life Evolution Study*, published by the Boston College Center for Work & Family in 2007. Flexible work arrangements have proven successful for companies the world over and the *Flexible Work Arrangements in Asia* study highlights country culture when considering these work options in the global context.