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The Workforce View 2020

Volume One pre-COVID-19

Including a spotlight
on **APAC**

The coronavirus pandemic has now taken hold around the world, and it is becoming clear that it will take a significant toll on the global economy. “Business as usual” is being hard hit, with many governments introducing emergency measures to support previously successful companies as social distancing rules mean they have to shut their doors. Many workers are being furloughed, taking pay cuts, working reduced hours or being laid off. Remote working is becoming the norm in several sectors, while at the same time overwhelming demand in essential frontline services is seeing key workers working longer hours than ever in extremely difficult conditions.

Our research was undertaken before the crisis unfolded globally: the vast majority of the survey took place during November and December 2019. Therefore, the views outlined in this report reflect a pre-COVID-19 world, in which optimism is high but several trends are already notable, such as rapid technological innovation and the burgeoning gig economy.

Clearly, an event as seismic as COVID-19 will have a major impact on sentiment and will potentially accelerate or reverse many of the developments we are already seeing. Therefore, we will re-run our research in May 2020 to find out how the outlook for workers has changed on critical issues in several key geographies.

The results of that second study will be published in Volume Two of this report, providing a unique comparator which employers can use to better understand the changing workforce view and shape HR strategy accordingly.

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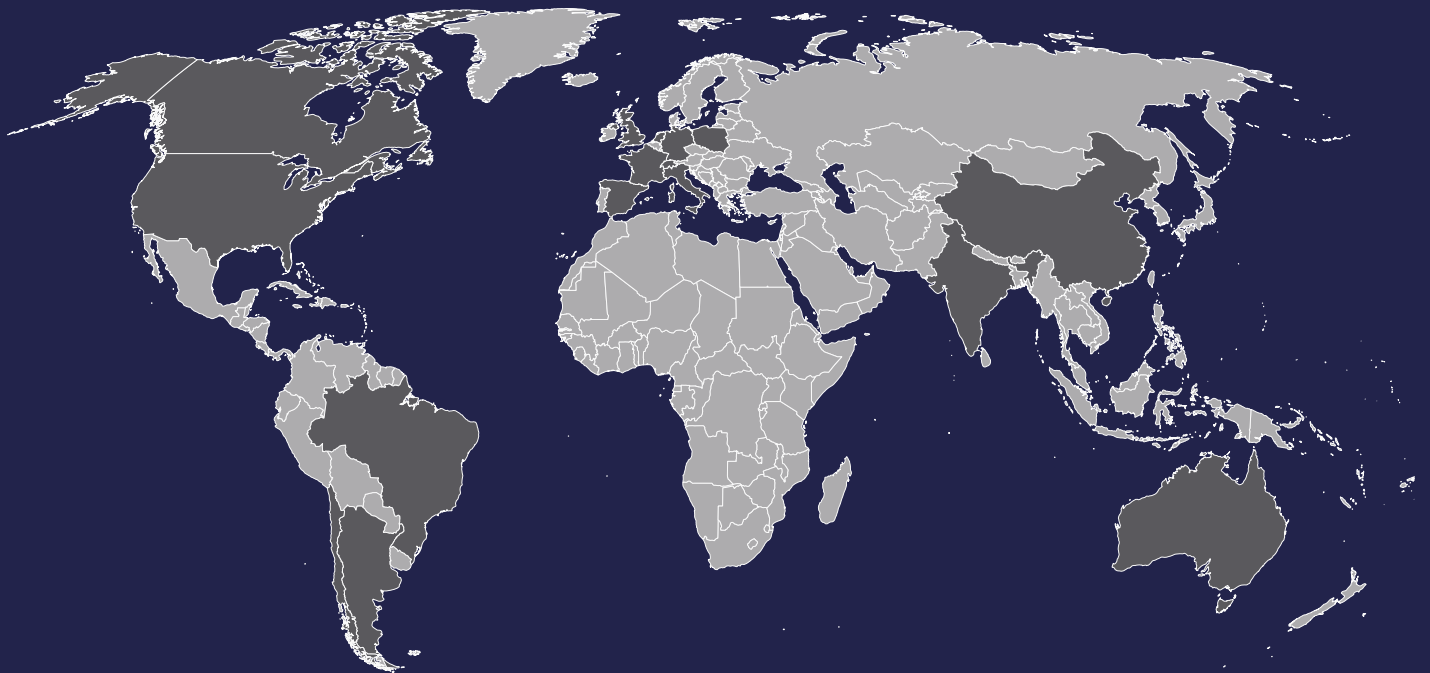
Data and methodology

The Workforce View 2020 explores employees' attitudes towards the current world of work and what they expect and hope for from the workplace of the future. ADP Research Institute surveyed 32,442 workers around the world between 29 October 2019 and 6 January 2020.

- 15,274 in Europe
(France, Germany, Italy, the Netherlands, Poland, Spain, Switzerland and the UK)
- 3,811 in North America
(USA and Canada)
- 5,723 in Latin America
(Argentina, Brazil and Chile)
- 7,634 in Asia Pacific (APAC)
(Australia, China, India and Singapore)

Within the worker sample we identified gig workers and traditional workers. Gig workers self-identified as those who work on a contingent, temporary, or seasonal basis, or as a freelancer, independent contractor, consultant, gig worker, or use an online platform to source work. Traditional employees self-identified as those who are not working as gig and instead have a regular or permanent full or part-time position.

The surveys were conducted online in the local language. Global results are weighted to represent the size of the working population for each country.



Introduction

As the 2020s get underway, HR leaders around the globe are facing up to a new world in which there are multiple challenges. An economic landscape already being re-shaped by rapid changes has now received a sharp shock in the form of the COVID-19 pandemic and many aspects of the way we work may never be the same again.

This report provides a snapshot in time of the worldwide workforce view just before the outbreak spread across the globe, providing invaluable insight into trends already developing before the virus hit.

Those trends are many and varied. Many industries are undergoing rapid change driven by technological advances and so developing and retaining skills remains key. Even where there is no shortage of labour to draw on, a number of macro workplace trends mean that the skills on offer are increasingly mismatched with those required to compete effectively, and to build the organisations of the future.

Such issues are likely to be exacerbated the longer coronavirus-related business disruption continues. Ensuring they have access to the skills and talent they need during these tough times and into recovery is therefore likely to remain an over-riding area of focus for employers going forward — and one which plays into all the other issues explored in this report.

Of these, three deep structural changes are particularly notable, impacting how employers approach labour demand and supply, and how employees feel about and relate to the workplace. Taken together, all these trends are forcing us to challenge everything we know about work:

An ageing population

As millions of Baby Boomers reach retirement, employers face an exodus of skilled talent, while governments are left with an ever-increasing social care bill to cover. Coronavirus may well accelerate this exodus as those approaching pension age decide now is the time to retire early or have to do so amid business cutbacks. Views are mixed about how best to address these issues, with many countries raising the retirement age, and changing pensions allowances as a way to bridge the shortfall. However, the success of these initiatives, and their long-term impact on the workforce, remains to be seen and policies designed in the last decade may need to be re-written in this one.

The gig economy

A desire for greater flexibility is causing traditional employment contracts to be torn up, as the so-called Gig Economy has exploded in recent years. Yet, this new pool of contractor and freelance talent also brings controversy in its wake. Who is really benefitting from unprecedented flexibility around employee rights and security? Are gig workers following this career path out of choice, or is this freedom really an illusion? Such questions become even more pertinent in a post COVID-19 economy which is shining a stark spotlight onto issues such as job security, worker rights and flexible working for both employees and contractors.

Tech innovation

Skills needs are shifting, as industries across the board adopt new technologies and gradually automate their operations, reducing manual work, and altering business models, sometimes beyond recognition. As many businesses swiftly pivot their operations to adapt to new demands in 2020 and the notion of the workplace rapidly alters as remote working gains traction, high-tech tools and skilled people who can design and use them will be in ever greater demand. Since this trend presents both opportunities and threats, understanding how employees feel about their prospects is vital.

The Global Workforce View explores these themes, and numerous others, providing a unique barometer of employee experiences, perspectives and beliefs at a critical moment, on the cusp of a new decade and prior to the spread of coronavirus.

By surveying over 30,000 workers in 17 countries and four continents, we reveal how employees are responding to important and topical issues and discuss what this means for employers looking to optimise their talent and operations for a rapidly changing world.

Executive summary — life before coronavirus

The findings below shine a spotlight on a world of work before the coronavirus outbreak sent shockwaves through the global economy. Here we explore what worker sentiment was like on a number of key issues in the immediate run-up to that critical turning point:

- 1. An optimistic world:** At the very start of the year, optimism is riding high as more than nine in ten (92%) respondents report feeling very or quite optimistic about the next five years at work. In many cases, this positive outlook translates into loyalty, with two in five respondents planning to stay with their current employer for at least five years. However, since the advent of the unprecedented global pandemic, sentiment has surely shifted. We plan to re-survey workers on this point (and others) to gauge the changing mood.
- 2. Shifting skills:** Digitisation and automation mean that job roles are evolving fast, with one in three workers saying that their current role didn't exist five years ago and a similar proportion predicting that it won't exist in another five years' time. Yet, despite this rapid shift, the overwhelming majority (95%) of workers feel confident that they do have the skills to succeed in their career. For employers, retaining and developing those skills is a critical challenge ahead.

- 3. Under pressure:** Yet, there are signs that the demands of the modern workplace are taking their toll, given that 62% of respondents say they now feel stressed at least once a week — rising to 68% in North America. A key factor in these stress levels could be the culture of presenteeism that pervades in organisations around the world, with three quarters of respondents working unpaid overtime during any given week.

Furthermore, the stigma around mental health persists, as only 22% of respondents admit they would feel comfortable telling their manager or supervisor about a mental health problem or concern, and 17% saying they wouldn't feel comfortable telling anybody at work.

Tensions will only rise as workers worry about social isolation, illness, overwork/lack of work and financial concerns. Employers should not overlook these issues any longer.

4. Discrimination has not disappeared: Despite efforts to crack down on workplace discrimination, more than one in three workers report having felt discriminated against at work, with age, background and gender the most likely reasons. Yet, only two in five workers would be comfortable raising a claim in the event of discrimination and more than half (59%) wouldn't know who to contact in the event of an issue.

There are also signs that employees feel more needs to be done to fight pay discrimination, with two thirds of workers, male and female, believing that there is a need for pay gap reporting in their organisation, rising to 70% amongst under 44s. The issue is particularly prevalent in APAC where three quarters of respondents believe that there is a need for pay gap reporting in their organisation, more than double the proportion who feel the same in North America.

5. Flexible working remains elusive: Despite evidence of its benefits, flexible working remains elusive in the majority of organisations, with only a quarter of respondents saying that their company now has an official or written flexible working policy. Furthermore, only 26% say they feel empowered to take advantage of flexible working arrangements. Clearly, now that many organisations have been forced to implement remote working, this may change.

However, despite recent hype around the four-day week, given the choice, a third of respondents would, in fact, opt to work more hours or days per week in order to achieve higher pay. In contrast, only half that number would choose the four-day week model, consisting of a reduced week at the same salary, but with longer working days (17%).

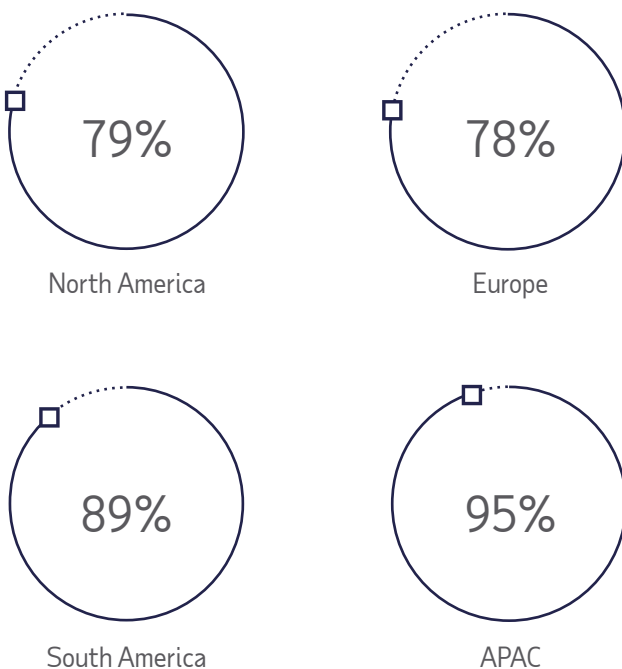
6. Money matters: Employees' payroll preferences are being overlooked, with just over half of respondents saying that, given the choice, they wouldn't choose to be paid monthly, even though this is the reality for nearly two thirds of employees. Furthermore, one in four full-time workers say they wouldn't notice if they were paid incorrectly, while one in six — especially contractors — say they are sometimes paid late, leading to stress and unpaid bills. This issue is likely to become more pressing in the months ahead.

Optimism reigns

A positive outlook can play a huge role in organisational success, driving employee productivity, engagement and retention. In a pre-COVID-19 world, more than nine in ten (92%) respondents say they are very or quite optimistic about what the next five years will have in store.

Even so, optimism levels vary quite substantially from region to region, with employees in APAC feeling the most positive — perhaps reflecting the area's rapid economic growth up to the end of the last decade — followed by those in Latin America. In contrast, those in the most developed economies of North America and Europe are the least optimistic about the next five years, suggesting that recent economic slowdowns, and the lingering threat of recession, is already having an impact in these regions, even before COVID-19 hit the global economy.

Optimism most buoyant in APAC



Staying power

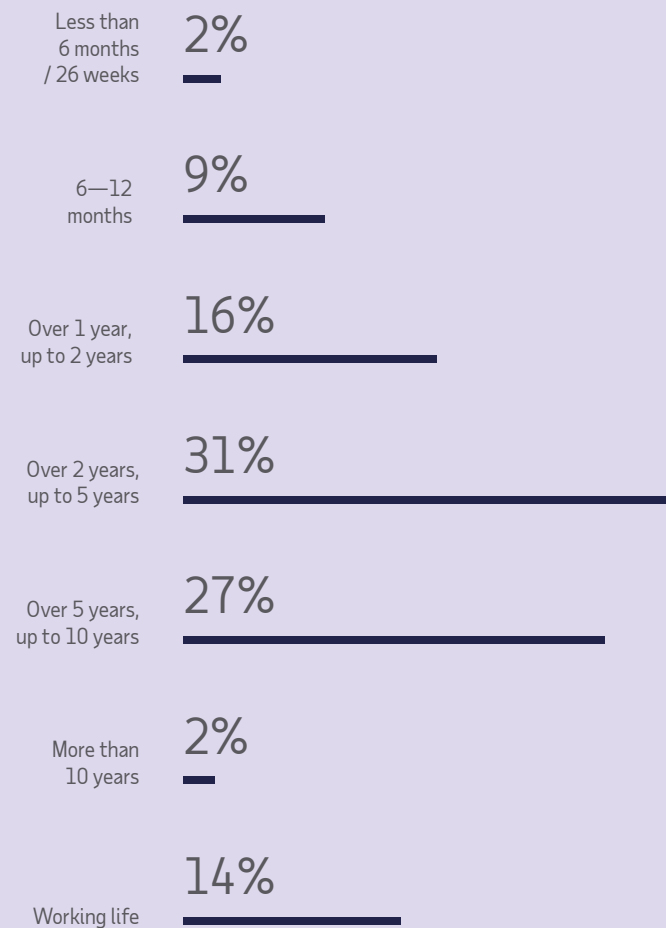
Given their general optimism, it follows that a high proportion of employees around the world also plan to remain loyal to their current employer for the foreseeable future, with more than two in five workers expecting to be in their current organisation in five years' time, and around one in seven expecting to stay for their whole working life. In contrast, only one in ten plan to jump ship within the next year, although this rises significantly to nearly a quarter (23%) of the 18 to 24-year-old demographic.

Employee loyalty remains strong

Organisations in Europe and North America are facing the biggest retention issues, with 15% and 13% of respondents respectively saying they expect to leave their role within a year, compared to just 11% in Latin America and 10% in APAC. However, interestingly, the 'job for life' is also more popular in North America, Europe, and Latin America with at least one in five (24% and 22% and 20%) employees keen to remain in their current organisation until they retire, more than in APAC (11%).

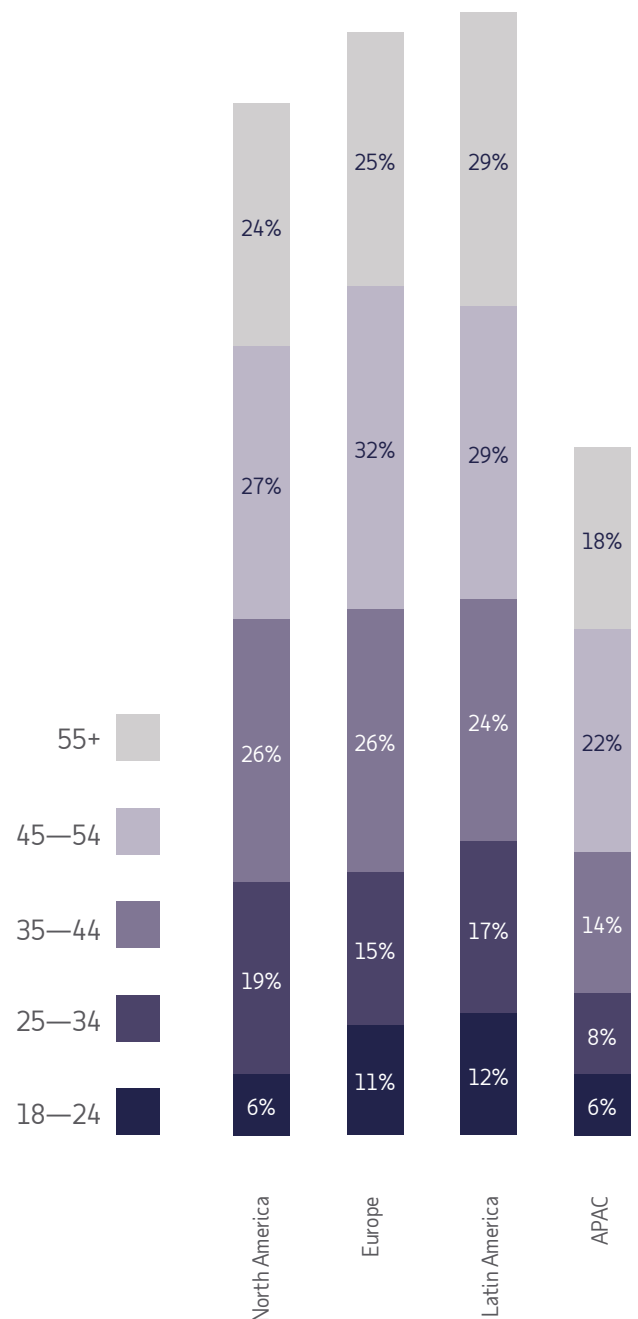
Across all regions the appeal of the job for life increases as workers get older, peaking in the 45—54 age bracket, before tailing off as retirement age approaches.

Length of time employees expect to stay with their current employer



The idea of a job for life gets better with age

Proportion of workers (by age) that intend to stay with their organisation for their working life



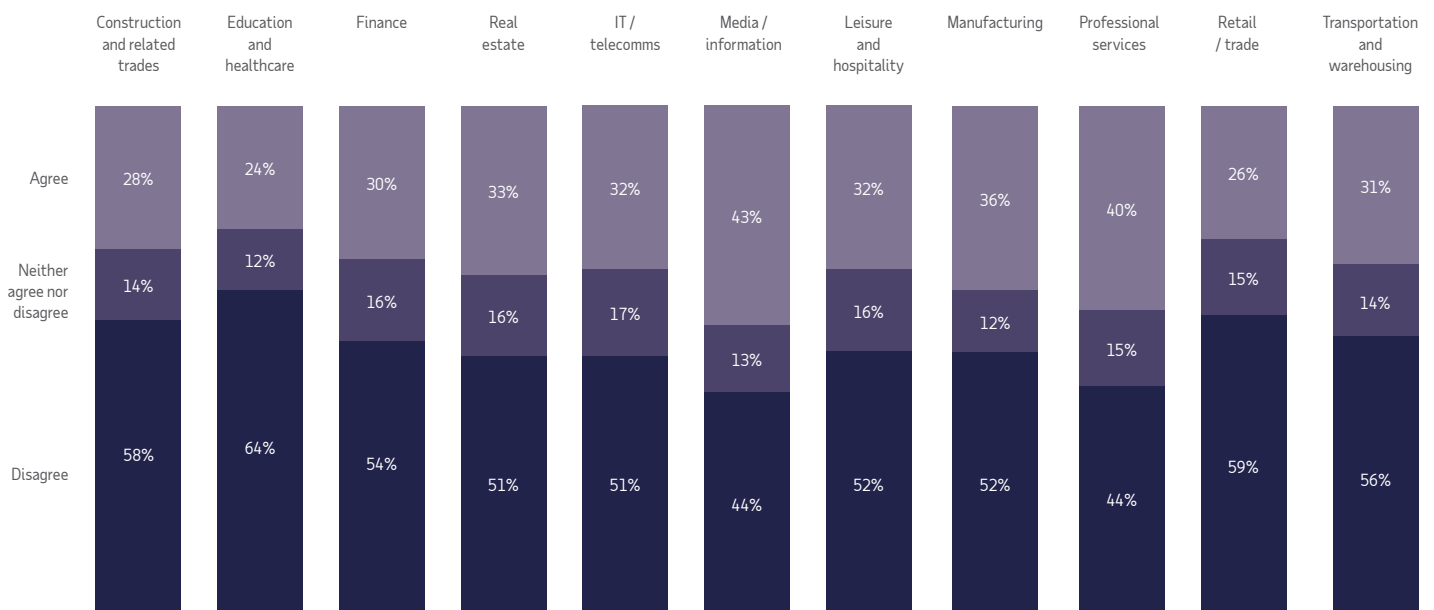
Shifting skills

Few sectors have been untouched by digital innovation in recent years, and the kinds of jobs that employees are doing, and the skills required to do them, have also changed dramatically as a result. In fact, according to the findings, one in three workers say that their current role didn't exist five years ago, rising to nearly half of those working in the fast-moving media and professional services industries. Meanwhile, a third of workers report that they don't think their job will exist in another five years' time, again rising significantly in the media and information sector.

The biggest skills shifts can be found in APAC, evidenced by the two in five respondents who say that their role didn't exist five years ago and more than a third who say that their role won't exist in five years' time. Significantly lower figures in Latin America, Europe and North America suggest that Western regions could be falling behind in terms of the expected skills needed for innovation.

Job role evolution (by sector)

My job will not exist five years from today



Job role evolution (by region)

Jobs roles past and future

The job I do today
did not exist five
years ago

The job I do today
will not exist five
years from today

12% North America

16%

16% Europe

14%

19% Latin America

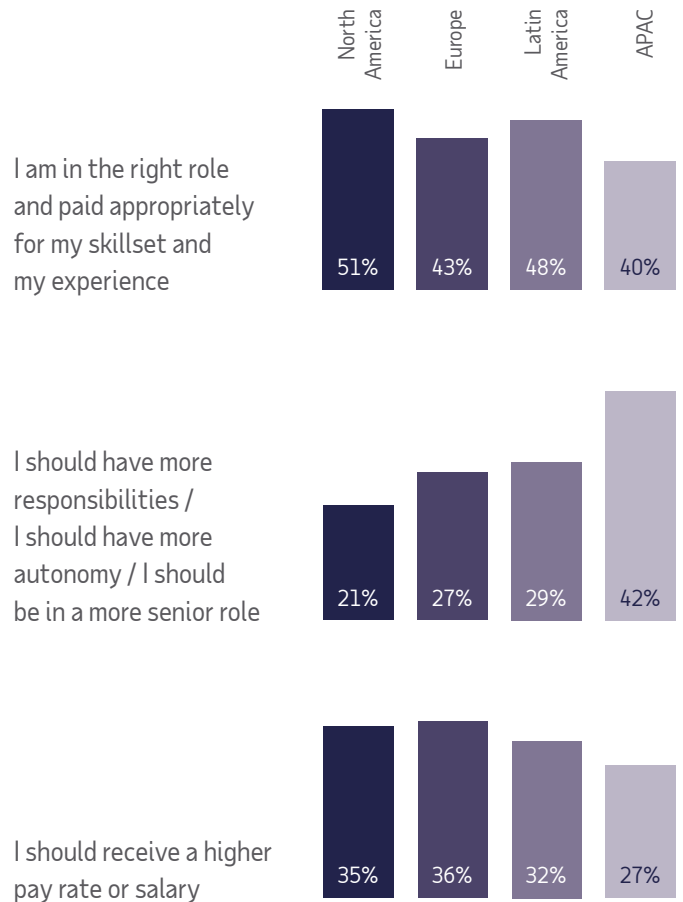
12%

40% APAC

38%

Are workers feeling valued?

Workers' views on whether current role fits their skillsets and experience



Employees ready to step up

Despite the prospect of rapidly changing skills requirements, the overwhelming majority (95%) of workers believing that they have the skills to succeed in their career. Whether this suggests a lack of preparedness for the evolution of the world of work (on the part of those who don't expect job roles to change) or a forward-thinking readiness to adapt to it, is open to debate. It is those in the fast-moving APAC region who feel the most confident about their future, with 96% saying they have what it takes to carry out these new roles.

However, despite their ambition, there are signs that employees are not being given the opportunities they feel they deserve, with over a third of respondents (37%) believing that they should have more responsibility, autonomy or be in a more senior role — again, a more common view in APAC (42%) than elsewhere. This should ring alarm bells for employers, given the ADP Research Institute Evolution of Work 2.0 study found that career advancement is a major factor in why employees leave their employers¹. Meanwhile, respondents in Europe and North America are most likely to believe that they should receive a higher pay rate or salary (36% and 35%) than they currently do.

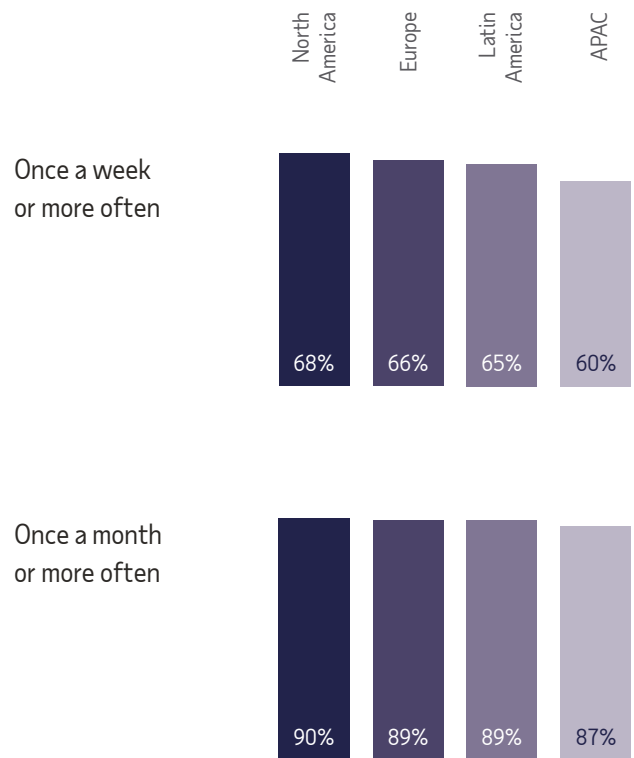
¹ADP Research Institute: Evolution of Work 2.0

Under pressure

A certain level of stress is now part and parcel of most workplaces around the world, but its regularity could be a cause for concern for employers. Six in ten respondents say that they now feel stressed at least once a week, while only one in ten say they never feel stressed at work. The issue is even greater amongst those in North America and Europe, and younger workers are also more likely to suffer from stress than their older colleagues, with 70% of 18 to 24-year-olds saying they feel stressed at least once per week, compared to only 50% of those over the age of 45.

How stressed do workers feel?

Frequency of stress at work

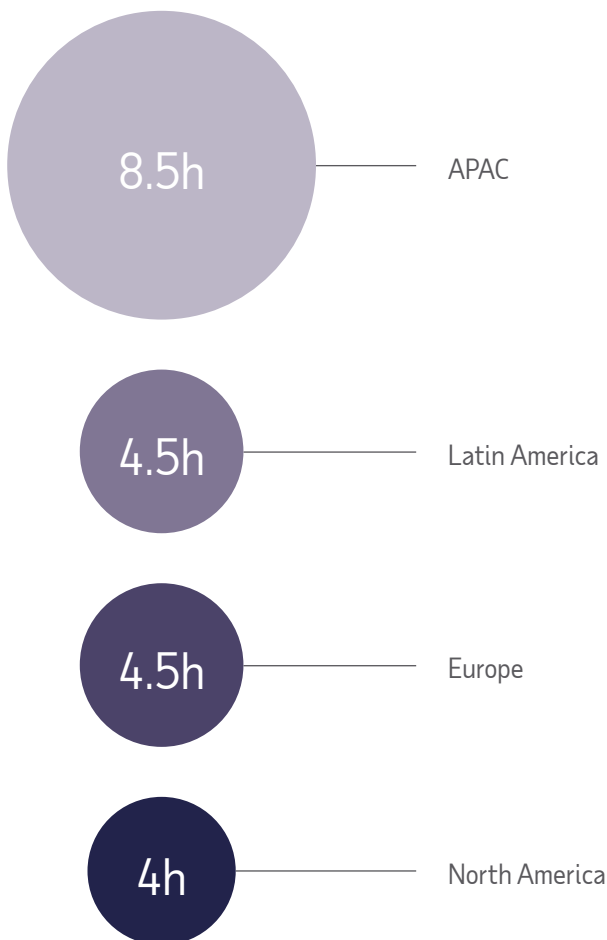


Free time

Long hours could be one key factor in the regular stress being experienced by employees, particularly as they frequently aren't being compensated for the extra time they put in. The research shows that three quarters of respondents work unpaid overtime each week, with over a third working between six and ten hours, over a fifth working over 11 hours, and one in 20 (5%) working in excess of 20 hours. The APAC region in particular has an issue with unpaid overtime, with employees working an average of 8.5 hours per week, almost double the amount reported in Latin America, Europe, and North America.

APAC workers give away twice as much time as global peers

Number of hours per week employees work for free



Keeping an open mind

Too much stress can quickly lead to more serious mental health issues, which, according to the World Health Organisation, cost the global economy \$1 trillion each year² in lost productivity, while putting a strain on health services and society. Yet, despite being so commonplace, mental health is still a sensitive issue for many employees, with only 22% of respondents saying they would feel comfortable telling their manager or supervisor about a mental health problem or concern, and 17% saying they wouldn't feel comfortable telling anybody at work.

On a more positive note, there are signs that the stigma around mental health is reducing as younger generations enter the workplace, with nearly nine in ten of those in the 18 to 24 age group reporting that they would feel comfortable telling somebody at work about a mental health issue, compared to just 73% of 45 to 54-year-olds, and only 66% of those over the age of 55. Although in most cases, these younger workers would still rather tell close friends (52%) than their manager or supervisor (18%).

Attitudes also vary quite considerably between regions, with those in North America most likely to keep quiet about a mental health issue (34%), despite NAMI research³ showing 62% of missed work days in the US can be attributed to a mental health condition. In contrast, employees in Latin America and APAC would be the most comfortable discussing an issue with somebody at work; 83% and 86% respectively report that they would. But even then, there is still a reluctance to tell a manager or supervisor about a problem, suggesting that this is a barrier that needs breaking down.

² World Health Organization: Mental health in the workplace

³ World Economic Forum: NAMI research

Discrimination goes unchecked or unnoticed

Governments around the world have taken various steps, including laws and regulation, in a bid to tackle discrimination and champion the importance of diversity in the workplace. Yet, despite these efforts, the issue persists for 37% workers who have felt discriminated against with their current employer, with age (12%), background (9%) and gender (9%) the most likely reasons. Notably, twice the number of women than men say they have been discriminated against because of gender (13% vs 5%), while perceptions of discrimination are also prevalent amongst younger workers, with 44% of 18 to 34-year-olds and 39% of 25 to 34-year-olds saying they have been unfairly treated, most likely because of age (11%).

Perceived discrimination appears to be a particular problem in APAC, where employees are the most likely to believe they have faced discrimination with their current employer (39%), while Latin America isn't too far behind (34%). Despite higher levels of regulation, Europe has only a slightly lower incidence of perceived discrimination (32%) while North America fares better (with 25%), although they still fall short of eliminating the issue altogether.

Speaking up

Stamping out workplace discrimination is only possible if employers create an environment in which employees know that issues will be dealt with effectively and proactively, and where they feel enabled to speak up about problems if they arise. However the research suggests that this frequently isn't the case.

A lack of protocol or process in some organisations undermines such a culture of openness, with more than half (59%) of respondents saying they wouldn't know who to contact in the event of an issue and nearly one in five (19%) admitting that they don't feel that their company follows good HR practices with regard to discrimination prevention.

Only two in five (40%) workers would be comfortable raising a claim in the event of discrimination at work, and even fewer women (38%), when compared to their male colleagues (43%). However, in a sign of change, younger workers feel more comfortable raising a discrimination claim compared to older workers.

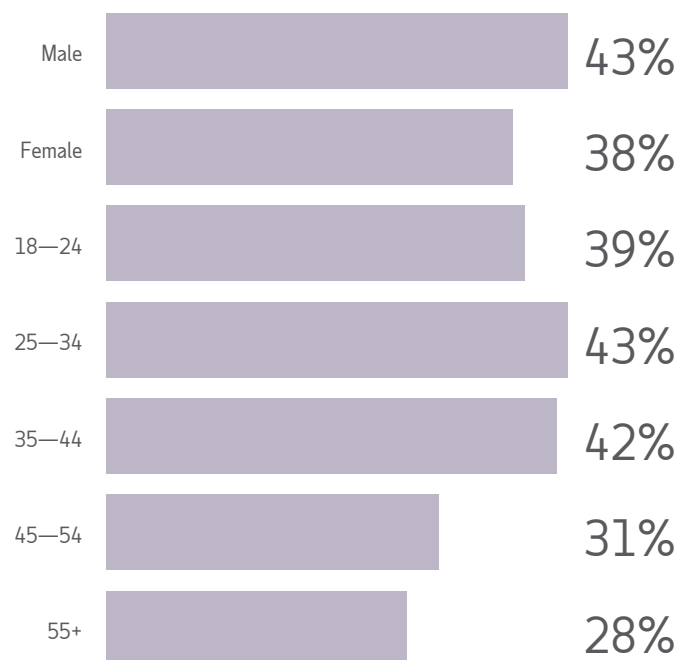
This reluctance — or inability — to speak up is even greater in some parts of the world, with 58% of employees in APAC saying they wouldn't feel comfortable making a discrimination claim and one in five (21%) saying they don't believe their company follows good HR practices with regard to discrimination prevention. Elsewhere, around two thirds of respondents in Europe (65%) and North America (71%) wouldn't feel comfortable making a claim.

⁴ World Economic Forum: The Global Gender Gap Report 2018

Calling out discrimination gets harder with age

Dealing with discrimination at work

I would be comfortable raising a claim in the event of discrimination at work

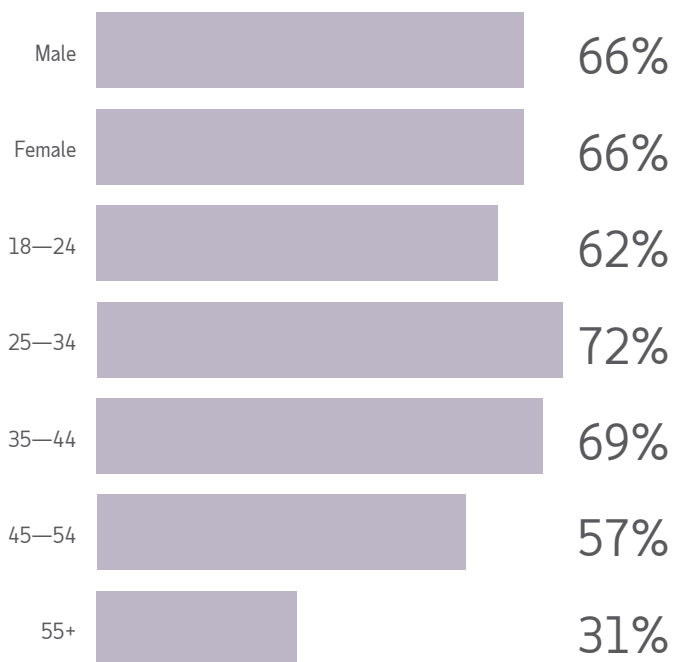


Pay gap reporting

With women around the world paid on average 63% of what men earn⁴, support for more widespread pay gap reporting, as already introduced in countries such as the UK, France and Australia, is on the rise. Two thirds of workers, male and female, feel that there is a need for pay gap reporting in their organisation, according to the research, rising to 70% amongst those under the age of 44.

Impetus for pay gap reporting (by gender and age)

Yes — Company needs pay gap reporting



⁵ ADP Research Institute Rethinking Gender Pay Inequity in a More Transparent World

Impetus for pay gap reporting (by region)



There are also dramatic variations between regions on this subject, with three quarters (73%) of those in APAC believing that there is a need for pay gap reporting in their organisation, more than double the proportion (34%) who feel the same in North America. The contrast reflects the high incidence of discrimination reported in APAC, however figures suggest that even developed economies like North America aren't immune to charges of inequality, given that, according to the ADP Research Institute paper, Rethinking Gender Pay Inequity in a More Transparent World⁵, women in the US still earn a 18% (\$15,000) lower salary than men, widening to 19% (\$18,500) when bonus pay is factored in.

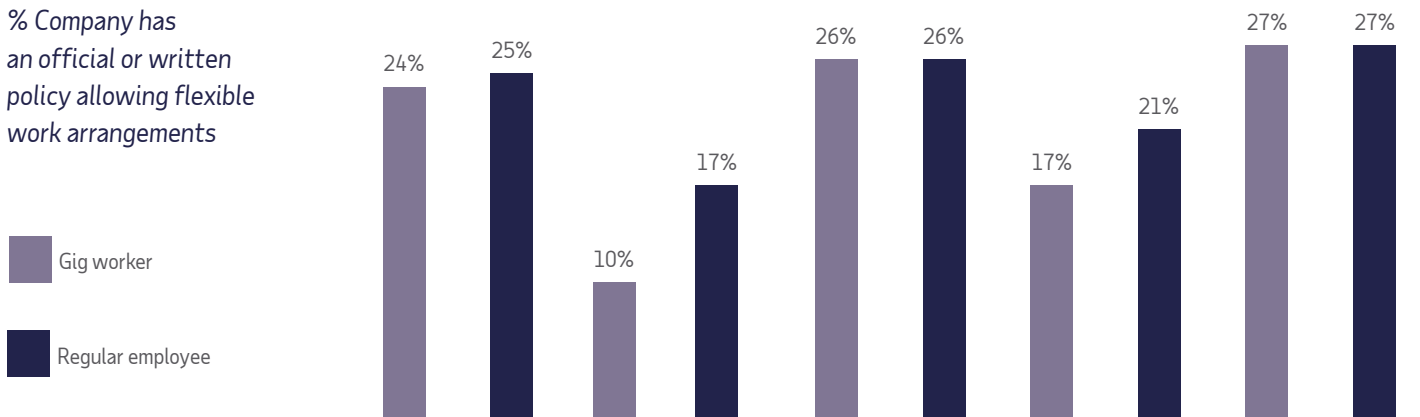
A more flexible way of working

Flexible working still elusive for many

ADP Research Institute Evolution of Work 2.0 found that flexibility is critical when workers are evaluating job opportunities, however the research suggests that this demand from employees and candidates doesn't always translate into action for employers. Only a quarter (25%) of workers around the world say that their company now has an official or written policy allowing flexible working arrangements, while only 26% say they feel empowered to take advantage of flexible working arrangements. More worrying still is that more than one in seven (15%) employees say they are judged for working flexibly, and more than one in ten (12%) report that employees feel guilty for using flexible working arrangements. Yet, with only 17% saying that business needs make it difficult to work outside of business hours, it does not appear that there are many intrinsic barriers to flexibility for most workers.

Employers in APAC and Latin America appear to be the most progressive when it comes to flexible working, with over a quarter of respondents (27% and 26%) working for organisations that have a policy in place, compared to a disappointing 15% in North America and 20% in Europe. However, surprisingly, respondents in APAC are also most likely to say that employees are judged (18%) and feel guilty (13%) about working flexibly, suggesting that a portion of the workforce is still to be convinced over its benefits. Importantly, having a written policy does not appear to improve the likelihood that workers will feel empowered to leverage flexible working arrangements, suggesting that companies do not "walk the talk".

% Company has an official or written policy allowing flexible work arrangements



Among those with an official policy...	Global		North America		Latin America		Europe		Asia Pacific	
I feel empowered to take advantage of flexible working arrangements at my company	30%	26%	32%	26%	34%	33%	28%	30%	30%	25%
Senior management states that flexible working arrangements are allowed	28%	28%	33%	29%	24%	28%	20%	28%	29%	27%
Employees are judged for using flexible working arrangements	18%	13%	21%	7%	5%	7%	10%	8%	20%	15%
Employees feel guilty for using flexible working arrangements	16%	10%	16%	7%	8%	6%	10%	8%	17%	11%

Rethinking the working week

As forward-thinking employers experiment with changes to the structure of the working week the research indicates that employees around the world are also keen to shake things up, as nearly two thirds (61%) of respondents admit that they would be in favour of some changes to their work schedule.

However, far from working less, in the vein of the four-day week, the most popular option is actually to work more hours or days per week, in order to achieve higher pay; the preference for over a third (35%) of respondents, irrespective of whether the work is full-time or part time. Furthermore, it's in APAC (38%) and Latin America (38%) where this option is most common, suggesting that earnings still take priority over work-life balance in these regions.

Nevertheless, a four-day week model is still a preference for some, with 17% of the global workforce saying that they would choose to work a reduced week at the same salary, but with longer working days. Although perhaps unsurprisingly, this option is more popular in Europe (26%) and North America (25%) than elsewhere. Either way, employees agree that their options of how and where to work are gradually increasing, with almost three quarters (74%) believing they will have more choices about how and where to work five years from now.

Money matters

Monthly vs. weekly

Most employees probably never think about the logic behind when they are paid, but the research suggests that employer-mandated payment cycles, whether weekly or monthly, might not be the optimal timing for everyone. Nearly two thirds (61%) of the global workforce are currently paid monthly, the lowest cost option for employers. However, given the choice, less than half of respondents (45%) would actually choose to be paid this way, with

almost one in five preferring to be paid twice a month (18%) and just slightly fewer (16%) preferring to be paid weekly. The findings echo ADP Research Institute's Evolution of Pay⁶ research, which found that over half of workers would be willing to pay a small fee for off-cycle payments, and the ability to actually choose their own pay frequency could make a difference when employees evaluate a job offer.

Pay frequency: preferences vs. reality

		Current pay frequency					
		Daily	Weekly (52 pay packets a year)	Every other week (26 pay packets a year)	Twice a month (24 pay packets a year)	Monthly (12 pay packets a year)	Less than once a month
Preferred pay frequency	Daily	47%	19%	4%	4%	2%	6%
	Weekly (52 pay packets a year)	42%	42%	32%	15%	6%	7%
	Every other week (26 pay packets a year)	5%	26%	40%	26%	5%	3%
	Twice a month (24 pay packets a year)	3%	8%	20%	37%	18%	9%
	Monthly (12 pay packets a year)	2%	4%	4%	18%	68%	29%
	Less than once a month	1%	0%	0%	1%	1%	46%

There are also some large variations by region, with employees in North America significantly more likely to be paid every other week (45%), or weekly (19%), than in any other way. This contrasts sharply with the situation in Europe, APAC and Latin America where monthly

is by far the norm. Meanwhile, the biggest gap between preference and reality can be found in Latin America, where 42% of respondents would like to be paid twice per month or weekly, while this is the reality for only 21% of respondents.

⁶ ADP Research Institute: Evolution of Pay

Payment errors/late payment

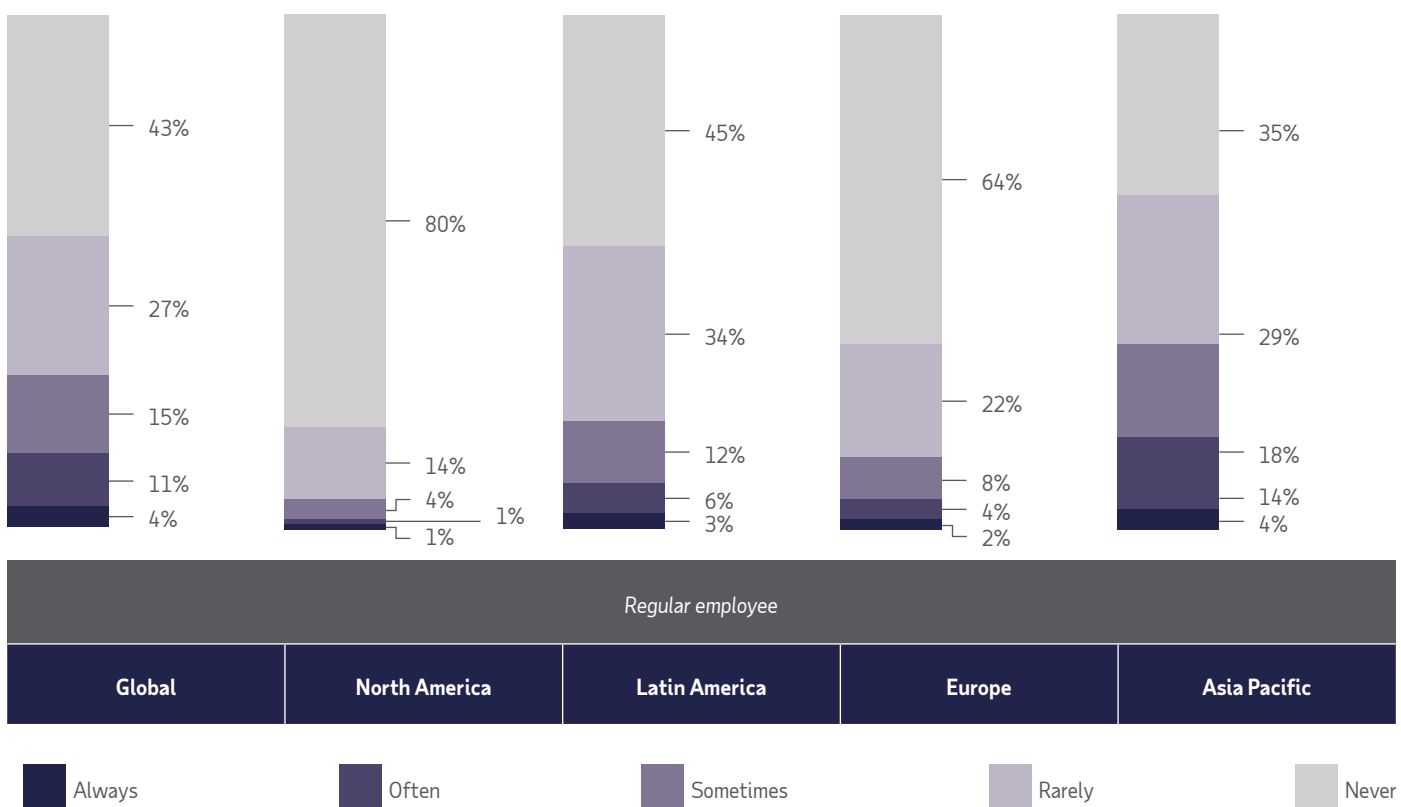
Varying shift patterns, overtime or commission payments can make it difficult for employees to verify they have been paid correctly. But it appears that countless mistakes could be going overlooked, with more than one in four (26%) full-time workers saying they wouldn't notice if they were paid incorrectly, either because they don't check their pay slip (11%), they don't check their bank statement (9%) and/or because they find their pay or pay slip confusing (9%). The problem is even greater in APAC, where 29% of respondents say they wouldn't spot an error, while in Latin America, just 15% say that an incorrect payment would go unnoticed.

Late payment

Late payment is reported by some respondents — especially contract workers — with one in six (16%) workers saying they are always or often paid late, and a further 17% saying that their payment is sometimes delayed. And the repercussions for those affected by late payments can be serious, with two in five (43%) of late payees saying it causes them stress, more than three in ten (31%) saying it means bills aren't paid and 30% saying they have to borrow money from friends as a result.

Employees in APAC are significantly more likely to be paid late than those in other regions, with 19% saying it happens always or often, compared to only 4% in North America. Meanwhile, the repercussions of late payment are greatest in Latin America, where 55% say it causes them stress and 45% say it means bills aren't paid. Perhaps the takeaway here for employers is that workers' financial needs must be properly supported, and that even minor errors can have major repercussions, especially in certain regions.

Regional disparities in late payment



Conclusions

The world of work is already seeing immense change pre-COVID-19, as the evolving global outlook, new ways of working, innovative technology and demographic shifts have shaken up the attitudes, beliefs and needs of both employers and employees. Understanding these dynamics will provide a vital indicator into how critical employment-related issues might play out in a post-COVID landscape, providing useful insight to help businesses navigate them going forward.

We have attempted to answer key questions around how macro trends, such as rapidly changing skills needs and the drive for a more flexible, fairer and more equal workplace, are impacting how employees view the present and future of their careers and the workplace. Key takeaways as we look back as well as ahead include:

Maintaining employee optimism matters

The study shows that, as of January 2020, employee positivity is on a high and staff are chomping at the bit for the chance to develop their skills to fit with changing roles and drive their own career progression. Employers now face a critical challenge of maintaining positivity among their workforces at a time of great uncertainty. HR teams have a central role to play to sustain morale and support the employment ecosystem as it adapts, as roles and skills requirements change fast, working environments undergo radical upheaval and whole industry sectors face unprecedented new pressures.

Employers should prioritise quality over quantity

Even before the COVID-19 outbreak, many employees report frequent stress and some indicate that they are not compensated fairly for the time they put in. With signs that rapid change, economic uncertainty, remote working and extreme demands on key industry sectors could be ramping up the pressure further, a culture shift is needed. Quality of time must be valued over quantity and the concept of work-life balance may have to be re-calibrated.

Traditional workplace cultures persist — for now

There are worrying signs that certain sensitive issues, such as mental health and discrimination, are still stigmatised in many organisations, thereby discouraging employees from opening up to colleagues and management about problems they face. While it does appear that these barriers are breaking down as new generations gradually enter the workplace, employers undoubtedly have a role to play in helping to build a more open and supportive culture — and this is becoming more vital than ever as stress and uncertainty increase. HR teams must step in to ensure that employees know where they can raise these sensitive issues, confidentially and without fear of reprisals, to ensure they are given the help and support they need. They should also prepare for the younger generation of workers entering the workforce being far more open to discussing such matters.

Pay gap regulation has support

Sometimes the only way to change behaviour is through regulation, and employees clearly believe this to be true in the case of tackling inequality around pay. Gender pay gap reporting is already in place in a number of countries and employee feedback indicates that similar rules would be welcomed elsewhere. Formal legislation may be a way off in some regions, however forward-thinking employers would be wise to take the pay gap seriously, and without delay.

Embracing flexibility is no longer optional

Employers have been dragging their feet around flexible working, despite evidence of its benefits. Furthermore, even in the pre-COVID environment, employees often reported other priorities, namely achieving higher earnings, which mean that the importance of flexibility for work-life balance, wellbeing and productivity is frequently overlooked. Yet, the huge rise in the gig economy and the recent pivot to widespread home-working show that flexibility may be the future, and those employers who embrace it could reap the rewards in terms of productivity and employee engagement.

Payroll overlooked as a tool of engagement

Despite evidence that employees would appreciate greater choice over when and how they are paid, rigid and outdated pay cycles are still the norm for most. The findings suggest there is scope for payroll to be harnessed in a number of ways, for example by consulting staff on when and how they would like to be paid, offering guidance on how to read and check a payslip effectively, and, of course, minimising the late and inaccurate payments that can be so damaging for employee trust, and increasingly, their stress levels and financial health.

Spotlight on APAC

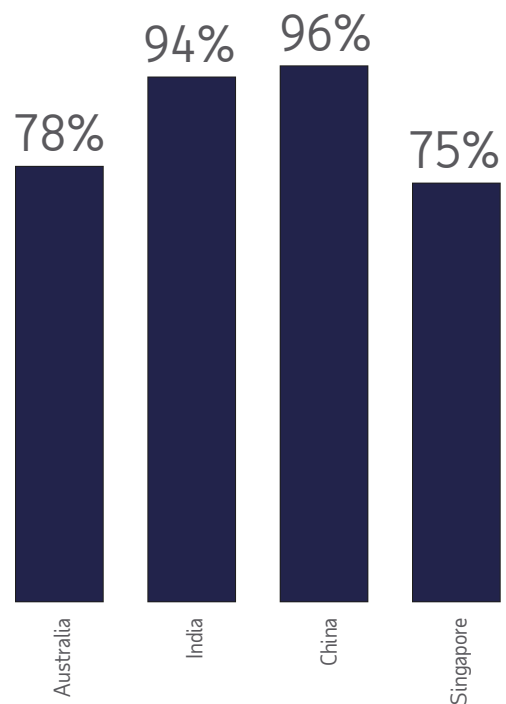
Encompassing Australia, China, India and Singapore, APAC is arguably the most diverse region included in the study, both culturally and economically. From the manufacturing powerhouses of China and India, to the finance and services sectors found in Singapore and Australia, the region spans a whole raft of varied workplaces — and work practices. But, despite this diversity, each country is being shaped by many of the same forces, with new technologies driving disruption and demanding new skills from employees. Simultaneously, demographic challenges, such as an ageing population, are putting strain on economies across the region, while new generations come with new expectations, pushing for greater flexibility and more gig working, and demonstrating a lack of patience with inequality in all its forms.

So, how do employees feel about work in APAC?

- **World-leading optimism:** At the turn of the decade, employees in APAC are the most optimistic of any region, with 95% of respondents saying they are quite or very optimistic about the future. However, individual countries vary hugely in their outlook. Chinese workers are the most optimistic (96%), while those in Singapore are the least (75%) — lower even than most countries in Europe which was the least optimistic region as a whole. Furthermore, employees are less loyal than in other regions. Just two in five (41%) say they plan to stay with their current employer for over five years, while one in ten (10%) plan to stay for the rest of their career — both lower than the global averages (43% and 14%).

Chinese workers the most optimistic in the world

Levels of optimism by country

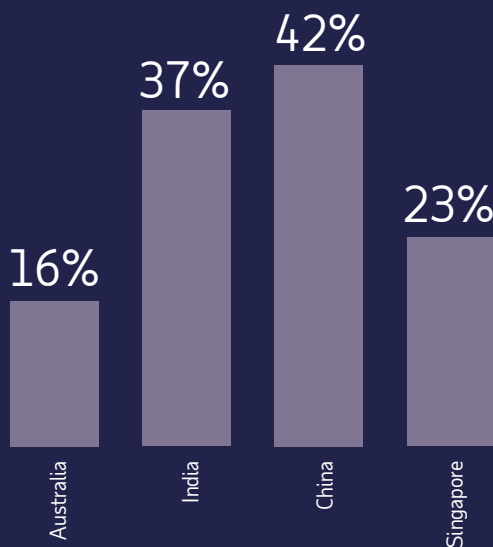


- Skills shock:** Driven by China and India, APAC also leads the world for the rate at which employee skills are shifting, with a third of respondents (40%) saying the job they do didn't exist five years ago, and just slightly fewer (38%) saying they believe their job won't exist five years from today. Singapore and Australia are much less likely to agree with these statements. Their views are more in line with Europe, and they are less likely to agree with these statements than workers in Latin America and North America. Skills change is happening even faster for those in the media and information sector, of whom 54% say their role didn't exist five years ago and 51% say their role won't exist five years from now. Yet, despite the rate of change, 96% of those in APAC believe they have the skills they need to succeed in their careers.

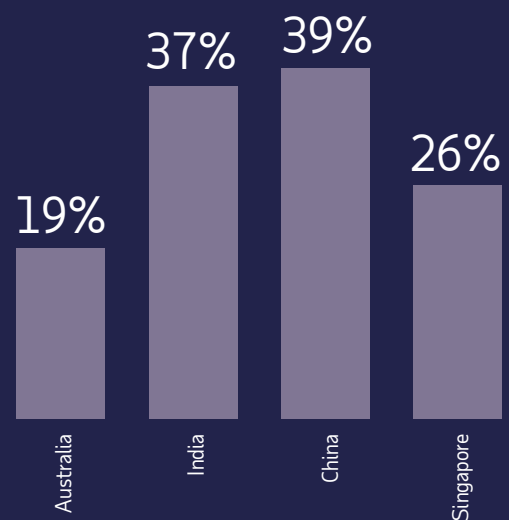


Rapid skills-shifts impact China and India the most
How the world of work is changing

The job I do today did not exist five years ago



The job I do today will not exist five years from today



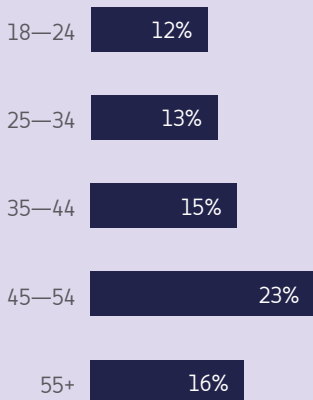
- Staying calm:** In spite of this rapid skills change, employees in APAC are the least stressed globally, with 60% of respondents saying they feel stressed at least once per week. There also appears to be less stigma around mental health issues in the region than elsewhere; 86% of employees report feeling comfortable sharing an issue with somebody at work, although only 22% would feel comfortable telling a manager. However, these figures mask big variations between countries, with employees in Singapore (72%) and India (71%) feeling stressed much more frequently than those in China (53%), and Australians much less comfortable discussing mental health issues at work (72%) than those in India (89%). Interestingly, while in other regions there are large differences by age, in APAC most age groups are similarly comfortable discussing mental health at work, although the pattern of higher stress among younger workers seen in many other regions holds true in APAC too.



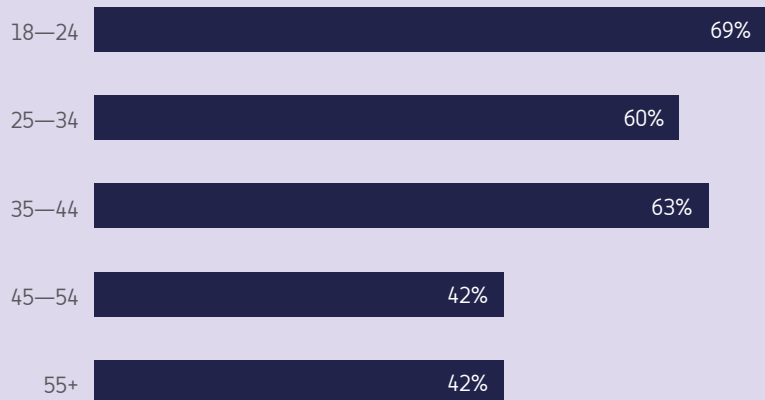
Painting a picture of stress and mental health

Stress levels and sentiment around discussing mental health issues (by age)

I would not be comfortable telling anyone at work about a mental health problem



I experience stress at work at least once per week

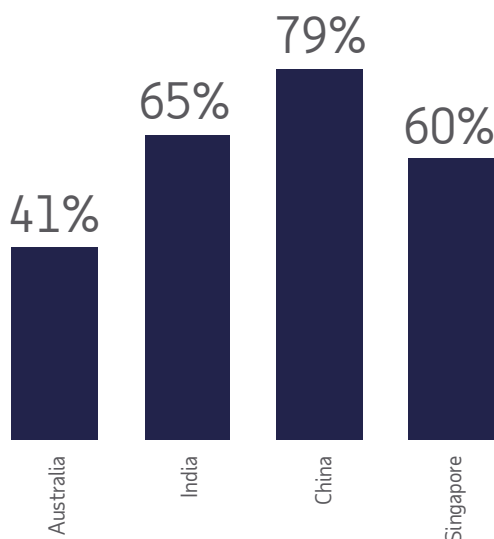


- Fighting discrimination:** Inequality appears to be a greater issue in APAC than elsewhere, with over a third (39%) of respondents saying they have been discriminated against — rising to 45% in Singapore — with age (12%), background (11%) and gender (10%) the most common reasons. Furthermore, over half of respondents (58%) wouldn't be comfortable raising a discrimination claim at work, while roughly the same proportion (60%) wouldn't know who to contact in their organisation about an issue. In reflection of the high levels of perceived discrimination, employees in APAC are also more likely to say there is a need for pay gap reporting in their region; 73% compared to 66% globally. Agreement that this is needed is very low in Australia, and in this respect it is similar to Europe. Unlike many other regions, the youngest workers are not substantially more likely to agree with the need for pay gap reporting compared to older workers.

Pay gap reporting not seen as a high priority in Australia

Gauging demand for pay gap reporting

Yes — there should be pay gap reporting



- Flexibility first:** APAC leads the world for flexibility, with over a quarter (27%) of respondents saying that their organisation has a formal, written flexible working policy, while a further 27% say they feel empowered to take advantage of these rights, although the figures drop significantly in Australia and Singapore. However, employees in APAC aren't attracted to the four-day working week model, with only 15% of respondents saying they would like to work a reduced week at their usual salary but with longer working days. In contrast, 38% say they would like to work more days or hours per week (with the highest proportion in India), but for higher pay, and 37% say they would prefer to continue working their current hours and pay. Interest in the reduced working week in Australia and Singapore is similar to the levels seen in Europe.

Four-day week lacks appeal in APAC

Given the choice, would workers rather...	Australia	India	China	Singapore
Work more hours or days per week, for higher pay	30%	42%	36%	30%
Continue to work their current role with regular hours and pay	42%	35%	39%	41%
Work a reduced week at usual salary but with longer working days	21%	14%	15%	19%
Work a reduced week at reduced pay	7%	9%	11%	10%

- Pay pitfalls:** Almost a third of APAC employees (29%) wouldn't realise if they were paid incorrectly, either because they don't check their payslip (12%), they don't check their bank statement (11%), or because their pay or payslip confuses them (11%). Late payments are also a significant problem for workers in the region, with one in five (19%) saying they are always or often paid late, higher than any other region. For those affected, this issue causes stress (41%), the need to borrow money from family and friends (31%) and means that bills aren't paid (30%). The impact varies by country, providing some

fascinating insights into how workers manage their money. For example workers in Australia and Singapore report that being paid late causes stress and means bills do not get paid, while those in India are more likely to borrow money from family and friends, and Chinese workers are most likely to incur overdraft fees. The majority of workers in APAC are paid monthly (65%), although this is preferred for only 49% of respondents, with 18% saying they would prefer to be paid twice per month and 12% saying they would rather get paid weekly.

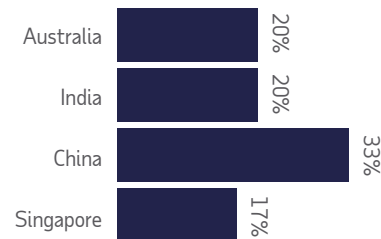
The repercussions of being paid late

Being paid late means...

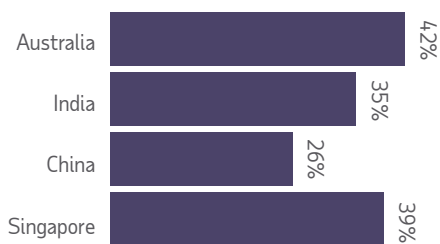
It causes me stress



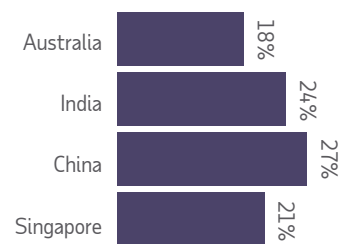
Charges on my overdraft



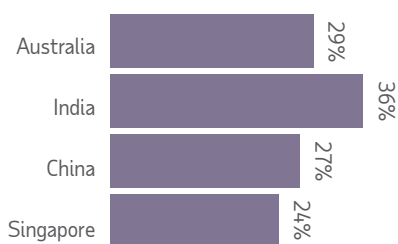
Bills aren't paid



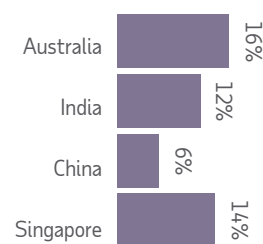
Damages my credit rating



Borrowing money from family/friends



N/A there are no repercussions of me being paid late

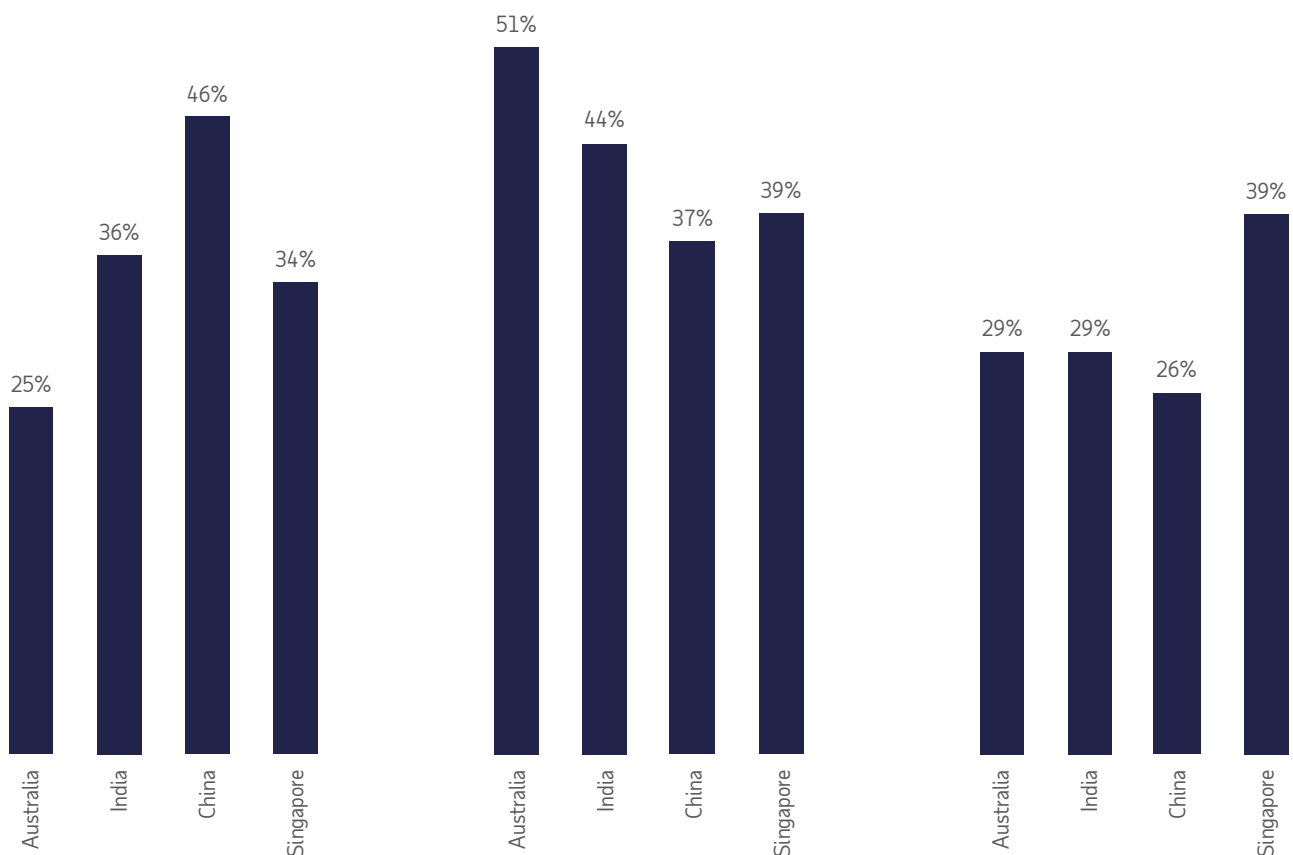


- Working for free:** Unpaid overtime is the norm across APAC, with more than eight in ten employees (82%) working at least some hours for free each week, significantly higher than the global average (74%), including 72% working over five hours unpaid overtime and 27% working over 10 hours. Despite these figures, only a quarter (27%) of respondents think that they should receive a higher pay rate or salary, lower than the global

average (29%), although 42% believe that they should be given more responsibility, autonomy or a more senior role. Workers in Australia and India are most likely to say they are in the right role and paid appropriately, while those in China want more responsibilities, and those in Singapore most likely to say they are not paid enough.

Australian workers most satisfied with their role and responsibilities

Workers' views on whether current role fits their skillset and experience



I should have more responsibilities
/ I should have more autonomy
/ I should be in a more senior role

I am in the right role and
paid appropriately for my
skillset and my experience

I should receive a higher
pay rate or salary

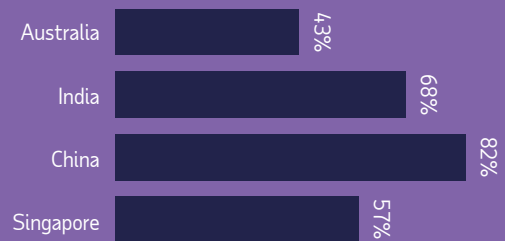
- Gig work:** In India, China and Singapore gig workers tend to think they could find a good permanent job if they tried. In Australia, half say they could not, and one in four say they could not find a permanent job at all. Australia is more negative toward the gig economy as a whole, for example, workers are less likely to say you can earn a comfortable living, that the pros of gig work outweigh the cons and they are more likely to say requiring companies to classify gig workers as regular employees would have no impact. China and India are more likely to say that the availability of contract workers makes it harder for permanent employees to find work.

Job prospects for gig workers

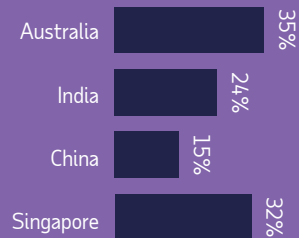
— contract vs. permanent

Gauging how contractors feel about their employment prospects

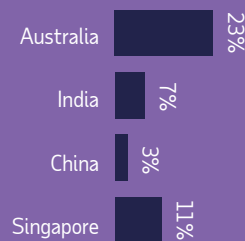
If I tried, I could find a permanent or regular employee job as good as or better than my current one



If I tried, I could find a permanent or regular employee job but it would not be as good as my current one



I could not find a permanent or regular employee job at all, even if I tried



What does this mean for employers?

On the face of it, pre-COVID-19 APAC appears to be a region on the rise, with impressive levels of optimism, skills confidence, and progressive attitudes towards flexibility and mental health. However, this is a very diverse region in terms of worker outlook and the overall pace of change. Dig a little deeper and significant disparities exist between the individual countries surveyed, highlighting a range of different challenges to overcome.

From low optimism in Singapore, to rapid skills evolution in China, a lack of flexibility in Australia, and the opportunities presented by the gig economy in India, each country has different needs, strengths and weaknesses. In many ways — and perhaps unsurprisingly — workers' opinions in Australia (and to an extent Singapore) often reflect sentiment in Europe more closely than they do some of their nearer neighbours. At the same time, the "emerging" economies of China or India resemble each other on several points, such as their readiness to adapt and views on the structure of the working week.

That said, there are region-wide commonalities in some key areas; notably, the problems caused by poor payment practices, which cause stress and financial hardship across the board, although workers in different countries deal with it in different ways.

Overall, it's clear that the opportunities and motivational drivers vary significantly across APAC. For this reason, HR must be wary of never taking a one-size-fits-all approach, even at a regional level, ensuring people management policies are tailored to the unique requirements of each individual market.

Notes

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