Dealing with digital technology's disruptive impact on the workforce
A Southeast Asian perspective
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Introduction

In the span of less than a decade, the digital wave has revolutionized the relationship between consumers and corporations. Just a few years ago, the consumer was a solitary individual at the mercy of brands and companies. Today, she is a powerful stakeholder who, collectively as much as individually, can influence product perception as much as the companies that own them. Interactions between brands and consumers are now constant, instantaneous, and multidirectional.

But the disruptive impact of digital technologies (such as Web 2.0, mobile, social media) is not limited to the relationship between companies and the end consumer. It has far-reaching implications for the relationship between employers and employees as well.

In this report, we turn the spotlight on digital’s disruptive impact in the workplace, using the outcomes of several in-depth conversations with C-level executives, employee focus groups and survey, and a regional survey of over 400 businesses operating in Southeast Asia.

We aim to assist Southeast Asian Human Resources (HR) and IT leaders who are struggling to understand the fundamental changes sweeping through their workforce with a specific focus on the rapidly rising influence of the youngest tranche of workers, Generation Y.

We examine questions such as these: What are the changing behaviors and expectations of employees today in general, and among the newest generation of workers? Why is this topic particularly pertinent to companies in the Southeast Asia region? What are some of the challenges these behaviors have created, and how can companies leverage the relative strengths and digital appetites of different groups to work together in the digital age?

Companies that recognize and adapt early to this new reality will not just drive greater collaboration and efficiency across their workforce but will also gain significant value in attracting, empowering, inspiring and retaining the best young talent for continued growth and profitability.
Digital disruption at work

Digital tools and technologies are fast becoming an integral part of daily lives—changing how people live and interact with each other on a scale not seen since the advent of the printing press in the fifteenth century. Consumers are already embracing mobile and social media tools in their personal lives at an unprecedented level and speed. It should be no surprise then that these same individuals want to leverage digital tools when they get to work every day. And yet, the speed and intensity of these changes seems to be catching many HR and IT leaders off guard.

Employees in organizations around the world are increasingly using their own devices (such as smartphones and tablets) and software “apps” and tools (the likes of Facebook, Youtube, Whatsapp, Google Apps, and Dropbox) in the workplace, with or without approval from the management. Driven by their personal experiences outside of the office, employees often perceive these tools as easier and more enjoyable to use compared to those provided by their company. In a recent global study, Accenture found that half of employees worldwide are already using consumer gadgets and applications for business purposes— as work aids to boost personal productivity, strengthen social and business relationships, and conduct virtual communications among colleagues and even with customers.

“Our sales teams are also very active in using their iPads and smartphone applications such as Whatsapp to connect with prospects and customers. It offers real-time reach and response, unlike SMS (short message service).”

Private property developer in Singapore

As the line between employees’ personal and work lives continues to blur, particularly among Generation Y [see “Are Gen Yers really that different?” on Page 7], the demand and adoption of such digital tools in the workplace for both personal and work purposes is only going to accelerate. The desire for greater flexibility, autonomy and personal effectiveness has never been greater.

Companies need to assess how best to leverage digital tools or they will face two key risks. They will lose the engagement of their digitally hungry workforce and the potential associated productivity and innovation improvements. And they run the risk that these individuals will bypass outdated policies and systems and start using their own digital tools anyway—without considering the potential security risks to the corporation.
Southeast Asia’s unique challenge

Across Southeast Asia, we anticipate that the impact of digital on the relationship between employers and employees will be amplified due to the region’s insatiable appetite for all things digital, and the fact that it is home to such a young population. Indeed, Accenture’s analysis of TNS Digital Life data suggests that digital adoption among Southeast Asians is on the rise at an unprecedented pace. (See Figure 1).

Figure 1.

Digital adoption in Southeast Asia

Daily social media use among Internet users in Indonesia rocketed from 14 percent in 2010 to 65 percent in 2011.

In Singapore and Malaysia, 87 percent of Internet users own mobile phones, which is five percentage points higher than the global average.

Tablet ownership is on the rise with every new device launch.

On the work front, more than 50 percent of Southeast Asians with Internet access are already using the internet to look for new job opportunities.

This situation is intensified in developed market such as Singapore and Malaysia – more than 85 percent uses the Internet to find out employment-related information.
By 2020, 64 percent of Southeast Asia’s population will still be under 40 years old, and they will form the bulk of the region’s workforce in the next decade. Already, the digitally savvy Gen Yers are a key component of the workforce in the region and are displaying a distinctly different profile from previous generations in terms of their attitudes toward work and propensity for digital tools. Having spent their entire life living with the Web, instant messaging, mobile phones and social networks, digital content is absolutely integral to their everyday activities, regardless of where they are or whether the activity is work or personal. As such, they are better networked, more open and used to having access to digital tools to complete tasks. They view any constraints on such usage imposed by employers as barriers to freedom and choice. Their ever-changing expectations and behaviors are much more likely to be in line with market innovations than with corporate policies.

These issues matter enormously. Twenty first century talent chooses not only whom to work for, but where, when and how. Today, employees tell us that the use of digital tools in the workplace is vital to enhancing their job satisfaction, innovativeness and productivity. Tomorrow, Gen Yers will be dictating not just the tools but also the workplace location (or even the lack of fixed location) and the culture they are willing to work in.

Furthermore, the nature of work is changing, favoring styles closer to Gen Y’s natural modes of interaction. According to Gartner, organizations are shifting from a “Generation 1” level of collaboration that focuses on communication to more sophisticated collaboration structures that emphasize sharing and networking.

Given Southeast Asian populations’ intrinsic desire and fascination with social networking to connect, learn and share, companies in the region have a great opportunity to leverage Gen Yers to form a vanguard of people using social/collaboration software (activity streams, blogs, communities, discussion forums, wikis, etc.) to promote non-hierarchical knowledge sharing and spontaneous collaboration.
Do such statements resonate with you? Probably not if you are born before the 1980s. Such is the confidence of the Gen Yers as observed by MTV in a 2011 study with this young generation. Their brains are “hard wired” differently, they thrive on challenges, take smart-cuts, crave feedback, demand a voice and see the workplace as a multiplayer game where they seek to win on their own terms.

Applying existing approaches, rules, and policies to this generation will definitely not work. Survey results from Singapore’s Tripartite Alliance for Fair Employment Practices (TAFEP) 2010 study revealed that the Gen Yers tend to display a lower commitment to their organization compared to other generations. Companies that develop and implement clear strategies for finding and holding onto Gen Y talent will definitely steal a march on the competition.

Finding them may be the easy part: Increasingly, employees are sharing their work experiences and looking for employment opportunities online and through social media. In Southeast Asia, close to 60 percent of online users feel that connecting on social networks can help them to progress their career.

Organizations that actively support and promote new ways of working will certainly be more attractive to potential Gen Y employees. They are drawn to companies with less technology restriction, that provide more flexibility and autonomy in deciding what works for them, and that actively promote knowledge sharing via social network channels.

Holding on to Gen Yers is the hard part. To do so requires an understanding of what they value. Gen Yers prioritize meaningful work, empowerment, work mobility and having a positive and energetic work environment with inspiring and supportive colleagues. According to TAFEP, while good pay and benefits rank highly across all generations, Gen Yers seek personal development and supportive colleagues, while those from Gen X desire challenging work and supportive bosses.

Gen Yers want to work in a positive and energetic environment while Generation Xers want flexibility to maintain work-life balance. Having policies and infrastructure to promote “anytime, anywhere” working may have a higher impact on engagement than regular team bonding events that previous generations valued so highly.

Clearly, not every company can turn itself into a Google-like operation overnight, where there is a focus on allowing employees to work on ‘passion projects’ and the work environment is fun and inspiring. But all Southeast Asian companies should recognize that the key factors that will motivate their workforce of tomorrow will almost certainly be quite different from those that fire up today’s teams.

“Winning is the slogan of my generation”
“We can successfully negotiate anything with authority figures.”

Anonymous Gen Yer
Business on the back foot

Acknowledging all the changes that digital technologies are driving within the workplace, Accenture carried out a survey among Southeast Asian companies to gain insights into how they are reacting to the challenge.

The findings revealed that while business leaders recognize the need to implement various programs to facilitate employee engagement, collaboration and innovation, the adoption of such tools and practices, beyond facilitating internal communications (corporate instant messaging, video conferencing and etc.) is worryingly low\(^1\) (See figure 2 and 3).

This reflects the relative immaturity of Southeast Asian organizations or leaders as they struggle to understand the impact of digital in engaging the workforce. Through our research and observations, we have identified four key issues for Southeast Asian companies to consider in order to move forward. Those enterprises that promote debate and discussion around these topics early should at least be able to move beyond the current state of paralysis which they find themselves in.

Figure 2.

Enabling digital technologies and tools in the workplace in Southeast Asian organizations

- Using online-based communication tools such as corporate instant messaging, video conferencing etc. 63%
- Using internal social media platforms for greater knowledge sharing such as forums, blogs, hangout groups etc. 48%
- Allow employees to work from home or have flexible hours 42%
- Using social media to attract new talent such as LinkedIn 39%
- Allow employees to access customer sales data remotely 35%
- Allow employees to bring in their own hard/software 27%

Source: Accenture ASEAN Business Survey, 2012

Figure 3.

Extent of using digital technologies and tools for internal collaboration e.g., community forums, knowledge management, blogs, virtual brainstorming

- A great extent 29%
- Some extent 55%
- Not at all 16%

Source: Accenture ASEAN Business Survey, 2012
1. Move beyond a myopic perception of digital

Though most companies are familiar with using digital technologies (for example, enterprise mobility solutions and collaboration software) to drive productivity improvements, they rarely realize that the benefits extend to improving employee engagement and driving innovation across the organization. As a result, the custodian of digital tools in the workplace tends to reside within the IT organization, where ensuring IT security and managing risk exposure are of topmost concern.

Thus, most companies do not see the need for a cohesive internal digital strategy that is clearly communicated to the entire workforce. In fact, less than one in three Southeast Asian organizations felt that their internal digital investments and policies have been well communicated to their workforce.

“While we recognize employees’ needs for social media, information security is paramount to us as a banking institution. However, knowledge sharing within the organization is important ... we should open up the conversations and let IT handle the security issues.”

Manuel Tagaza
Senior Vice President and Group Head
Electronic Channels Group
Bank of the Philippine Islands

2. Understand the varying levels of comfort and interest in digital tools among the workforce

Southeast Asian employees vary in their levels of comfort with and interest in digital technologies at work. Some are more technologically savvy than others and therefore greater advocates for the value of digital tools within the organization. In addition to spurring different interactions among the different generations in the workplace, the disparate technology comfort levels increases the need to examine the workforce’s varying profiles and adapt digital practices without alienating specific segments. One size definitely does not fit all.

To help companies figure out the right tactics, Accenture has identified four potential digital profiles, or personas that exist in the workforce (see “Matching the Approach to the Digital Personas” on Page 13). Using these personas and recommended actions as guides, HR leaders will be ready to engage individual members of the workforce — for example, by tapping digital natives as technology evangelists or by encouraging technology connoisseurs to experiment with new hardware or software. They can also build momentum collectively, such as by bringing digital advocates into teams or functions that are reluctant to leverage the company’s collaboration tools.

“Our company has a different culture for each division which you can observe as you walk through the office. There is a conscious effort to correct this by finding some common ground across the company through various initiatives and the recruitment process. We actively seek people who are digitally aware as digital media will be a driver for change in our industry.”

Alma Browne
Human Resource Business Partner
ESPN STARSports
3. Bridge the digital divide between business leaders and digital natives

Southeast Asian companies still retain a strong Asian culture favouring hierarchy, control and often caution. Older employees are also reticent to share their views and concerned with maintaining “face”. Internal pressures may build as the growing numbers of Gen Yers share their ideas instantaneously, seek a constant flow of feedback, and ignore existing hierarchies and traditional ways of doing things. In our survey, 70 percent of respondents recognized the wide divide in digital knowledge between senior managers and digital natives. (See Figure 4)

Most senior leaders are unsure how to manage unstructured interactions through social media tools but leading-edge firms see this as an opportunity for senior leaders to engage their workforce and start learning from their Gen Y colleagues. For example, the Workplace Innovation Lab was created by a leading aerospace company to engage Gen Y talent as a catalyst for productivity and change. The company recognized the need to build a workplace for the future that would enhance knowledge sharing and collaboration across their multi-generation workforce. To accelerate innovation in leadership, productivity and new ways of working, they adopted an experimental bottom-up approach by pairing “Gen Y” employees with experienced managers as a working team to address a business challenge. The program has yielded positive accelerated results in many of the business challenges chosen (from cost reduction, improved communications, increased engagement and virtual collaboration). More importantly, it demonstrated the power of bringing together different perspectives of a diverse workforce and leveraging on Gen Yers’ enthusiasm to enable “reverse mentoring” (e.g. on new technologies) in stimulating change.

4. Effectively track and measure workplace digital investments

It is usually tough to pin down metrics to measure internal digital adoption and value generated. Among Southeast Asian companies currently using social media and online communication tools for workplace collaboration, more than half are not formally measuring their use and impact.

For example, an internal collaboration tool that relies on social media techniques will need to be as engaging as an individual’s Facebook news feed if it is to prompt regular use. That’s anything but a simple task.

Measuring how and when people are using technologies is essential in a test-and-learn environment that adapts as digital tools gain traction. If an internal social media page looks busy but is only being used by 100 key users rather than the target 1,000, the solution may be to close down the page or launch ten pages targeted at smaller teams.
Getting started

There is no perfect strategy – while the journey toward building a digital-enabled workplace will vary by market, industry and organization, there are some immediate actions that Southeast Asian companies can take today to maximize the benefits that digital brings while minimizing the disruptive impact.

1. Understand the current reality of your internal digital landscape

The first step is to assess how digital can be leveraged to drive business value within your market, industry and organization. For example, in Southeast Asian markets where affordability remains a challenge for much of the population, a simple case of offering the latest mobile gadgets for business use to employees could considerably elevate your company’s attractiveness to potential employees.

It is also critical to understand the extent to which digital tools are actually being used among the workforce and not assume that what is stated in company policy automatically reflects the reality of what is happening on the ground. A company-wide internal survey or assessment will enable you to assess the potential opportunities and risks more effectively.

2. Craft a clear strategy that brings together both HR and IT leaders toward common goals

Business leaders need to think beyond investing in the latest technologies for productivity gains but have a clear and cohesive strategy to better leverage digital in improving employee engagement and stimulating innovation efforts. Bringing together line managers, HR and IT perspectives to the same table will create a more holistic view on the impact of digital on the employer-employee relationship and enable better alignment of digital priorities and policies.

Establish and articulate the link between digital investments and the business value drivers for your organization. Strong C-level commitment and sponsorship is the key to unleashing the potential of internal digital programs. Without it, such initiatives risk being seen as peripheral and insignificant to the overall success of the business.

3. Adapt the strategy to your organization’s unique digital personas

Like the consumer, not all employees are digitally equal. The workforce of today is not just a dynamic multi-generation mix; it comprises differing digital personas. Their comfort level and preferences for “anytime, anywhere” work and interactions differ, and can impact the perceived quality of work.

Invest in diagnostic tools to determine your workforce mix and adapt your strategy to support and leverage the relative strengths of different digital personas to work together productively. In Southeast Asia, there is a huge opportunity for companies to learn from Digital Natives within their organization and experiment with proven consumer IT. These technologies (which are often cheaper, easier to use and quicker to implement) could possibly transform relatively immature IT infrastructure—historically a liability—into an advantage.

4. Communicate to your workforce and “walk the talk”

While it is important to ensure your entire workforce is aware and understands your workplace digital strategy and priorities, business leaders have to start walking the talk in their daily interactions with employees.

Traditional Southeast Asian leadership roles have evolved in this digital age. There is a greater need for CEOs to act as facilitators as well as leaders, for line managers to collaborate as well as to manage, for HR leaders to be brand builders as well as administrators, and for the IT team to enable as well as to protect. The ability of these leaders to embed digital considerations at each stage of the employee value chain will seed the evolution of a culture that is more attractive and rewarding for the next-generation workforce.

Ultimately, the goal is to cultivate a workplace culture that is open, empowered and conversation-based with a continuous “test, learn, optimize” mindset. Digital is all about agility and that speed has to come via people – in how they are motivated, measured and retained and in their ability to flex and adapt to sudden surges in activity or changes in direction.
Accenture research has identified four distinctly different digital personas that can exist in the workplace. While these personas may apply across geography and industry, the respective size, demographic and work profile for each segment will differ significantly.

Understanding your specific workforce mix is important for each organization [see figure 5 and table 1].

Figure 5.

Digital personas differ in their adoption and advocacy for digital technologies and tools usage in the workplace

The 4 digital personas in the workplace

Source: Accenture Analysis
## Digital Personas in the Workplace

<table>
<thead>
<tr>
<th>Digital Persona</th>
<th>Characteristics</th>
<th>Recommended Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Digital Natives</strong></td>
<td>Digital natives are comfortable with technology but are not experimental. Among segments, they are the least satisfied with hardware and software provided by the company, often finding that digital tools provided by the company lack a clear purpose, makes it harder to maintain a work-life balance, and do not always work as they should. They are most open to using personal tools for work, and believe that the personal tools they use are better than work provided tools.</td>
<td>Tap into their enthusiasm to generate positive business benefits:</td>
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<td></td>
<td></td>
<td>• Encourage them to share their experience</td>
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<td></td>
<td></td>
<td>• Involve them actively in collaborative groups</td>
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<td></td>
<td></td>
<td>• Coach them on potential risks on misuse of resources</td>
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<tr>
<td><strong>Digital Advocates</strong></td>
<td>Digital advocates are active in discussing and promoting new digital initiatives/tools, and trust the organization’s choice of technology. They tend to find digital more important, hence are using digital tools to improve their experience at work more than other segments. They are generally more satisfied with the digital provision of the organization and more cautious toward using personal hardware/software for work.</td>
<td>Leverage them to generate positive buzz:</td>
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<td></td>
<td></td>
<td>• Engage them in hardware/software trials</td>
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<td></td>
<td></td>
<td>• Seed communications about new initiative</td>
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<td></td>
<td></td>
<td>• Invite them to ideation (idea generation) sessions on digital</td>
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<tr>
<td><strong>Technology Connoisseurs</strong></td>
<td>Technology connoisseurs are extremely comfortable with technology and like to experiment with new technologies. They are comfortable making their own tech choices for work, and feel that they know what would work best for them. Being able to have a say in the digital strategy/initiatives of the organization is important to the technology connoisseurs.</td>
<td>Tap into their technology expertise and experimentation spirit:</td>
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<td></td>
<td></td>
<td>• Seek their inputs in new hardware/software trials</td>
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<tr>
<td></td>
<td></td>
<td>• Encourage them to share suggestions and new ideas</td>
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<td></td>
<td>• Be prepared to rein back / manage ‘going off on a tangent’ when necessary</td>
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<tr>
<td><strong>Reluctant Adopters</strong></td>
<td>Reluctant adopters do not like to mix their work and personal life, preferring to keep them electronically separate. They tend to feel that digital disrupts their work; hence they need to be persuaded and convinced on the benefits of digital initiatives. Among segments, they are the most unlikely to use personal tools for work. Even though they can be less receptive to digital at work, they are generally satisfied with hardware &amp; software provided by the company.</td>
<td>Respect their needs and provide necessary support to help them achieve more with less:</td>
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<td></td>
<td></td>
<td>• Offer tailored training to engage them on key initiatives</td>
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<td>• Provide buddy systems to encourage use</td>
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<td></td>
<td></td>
<td>• Ensure line managers are aware of profile to pre-empt and manage “nay-sayers”</td>
</tr>
</tbody>
</table>

Source: Accenture Analysis
About this study
This paper is part of a series that examines the evolving digital landscape of the Southeast Asia region with regard to consumers, employees and at the overall enterprise level.

The findings of this study are drawn from Accenture research, internal surveys and inputs from business leaders across six countries in Southeast Asia.

The research was conducted using in-depth interviews (face-to-face or phone) with C-level representatives of businesses across Southeast Asia. We also surveyed 404 organizations, using computer-aided telephone interviewing (CATI) or in-person interviews to speak to senior leaders across strategy, IT and marketing functions. The organizations comprised of global multinationals, Southeast Asian multinationals, regional Southeast Asian companies and large local corporations from both product and service industries. In addition, employee focus groups and surveys were conducted among Accenture’s workforce in Southeast Asia.

We would like to thank the following individuals for their contributions to the study:

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The Management Consulting Innovation Centre serves as a research hub where industry experts debate, develop and publish insights with specific relevance to the Asia Pacific region to help organizations innovate and outperform their competition. The Centre also brings Accenture’s thought-leadership and ideas to life through highly interactive and facilitated workshop experiences. These experiences help organizations explore solutions and develop a course of action for their most important business issues that will accelerate their path to higher performance.

About Accenture
Accenture is a global management consulting, technology services and outsourcing company, with 257,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments.


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