

# FLEXIBLE WORK ARRANGEMENTS IN ASIA

*What companies are doing,  
why they are doing it and what lies ahead*

A REPORT PREPARED FOR THE MEMBERS OF THE GLOBAL WORKFORCE ROUNDTABLE  
OCTOBER 2007

BOSTON COLLEGE

GLOBAL WORKFORCE  
ROUNDTABLE



## ACKNOWLEDGEMENTS

The authors wish to thank the members of the Global Workforce Roundtable who participated in the Flexible Work Arrangements in Asia Pacific study: **Cadbury Schweppes, Dow Chemical Company, Hewlett Packard, Kraft Foods, Merck & Co., Royal Dutch Shell and State Street Corporation.** We would also like to thank the 35 individuals who took time to respond to the questionnaire, which provided valuable information about the status of flexible work options in their region. The contributors sent us supporting documentation, enriched the study through their insightful commentary, and most importantly, imparted their knowledgeable about the needs of the employees with whom they work.

This report is intended for use by the member organizations of the Boston College Center for Work & Family Global Workforce Roundtable. It should not be copied or distributed to other organizations without the written approval of Boston College Center for Work & Family. For questions regarding the release of this document, please contact the Center for Work & Family at 617-552-2844.

### Contributing Staff

#### Authors

Karin Anell  
Danielle Hartmann

#### Executive Director, Boston College Center for Work & Family

Brad Harrington, Ed. D.

*This report is confidential and should only be shared with discretion within member companies.*

## TABLE OF CONTENTS

Executive Summary	3
I. Introduction and Methodology	5
II. How to Use this Report	6
III. Flexible Work Arrangements in the Asia Pacific Region	7
IV. Best Practice Examples	20
a. Royal Dutch Shell	20
b. Dow Chemical Company	21
c. Hewlett Packard	22
V. Country Analysis	23
a. Mainland China	24
b. Hong Kong	28
c. India	31
d. Indonesia	34
e. Japan	36
f. Korea (South Korea)	39
g. Malaysia	42
h. Philippines	45
i. Singapore	48
j. Taiwan	51
k. Thailand	53
VI. Concluding Remarks	58
VII. Limitations of the Study and Suggestions for Future Research	59
References	60
Appendix I: Participating Member Representatives	63

## 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.

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.

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.

## I INTRODUCTION AND METHODOLOGY

The Center for Work & Family identified flexible work arrangements (FWAs) in Asia Pacific as an important area of focus for the Global Workforce Roundtable in 2007. There were a number of reasons for this:

1. Work-life has been identified as an important area of focus outside of the U.S. by a number of leading researchers in the field (e.g., Bardoel et al., 2006, Poelmans et al., 2003, Gambles et al., 2006).
2. Recruitment and retention appear to be significant challenges facing multinational companies in Asia. Several studies point to a looming talent shortage in the region (e.g., Farrell, 2005).
3. Flexible work arrangements are an important tool for most members of the Global Workforce Roundtable. Using the study to benchmark against each other was of great interest to our members, who felt the need to increase their knowledge of the status of FWAs in Asia Pacific as well as country-specific factors that affect the implementation of such arrangements.
4. The Global Workforce Roundtable holds its next Summit in Shanghai; Asia was a natural geographical focus for this study.

The study was initiated in May 2007 with the following member companies participating: Cadbury Schweppes, Dow Chemical Company, Hewlett Packard, Kraft Foods, Merck & Co., Royal Dutch Shell and State Street Corporation.

The study consists of two parts:

- An interview between an employee of the Center for Work & Family and a company representative in the Asia Pacific region who spoke about his/her company's regional use of FWAs. The interviewee also gave an example of a best practice in terms of a policy that has worked particularly well in the region.
- An electronic survey was sent to company representatives in eleven countries in Asia: Mainland China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand.<sup>1</sup> Australia and New Zealand were excluded as they are considered similar to other Western countries and have been the focus of a number of studies on this topic. The survey focused on the types of FWAs each company offers in each country as well as factors that have a bearing on their implementation, such as cultural or ideological factors. Thirty-five surveys were collected, representing all eleven countries studied. Not all companies had representatives in all eleven countries; therefore, the sample size for each country analysis varies.

The report also incorporates a review of the literature on flexible work arrangements in Asia Pacific.

<sup>1</sup> In the interest of simplicity, whenever "Asia Pacific region" or "Asia" is referred to in this report, we are defining this region as consisting of the eleven countries included in the study.

## II HOW TO USE THIS REPORT

The report is directed to the following audiences:

- **Global representatives at headquarters.** The report helps global representatives gain a better understanding of the prevalence of FWAs in Asia as well as an understanding of the various factors that affect the introduction and implementation of such practices in various countries. The report gives an overview of best practices as well as some global FWA policies that companies use.
- **Country HR representatives.** This report serves a benchmarking purpose and gives members of the Global Workforce Roundtable an opportunity to learn what other companies are doing in terms of flexible work arrangements in various parts of Asia. In an appendix to this report, contact information for the representatives who participated in this study has been provided.
- **Work-Life representatives considering implementing flexible work arrangements in Asia.** This report gives an overview of what leading international companies are presently doing in the region. As such, it can serve as a guide in terms of factors to consider before introducing FWAs in the region.

### III FLEXIBLE WORK ARRANGEMENTS IN ASIA PACIFIC

In Asia, flexible working arrangements (FWAs) are generally not widely used and relatively few studies on the practice have been carried out (Chow & Chew, 2006). There is, however, evidence that indicates the need for increased use of flexible work arrangements in the region. As economies in Asia grow, more women are entering the workforce. The dual-earning couple becomes the norm, so national governments and global companies are increasingly looking at ways to introduce work-life policies that will accommodate this new reality. Indeed, this study found that many leading multinational companies have either introduced innovative flexible work arrangements in many countries of Asia, are in the process of doing so, or plan to do so in the near future.

Differences in historical, political, economic, social, and cultural context of countries in the region will define assumptions regarding division of labor and role expectations at work and within the family (Komarraju, 2006) and will affect employees outlook on work-family matters, including flexible work arrangements. While there is a strong case for family-friendly policies in the Asia Pacific region, managers must be aware that arrangements that have been successful in the west do not necessarily translate well to collectivist cultures.<sup>2</sup> There is sometimes a tendency for multinational companies to implement HR policies from headquarters to subsidiaries based on a premise of “best practice” (Poelmans, 2003).

This report aims to increase global companies’ awareness of the specific parameters that need to be considered when implementing FWAs in various parts of the Asia Pacific region.

This section gives an overview of flexible work arrangements in Asia Pacific. It includes some statistics regarding the number of companies offering formal FWA programs, as well as the estimated demand for such arrangements. There is also an outline of the most common types of arrangements offered.

#### Formal policies on FWAs

As can be seen in Diagram 1, 57% of respondents indicated that their company has a formal FWA policy in their country of operation. In some cases, a company had a formal FWA policy in some countries and not in other countries. This may suggest that the company is at different stages of implementation in different countries.

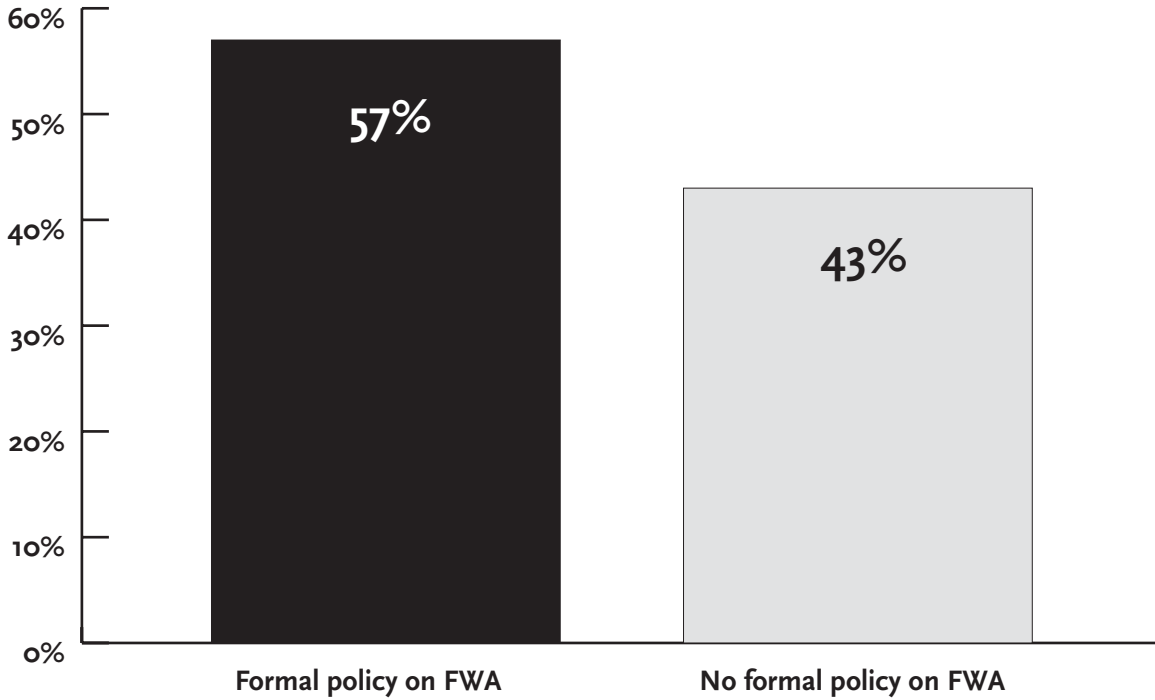
Forty-eight percent of respondents indicated that their FWAs were offered to all employees and an equal amount (48%) said they offered such arrangements only to full-time employees. Only one respondent indicated that flexible work arrangements were offered only to those in certain ranks or positions.

<sup>2</sup> A collectivist society, as defined by Geert Hofstede, is one where people are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents). This group protects them, in exchange for unquestioning loyalty. In an individualist society, on the other hand, ties between individuals are loose and everyone is expected to look after him/herself and his/her immediate family. (Geert Hofstede)

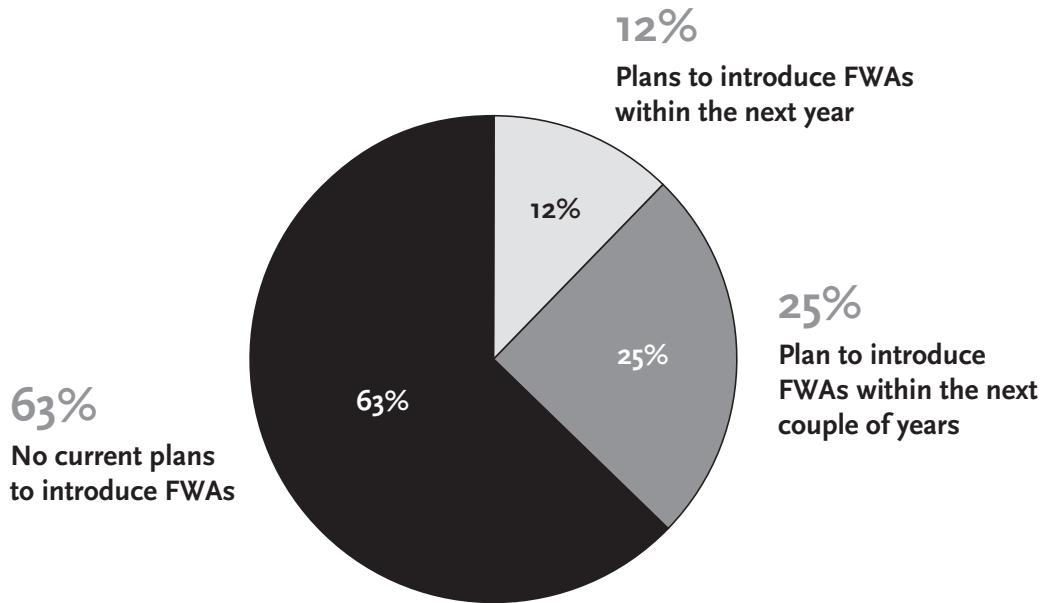


Diagram 2 below illustrates the degree to which respondents without a formal policy on flexible work arrangements have any plans to introduce such policies.

**DIAGRAM 1: % of respondents indicating their company has a formal policy on FWA**



**DIAGRAM 2: Respondents claiming no formal FWA policy, future plans**



## Informal FWA agreements

The fact that a company does not have a formal policy on FWAs does not preclude it from agreeing to various types of flexible arrangements on an informal basis. Below is a brief description of two such companies:

- Kraft Foods does not have a formal policy on FWAs. However, FWA requests are considered on a case-by-case basis, taking business and personal needs as well as staff performance into account. Employees frequently make use of flex-time across the region to avoid traffic, which is a big problem in many countries in Asia. Such arrangements are agreed upon by the individual worker and his/her manager. Kraft sees some advantages to not having a formal policy, since it is hard to find a policy that adjusts to each individual worker. Instead, the company creates a culture where the company trusts the individual to work out agreements with managers across the region.

---

*"...the company trusts workers to do their work rather than regulate too much...treating them as adults...everybody wants to be treated as if people trust you."*

**– Director, Mgmt & Org. Dev., Asia Pacific**

---

- State Street does not currently have a formal policy on FWAs in the countries of the region but plans to introduce one shortly. While flexible work arrangements are not commonplace, informal agreements do exist in the company. For example, an individual employee may compensate for a late night call or overtime by taking some time off the next day. Employees can also make use of work-at-home arrangements, with approval from the direct manager.

One challenge with informal agreements is making sure that HR staff is aware of the FWAs that are practiced in the company. One respondent mentioned capturing accurate schedules and utilization rates is as a challenge and expressed a desire for better communication between line managers and the HR division on flexible work arrangements.

## Cultural/ideological differences between the West and Asia Pacific

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

- Flexible work arrangements are not as prevalent in Asia as they are in the West.
- People are typically not as aware of different possibilities of working flexibly and there is less demand for such options. In certain parts of Asia, the lack of demand can be due to limitations in terms of infrastructure of technology. For example, small housing or lack of adequate wireless technology and/or telephone lines may preclude teleworking or working from home.

- The mindset that one needs to be in office seems more customary in Asia. Some respondents mentioned hesitation on part of employees to use FWAs, because they felt the need to be present in the office. Employees are very sensitive to managers' signals. Indeed, most countries in Asia show a higher *power distance*<sup>3</sup> between a manager and an employee than compared to the West.

---

*"...In Asia, employees are used to following directions of the company, this is ingrained in the culture."*

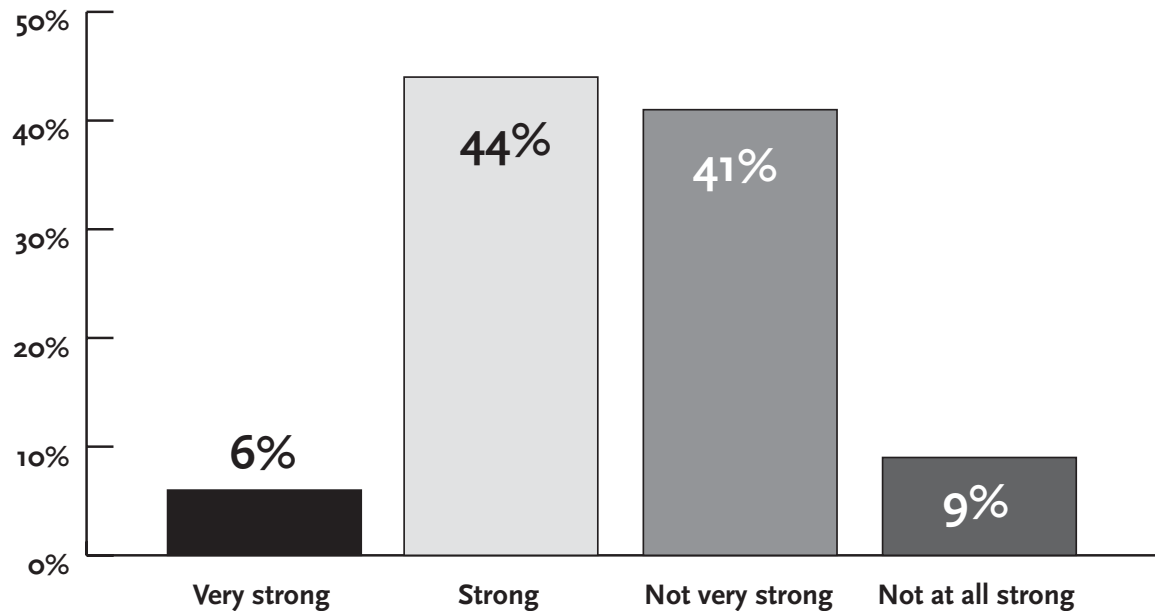
**Director for Diversity and Inclusion, Pacific Area.**

---

- Many countries in Asia are greatly influenced by Confucianism, which provides the basis for many interpersonal behaviors and is influential both in organizational and in personal life. Confucianism emphasizes hierarchy and contends that each individual should be conscious of his or her position in the social system (Casimir, 2006). As one respondent mentioned, there is a greater tendency in Asia to look for direction from leadership and to expect to be told what to do, as compared to many countries in the West.
- Asians seem to support the concept of "harmony" in their lives. This is evident in their approach to relationships, interactions with the world around them, and their philosophy on life. In the workplace, employees strive to achieve harmony in work and life, rather than balance or integration, as seen more often in the West.

## Demand for flexible work arrangements

**DIAGRAM 3: Demand for flexible work arrangements across Asia**



<sup>3</sup> *Power Distance* measures the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. A high power distance within an organization suggests a greater hierarchy, where the leader's authority is well established and usually not questioned.

Diagram 3 illustrates how respondents answered the question “Is there a strong demand on part of your employees for flexible work arrangements?” 34 people answered this question, and as can be seen in the graph above, the opinions vary widely. Almost as many that think the demand is strong (44%) as those that indicate that it is not very strong (41%). Only 6% estimate the demand to be very strong, whereas 9% believe it is not strong at all.

This begs the question as to why the demand is not stronger and whether there are variations across Asia.

First, there appears to be great variations in terms of demand for FWAs across Asia, as will be illustrated in the country analysis in Section V of this report. Although the sample for each country is small, precluding any statistically significant inferences, the study points to some interesting differences which warrant further discussion:

- Demand for FWAs appears particularly strong in Japan.
- Demand for FWAs is weak in the following countries: India, Singapore, Taiwan, and Thailand.

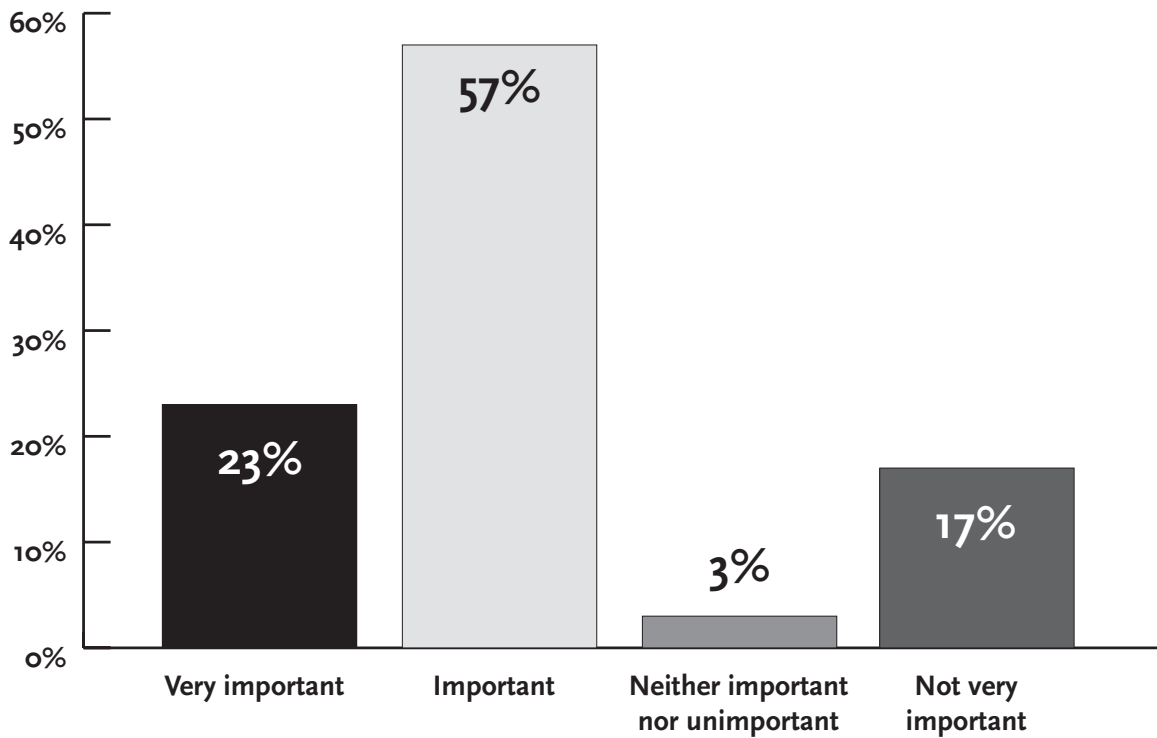
The reason for these differences may be found in the country culture, in the company culture, or both. The economic situation will also play a role: in emerging economies such as India and China there will be a stronger focus on salary or fast advancement as opposed to work-life effectiveness.

## FWA as a tool in recruitment and retention

It is clear that companies are looking for tools to attract and retain the best employees as the war for talent in Asia intensifies. Despite a booming economy, it appears that Asia as a whole is suffering from a shortage of talent. As reported by the Economist (August 2007), a survey of 600 chief executives of multinational companies in Asia lists shortages of qualified staff as one of their biggest concerns in China and SouthEast Asia. According to the same article, the skills shortage comes in two forms: higher staff turnover and rising wage costs. Turnover rates can exceed 30% in certain parts of Asia.

Even if the demand for FWAs across Asia is varied, it seems that most company representatives still view such arrangements as an important tool in recruitment and retention. Eighty percent (80%) of respondents indicate that FWAs are either an important, or very important, tool, compared to 17% who say it is not very important.

**DIAGRAM 4: FWA as tool in recruitment and retention, % of respondents**



When asked to rank which factors were most important in terms of recruitment and retention, an overwhelming majority ranked salary first (54%). Company reputation and status was ranked highest by 23% of respondents, followed by quick advancement and increased responsibilities (17%). Thirty-eight percent (38%) of respondents ranked FWAs in their top five most important factors for recruitment and retention.

In sum, recruitment and retention constitute a considerable challenge for multinationals in Asia. Although FWAs do not rank among the top factors used to win the war for talent, they do appear to be an important part of the employee value proposition put forth by many of our member companies. In the words of one respondent:

---

*"There is an awareness level, almost an appetite for how can we do [FWAs] in the business and be smart about how we use our resources."*

**VP, Head of Learning and Development**

---

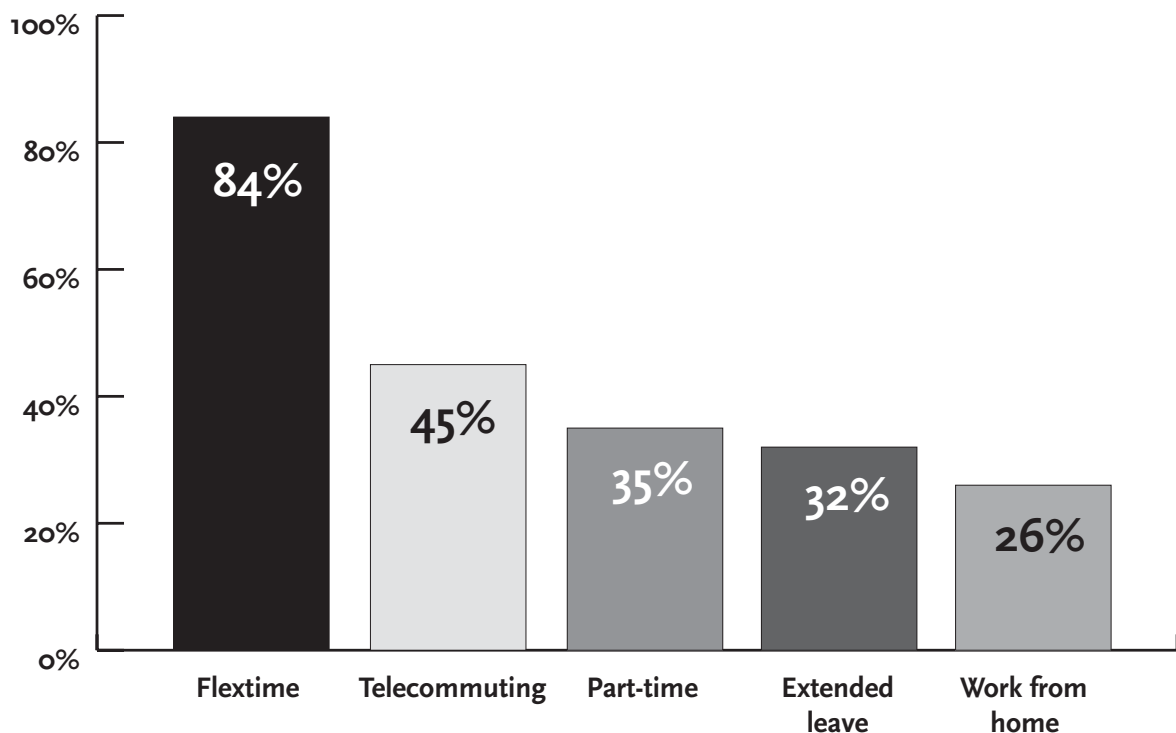
## Most common types of FWAs offered across Asia

For the purposes of this study, FWAs are defined as any type of working arrangement that allows work to be carried out outside the spatial and temporal limitations of a standard working day. Specific arrangements were defined as follows:

- *Flextime*. Vary beginning and end of workday.
- *Extended leave*. Sabbatical. Paid or unpaid leave for personal reasons.
- *Part-time work*. Working less than a 40-hour work week.
- *Compressed work week*. Fulfilling work week obligations in fewer than five days.
- *Telecommuting*. Some work taking place outside of the office.
- *Work from home*. All working hours carried out from home.
- *Job Share*. Two people sharing the job of one, by dividing time.

The diagram below illustrates the percentage of respondents who indicated that their company offers a particular type of flexible work arrangement.

**DIAGRAM 5: Types of flexible work arrangements offered, % of respondents**



The percentages in the diagram above include both formal and informal arrangements.

- Flextime is overwhelmingly the most common FWA offered across Asia, with 84% of respondents indicating that their company is offering this type of arrangement on either a formal or informal basis.

- The second most common arrangement is telecommuting, indicated by 45% of respondents. This is followed by part-time, extended leave, and work from home, with 35%, 32%, and 26% of respondents respectively indicating this is being offered.
- A relatively high number of respondents also indicated that their company offered adjusted work hours to care for elders (7 respondents, or 23%) and children with special needs (8 respondents, or 26%).
- Relatively few companies seem to be offering the options of job-sharing (3 respondents, or 10%) and compressed work week (10%). Dow Chemical, for example, mentioned that when FWAs were implemented in Asia in 1995, most managers agreed that the company was not ready for compressed work week in this part of the world. The company also said that working from home is typically not offered and part-time is still not very common, as working less than full-time is atypical for their industry.

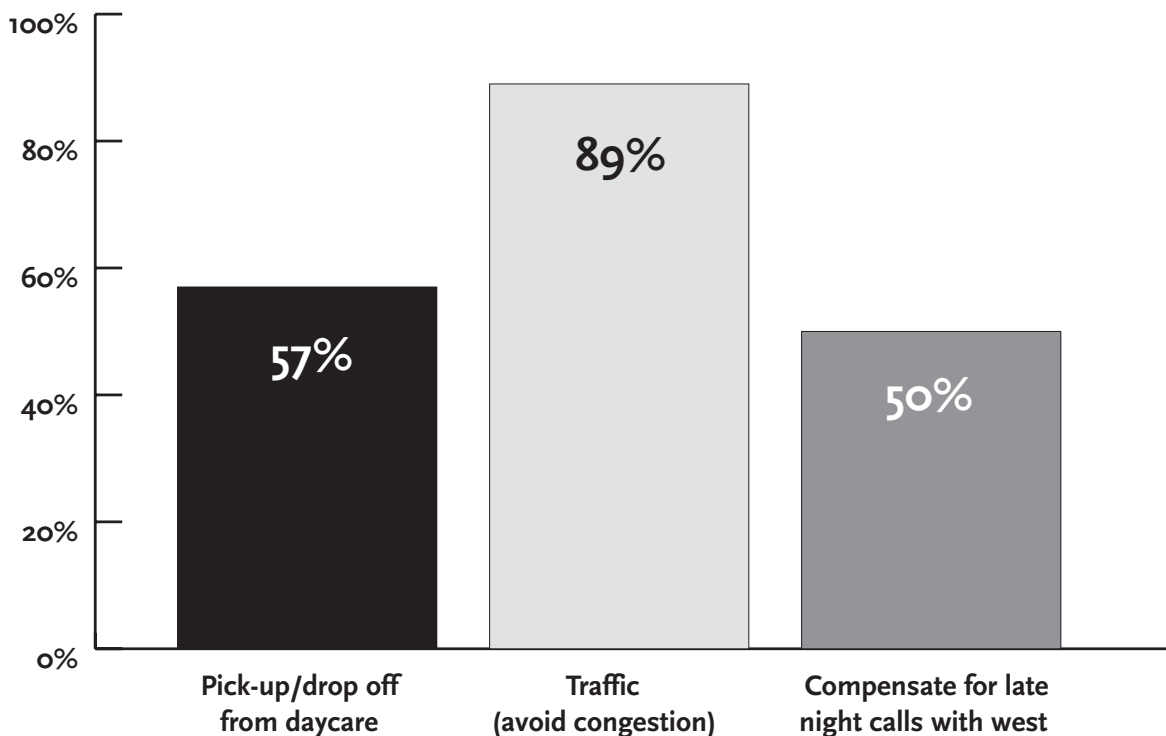
One company representative mentioned that there is some resistance to job-sharing since this adds another person to the payroll. Some managers are thus skeptical of this option for cost reasons. It is also worth bearing in mind that compressed work week and job sharing are not widespread in the West either, and it is therefore not surprising that these options are not offered on a wide basis across Asia.

Some companies offered FWAs not included in the survey, such as a flexible lunch hour, purchased annual leave, accumulation of up to 30 days to be taken in one stretch, and non-working weekdays to compensate for weekend work or travel.

### Common reasons for granting flex-time

Diagram 6 illustrates the number of respondents who indicated the most common reasons for granting employees a flexible work arrangement.

**DIAGRAM 6: Common reasons for granting flex-time (% of respondents)**



Avoiding traffic is the most common reason stated for granting employees flextime; 89% of respondents quoted this as the reason. Traffic is a particularly common problem in Japan, where long commuting times often encourage employers to offer flexible work hours, and in Indonesia, where the local government imposes car-pooling requirements for central business districts at certain times of the day.

Other reasons to grant flextime mentioned by respondents included compensation for overtime, education (e.g., taking an evening class), fitness, doctor's appointment, and different personal needs.

## Global policies on FWAs

Many companies bear witness to how a global policy on flexibility or diversity gets translated and adapted at the country level. Some examples:

**Hewlett Packard** has a worldwide policy promoting a diverse workforce which is a main driver behind the introduction of FWAs in the region.

At **Royal Dutch Shell**, there is a general encouragement from Corporate Headquarters to push forward with flexible work arrangements. This gives good guidance and incentive, but at the same time each country is allowed to implement the policy that best fits the cultural, legal, and political realities in that country. It is a fairly decentralized process, where the company makes use of best practices carried out somewhere else. (For example, Shell in Malaysia has carried out some pioneering work regarding FWAs, which will be developed further in the Section V of this report).

The **Dow Chemical Company** has established global guidelines for FWAs. As such, there is a global message and a general culture to encourage FWAs, but each country may have a different arrangement, based on specific business realities, labor laws, and customs.

Dow's global guidelines outline FWAs and indicate what they are (formal, voluntary, ongoing modifications to a full-time employee's schedule or locations) and what they are not (accommodations to personal needs at the expense of business needs). It also names critical success factors for a typical FWA, such as flextime (e.g., ensuring adequate coverage to optimize customer responsiveness) as well as expectations on employees (be accessible, communicate) and leaders (consider core hours when all employees must be present).

## Drivers

What motivates global companies to introduce flexible work arrangements in a region with countries that seemingly are very different from their counterparts in the West? It is clear from this study that companies differ widely in terms of the degree to which they think their employees demand FWAs, as well as whether or not FWAs are seen as an important tool in recruitment and retention. While there is a general direction and drive in many companies to encourage the use of flexible work arrangements on a global scale, utilization rates are not as high in Asia as in the U.S.

Still, there are some factors which are clearly driving the introduction of flexible work arrangements in Asia as a whole:



- **Recruitment and retention.** The shortage of talent in Asia is a reality. There is considerable competition among multinationals to attract talent, including women who are entering the workforce at a rapid rate. While flexible work arrangements are still not widely practiced in Asia, they are seen by many companies as an important part of their value proposition. Indeed, an article by the Economist on talent shortage in Asia (August, 2007) lists flexible working hours and sabbaticals as among some of the more creative options employers can use to attract and keep their talent.
- **Technology and globalization.** Employees in Asia are increasingly involved in global projects which place demands in terms of working non-standard hours. This leads to requests for some type of compensation, as people may require more time for their personal life. Improved technology allows for more and more flexible work options, although the infrastructure for this varies widely across Asia.
- **Generational shift.** Several respondents mentioned that with a young generation entering the workforce, some traditional values are shifting, which in turn affects the demand for FWAs. Young people are less inclined to take on the type of work demands that their parents did. One respondent mentioned that for young people who have not yet started a family, the main driver will be their social life: a desire to spend time with their friends out of work.
- **Overtime.** The issue of high levels of overtime seems to be a particularly pervasive problem in Japan. Excessive overtime can drive turnover to a point where there is a realization that work has to be organized in a way that is more conducive to employees' life situations. As such, FWAs are primarily business-driven.
- **Leader initiative.** Sometimes, initiatives from top management will be the main driver for flexible work arrangements, as captured in the following quote from a respondent:

---

*“When our CEO speaks about work/life (it) resonates strongly. When he says there is no reason we could not do more job sharing and compressed work weeks with the types of roles the majority of people have in service areas, I think people start to think, yes, it is possible, yes, why can't we do it?”*

**VP, Head of Learning and Development**

---

- **Traffic.** Congestion is a significant problem in many parts of Asia and flextime has proved to be a solution for many companies that we surveyed. In cases where commute time exceeds 2 hours, flextime allows employees to avoid rush-hour traffic. In the words of one respondent: “sometimes a decision on where to locate a new office is based solely on the ability of employees to commute to work.”
- **Family.** Family is an extremely important factor in most countries in Asia. The situation will differ from country to country, depending on the type of support system available. In Hong Kong and Singapore, for example, there is a daycare structure as well as the availability of live-in-maids and

nannies to support working parents, while Japan, typically lacks such support structures. Thus, in certain countries, it may make sense to focus on the family as well as the employee when making a value proposition. Factors that might attract new employees may be to provide support for children's education or to help a family relocate to a community with more child care facilities.

## Obstacles to introducing FWAs in the region

The obstacles to introducing FWAs vary across Asia and will be discussed in more depth in the country analysis section of this report (Section V). It is still of interest to look at some of the aggregate results for the region. The section below is divided into two parts: the first cites obstacles that are typically stated, regardless of geography; the second lists those that appear unique to the region.

### *Global Obstacles*

The obstacles cited by the survey respondents are common stumbling blocks to implementing flexible work arrangements, and are consistent with hurdles expressed by managers all over the world. (Center for Work & Family, 2007)

- 6 out of 27 said “manager’s resistance” was the most important obstacle. Typical hesitations on part of managers include:
  - Fear that they will lose control over employees when they are not physically present.
  - Extra cost or complications due to employees not being in the office at all times
  - Concern that communication among team members will be more difficult
- 7 respondents listed “lack of face time” as one of their top two obstacles. The mindset that one has to be present in the office is particularly salient in certain countries, e.g., China, Indonesia, Korea and Taiwan, and may impede the introduction and implementation of flexible work arrangements in Asia.
- The necessity to ensure that customers are taken care of and that there is adequate coverage in the office was another obstacle. For some companies, the business reality complicates the introduction of certain FWAs; in many service industries (e.g., call centers) jobs must be performed in one location.
- Concern about the security of data was mentioned by one respondent as an important obstacle to implementing FWAs. There may be issues around security compliance when it comes to accessing computer networks from outside the office.

### *Obstacles unique to Asia*

The overwhelming majority of companies interviewed indicated that their workforce consists of primarily local employees with less than 10% of the population being expatriates.

- 7 respondents out of 27 indicated that “not industry practice” was the most common obstacle to introducing FWAs.
- 8 respondents placed “lack of demand from employees” as their first or second most important obstacle.

- Interestingly, infrastructure and/or small housing do not appear to be obstacles to FWAs, with a few exceptions. Small housing tends to be a problem in Japan, Hong Kong and Singapore, for example, which complicates working from home. One respondent mentioned that both technology and infrastructure were major impediments to implementing FWAs across Asia. There may be large variations between companies here, in terms of the technology the company can provide and where employees are located.

One respondent mentioned the complications that can arise when an employee in Japan, for example, has a supervisor based in Michigan. This supervisor may grant the employee a certain FWA that has not been formally approved by the HR department in Japan. The business function may not understand the local culture and workforce needs and therefore, communication between HR and line managers is crucial.

## Benefits of FWAs

The benefits of FWAs cited by the survey respondents are similar to those expressed in other regions of the world:

- An important tool in recruitment and retention, particularly when it comes to women.
- A way to align general company philosophy on diversity and respect workers' needs.
- A strategy for helping employees balance their work-life needs.
- A mechanism to demonstrate that a company cares about employees. This seems particularly important in China, Hong Kong, Malaysia and Thailand, where the aspect of trust and care are important pillars to the employer-employee relationship.

## A note on time differences

---

*"Global requests typically come with a 24-48 hour turn-around. But there has to be an understanding that the business day is different in Asia. What does the end of the day really mean in a global context?"*

**Director, Mgmt & Org. Dev., Asia Pacific**

---

In an interview with one representative, it was noted that there was still a need for global headquarters to pay more attention to the schedule of employees in Asia. Too often, late night calls with counterparts in the US are expected. Also, local holidays and traditions are not honored, more from a lack of understanding than ill will. As a consequence, there is a need to share the burden of communication across time zones, supported through flexible work arrangements.

In conclusion, the study found that the demand for flexible work arrangements varies across the Asia Pacific region, with some countries showing a strong demand, most notably Japan, and other parts of the region where there is less demand for this type of practice (e.g., India and Thailand).

The majority of companies (80%) in the study view flexible work arrangements as an *important*, or a *very important*, tool in recruitment and retention. While other factors tend to weigh more heavily in the war for talent, most notably salary, company reputation and status, and rapid advancement, it appears that for most companies, FWAs are an important part of the employee value proposition. There are a number of factors driving this development, such as more women entering the workforce, difficult commuting times, generational shift of values, technological advancements, and a global economy requiring unusual working hours.

As in the West, there are still obstacles to implementing FWAs, such as employee and managerial resistance. Cultural components also enter into the picture, and these will be discussed in Section V, Country Analysis.

The next section outlines three company examples of “best practices” in terms of introducing flexible work arrangements in the Asia Pacific region.

## IV BEST PRACTICE EXAMPLES

The following section outlines examples of Flexible Work Arrangements that have worked particularly well for the Global Workforce Roundtable member companies in Asia. Each case gives a brief description of the arrangement or package of FWAs offered, the contributing success factors, and also comments on utilization rates.

### ROYAL DUTCH SHELL

#### Description of Flexible Work Arrangement

A package of FWA offered to all employees, consisting of the following:

- Working from home (most common)
- Career breaks – sabbatical
- 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
- Part-time, work 2-4 days

#### Location

Singapore. Shell was awarded “Employer of the Year” by Human Resources Magazine in 2007; selected as having one of the best FWA offerings in the country.

#### Number of Employees at location:

2,400 employees, predominantly local employees, but a large number of expatriates (more than 12%).

#### Success factors (e.g., top management support, composition of workforce)

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.

**Offered to:** All employees

#### Utilization rate

Difficult to track, since FWAs are determined by 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.

#### Effectiveness measures/business case

Hard to measure the effectiveness rate, but FWA is one important component of the Employee Value Proposition. Many people join Shell mid-career because the company is seen as a caring employer who will cater to employee’s work-life needs.

## DOW CHEMICAL COMPANY

### **Description of Flexible Work Arrangement**

Flexible work hours, commonly known as flex time, was one of the key options within Dow's flexible work arrangement package which has been particularly successful. 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, and was created to help employees handle excessive commuting times, and childcare responsibilities.

### **Location**

Offered in all 13 countries across Asia; has operated successfully for several years.

### **Number of Employees at location:**

10-700, depending on site, predominantly local employees, some expatriates (less than 10%)

### **Success factors (e.g., top management support, composition of workforce)**

- Top managers were champions of the program.
- Each country set individual policy to meet local needs, and communicated the program to all employees.
- Company listened to the needs of employees, the realization that flexibility can be a temporary need coupled with common sense: if an employee really needs flexibility, give it to him/her!

**Offered to:** All employees.

### **Utilization rate**

- No formal tracking, but estimate that all employees use it from time to time.
- The majority of employees still come in during regular office hours on most days in order to serve external customers and internal clients. Successful implementation is due to good back-up in each work group.
- Flex-time is becoming industry practice in many countries in the Pacific.

## HEWLETT PACKARD

### Description of Flexible Work Arrangement

From all of the FWAs that HP offers, the most successful is the work-at home option in China. Subject to business needs, employees are offered a work-at-home program in China where they can spend 1-2 days a week working from home.

- Policy contributes to financial savings for the company (employees are required to share sitting areas with peers, no need for office expansion and cost is therefore reduced).
- Female professionals experience less stress from trying to balance work-life.

### Location

China.

### Number of Employees at location:

- 5,000 employees
- Predominantly local, some expatriates (less than 10%)

### Success factors (e.g., top management support, composition of workforce)

- Success not related to composition of workforce, but rather real estate savings.

**Offered to:** All employees

### Utilization rate

50% of employees in China.

### Effectiveness measures/business case

No system tracking, but visible results in terms of cost reduction for company: no need to expand office area.

## V COUNTRY ANALYSIS

In the following section, an analysis of flexible work arrangements in each of the eleven countries included in the study is provided. In addition to the analysis of the surveys collected from our respondents, relevant findings from the academic literature have also been included. Some basic data regarding the country's economic status as well as other indicators that have a direct bearing on work-life (maternity leave for women, governmental support for work/family, availability of childcare, gender ideology, etc.) are also presented.

List rankings from the NOP<sup>4</sup> World's Work-life Index 2004 for each country are also included, where available. This index compares the work-life ratio for each country based on the global population surveyed. The ratio is the number of self-reported work hours among employed people, compared with the hours of self-reported leisure hours (watching TV, reading, socializing with friends, spending time with children and grandchildren). Together, these indicators can serve as a basic guideline for companies introducing HR programs in these countries, as they give an indication of the expectations employees bring to the workplace and the types of pressures placed on them by roles outside of work.

<sup>4</sup> NOP World is a leading supplier of syndicated and custom research. It is a wholly-owned subsidiary of UK-based United Business Media, a provider of business information services to the technology, healthcare, media, automotive, financial services and property industries.



## Mainland China

Population:	1.3 billion
GDP per capita:	\$7,700
% of population below poverty line:	10%
Minimum # of paid days off:	7
Female labor force participation:	50%
Required paid maternity leave:	90 days at 100% pay
Women comprise 38% of the labor force (China Labour Statistics Yearbook, 2005, pp. 20-4).	
Less than 10% of Mainland Chinese females leave the work force due to marriage and childbirth (Chien & Yi, 2002).	

## Attraction and retention of employees

Two tables are provided, listing how each company assessed the demand for flexible work arrangements and the use of FWAs as a tool for attraction and retention of employees in Mainland China. In terms of demand for flexible work arrangements, respondents were asked to rate whether demand was very strong, strong, not very strong or not at all strong. For FWAs as a tool in recruitment and retention, respondents were similarly asked to rate the importance on a scale ranging from “very important” to “not at all important.” These tables will be shown for each country in this section.

**Table 1: Demand for flexible work arrangements in China**

	Very Strong	Strong	Not very strong	Not at all strong
Dow Chemical	X			
Hewlett Packard *				
Kraft Foods		X		
Merck & Co.				X

\* Has not measured this among employees

**Table 2: Flexible work arrangements as tool in attraction and retention of employees in China**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Dow Chemical		X			
Hewlett Packard	X				
Kraft Foods		X			
Merck & Co.				X	

According to HR Magazine (Fox, 2007) human resources professionals in China are facing considerable challenges in terms of finding, recruiting, and retaining skilled employees who can thrive in Western-style multinational company cultures. There are two main contributing factors:

- *Talent shortage.* A study by McKinsey Global Institute (Farrell, 2005), covering a broad spectrum of businesses and surveying more than 80 Human Resources managers, found that “less than 10% of Chinese job candidates, on average, are suitable for work in a foreign company.” Further, the Institute estimates that 75,000 business leaders will be needed in China in the next ten years. The current availability is estimated at 3,000 to 5,000 (Farrell, 2005). Aggravating the problem is a rising number of young Chinese who go abroad to obtain an education and remain abroad.
- *Turnover.* The average retention period of an employee in Shanghai is just 1.8 years. HR managers are among the most difficult to keep (Economist, 2007).

As can be seen from Tables 1 and 2 above, companies in our study vary widely in their perception of whether or not there is a strong demand for FWAs as well as whether FWAs are an important tool in recruitment and retention. One company representative said that people have not really been demanding FWAs, but increasingly, people are starting to ask if they can be compensated for late night calls. Also, in job interviews, candidates ask if there is a great deal of overtime involved.

---

*“Work/life has never really been discussed before, but more and more, people are starting to respect their own voice.”*

**Workforce planning leader for Asia**

---

When asked to rank the five most important factors in recruitment and retention, all four responding companies placed *salary or quick advancement/increased responsibilities first*. This can be compared with findings from the 2007 Flight of Human Talent Survey by SHRM and Development Dimensions International (DDI), which found that the top two reasons for turnover in China was lack of growth and development (cited by 53% of employees and 54% of HR professionals), and better career opportunities elsewhere (cited by 42% of employees and 70% of HR professionals). Our

findings are also supported by a study conducted by Mercer (2006), who surveyed 114 organizations in China and found that the top three methods for attracting and retaining staff were:

- Attractive salary and benefits packages (23%)
- Opportunities for career development (19%)
- Meaningful and creative work (7%)

## Types of flexible work arrangements

The most common arrangements offered by our respondents in China are telecommuting, work from home, and flextime.

- Work from Home (all hours worked from home):
  - Dow Chemical (an estimated 20% of employees using this option )
  - Hewlett Packard (50%)
  - Kraft
- Telecommuting is offered by the following companies (Some hours worked outside the office):
  - Dow Chemical (an estimated 20% of employees using this option)
  - Kraft
  - Merck (an estimated 3% of employees utilizing this option)
- Flextime is offered by:
  - Dow Chemical (an estimated 5% making use of this arrangement)
  - Hewlett Packard (an estimated 30% making use of this arrangement)
  - Kraft
  - Merck (an estimated 5% making use of this arrangement)

There is thus wide variation in terms of the degree to which employees take advantage of a certain arrangement, when it is offered. Reasons for this may include company culture, industry practice and perhaps the physical location of a company, as there are regional differences within China in terms of economic development.

## Obstacles to introducing FWAs

Respondents vary in their views as to what are the obstacles to introducing FWAs.

- One respondent felt that lack of demand from employees was the most important factor.
- Three respondents indicated that managers' resistance was among the five most important obstacles.
- Two respondents listed lack of face time (fearing "out of sight out of mind") as an important obstacle.

## Cultural/ideological factors affecting flexible work arrangements

### *Desire for fast advancement vs. work-life balance*

One respondent explained that among the young generation, there is a strong demand for a fast track career development and less desire to pursue ideal work-life balance. Middle managers may feel the need to secure their position and status and will therefore hesitate to lose perceived control of staff members by granting FWAs. These trends, coupled with the enormous changes occurring in China at the moment, suggest that work-life issues may take a secondary role for many employees.

When DDI (Development Dimensions International) surveyed 43 leaders and 360 HR representatives in China, they found that work-life balance, at least at the leadership level, is of little concern to most organizations (Bernthal & Wellins, 2006). Only a third of HR professionals in the DDI survey indicated that their organization proactively addressed issues of work-life balance.

### *The role of managers*

One factor mentioned by our respondents in China was the feeling among some employers that FWAs affect the team environment and managers may feel uncomfortable losing some control over employees.

### *Childcare and gender ideology*

In China, childcare is often provided by grandparents. Other employees are able to hire a domestic helper, which is quite affordable for most middle-class office workers. In state-owned enterprises, the State intervenes in work-life matters by providing subsidized childcare facilities, often sponsored by and located in the organizations for which the parents work. Therefore, the constraints of childcare rarely serve as a great barrier to employment and advancement of career; social expectations on women are generally a greater problem (Cooke, 2006). Many traditional attitudes towards women prevail and women face discrimination when it comes to hiring and lay-offs (Komarraju, 2006).

- If a lot of help is available in the extended family or otherwise, parents with young children will be able to work full-time and may have less demand for FWAs.
- Discrimination in the workplace could affect the willingness on part of women to demand FWAs (this may be more the case in state-owned enterprises, however).

<b>Hong Kong</b>	
Population:	6.9 million
GDP per capita:	\$37,300
% of population below poverty line:	N/A
Minimum # of paid days off:	26
Female labor force participation:	51%
Required paid maternity leave:	10 weeks at 80% pay
Women comprise 44% of the labor force (LABORSTA Internet, ILO data, 2004).	
According to NOP World's Work-life Index, Hong Kong is one of top five countries most focused on work, spending on average 48.6 hours/week at work and 34.8 total hours/week "at play."	

## Attraction and retention of employees

**Table 3: Demand for flexible work arrangements in Hong Kong**

	Very Strong	Strong	Not very strong	Not at all strong
Dow Chemical		X		
Kraft Foods			X	
State Street			X	

**Table 4: Flexible work arrangements as tool in attraction and retention of employees in Hong Kong**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Dow Chemical		X			
Kraft Foods				X	
State Street				X	

Only one company deemed flexible work arrangements to be an important tool in recruitment and retention in Hong Kong. The remaining two viewed it as not very important. All three companies viewed salary as the most important factor in terms of recruitment and retention, and two placed *other benefits and compensation* as their number two most important factor.

## Types of flexible work arrangements

Kraft Foods and State Street have no formal policy on FWAs in Hong Kong and have no current plans to introduce such arrangements. State Street, however, offers a variation of shift schedule, where some staff may start work earlier (e.g., 7 a.m.) and end early (e.g., 4 p.m.) whereas others can start at a later time (9 a.m.) and leave later (e.g., 6 p.m.).

Dow Chemical has a formal FWA policy and offers such arrangements to full-time employees only. The four most common arrangements for this company are:

1. Flextime (utilized by an estimated 15% of employees)
2. Telecommuting (utilized by an estimated 5% of employees)
3. Adjusted work hours to care for elders
4. Work from home

## Obstacles to introducing FWAs

Both Dow Chemical and State Street listed *not industry practice* as the main obstacle to introducing FWAs. *Small housing* and *difficulty to administer the programs* also ranked high on the list.

## Cultural/ideological factors affecting flexible work arrangements

There are a few other factors that would speak in favor of increased use of FWAs:

- There is weak labor legislation in Hong Kong, which increases the need for companies to be leaders in providing guidance and support to reduce work-family conflict (Foley et al., 2005).
- According to one study, Hong Kong respondents were significantly more likely than their UK or US counterparts to express interest in part-time work (Wharton and Blair-Loy, 2006), presumably motivated by the desire to spend more time with family.
- Congestion plays an important role; as in most large cities in Asia, both employees and employers can gain from flex-time to avoid rush hour commuting.
- Employees may be afraid to ask for flexible work arrangements, because they will be perceived as being less committed to work. In the words of one respondent:

---

*"Hong Kong is a highly competitive city. People are afraid their work performance and development opportunities will be affected if they are on FWA. Job security is another issue. On the other hand, Chinese tend to be more reserved. We try to solve our problems ourselves so applying for FWA formally will be the last resort"*

**HR Specialist, Hong Kong**

---

- As FWAs are not very common, there may be more need to monitor employees and avoid any abuse of FWAs.

Some academics argue that Hong Kong nationals live in two worlds: a modern, industrialized nation comparable to the U.S. and a society dominated by Chinese Confucian values that stipulate that family is most important. Work and family are not necessarily seen as conflicting, as work is a means to promote the family's financial security (Komarraju, 2006). Therefore, employees in Hong Kong may feel that working long hours is a way to provide for family and do not need flexible work arrangements.

It is worth pointing out that there is a high level of female labor force participation in Hong Kong (51.6% in 2001). At the same time, there is a strong influence of a conservative gender ideology, traditional division of labor in terms of the domestic sphere, and little family support for the employees (Foley et al., 2005). This lack of societal support, coupled with research that suggests that measures such as flexible work arrangements appeal to female professionals with children (Lo, 2003), should logically inspire companies to consider introducing more flexible work arrangements in the future.

Thus, while FWAs do not appear to be common at present, many factors may contribute to greater availability and utilization in the future. For example, as one respondent mentioned, global operations across different time zones have made it necessary to be more flexible.

<b>India</b>	
Population:	1.1 billion
GDP per capita:	\$3,800
% of population below poverty line:	25%
Minimum # of paid days off:	31
Female labor force participation:	33%
Required paid maternity leave:	90 days at 100% pay
Women comprise 31% of the labor force (LABORSTA Internet, ILO data, 2001).	
Workplaces employing 30 women or more on a full-time basis are required to provide crèches (child care).	
One of top five countries most focused on work in NOP World's Work/Life Index, spending on average 45.4 hours/week at work and 35.1 total hours/week "at play."	

## Attraction and retention of employees

**Table 5: Demand for flexible work arrangements in India**

	Very Strong	Strong	Not very strong	Not at all strong
Cadbury Schweppes				<b>X</b>
Dow Chemical		<b>X</b>		
Hewlett Packard			<b>X</b>	

**Table 6: Flexible work arrangements as tool in attraction and retention of employees in India**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Cadbury Schweppes		<b>X</b>			
Dow Chemical	<b>X</b>				
Hewlett Packard		<b>X</b>			

Two companies viewed FWAs as an important tool in recruitment /retention and one viewed it as very important (see table 6 above). In terms of demand for flexible work arrangements, one company viewed it as strong, whereas the other two viewed it as not very strong and not at all strong.



All three companies placed the following criteria on top of their list in terms of the most important factors in recruitment and retention:

- Company reputation and status
- Salary
- Quick advancement/increased responsibilities

Only one company mentioned FWAs as one of their top five most important tools in recruitment and retention.

## Types of flexible work arrangements

Both Cadbury and HP offer the following FWAs in India:

- Flextime
- Telecommuting
- Extended leave

HP also allows employees to work from home, as part of their global policy. Dow Chemical presently has no formal policy on FWAs in India and has no current plans to offer such arrangements.

## Obstacles to introducing FWAs

Dow Chemical responded that their top two obstacles were managers' resistance to FWAs and infrastructure (for example, lack of adequate telephone lines). The company respondent also stated that each business within a company is unique and flexible work options may vary from one business to another. While telecommuting might work well for an R&D department, for example, employees in sales or call centers cannot readily use flextime or telecommuting as the customer face time is very high.

---

*"We need to balance delivery commitments to customers with employee priorities. Each employee appreciates this reality."*

**Manager HR, Employee Relations, Diversity & Culture, India**

---

## Cultural/ideological factors affecting flexible work arrangements

In India, traditional views of gender are still widely held, as the following findings from other research suggest:

- A study among urban, middle-class Indian fathers found that work and family life was independent and compartmentalized. Fathers were not expected to help with household chores, but

rather occupied the role of privileged “family man”. Indian culture places emphasis on family unity and compliance to family norms (Komarraju, 2006). The availability of domestic workers helps sustain this status quo among more affluent families (Gambles et al., 2006).

- In June 2004, the National Commission for Women (NCW) and the Press Institute of India jointly released a report that found that a majority of women experienced gender discrimination at their workplaces (U.S. Department of Labor Bureau of International Labor Affairs, December 2006).

It is worth mentioning that the “work-life balance” terminology seems to have gained momentum in India as people are experiencing pressures of long working hours and a heightened intensity of work. At one large multinational subsidiary, “work-life balance” was identified as the number one concern (Gambles et al., 2006). Work-life balance is becoming particularly prevalent in the information technology industry, with companies offering child-friendly policies and flexible work options to recruit and retain women employees (Rathore & Sachitanand, 2007). However, there also tends to be a view that work-life balance is “a luxury that India cannot afford to focus on until after it has caught up with or exceeded the West in terms of economic development and competitiveness” (Gambles et al., 2006).

## Indonesia

Population:	225.3 million
GDP per capita:	\$3,900
% of population below poverty line:	17.8%
Minimum # of paid days off:	25
Female labor force participation:	50%
Required paid maternity leave:	90 days at 100% pay

Women comprise 37.41% of the labor force (LABORSTA Internet, 2005).

According to the NOP World's Work/Life Index, Indonesia is a country where people tend to divide their time equally between work (42.9) and "play" (42.2 hours).

## Attraction and retention of employees

**Table 7: Demand for flexible work arrangements in Indonesia**

	Very Strong	Strong	Not very strong	Not at all strong
Dow Chemical			X	
Kraft Foods		X		
Merck & Co.		X		

**Table 8: Flexible work arrangements as tool in attraction and retention of employees in Indonesia**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Dow Chemical		X			
Kraft Foods	X				
Merck & Co.		X			

All company representatives agreed that FWAs were either an important or a very important tool in terms of attraction and retention of employees. In fact, all three respondents listed FWAs among their top five factors for recruitment and retention. This ranking seems to be unique for Indonesia. All three respondents listed salary as the first or second most important priority.

## Types of flexible work arrangements

- Merck is not currently offering FWAs in Indonesia but is planning to introduce a formal policy within the next few years.
- Both Dow Chemical and Kraft Foods listed flextime as the most commonly practiced FWA. Kraft also offered extended leave (sabbatical) and Dow included adjusted work hours to care for a child with special needs/or elders, telecommuting, and compressed work week. The latter is noteworthy, as this option tends to be rare in Asia as a whole.

Traffic appears to be a particularly challenging problem in Indonesia, and is an often cited reason to provide flextime. In Jakarta there are traffic restrictions called 3 in 1, where 3 passengers in one car are required during peak morning and afternoon hours. Other central business districts may also have car-pool limitations, and both Kraft and Dow grant their employees flexibility as a way for people to handle their commute hours more efficiently. Kraft estimates that 100% of their employees use flextime at least occasionally, while Dow estimates that 15% of their workforce utilizes this option.

## Obstacles to introducing FWAs

- Not industry practice
- Lack of face time during meetings could have a negative impact on relationship quality among employees.
- Infrastructure (lack of Internet access and small housing)
- Lack of demand from employees.

## Cultural/ideological factors affecting flexible work arrangements

One respondent commented that work in Indonesia was commonly associated with a designated office and determined working hours. There is also a custom that people do not work when they are at home. Another respondent mentioned that Indonesia is still in its developing stage and employees may still need somewhat rigid working guidelines (such as specified working hours, close guidance by supervisor). These characteristics suggest that certain flexible work options such as working from home or job-sharing might be less acceptable in Indonesia.

## Japan

Population:	127.7 million
GDP per capita:	\$ 33,100
% of population below poverty line:	N/A
Minimum # of paid days off:	7
Female labor force participation:	48%
Required paid maternity leave:	14 weeks at 60% pay

The population of Japan is expected to shrink by 30% in the next 40 years, unless the falling birth rate can be reversed

Women comprise 41% of the labor force (Komarraju, 2006).

In an effort to encourage women to continue working after giving birth, the government wants to double the number of teleworkers by 2010, raising it to 20% of the entire workforce. Tax incentives will be offered to employers who set up telecommuting programs. The country has advanced broadband access, advanced network security and mobile capability, facilitating teleworking (WFC Resources Newsbrief, 2007). By the end of this year, the Japanese government plans to unveil its Work-Life Balance Charter, described as an attempt to change the work ethic (Japan Times, June 29, 2007).

## Attraction and retention of employees

**Table 9: Demand for flexible work arrangements in Japan**

	Very Strong	Strong	Not very strong	Not at all strong
Cadbury Schweppes		X		
Dow Chemical	X			
State Street		X		

**Table 10: Flexible work arrangements as tool in attraction and retention of employees in Japan**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Cadbury Schweppes		X			
Dow Chemical	X				
State Street		X			

Compared to many other countries included in this study, there appears to be a stronger demand for flexible work arrangements in Japan, and FWAs are also viewed as an important tool in recruitment and retention (see tables above).

## Types of flexible work arrangements

- Flexitime is the most common FWA offered in the region, with Cadbury Schweppes and Dow Chemical estimating that 100% and 80% respectively of their employees use this type of arrangement.
- Working from home is often not a convenient option because many employees have small housing.

## Obstacles to introducing FWAs

- Two of our respondents placed “lack of demand from employees” as their number one or two top obstacles to implementation of FWA. One respondent explained that one reason for the lack of demand is that many Japanese are simply not as aware of different types of FWAs.
- One company also talked about reluctance to grant younger workers home-based work, since senior leaders believed that for these younger workers benefitted from close interaction with older, more experienced workers in the office.
- One respondent talked about difficulty of certain workers to accept the concept of “being flexible” because of the national culture. Many people experience intrinsic guilt if using a flexible work arrangement and do not feel good about coming in late to the office, even if they have spent the previous evening on a late night conference call.

Hiroki (2007) found that in some companies with successful work-life programs, women tended to stay for a long time, but they were typically working at lower levels doing clerical jobs. If work-life programs and policies are seen as directed towards women only and there is a cost associated with them, companies may opt to employ more men instead. Further, women may not demand flexible work arrangements out of fear of being marginalized (Gambles et al., 2006). The role of gender ideology will be further explored in the section below.

## Cultural/ideological factors affecting flexible work arrangements

### *Work place and work ethics*

Japanese business culture is known for its long working hours and an eagerness to put in a lot of hours in the office. Traffic and long commuting hours have further contributed to the long work day in Japan. There is also a tradition of evening socializing for workers (Gambles et al., 2006). According to the Council for Gender Equality, Japan scores low on indices such as “reasonable work hours” and much lower than average on “flexibility of work styles” (for example, ability to find part-time work and ease of changing jobs). In all, Japan scored low among 24 other OECD countries in terms of “possibility of balancing work and home life” (Council for Gender Equality). According to a

national survey, almost one half of Japanese fathers of pre-school children do not return home after a workday until 9 p.m. (Yu, 2006).

---

*"It is very difficult to get staff to leave early. The perception is the longer you are in the office, the better your work is. FWAs do not lend themselves to this type of mindset".*

**HR Manager, Japan**

---

At the same time, there is a growing tendency for young fathers to be more involved parents than in previous generations (Hiroki, 2007). If this trend continues, there will be fewer people who can uniquely devote themselves to a career, which has been the traditional concept for many Japanese men.

In their study of work-life development in Japan, Gambles et al (2006) found that family-friendly policies are increasingly defined as "work-life compatible" policies. This indicates a greater inclusion of men and employees without family responsibilities.

#### *Childcare and gender equality*

Traditionally, combining work and family for women in Japan has been hard; according to Confucius, an important influence in Japanese society, the role of women is to support their husbands (or fathers when they are young, or sons when they are older) and there is less focus on issues of gender equality (Yu, 2006). According to research by the Council for Gender Equality, Japan scores lower than average in an international comparison of 24 OECD countries, on indices such as "equality of employment opportunities" and "flexibility in division of roles for household work". Despite the fact that many women want to continue working throughout the child rearing period, the majority of women leave the workforce when their children are born and when they return it is typically to work on a part-time basis (Gambles et al., 2006). Indeed, currently Japan has the second-to-lowest score of 24 OECD countries in terms of "percentage of female managers" (Council for Gender Equality).

There is limited public child care in Japan (Yu, 2006), and nannies and live-in maids are not as easily available as in other parts of Asia. Indeed, the Council for Gender Equality argues that the fact that systems to support balancing work and home life have not kept pace with the increased rate of female employees in the Japanese economy might explain the low fertility rate in this country (1.36 births per female in 2002). There is clearly a need to support working mothers, as 50% of male workers depend not only on their own income, but on that of their wives as well (Hiroki, 2007).

#### *Governmental involvement*

In an effort to increase the number of people able to join the workforce in the country, the Japanese government has identified some barriers that inhibit active participation. By supporting policies and tools such as flexible work arrangements at the national level, the government hopes to expand the workforce in the country. The government is providing tax incentives to companies who support telework programs. The government has also funded research to demonstrate the importance of parental leave for fathers and has introduced awards for the most "family-friendly" companies (Gambles et al., 2006). It is particularly encouraging that the government is paying attention to the role of fathers. Many companies still believe that work-life practices should be directed to women only, as child and family care is a woman's territory (Hiroki, 2007).

## Korea (South Korea)

Population:	49 million
GDP per capita:	\$24,500
% of population below poverty line:	15%
Minimum # of paid days off:	22
Female labor force participation:	41%
Required paid maternity leave:	60 days at 100% pay

Women comprise 41% of the labor force (The World Bank Group: Database of Gender Statistics, 2004).

It is a requirement by law that employers with more than 300 female employees provide a childcare center (Bardoel et al., 2006).

One of top five countries most focused on work in NOP World's Work/Life Index, spending on average 50.7 hours/week at work and 30.7 total hours/week "at play".

## Attraction and retention of employees

**Table 11: Demand for flexible work arrangements in Korea**

	Very Strong	Strong	Not very strong	Not at all strong
Dow Chemical			X	
Merck & Co.		X		

**Table 12: Flexible work arrangements as tool in attraction and retention of employees in Korea**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Dow Chemical		X			
Merck & Co.		X			



Both respondents viewed FWAs as an important tool in attraction and retention in South Korea. However, only one of them named FWAs as one of the top five most important tools to attract and retain employees, placing it as number five on their list. Rather, both companies named the following two factors as their top two tools for attraction and retention:

1. Quick advancement/increased responsibilities
2. Company reputation and status

It is interesting to note that when Towers Perrin conducted research on drivers of attraction, retention, and engagement among 16 countries across four continents, “work-life balance” was selected as the second most important attraction driver in South Korea (Tozier, 2006).

### Types of flexible work arrangements

Merck has a formal policy on FWAs in Korea and the three most common types of arrangements offered are:

1. Flextime (used by an estimated 30% of employees)
2. Adjusted work hours to care for child with special needs (utilized by 5%)
3. Telecommuting

### Obstacles to introducing FWAs

Only Merck answered this question and listed the following factors as the three most important:

1. Managers’ resistance to FWAs
2. Not industry practice
3. Lack of face time (employees fear “out of sight out of mind”)

The respondent did not think that there was any significant difference between FWAs in Korea and the West, and that work itself, rather than cultural or ideological factors, affect the implementation of FWAs.

## Cultural/ideological factors affecting flexible work arrangements

- In an international comparison of 24 OECD countries, South Korea scored low on a “reasonable work hour” index, which supports the notion that this country is focused on work and therefore, may face more resistance to the notion of flexible work arrangements. (Council for Gender Equality)
- There is a very strong work ethic in Korea. It was only in 2004 that large companies in South Korea introduced the five-day work week (in lieu of the six-day week) and all companies must adhere to this work week by 2011. Reportedly, many employees are experiencing stress as they are struggling to adjust to their new-found leisure time and the Korea Culture and Tourism Policy Institute are making leisure counselors available – teaching people to “seize their time” (Wall Street Journal, 2006).
- A survey of women officials in Korea revealed that 64.6 percent of the women had experienced gender discrimination and 58.1 percent said they received fewer opportunities for promotion (August and Tuten 2003). According to some findings, one out of ten advertisements in the country had violated gender equality laws (Pacific Bridge, 2007). In an international comparison of 24 OECD countries, South Korea scores significantly below average for “equality of employment opportunities” South Korea also has a low fertility rate (1.47 in 2000). (Council for Gender Equality)

## Malaysia

Population:	24.8 million
GDP per capita:	\$12,900
% of population below poverty line:	5.1%
Minimum # of paid days off:	28
Female labor force participation:	30%
Required paid maternity leave:	60 days at 100% pay

Women comprise 35% of the labor force (LABORSTA Internet, ILO data, 2005).

National legislation in Malaysia provides that women workers in general cannot be required to work between 10:00pm and 5:00am without a dispensation from the Director-General. However, there is no specific protection for pregnant employees or new mothers. National legislation also stipulates that no female employee may be dismissed from her employment whilst she is on maternity leave (Malaysia: Employment Act, 1955).

## Attraction and retention of employees

**Table 13: Demand for flexible work arrangements in Malaysia**

	Very Strong	Strong	Not very strong	Not at all strong
Cadbury Schweppes			X	
Dow Chemical		X		
Royal Dutch Shell		X		

**Table 14: Flexible work arrangements as tool in attraction and retention of employees in Malaysia**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Cadbury Schweppes			X		
Dow Chemical		X			
Royal Dutch Shell	X				

As can be seen in the tables above, opinions on the importance of FWAs in recruitment and reten-

tion varied between the companies. All three companies surveyed placed salary as the number one tool in recruitment and retention in Malaysia. Other factors that scored high were *company reputation and status* and quick advancement/increased responsibilities. Only one company placed flexible work arrangements among the five most important factors.

## Types of flexible work arrangements

- Cadbury Schweppes offers part-time in Malaysia, but otherwise has no formal policy on FWAs and has no current plans to provide other FWAs.
- Dow offers flextime and working from home and estimates that 15% and 10% make use of these arrangements, respectively.
- Shell has a formal policy on FWAs, which is made available to all employees (some components are only offered to some employees). FWAs need to be approved by an employee's manager. The following arrangements are offered (including estimated utilization rate):
  1. Flextime (33%)
  2. Telecommuting (33%)
  3. Working beyond normal retirement age (10%)
  4. Part-time (5%)
  5. Extended leave (sabbatical) (5%)

In addition, Shell Malaysia offers:

- Accumulation of up to 30 days leave to be taken at a stretch
- Half pay leave to care for family members and to extend maternity leave
- Full pay leave for a variety of reasons
- Unpaid leave for a maximum of three months

To support the utilization of flexible work arrangements, Shell Malaysia has developed a charter, which contains an overall framework for each person and team to develop his or her own working norms. For example:

- Staff should enter into a dialogue with their supervisor about how a good balance between working requirements and personal needs can be met.
- Meetings and workshops should be scheduled, where possible, to avoid travel on weekends and holidays.
- An adequate work/rest balance should be maintained during and following business trips or periods of high workload.

## Obstacles to introducing FWAs

- One respondent listed infrastructure and small housing as the top two obstacles.
- Another respondent listed three obstacles: operational needs of the company; lack of demand from employees; and managers' resistance to FWAs.

---

*“As this [FWAs] is very new here, there is a mindset change that needs to take place. The change is around trust. There needs to be trust that the employee will not be abusing the FWA and there should not be any stigma that might be associated with this.”*

**ER/IR Manager, Malaysia**

---

FWAs are still not considered common practice in Malaysia and some people may still have the perception that employees making use of these arrangements are not as hardworking or diligent. To counteract this, Shell has tried to make the process for granting FWAs and the criteria used to approve such arrangements transparent.

---

*“Shell Malaysia’s prime objective is to meet our business goals. Providing a culture in which individuals are encouraged to discuss ways of finding the appropriate balance between work and personal interests is a key factor in meeting this objective.”*

**(From “My Time – Flexi-work Policies, Human Resources, Malaysia”)**

---

## Cultural/ideological factors affecting flexible work arrangements.

It is worth mentioning that even with greater employment achievement, most women in Malaysia have the main responsibility for home and children. Increasing attention is therefore being paid to the mental health effect of combining both work and family roles simultaneously (Noor, 1999). The belief that women must take second place to men at the workplace is still prevalent (Komarraju, 2002). If such views prevail, it might take some time before FWAs are offered on a wide scale, at least if such arrangements are viewed as being geared to working mothers in particular.

## Philippines

Population:	91 million
GDP per capita:	\$5,000
% of population below poverty line:	40%
Minimum # of paid days off:	19
Female labor force participation:	35%
Required paid maternity leave:	60 days at 100% pay
Women comprise 39% of the labor force (The World Bank Group: Database of Gender Statistics, 2004).	

Philippines is ranked one of the top five life-focused countries in NOP World's Work/Life Index, spending on average 32 hours/week at work and 41.1 total hours/week "at play".

## Attraction and retention of employees

**Table 15: Demand for flexible work arrangements in the Philippines**

	Very Strong	Strong	Not very strong	Not at all strong
Cadbury Schweppes			X	
Dow Chemical			X	
Kraft Foods		X		
Merck & Co.		X		
Royal Dutch Shell		X		

**Table 16: Flexible work arrangements as tool in attraction and retention of employees in the Philippines**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Cadbury Schweppes		X			
Dow Chemical		X			
Kraft Foods		X			
Merck & Co.		X			
Royal Dutch Shell	X				

As seen in the tables above, all respondents viewed FWAs as an important or very important tool in flexible work arrangements. It is worth pointing out, however, that not one company named FWAs among their top five most important factors to attract and retain employees. The most important factor appears to be salary, with four out of five respondents placing this factor on top of their list.

## Types of flexible work arrangements

Flextime is the most commonly practiced FWA, with three companies citing very high utilization rates: Cadbury Schweppes (80%), Dow Chemical (97%) and Kraft Foods (70%). Telecommuting is the second most commonly practiced FWA. Dow Chemical, for example, has 25% of its employees utilizing telecommuting. Dow has 62% of its employees (only those in certain job roles) working from home, which is otherwise a rare practice in Asia as a whole.

## Obstacles to introducing FWAs

There appears to be no common denominator in terms of obstacles to implementing FWAs among our respondents:

- Two companies mentioned small housing as one of their top obstacles.
- Two companies mentioned managers' resistance as a factor.
- Two companies included lack of demand from employees, but ranked it as number five on their list.

## Cultural/ideological factors affecting flexible work arrangements.

Despite relatively high utilization rates, most respondents seem to agree that employees in the Philippines have a mindset that is still focused on traditional practices. As one respondent put it: "Flexibility is an added perk, but not too common." This may account for the fact that FWAs are still not seen as imperative in the war for talent.

---

*"...there is not very much attention paid to FWAs in the Philippines. People are quite comfortable with the status quo, and if FWAs are offered, it is mostly to avoid traffic and congestion."*

**Human Resources Director, Philippines**

---

There is some evidence that the mindset will shift, as the Philippines is increasingly exposed to globalization, and as a new generation, with an appreciation for work-life balance, enters the workforce. However, it is worth pointing out that the Philippines is already ranked one of the top five life-focused countries in NOP World's Work-life Index, spending on average 32 hours/week at work and 41.1 total hours/week "at play". This could indicate that a lot of employees may already feel that they have an adequate work-life balance and that the need for formal FWAs is limited.

Interestingly, one respondent mentioned that employees would rather "work in the office and relax at home", which is why working from home is not practiced frequently. This may well be anecdotal to that company, but it points to an important fact: a country's cultural values as a whole might be devoted to work-life balance, but the key is to find out how that balance best plays out. If people in general prefer a clear boundary between work and home, working from home may indeed not be the best option.



## Singapore

Population:	4.5 million
GDP per capita:	\$31,400
% of population below poverty line:	N/A
Minimum # of paid days off:	26
Female labor force participation:	56%
Required paid maternity leave:	12 weeks at 100% pay

Women comprise 40% of the labor force (LABORSTA Internet, ILO data, 2000).

One of the top five countries most focused on work, spending on average 44.1 hours/week at work and 34.9 total hours/week “at play”.

Government mandates that each working mother is provided two days of childcare leave annually, to encourage time with children.

## Attraction and retention of employees

**Table 17: Demand for flexible work arrangements in Singapore**

	Very Strong	Strong	Not very strong	Not at all strong
Dow Chemical		X		
Kraft Foods			X	
Royal Dutch Shell			X	
State Street			X	

**Table 18: Flexible work arrangements as tool in attraction and retention of employees in Singapore**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Dow Chemical	X				
Kraft Foods				X	
Royal Dutch Shell		X			
State Street		X			

As can be gleaned from the tables above, the respondents vary widely in terms of the perception of the importance of flexible work arrangements in attraction and retention of employees. It is interesting to note that three out of four respondents do not think there is a strong demand for FWAs.

---

*“FWA is a powerful tool to use in the competition for talent and will enable companies to tap into the pool of older and experienced workers in Singapore’s rapidly aging population”*

**HR Manager, Projects, Singapore**

---

Salary tops the list of most important factors in attraction and retention. Two respondents also placed quick advancement/increased responsibilities as the number one or two most important tool.

---

*“An FWA program doesn’t have as big an impact on employee attitudes as possibility for career advancement, more robust compensation packages, formal training courses...These are seen, at least today, as more important and attractive than the programs being requested in the rest of the world.”*

**Director MOD, Asia Pacific**

---

Supporting the findings above, other research confirms that many HR managers in Singapore note that salary is an important factor in retaining employees. A recent survey found that the number one quality that college graduates in Singapore are looking for in a job is the opportunity for advancement (Pacific Bridge, 2007). Lack of career development opportunities is another common reason for employees to look for a different job (Pacific Bridge, 2007).

## Types of flexible work arrangements

Flexitime is the arrangement most commonly offered among our respondents.

- Dow Chemical estimates that up to 20% of their employees make use of flexitime.
- Shell estimates that both telecommuting and flexitime are very common in the company, but they are not tracking it. Other arrangements offered by the company include:
  - Extended leave (sabbatical)
  - Part-time
  - Adjusted work hours to care for child with special needs
- Kraft Foods does not have a formal policy on FWAs in Singapore, but FWAs are offered to all employees on a case-by-case basis; flexitime and adjusted work hours to care for child with special needs and elders being the most common arrangements offered.

## Obstacles to introducing FWAs

- Three companies mentioned lack of demand from employees as the most important obstacle.
- Infrastructure (e.g., small housing) was also mentioned as an obstacle, as was managers' resistance to FWAs. Regarding the latter, one company representative pointed out that it was easy to get leaders onboard, as long as FWAs do not add costs and the guidelines are clear.

## Cultural/ideological factors affecting flexible work arrangements

To some extent, Singaporean society expects professional women to take on both work responsibilities while taking care of the majority of the childcare and household tasks (Komarraju, 2006).

However, domestic helpers are commonly employed to care for children and elders. Grandparents also partake in care of grandchildren. Childcare centers and child care subsidies are also available for working mothers. This could lead to a less accentuated demand for FWAs and explain the fact that FWAs are not widely used.

One respondent mentioned that due to local culture, people sometimes feel badly if they leave the office early. FWAs could obviously exacerbate such a feeling.

Another respondent said that employees in their company generally did not work late evenings or on weekends and were therefore able to spend adequate time with their families. In other words, balance between work and life could be obtained without the aid of FWAs. This could explain a relatively low demand for FWAs.

The results of a study involving employees of two large international hotels and a large department store in Singapore support the hypothesis that FWAs can lead to more productive individuals. The study shows that the introduction of flexible work hours had a significant and positive impact on employee productivity and commitment, with the strongest effect on employees with children (Chow & Chew, 2006).

Singapore is one of the countries in Asia where the government has been the most proactive in terms of promoting work-life balance and FWAs. The government set up a work-life unit and has encouraged a tripartite approach between government, employers and unions to enhance family-friendly practices (Ministry of Manpower [www.mom.gov.sg/publish/momportal/en/home.html](http://www.mom.gov.sg/publish/momportal/en/home.html)). More organizations in Singapore (primarily from the public sector as well as the community, social and personal services sectors) have set up a comprehensive work-life infrastructure. More organizations are incorporating, as a corporate core value, the importance of effectively managing work and family life issues (from 36.3% in 2002 to 56.6%) and are seeking employee feedback with regard to work and family needs (from 14.9% to 58.8%). (Wee, 2004)

<b>Taiwan</b>	
Population:	22.8 million
GDP per capita:	\$29,500
% of population below poverty line:	0.9%
Minimum # of paid days off:	25
Required paid maternity leave:	8 weeks at 100% pay

## Attraction and retention of employees

**Table 19: Demand for flexible work arrangements in Taiwan**

	Very Strong	Strong	Not very strong	Not at all strong
Dow Chemical			X	
Kraft Foods			X	

**Table 20: Flexible work arrangements as tool in attraction and retention of employees**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Dow Chemical		X			
Kraft Foods				X	

Both company representatives agreed that the demand for FWAs among employees in Taiwan was not very strong. One representative viewed FWAs as an important tool in attraction and retention; the other did not view it as very important.

## Types of flexible work arrangements

- Kraft Foods does not have a formal policy on flexible work arrangements in Taiwan. Currently, the company is offering flexible lunch hours but is not planning to offer other options.
- Dow Chemical has a formal policy on flexible work arrangements, they are offered only to full-time employees. Only people at a certain job level can apply to work at home. Dow offers the following arrangements:
  - Adjusted work hours to care for child with special needs
  - Adjusted work hours to care for elders
  - Work from home
  - Telecommuting
  - Part-time

## Obstacles to introducing FWAs

The following obstacles were mentioned from the representative of Dow:

1. Lack of face time (employees fear “out of sight out of mind”)
2. Managers’ resistance to FWAs
3. Lack of demand from employees
4. Small housing
5. Infrastructure

Respondents felt that the nature of the job made it inappropriate to apply FWAs. When there is a need for people to interact, flexible schedules and work locations would make it difficult to connect.

## Cultural/ideological factors affecting flexible work arrangements

There are still traditional gender views at work in Taiwan. One study found that a husband’s negative attitude toward a working wife will more greatly discourage his wife from staying employed than will the presence of young children in the family (Chuang and Lee, 2003). Forty-five percent of women in Taiwan withdraw from the labor force after marriage or after childbirth, supporting the hypothesis that the family life cycle has an effect on female employment. (Yu, 2006)

The capital and technology intensive economy (particularly the computer products related industries) is increasing the demand for female workers, and females, regardless of their marital status, participate in this sector with significant magnitudes (Chien & Yi, 2002). It is possible that traditional views keep women from demanding FWAs to allow them more flexibility in terms of career advancement at the moment, but it is equally possible that this will change, as the country is increasingly exposed to Western influences and employees are able to compare what working standards and options are offered in other parts of the world.

<b>Thailand</b>	
Population:	65 million
GDP per capita:	\$9,200
% of population below poverty line:	10%
Minimum # of paid days off:	19
Female labor force participation:	66%
Required paid maternity leave:	90 days (100% pay for first 45 days then 50% pay for the rest)
Women comprise 46% of the labor force (LABORSTA Internet, ILO data, 2005).	
One of the top five life-focused countries in NOP World's Work-life Index, spending on average 47.4 hours/week at work and 54.1 total hours/week at play.	
<i>Sanuk</i> (love of fun) is a value that precludes an "all work and no play" atmosphere. For many Thais, work that does not include some "fun" is rarely worth doing (Roongrerngsuke et al, 2001).	

## Attraction and retention of employees

**Table 21: Demand for flexible work arrangements in Thailand**

	Very Strong	Strong	Not very strong	Not at all strong
Cadbury Schweppes				X
Dow Chemical			X	

**Table 22: Flexible work arrangements as tool in attraction and retention of employees in Thailand**

	Very Important	Important	Neither important nor unimportant	Not very important	Not at all
Cadbury Schweppes				X	
Dow Chemical		X			

As can be gleaned from the table above, respondents from Thailand vary widely in their views on the importance of FWAs in recruitment and retention. This could be explained by the different industries the companies are in or simply that they are at different stages in terms of thinking about FWAs.

Both companies rated the following three factors as the most important in recruitment and retention:

1. Salary
2. Other benefits/compensations (e.g., vacation, health insurance)
3. Company reputation and status

## Types of flexible work arrangements

- Cadbury Schweppes is currently not offering FWAs in Thailand, and has no current plans to do so.
- Dow Chemical is offering flextime, estimating that 2% of employees make use of this arrangement. Flextime has been offered since 2004 and so far the company feels that employees appreciate this offering as it enables them to better manage their work and personal life. Other arrangements offered by Dow, with an estimated 1% of employees making use of each:
  - Leave of absence (without pay)
  - Telecommuting
  - Work from home

## Obstacles to introducing FWAs

Both respondents agreed that FWAs are not commonly offered in Thailand and if offered, flextime is usually the arrangement that employees use. The representatives from Cadbury Schweppes and Dow placed the following two factors as top obstacles to introducing flexible work arrangements:

- Lack of demand from employees
- Not industry practice

Another obstacle mentioned was that the nature of certain jobs does not allow for FWAs. If FWAs are, in general, not practiced very much in Thailand, it is not surprising that the demand from employees may be low at the moment. It is possible that this will change, as increased exposure to western management practices will have an impact on how people are managed in Thailand (Roongrerngsuke, 2001). As an indication of this, both our respondents saw many benefits of FWAs (see below).

## Cultural/ideological factors affecting flexible work arrangements.

- Despite women's increasing role in the economy, social values and gender role expectations that require women to take charge of the household remain strong in Thailand. Men continue to outweigh women at higher organizational levels: 77.2% of director-level positions are held by men, the corresponding figures for department manager and supervisor is 66.7% and 61% (Yukongdi, 2005).
- As more and more women enter the workforce, however, and presumably obtain higher positions within companies, it is possible that the demand for FWAs will increase. Domestic help is available and widely used by working mothers, releasing them from many household chores (Leelakulthanit & Siengthai, 1993). Increasing use of FWAs may further enhance the possibilities for such women to pursue managerial careers.
- The belief that one's social superiors must be obeyed remains a strong norm in Thai society. Open conflict between different levels of hierarchy should be avoided and when interacting with superiors "never openly or directly challenge the authority or rightness of the actions of the superior" (Roongrengsuke et al., 2001). This could potentially have bearing on the implementation of flexible work arrangements as follows:
  - If the superior is not making use of FWAs, employees may not feel comfortable asking for such arrangements, or make use of them.
  - When asking employees about their opinions about a proposed policy or program, some employees may prefer to keep quiet rather than challenge what they perceive as an inappropriate or unsuccessful idea. This is based on the unwillingness to challenge directly someone superior in the organizational hierarchy (Roongrengsuke et al., 2001).



## SUMMARY OF SECTION V

As the country analysis of flexible work arrangements illustrate, there are wide differences in terms of the ease by which FWAs can be introduced and implemented in different countries. Generally speaking, one would expect it to be more difficult to introduce FWAs in emerging markets such as India and China, due to the fact that people are prioritizing salary and quick advancement in order to take advantage of the rapid expansion of the economy. To some extent, this was supported by the findings above, especially in India. One interviewee in China also mentioned that work-life has never really been discussed and there has been no demand for FWAs.

Despite cultural factors limiting the acceptance of flexible work arrangements, many of the companies participating in this study have successfully implemented FWAs in Asia. This is interesting, since it may indicate that there is, in fact, greater demand for FWAs than originally thought, or that the supportive company culture may counterbalance factors within the country culture.

Some respondents have indicated that Singapore and Hong Kong were among countries where it was easier to introduce FWAs. They are both large regional employment centers where there is more exposure to work practices in the West. At the same time, some companies are still struggling with cultural resistance and lack of demand from employees in these countries.

Japan was mentioned as a country that is relatively progressive in terms of FWAs. It is also a country that stands out in that respondents all agreed that the demand for FWAs was strong, or very strong. While some cultural characteristic create obstacles, such as a strong dedication to work and the notion that work is best carried out in the office, there is also a great deal of focus on increasing the size of the labor force and on efficiency. This is particularly the case in Japan, where they are facing a profound shrinking of the labor force due to decreased fertility and an aging population. State Street, for example, has found that the open mindedness in this country aligns well with the work the company does on diversity and inclusiveness. It has set up a committee around work-life balance in Japan, which will speak on behalf of employees towards managers on what flexible work arrangements could look like in Japan.

Some respondents also mentioned that it was somewhat more difficult to introduce FWAs in Thailand and Taiwan, due to the cultural mindset in these countries. Indeed, in the companies surveyed in Thailand use of FWAs was limited and the demand for such arrangements low. A similar situation was found in Taiwan.

It was interesting to note that in Japan and Singapore, where the national government has been more involved with the role of work-life in the country, the demand for flexible work arrangements has varied. In Japan, the government has been leading many of the efforts and pushing companies and individual employees to respond, as the labor shortage is a national issue. In Singapore, the government seems to be supporting employees in maintaining harmony between work and life.

### *Business case for flexible work arrangements in Asia*

- **Attract and Retain Talent:** The Asia Pacific region is vast and diverse, as is demonstrated by the country analysis in this section. Companies in all countries are seeking ways to attract and retain talent in their particular field. Employees, with the skill, knowledge and creativity that they bring to work, are crucial assets and flexible work arrangements are a tool that some companies have used to attract and retain talent.
- **Increase employee engagement, morale, loyalty, and health:** Flexible work arrangements have been shown to have numerous benefits for employees. FWAs can reduce work/family conflicts, increase employee morale and engagement, increase employee loyalty, and increase employee health through reduced stress. All of these factors suggest increased productivity. According to Hiroki (2007), studies on work-life in Japan have shown that employees who felt good about their work-life balance also tended to have a high motivation towards their work.
- **Demonstrate caring nature of company culture:** Companies can benefit from implementing flexible work arrangements in the Asia Pacific region. In a region where relationships are important in the culture, employees will be attracted to companies that demonstrate a caring nature. Indeed, being considerate of another's feelings is an important cultural value in Asia, where there is a preference for relations-orientation as opposed to achievement-orientation (Roongrerngsuke, 2001). If a company implements programs, such as flexible work arrangements, to help employees harmonize their work and life obligations, then the company is seen to be taking good care of its employees. Though FWAs may not be in very high demand, they clearly can assist with retention and may help to distinguish an employer which trusts and respects their employees.
- **Increase diversity in the workplace:** The battle for talent is heightened in Asia. Women are clearly a viable, yet largely underutilized pool of talent in the region. Though FWAs are not, and should not, be designed solely for women, such arrangements are particularly beneficial for women. Many multinational firms operating in Korea are aware of the strong contributions women can bring to the workplace and there is evidence that some have tried to make it easier for women to remain in the workforce by offering flexible working hours and childcare benefits. (Pacific Bridge, 2007)
- **Protect the environment:** Finally, flexible work arrangements can benefit the larger environment. Congestion and environmental pollution are becoming hazards all across the Asia region. Employees, by working from home or telecommuting, can limit the driving they do. Not only does this allow employees to spend more time with their families, but it also reduces carbon dioxide emissions from car exhaust. HP has reduced its real estate costs through the implementation of its telecommuting program.

## VI. CONCLUDING REMARKS

This report discusses the prevalence of flexible work arrangements in different parts of Asia. Academic research on FWAs in Asia Pacific is scarce, which is an indication that such arrangements are relatively rare in this region of the world. Yet, as shown in this report, it seems evident that the need for such arrangements persists throughout the region. Eighty percent (80%) of our respondents viewed FWAs as either an important or very important tool in recruitment and retention. With increasing economic development, more and more women are entering the workforce making the dual-earning couple the norm. Further, with a rapidly aging population and a talent shortage looming ahead (and this is indeed a global challenge), companies will need to cater to the needs of older workers returning, or remaining, in the workforce. Meeting their needs might well involve flexible work arrangements.

With respect to women, a word of caution may be in order. While Asia as a whole is facing dwindling fertility rates, there is a real need to support women's engagement in the labor force and to find solutions for working mothers. At the same time, it is important to make sure that work-life programs are not seen as gender specific. If such policies are seen as directed towards women only, it may be hard to win support for the practice, particularly in Asia, where men's participation in the labor force is the majority.

In the age of globalization it is increasingly easy for employees across the world to compare and contrast work-life policies, including flexible work arrangements, within a single company. Some policies may be viewed as U.S.-oriented, but that does not preclude a demand for such provisions in other parts of the world. A necessary prerequisite is that they are adapted to the local environment where they are implemented. Factors to consider include the ideological culture of a country as well as the social, economic and political environment. One aspect to look at is the general attitude towards work and family within a country. Before introducing specific measures such as FWAs, it is important to establish how these values impact the work environment. Are work and family seen as distinctive wholes or are they integrated? What is the work ethic like – do people feel a need for flexible work arrangements or are they already experiencing harmonious lives? Such values may vary from country to country, but may also vary from one industry to another.

The ability for a company to implement FWAs in Asia is thus not only dependent on country culture; the company culture and the type of business appear to play a large role too. As witnessed in this report, companies have been able to work innovatively with flexible work arrangements even in cultures where the general mindset might seem set against such practices. It is therefore imperative that a company scrutinize its own corporate culture before thinking about how to implement FWAs. Is the policy in line with the company culture? How strong is the company culture around flexibility? How might the company work to overcome obstacles based on its corporate culture? What aspects of the local culture will support flexible work options?

It is clear that salary ranks highest as a tool to recruit and retain employees. Money and status may have the most important weight right now, especially in emerging markets such as India and China. As economies change, so might attitudes toward work and rewards. As employees from Asia participate more and more in the global economy, working in a 24/7 environment, engaging with the technologies of communication where the boundaries of work and life outside of work become blurred, perhaps the demand for flexible work options will increase. Until then, multinational corporations can provide supportive policies and programs and work with the local HR professionals to identify aspects of the local culture which will successfully implement programs, such as flexible work arrangements.

## VII. LIMITATIONS OF THE STUDY AND SUGGESTIONS FOR FUTURE RESEARCH

This study provides an overview of how seven leading multinational companies are approaching flexible work arrangements in the Asia Pacific region. The limited number of companies prevents us from making any statistical inferences about FWAs in Asia. For some countries that we studied in the region, we had only two or three company representatives responding to questions, which is not enough to draw any concrete conclusions. However, with academic and corporate research contributing to the analysis, the report does enable the reader to draw some general inferences about the demand for FWAs in certain parts of Asia, the role such arrangements play in recruitment and retention, as well as which factors must be addressed when thinking about implementing FWAs in the region.

### Suggestions for future research

This study highlights several interesting factors that should be explored in future research:

- To substantiate the findings of this study and to explore the results further, an expanded study, including additional companies and additional respondents within each country, would be another stage to develop.
- Many companies have successfully implemented FWA practices in countries generally thought to have significant cultural resistance to such practices (case in point: China and Japan). The Center for Work & Family would like to look into this further, and would suggest that the Global Workforce Roundtable incorporate the following topics in future research: To what extent can a company culture supersede a national culture when implementing a corporate policy? In other words, in which cases is a company culture so strong that it can overcome resistance on a national level? This research would also include examples of best practices that illustrate the above.
- A strong argument for FWAs in Asia Pacific is to enable women to combine work and family. The low fertility rate is a problem on a national scale in many countries in Asia, and there is an opportunity for large international companies to offer job situations that allow women to keep working during child-rearing years (hence, hopefully providing an incentive to keep having children). There are a number of factors to explore further:
  - Which organizations have been most successful in recruiting and retaining women, and do flexible work arrangements play a role in the success?
  - Have women faced obstacles in terms of career advancement on the basis of using FWAs? If so, what have companies done to avoid this?

## REFERENCES

- August, Rachel A and Tuten, Tracy L. 2003. "The Korean Government's Role in Women's Career Growth," *Women in Management Review*, Vol. 18, No. 3, pp. 109-121.
- Bardoel, Anne & De Cieri, Helen (2006). Developing a Work-life Strategy in a Multinational Enterprise, A Sloan Work and Family Encyclopedia entry: [http://wfnetwork.bc.edu/encyclopedia\\_entry.php?id=3814&area=All](http://wfnetwork.bc.edu/encyclopedia_entry.php?id=3814&area=All)
- Berntal, Paul, R., & Wellins, R. (2006). China Global Comparison. Best practices for tomorrow's global leaders. Development Dimensions International, Inc.
- Boston College Center for Work & Family, *Overcoming the Implementation Gap: How 20 Leading Companies are Making Flexibility Work*, November 2007.
- "Capturing Talent," *The Economist*, 8/18/2007, Vol. 384, Issue 8542, p. 59-61.
- Casimir, Gian, Waldman, D.A., Bartram, T., & Yang, S (2006). Trust and the relationship between leadership and follower performance: opening the black box in Australia and China. *Journal of Leadership and Organizational Studies*, March, 2006.
- Chien, Wen-Yin; Yi, Chin-Chun "The linkage between work and family: female's employment patterns in three Chinese societies." *Journal of Comparative Family Studies*, June 22, 2002.
- China Labour Statistics Yearbook, 2005, pp. 20-4.
- Chow, Irene Hau-siu & Chew, Irene Keng-Howe, 2006. The Effect of Alternative Work Schedules on Employee Performance. *International Journal of Employment Studies*, Vol. 14, No. 1, pp. 105-130.
- Chuang and Lee, "The Return on Women's Human Capital and the Role of Male Attitudes Toward Working Wives: Gender Roles, Work Interruption, and Women's Earnings in Taiwan." *American Journal of Economics & Sociology*; Apr2003, Vol. 62 Issue 2, p435-459, 25p)
- Cooke, Fang Lee (2006). Presentation at the Global Workforce Roundtable Inaugural Summit, GSK House, London.
- The Council for Gender Equality. Specialist Committee on the Declining Birthrate and Gender-Equal Participation. International Comparison of the Social Environment regarding the Declining Birth Rates and Gender-Equality. Summary Report.
- Development Dimensions International (DDI) and Society for Human Resource Management, "2007 Flight of Human Talent," [http://www.ddiworld.com/pdf/EmployeeRetentioninChina2007\\_es\\_ddi.pdf](http://www.ddiworld.com/pdf/EmployeeRetentioninChina2007_es_ddi.pdf).
- Farrell, Diana, & Grant, Andrew (2005). Addressing China's Looming Talent Shortage, McKinsey Global Institute.

- Foley, Sharon, Ngo, Hang-yue & Lui, Steven S.Y., 2005. The effects of work stressors, perceived organizational support, and gender on work-family conflict in Hong Kong. *Asia Pacific Journal of Management*, 22(3), 237-256.
- Fox, Adrienne. China: Land of Opportunity and Challenge. *HR Magazine*, September 2007.
- Gambles, R., Lewis, S., & Rapoport, R. (2006). *The Myth of Work-Life Balance. The Challenge of Our Time for Men, Women and Societies*. John Wiley & Sons. Ltd.
- Geert Hofstede™ Cultural Dimensions, China, [http://www.geert-hofstede.com/hofstede\\_china.shtml](http://www.geert-hofstede.com/hofstede_china.shtml)
- Harrington, Brad (2007), *The Work-Life Evolution Study*, Boston College Center for Work & Family, October, 2007.
- Hiroki, Sato. (2007). Work life balance influences the motivation toward work – effectiveness of work and time management. *Chuokoron*.
- Kamiya, Setsuko, “Office weighs less in the work-life balance: But being able to spend more time with family or on oneself faces many hurdles,” *Japan Times*, June 29, 2007.
- Komaraju, Meera (2002). Work-family conflict: Dual-career couples in Malaysia. Paper presented at the Midwestern Psychological Association Conference, May 2-4, Chicago, IL.
- Komaraju, M. (2006) Work-family conflict and sources of support amongst Malaysian dual-career university employees. *Asian Academy of Management*, 11, 83-96.
- Laborsta Internet Country Statistical Database, <http://laborsta.ilo.org/>, 2005
- Leelakulthanit and Siengthai, “Women in Management in Thailand” *International Studies of Management & Organization*, Vol. 23, 1993)
- Lo, Susanna (2003), 'Perceptions of family-work conflict among female married professionals in Hong Kong', *Personnel Review*, 32(3):376-390
- Malaysia: Employment Act, 1955: <http://www.asianfoodworker.net/maternity/mp-law-seasia.htm>).
- Meera Komaraju (2006). Work and Family: Cross-national comparisons. Sloan Work and Family Research Network, Boston College, 3/21/2007).
- Mercer's 2006 Greater China Attraction and Retention Survey, <http://www.mercer.com/pressrelease/details.jhtml/dynamic/idContent/1239885>
- Noor, Noraini, M., (1999). Roles and Women's Well-Being: Some Preliminary Findings from Malaysia, *Sex Roles: A Journal of Research*, August 1999.
- NOP World, “Work Hard? Play Hard? It's Not the Countries You Might Think ... NOP World Compares Work/Life Balance Across the Globe,” Nov. 8, 2004. <http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=109&STORY=/www/story/11-08-2004/0002397242&EDATE=>

- Pacific Bridge Inc (PBI) *Asian HR Newsletter*, Vol 7, number 9, September 2007.
- Poelmans, S.A.Y., & Chinchilla, N., Cardona, P. (2003). Family-Friendly HRM Policies and the Employment Relationship, *International Journal of Manpower*, 24, 128-147.
- Rathore and Sachitanand, *IT's an Equal World*, Jun 2007
- Roongrengsuke, Siriyupa and Chansuthus, Daryl. "Conflict Management in Thailand." Ch. 7, p. 167-221. n.d.
- Roongrerngsuke, Siriyupa and Cheosakul, Adith. "Overview of HRM in Organizations In Thailand." *Sasin Journal of Management* 7 (2001): 1-22.
- U.S. Department of Labor Bureau of International Labor Affairs, December 2006).
- Tozier, Employee Benefit News; June 2006, Vol. 20 Issue 8, p. 31-32
- Wall Street Journal*, "More Play, Less Toil is a stressful shift for some Koreans---move to five-day workweek affects families, finances; job for leisure counselor," P.A1, 8/10/2006
- Wee, Gracie, Promoting Work-Life Harmony in Singapore, *WFC Resources*, December 2004
- WFC Resources Newsbrief*, "Japanese will double number of teleworkers," July 2007.
- Wharton, Amy S. and Blair-Loy, Mary (2006), "Long Work Hours and Family Life," *Journal of Family Issues*, Vol. 27, No. 3, March 2006, p. 415-436.
- World Bank Group: Database of Gender Statistics, 2004,  
<http://genderstats.worldbank.org/home.asp>
- Yu, Wei-hsin (2006) "National Contexts And Dynamics Of Married Women's Employment Reentry: The Cases of Japan and Taiwan," *The Sociological Quarterly* 47 (2), 215-243.
- Yukongdi, Vimolwan. "Women in Management in Thailand: Advancement and Prospects." *Asia Pacific Business Review* 11.2 (June 2005): 267-281.

## APPENDIX 1: PARTICIPATING MEMBER REPRESENTATIVES

Company name	Company representative	Contact information
Cadbury Confectionery (M) Sdn Bhd	Rani Kaur, HR Business Partner	rani.naranjan@ap.csplc.com +60-3-5544-5313
Cadbury Japan Limited	Aki Hayase, Senior HR Specialist	aki.hayase@ap.csplc.com +81-3-5487-5687
Cadbury Philippines	Lalaine Valdes, HR Manager-Philippines	lalaine.valdes@ap.csplc.com +63-2-687-2888
Cadbury Schweppes India	Rajesh Ramanathan, Vice President - OD, C&B and Talent	rajesh.ramanathan@ap.csplc.com +91-22-4007-3001
Cadbury Schweppes South East Asia	Yosayut Sahawatcharin, People & Talent Manager - South East Asia	yosayut.sahawatcharin@ap.csplc.com +66-2-227-9011
Dow Chemical	Ako Serizawa Pacific Area Director for Diversity & Inclusion	aserizawa@dow.com +81-3-5460-2230
Dow Chemical	Jenny Ni, Asia Pacific Workforce Planning Leader	JZNi@dow.com
Dow Chemical	Lisa Feng, China WFP Leader	lrfeng@dow.com +86-21-2301-9246
Dow Chemical	Marcus Budimulia, WFP Specialist	MBBudimulia@dow.com +65-6-830-4531
Dow Chemical Int'l Private Limited	Medha Paranjape, Workforce Planning Specialist	mparanjape2@gmail.com +02-2-6797-8524
Dow Chemical, Japan Limited	Keiko Mihashi, Workforce Planning Specialist	kmihashi@dow.com +81-3-5460-2102
Dow Chemical Korea	Rachel Lee, HR Leader	cmlee@dow.com +82-2-551-0606
Dow Chemical Pacific Ltd.	Catherine Mak, HR Specialist	maki@dow.com +85-2-2879-7208



Dow Chemical Pacific Ltd., Philippine Branch	Beck Carpio, HR Site Service Specialist	carpiobd@dow.com +63-2819-1986
Dow Chemical Taiwan Ltd.	Una Chen, HR Specialist	uchen@dow.com +88-62-2775-6080
Dow Chemical Thailand, and SCG-Dow Group	Nopakaw Khanittaweekul, Workforce Planning	knopakaw@dow.com +66-2365-7320
Hewlett Packard	Kitty Wu, Diversity Manager	kitty.wu@hp.com +86-10-6564-4713
HP India	Ganga Sharma, HR Manager Employee Relations, Diversity & Culture	ganga.sharma@hp.com +08-0-2504-1658
HP India	Mayur Bharath	
Kraft Foods	Kathy Repa, Dir., Mgmt & Org. Dev., Asia Pacific	krepa@kraftasia.com +65-6829-7832
Kraft Foods (China) Co., Ltd.	Fu Ping, HR Manager, HQ	Pfu@KraftAsia.com
Kraft Foods (China) Co., Ltd.	Wu Guoping HR Manager, Manufacturing Greater China	pwu2@kraftasia.com +86-10-6569-0859
Kraft Foods Indonesia	Mazri Abdulrahim, Technical Advisor for Business and Organization Development	MAbdulrahim@KraftAsia.com +62-21-7919-8822
Kraft Foods Limited	Grace Yip, HR Officer	gyip@kraftasia.com +85-2-2848-0854
Kraft Foods Philippines	Jocelyn E. David, HR Manager	jdavid@kraftasia.com +63-2820-5978
Kraft Foods Taiwan	F. Lin, HR Specialist, C&B	flin2@kraftasia.com +88-6-2-8793-1283
Merck Sharp & Dohme Indonesia	Sondang Saktion	sondang_saktion@merck.com +62-21-5789-7000
Merck Sharp & Dohme Philippines	Jerome Sarte, Human Resources Director	jerome_sarte@merck.com +885-0700 extn. 6340

Merck Sharp & Dohme Australia	Kimberly Elliott, HR Manager	kimberly_elliott@merck.com +612-9795-9072
Merck Sharp & Dohme China Limited	Ron Chan, Senior Director, Human Resources	ron_chan@merck.com +86-21-6391-5522 ext. 371
Merck Sharp & Dohme Korea	Jongju Kim, Sr. HR Manager	jongju_kim@merck.com +82-2-6363-0031
Shell	Shahrukh Marfatia VP of HR for AP & Middle East	Shahrukh.Marfatia@shell.com +65-63848160
Shell	Eric Yim, Regional Diversity & Inclusiveness Director	eric.yim@shell.com +65 63848860
Pilipinas Shell Petroleum Corporation	Gerrard Ortega, HR General Manager	gerboy.ortega@shell.com +63-2816-6070
Shell Eastern Petroleum (Pte) Ltd	Amy Puah, HR Manager, Projects	amy.puah@shell.com 65-6384-8863
Shell Malaysia Trading Sdn Bhd	Dharmen Sivalingam, ER/IR Manager	D.sivalingam@shell.com +60-3-2091-2848
State Street	Ciaran Collins, HR Manager	ccollins@jp.statestreet.com +81-3-4530-7033
State Street Bank and Trust	Jacqueline Chan, Assistant Vice President	jacqueline.chan@statestreet.com +85-2-2978-9221
State Street	Jennifer Denoon, VP, Head of Learning & Development, Asia Pacific Region	jenniferdenoon@statestreet.com +61-2-9323-7049

