

HUMAN RESOURCES BUSINESS SECTOR RESEARCH

Southeast Asia and Hong Kong SME dedicated



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PREFACE & DISCLAIMERS

PREFACE

Welcome to our research journey into the dynamic landscape of the human resources (HR) sector in Southeast Asia and Hong Kong. This study is dedicated to integrating macro and micro perspectives, offering insights into both current trends and future developments shaping the HR industry in the region.

This research examines the sector's unique dynamics, starting with an analysis of the market landscape, focusing on SME segmentation and diversity and inclusion trends. We explore market trends, including technology integration and its impact on the industry, and how companies are enhancing their diversity and inclusion strategies. The study also discusses talent management, addressing challenges in talent acquisition, retention, and upskilling strategies. Additionally, it identifies market challenges and opportunities, offering insights for new and seasoned professionals. Finally, we provide comprehensive insights into HR areas such as recruitment, EOR services, data analytics, payroll management, job portals, upskilling initiatives, career mapping, and ATS, along with our innovative solutions to meet diverse HR needs.

DISCLAIMERS

This research report offers a comprehensive overview of the trend-oriented human resources sector in Southeast Asia and Hong Kong. While we strive for thoroughness, it's important to acknowledge that this dynamic landscape may not be fully captured in this analysis. Our insights are derived from a blend of primary and secondary research, with some interpretations informing our analysis.

This report is specific to the Southeast Asia and Hong Kong markets, and caution should be exercised when drawing comparisons with other regions. The information provided does not imply any company strategies, trade secrets, or explicit and implicit financial or strategic advice.

Users are advised to use discretion when applying this report to business decisions, conducting further due diligence as necessary. The composer of this report bears no responsibility for consequences resulting from third-party use of its content, and we disclaim liability for any damages arising from hasty or uninformed decisions.

We encourage recipients to communicate any uncertainties or doubts regarding the information provided, fostering deeper understanding and informed decision-making.

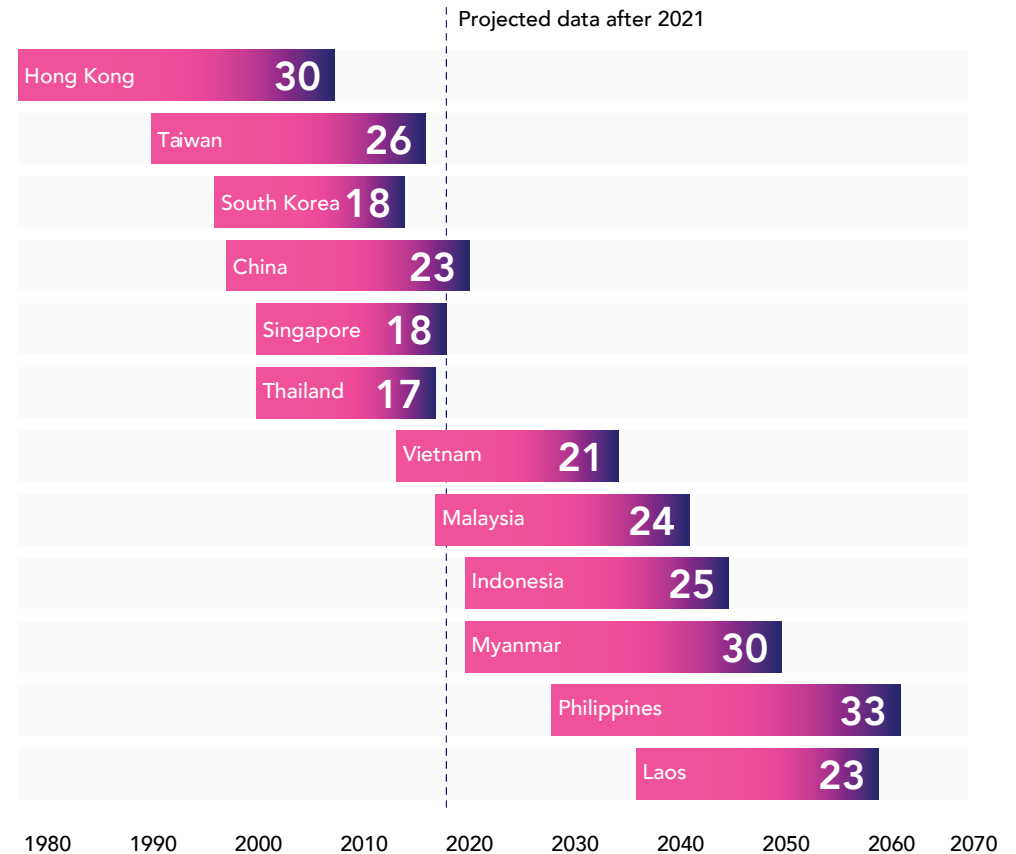
EXECUTIVE SUMMARY & KEY TAKE-AWAY

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.1. Economic & macro factors to HR market / 1.1.1. An ageing population

Although more than half of Southeast Asia is currently under the age of 30, the region has a rapidly ageing population¹. In 2019, the ratio of people age 65 or older in the region topped 7%, the threshold for being considered an “ageing society.” The ratio is expected to reach 14% in 2043, sending it to the “aged” category². Asia was estimated to become aged in less than 20 years (by 2040) and super-aged in less than 40 years (by 2060)³.

These demographic shifts will shrink the working-age population in the Southeast Asian bloc. Additionally, it will have significant global implications. For instance, Japan heavily relied on Vietnam as its largest source of foreign workers, with the Philippines ranking third. It will also heighten competition for talented young professionals in the region.



Number of years for transitioning from an ageing society (7% population aged 65+) to an aged society (14% of population aged 65+) ⁴

¹ Three Key Factors Impacting Human Resource Development in ASEAN

² Aging Southeast Asia grapples with weak social safety nets - Nikkei Asia

³ Ageing Population in Asia Affects Retirement Planning (manulifeim.com.hk)

⁴ “World Population Prospects 2022, Online Edition,” United Nations Department of Economic and Social Affairs, Population Division, 2022 - Stated by Manulife

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.1. Economic & macro factors to HR market / 1.1.2. Unemployment rate and labor force participation rate



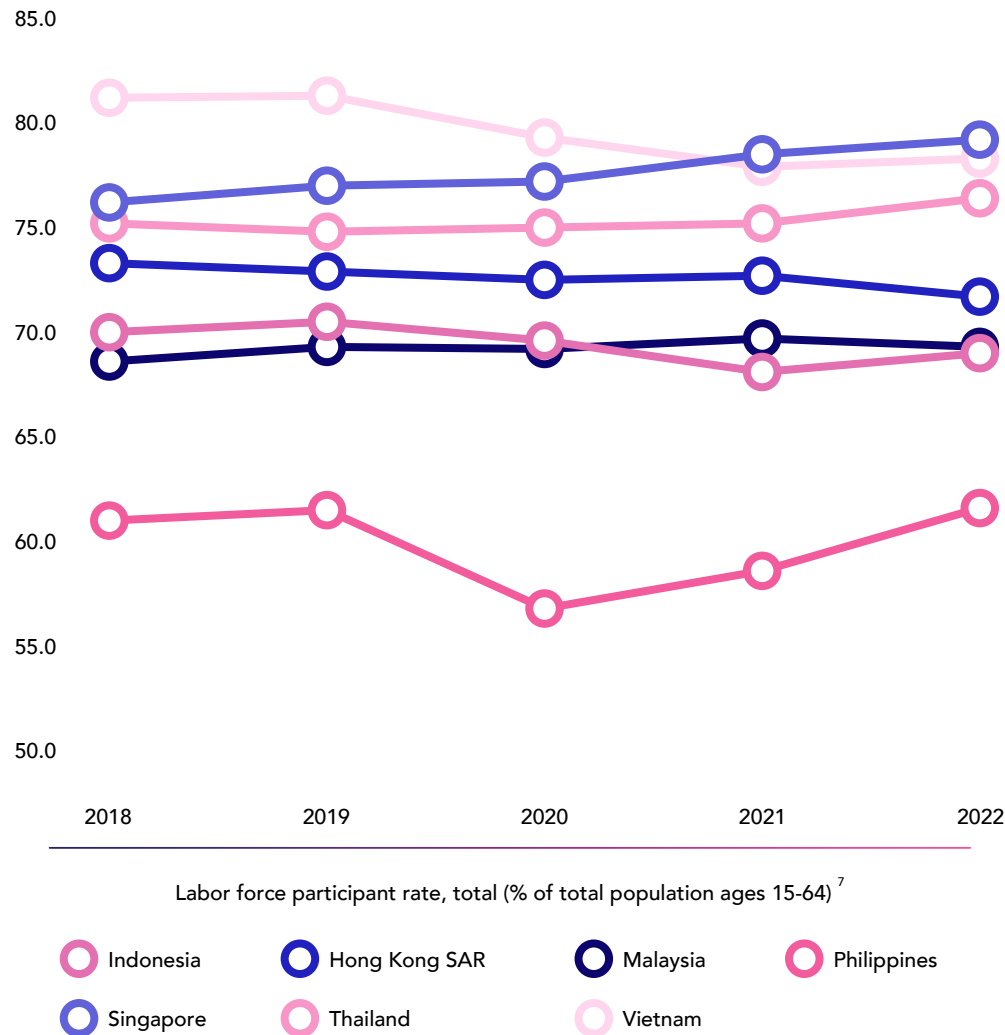
Many significant economies in Southeast Asia, notably the Philippines and Singapore, continue to witness a decrease in unemployment rates. The Philippines recorded a 3.1% unemployment rate in December 2023, significantly lower than the 4.3% recorded in December 2022. This represents a year-on-year decrease of 617,000 unemployed individuals. Indonesia still has the highest rate at 5.3%, while Thailand has the lowest at 1.2%. Regarding Hong Kong, the country's unemployment rate considerably dropped from 4.3% in 2022 to 3.2% in 2023 as economic growth improved and the city faces labor shortages in some industries.

⁵ World Economic Outlook (October 2023)

⁶ UNEMPLOYMENT LOWEST IN ALMOST TWO DECADES, GENERATING HIGH-QUALITY JOBS CRUCIAL - National Economic and Development Authority (neda.gov.ph)

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.1. Economic & macro factors to HR market / 1.1.2. Unemployment rate and labor force participation rate



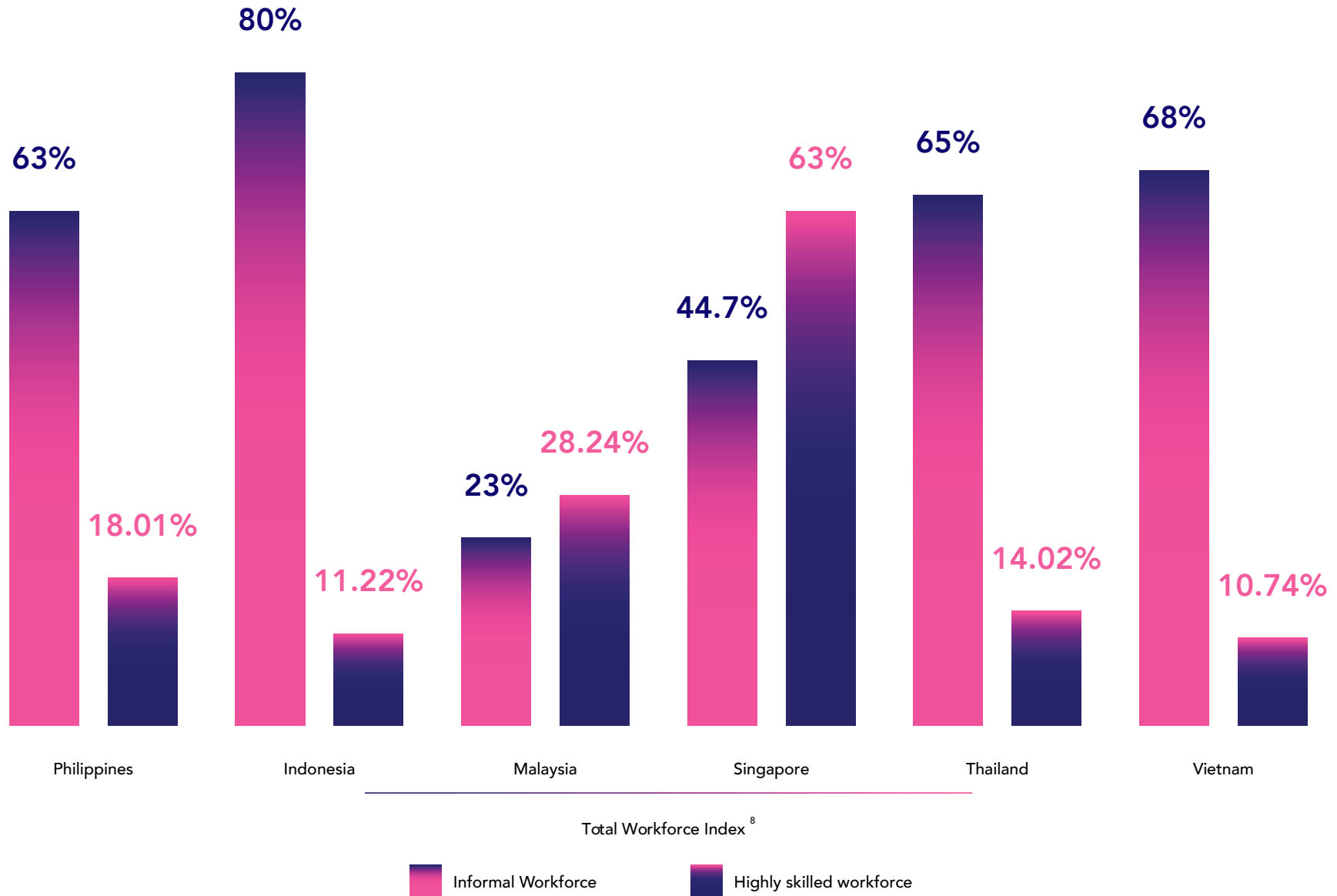
In 2022, Singapore, the Philippines, Indonesia, Thailand, and Vietnam experienced an increase in their labor force participation rates, indicating a growing workforce. Conversely, Hong Kong and Malaysia saw a decrease in their rates during the same period. Notably, Indonesia recorded the lowest rate of 61.7%, while Singapore boasted the highest of 79.3%.

HR and recruitment firms flourish in strong economies with high corporate profits and low unemployment rates. During profitable times, businesses expand their workforce and rely on HR services for efficient recruitment. Conversely, when companies perform well, they prioritize retaining existing staff. A low unemployment rate intensifies competition for talent, which benefits HR and recruitment companies, as finding the right employee is more difficult and time-consuming. Businesses will outsource these tasks instead of completing them themselves, to the benefit of HR and recruitment companies. This dynamic underscores the crucial role of HR/recruitment providers in facilitating workforce growth and talent acquisition.

⁷World Development Indicators

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.1. Economic & macro factors to HR market / 1.1.3. Informal workforce and highly skilled labour ratio

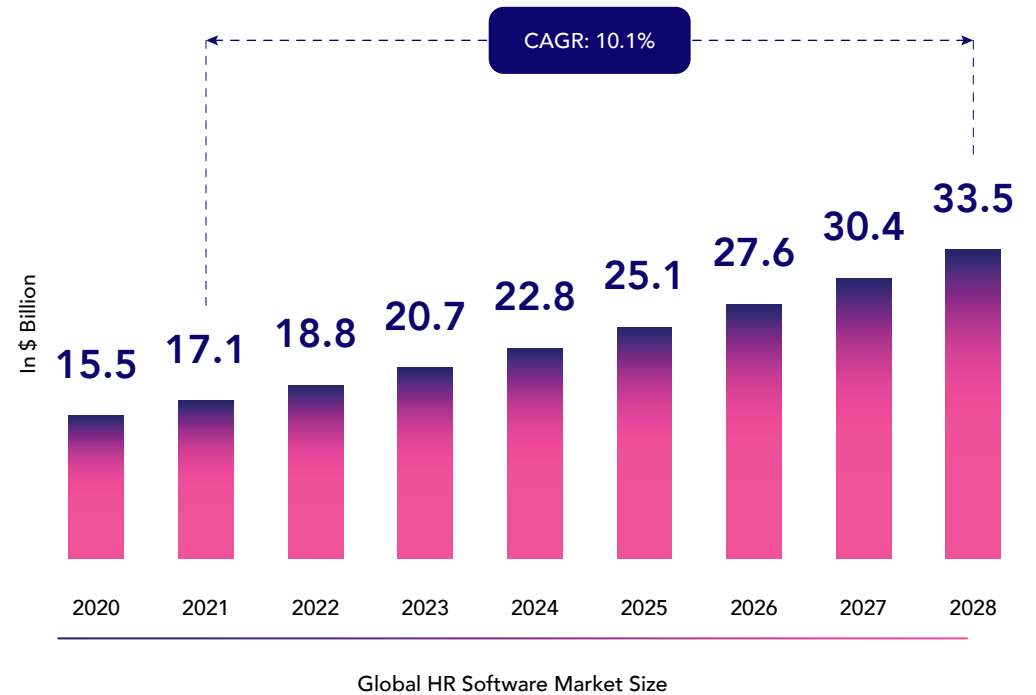


⁸Market Profiles (mpgtalentsolutions.com)

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.2. Market size / 1.2.1. Facts & figures

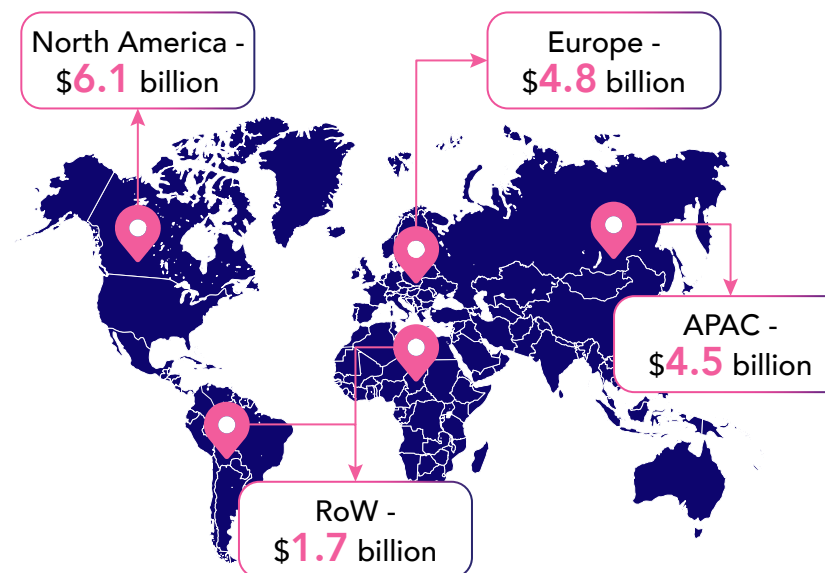
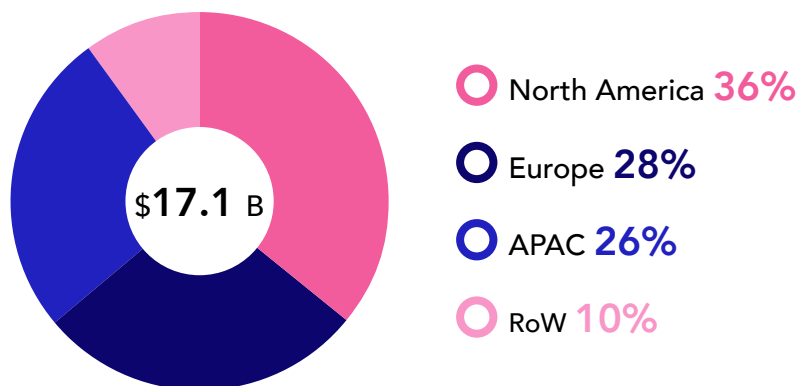
The global HR Software market is projected to grow at a CAGR of more than 10% by 2028 driven by: Automation led by Artificial Intelligence (AI) and Machine Learning (ML), Rise in usage of cloud infrastructure and platform services, Growing investment in learning tools and digital employee experience solution.⁹



⁹ GCF (goettingen-cf.com)

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.2. Market size / 1.2.1. Facts & figures



The Asia-Pacific Workforce Management Software Market size is estimated at USD 1.77 billion in 2024, and is expected to reach USD 2.78 billion by 2029¹⁰. The market for HR technology in the Asia-Pacific is expected to develop at a compound annual growth rate of 9.1% between 2023 and 2028, from US\$5.5 billion in 2022 to US\$9.7 billion¹¹. Compared to the values recorded in 2019, firms headquartered in the Asia-Pacific region (APAC) are predicted to expand their share in the global HR tech market by 1.6% by 2025¹².

The HR services market in Hong Kong increased from HKD 8.7 billion in 2013 to HKD 12.33 billion in 2017, representing a CAGR of 9.1%, and was expected to continue growing in the next five years and reach HKD 18.06 billion in 2022 due to favourable government policies and Jose business interaction with the PRC under the strategic development of the Quangdong - Hong Kong - Macau Bay Area¹³. Hong Kong's workforce solutions market grew from HKD 3.96 billion in 2013 to HKD 6.83 billion in 2017 with a CAGR of 14.3%, and was projected to reach HKD 11.67 billion in 2022¹⁴. Hong Kong's other HR services market experienced a stable increase from HKD 4.74 billion in 2013 to HKD 5.51 billion in 2017, and was projected to grow to HKD 6.39 billion in 2022¹⁵.

¹⁰ Asia-Pacific Workforce Management Software Market Size & Share Analysis - Industry Research Report - Growth Trends (mordorintelligence.com)

¹¹ The future of AI-driven HR tech in Southeast Asia | Frontier Enterprise (frontier-enterprise.com)

¹² HR tech: market share by region of headquarter | Statista

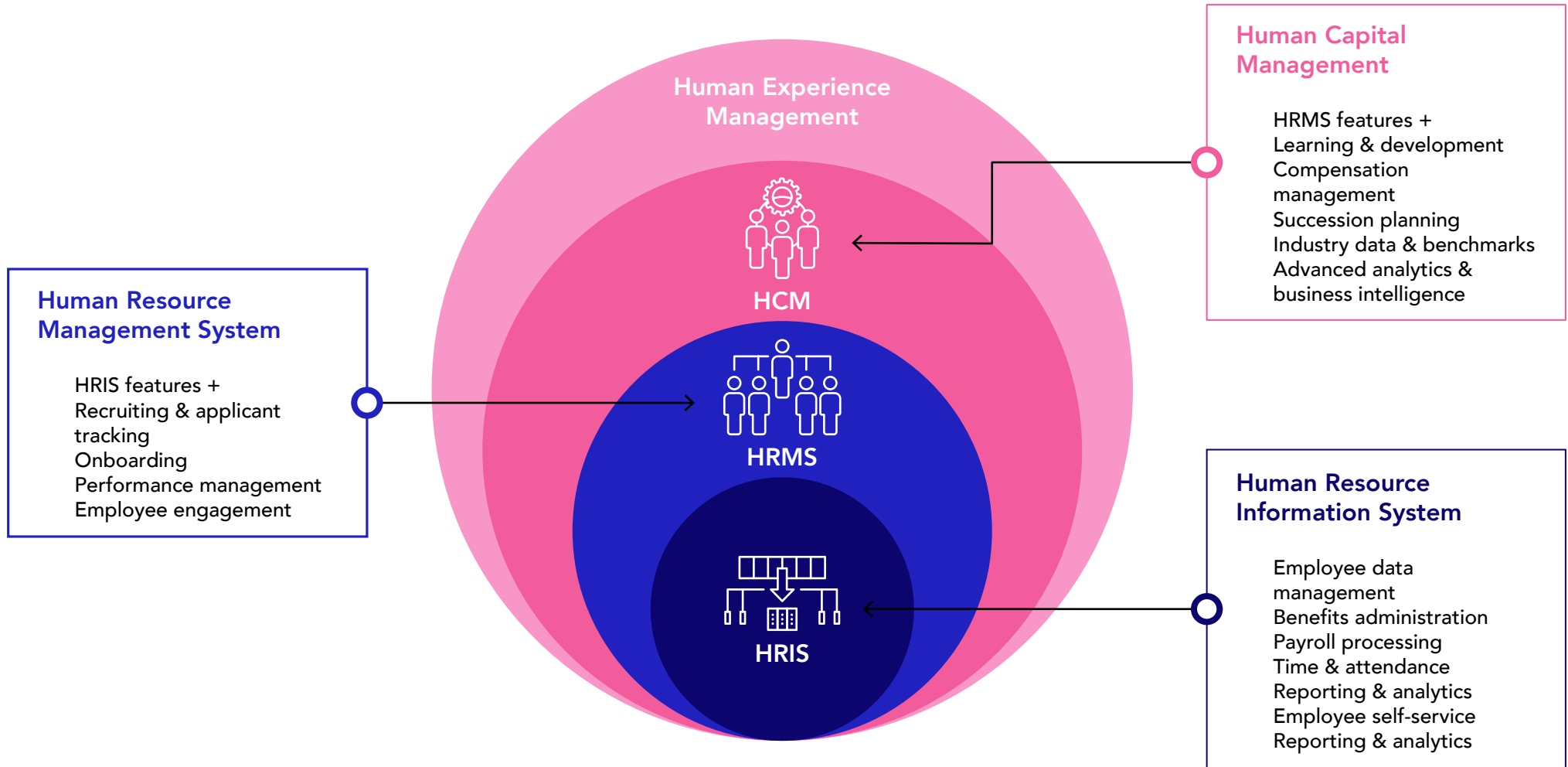
¹³ <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0710/a18390/ewpmgcl-20190121-14.pdf>

¹⁴ <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0710/a18390/ewpmgcl-20190121-14.pdf>

¹⁵ <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0710/a18390/ewpmgcl-20190121-14.pdf>

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.2. Market size / 1.2.2. Market segmentation

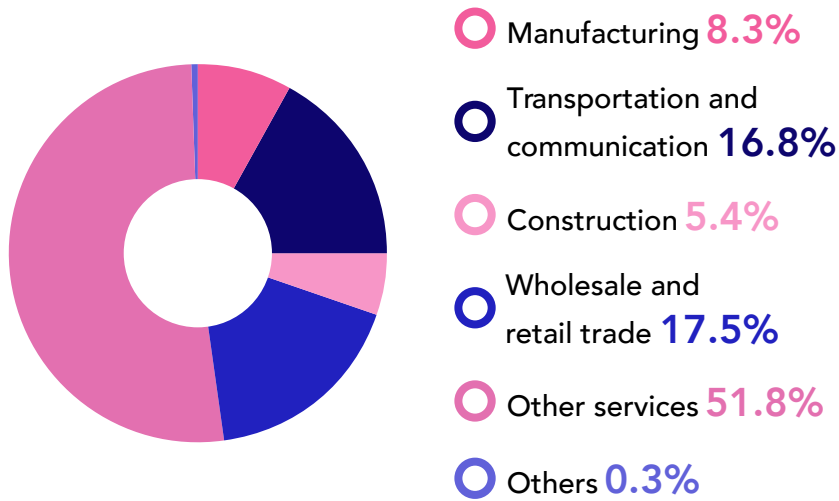


1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.2. Market size / 1.2.3. The rapid growth of MSMEs

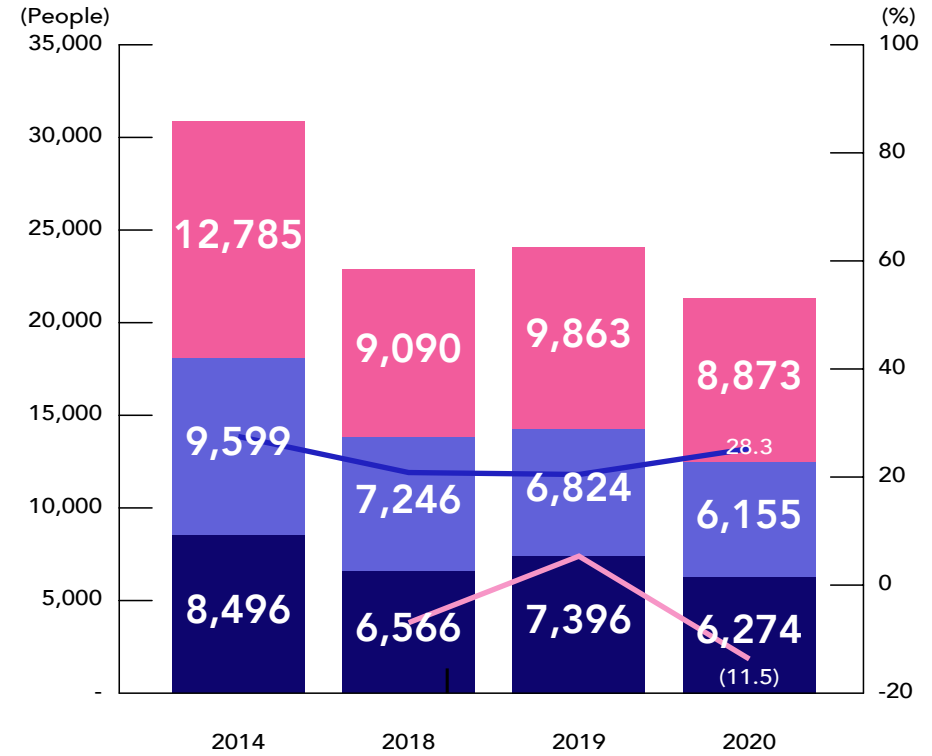
MSMEs are the backbone of the Asia-Pacific region’s economy. They account for over 97% of all businesses and employ over half of the workforce across APEC economies. They contribute significantly to economic growth, with their share of GDP ranging from 40% to 60% in most economies.¹⁶

There are at least 71 million micro, small and medium-sized enterprises (MSMEs) in Southeast Asia, based on 2020 data from the Asian Development Bank (ADB). They account for 97% of all businesses in the region and employ 67% of the working population. This count is likely to be even higher as many microenterprises operate informally.

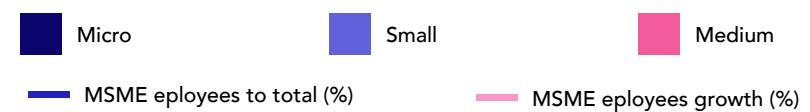


Employment by MSMEs¹⁷ - By sector, 2020

MSME = micro, small, and medium enterprise



Employment by MSMEs¹⁷ - Overall MSMEs



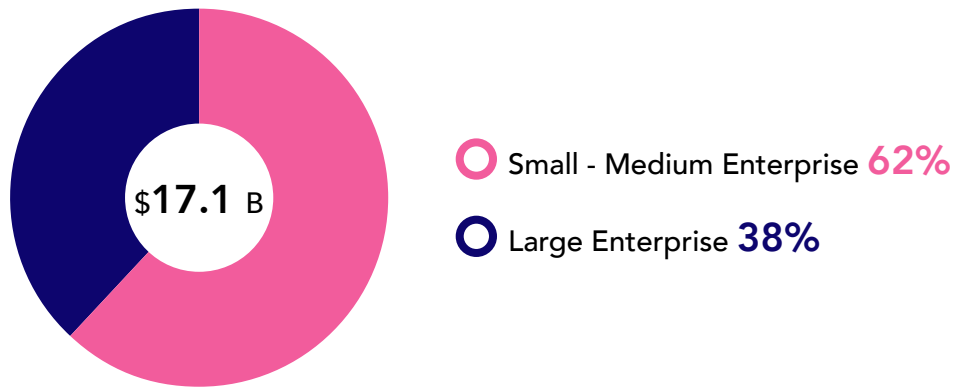
The burgeoning presence of small and medium-sized enterprises makes an essential contribution to the development of workforce management software solutions.

¹⁶ Small and Medium Enterprises | APEC

¹⁷ Asia Small and Medium-Sized Enterprise Monitor 2023: How Small Firms Can Contribute to Resilient Growth in the Pacific Post COVID-19 Pandemic (adb.org)

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.2. Market size / 1.2.4. HR role in SME



Percentage of Market Share By Organization Size in 2021

According to the HR Software Industry Update report from Gottingen Corporate Finance, SMEs made up 38% of the \$17.1 billion global HR software market. The remainder held by large enterprises¹⁸.

For most surveyed CEOs, making strategic hires and resource management is the key focus of 2023¹⁹. The HR Tech adoption in nearly 70% of the organizations in the APAC region intends to increase their spending on HR technology²⁰. For the last three years, the adoption of HR Tech has been in double-digits and small organisations are the fastest-growing segment among all new HR Tech adopters²¹.

HR technology now supports the entire employee journey, from recruitment to retirement, marking a shift from traditional HR practices. Management teams see HR as a strategic asset, not just a cost center. SMEs are adopting cloud-based HR software for its cost-effectiveness, productivity boosts, and user accessibility. Advancements in AI, ML, and analytics further drive this change, leading SMEs to increasingly invest in and integrate HR technology into their operations.

¹⁸ GCF (goettingen-cf.com)

¹⁹ The Southeast Asia Startup Talent Report 2023

²⁰ People Matters Global - Interstitial Site — People Matters Global

²¹ Article: HR and Work Tech: The Southeast Asia market opportunity — People Matters Global

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.3. International vs Localised solutions

Localization Strategies²²:

- **Tailored Recruitment and Onboarding:** Developing recruitment approaches that take into account local customs, languages, and preferences to attract a varied pool of talent. Onboarding processes can be adjusted to familiarize newcomers with local workplace dynamics and cultural subtleties.
- **Policy Adaptation:** Harmonizing HR policies with local laws, regulations, and ethical standards while acknowledging and honoring cultural sensitivities, such as attire codes and religious practices, cultivates a more inclusive work environment.
- **Customized Training Programs:** Crafting training sessions that acknowledge cultural diversity and uphold local norms fosters effective communication and mutual understanding among diverse teams.
- **Language and Communication Adjustment:** Modifying communication materials, employee handbooks, and training resources into local languages or dialects enhances comprehension and engagement among diverse employees.
- **Inclusive Benefits and Rewards:** Designing benefit packages that cater to the diverse needs of employees, including healthcare options, leave policies, and recognition initiatives that embrace and accommodate cultural distinctions.
- **Continual Adaptation and Growth:** Consistently assessing and adjusting HR strategies in response to shifting cultural dynamics, feedback, and evolving societal norms to ensure sustained relevance and inclusivity.

Application of globally consistent but locally relevant pay practices²³:

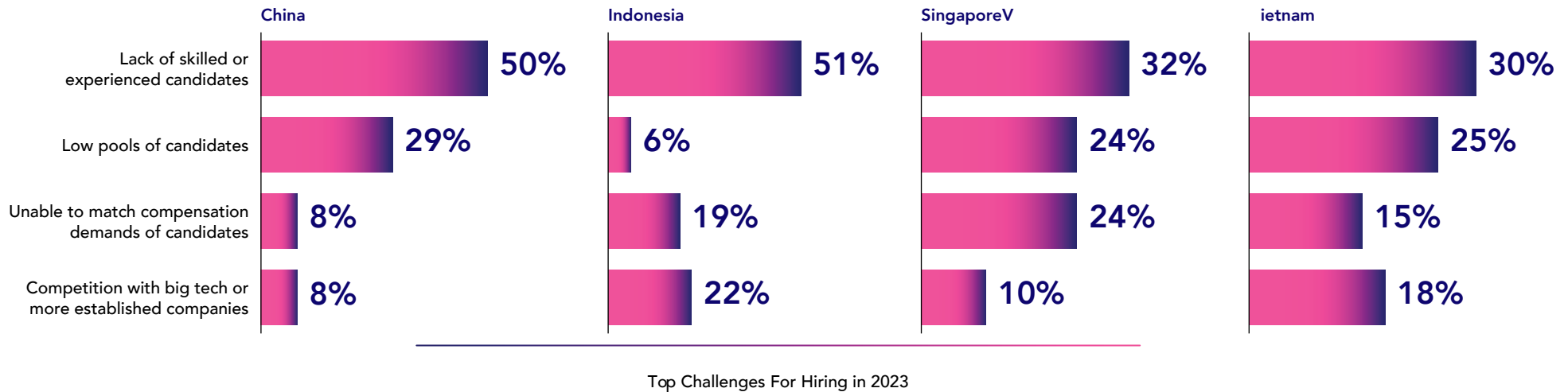
- Changes in legislation and fresh employer requirements, coupled with more assertive collective bargaining agreements and geopolitical disruptions affecting once-accessible offshore labor sources, are pushing up employment expenses worldwide. While the ideal scenario would be to apply uniform practices across all regions, the increasingly intricate global landscape renders this unfeasible – particularly in terms of logistics, cost efficiency, and defensibility.
- Certainly, an organization's pay philosophy presents a distinct consideration. One of the core questions your compensation strategy addresses is how to harmonize global consistency with local adaptability. This necessitates having market intelligence tailored to specific geographies and regions. Anticipate an increased reliance on localized data to inform your exploration of new, cost-effective options.

²² (1) Striking the Balance: HR Approaches of Localization and Globalization in Dubai and KSA! | LinkedIn

²³ Top 5 trends for pay and HR professionals to watch in 2024 - WTW (wtwco.com)

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.1. Battle for talent



In tech roles, senior talent hiring was expected to remain competitive, especially in engineering function²⁴. Tourism also faces labour shortages. Workers in the tourism sector tend to work longer hours and earn lower wages than average, without opportunities for upward mobility, which makes the jobs unattractive. This poses a major problem as the tourism sector recovers post Covid 19 pandemic.

Concerns have been expressed in recent years about Southeast Asia’s labour force’s skill levels and the “War for Talent.” The battle seems to be intensifying at this point. A greater work/life balance was achieved by many of those who worked from home as a result of the epidemic. Many gifted people were moved by this style of working to reflect on their lives and the significance of their careers, which resulted in widespread resignation and subdued movements of silent resignation.

Data analysis, software and technology, cybersecurity, and specialized engineering are the top IT job categories in high demand in Southeast Asia, according to LinkedIn’s “Jobs on the Rise” report ²⁵.

Within these broad categories, certain roles stand out as the most sought after by companies. According to CNBC, web developer, system analyst, mobile application developer, full stack engineer, and DevOps consultant are among the fastest-growing careers in Southeast Asia. HTML, CSS, JavaScript, PHP, Java, Python, Ruby, AWS, Azure, and Docker are all necessary abilities for these professions²⁶.

A positive aspect is that 86% of the surveyed founders expressed intentions to continue hiring in 2023, albeit at a more moderate pace²⁷.

²⁴ The Southeast Asia Startup Talent Report 2023

²⁵ Jobs on the Rise Reports | LinkedIn Talent Solutions

²⁶ Job opportunities, fast-growing industries in Southeast Asia: LinkedIn (cnbc.com)

²⁷ The Southeast Asia Startup Talent Report 2023

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.2. Talent retention

	Regional	SG	TH	MY	ID	PH	VN
Location of office	57%	68%	60%	66%	56%	60%	31%
Ability for flexible working arrangements	60%	68%	66%	64%	60%	69%	33%
Salary/Benefits	87%	95%	93%	90%	89%	88%	65%
Educational opportunities	28%	19%	19%	29%	38%	35%	27%
Diversity, Equity, Inclusion (DEI) policies/initiatives	54%	38%	59%	50%	68%	72%	38%
Company culture (besides DEI)	44%	52%	42%	49%	37%	39%	42%
Company performance/stability	63%	63%	70%	63%	74%	60%	47%
Passion for the role	35%	51%	20%	35%	27%	42%	37%
Potential leaders/colleagues	44%	39%	65%	47%	38%	28%	45%
Other considerations	7%	7%	7%	8%	12%	6%	3%

When searching for a new job, which of the following are the top 5 most important considerations to you when finding a suitable role/company to apply to?

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.2. Talent retention

A survey with 3,000 SEA employees:



What Do Employees From South East Asia Seek?²⁸

Workers in Southeast Asia indicate that they would be prepared to quit their present job if those prerequisites aren't satisfied. In a Boston Consulting Group survey from 2020, 57% of participants—90% of whom were from underrepresented groups in South East Asia—said they would think about quitting their current position for a role at a more inclusive company. It is estimated that this would cost more than \$25 billion annually in replacement costs. Thus, one of the biggest HR issues facing leadership teams and human resources will be hiring and retention²⁹.

According to Boston Consulting Group, firms that have D&I initiatives in place are more successful at keeping talent. Employees from various groups in Southeast Asia are 2.5 times more likely to indicate they have personally benefited from such initiatives than respondents to BCG's last worldwide poll.

Regarding Hong Kong, F&B, Retail Sales and Digital Marketing, E-commerce & Social Medo are top job functions with most people looking to change jobs³⁰.

²⁸ Milieu Insights - Breaking Barriers: The reality of diversity and inclusion efforts at workplaces in Southeast Asia

²⁹ The Diversity Dividend in Southeast Asia | BCG

³⁰ Job Seeker Salary Report 2023 | JobsDB

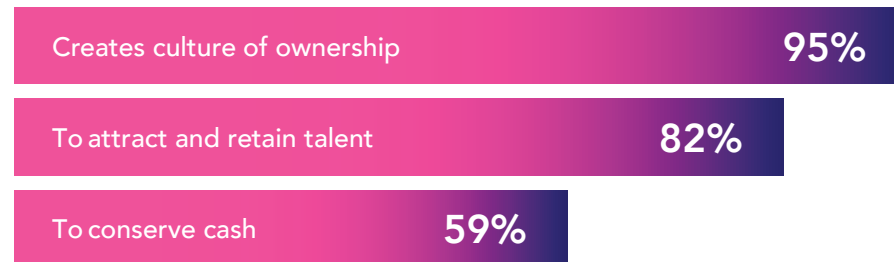
1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.2. Talent retention

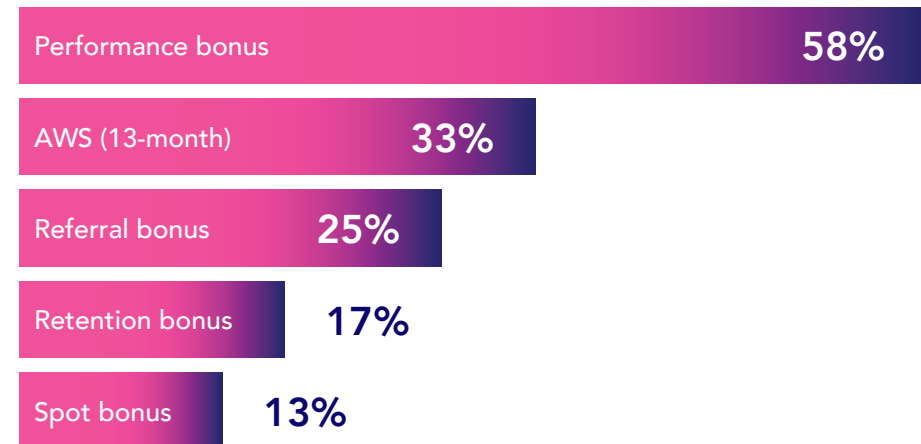
In terms of employee incentives in Southeast Asia, cash remained the preferred form of employee reward³¹. Although 86% of surveyed companies provided ESOP, most ESOP was primarily given to C-suites and senior talent, resulting in limited appeal for junior or mid-level talent due to the nascent market. Startups typically offered a four-year vesting period with a one-year cliff, varying in distribution frequency. ESOP adoption was still evolving, with smaller ESOP pools in Southeast Asia compared to more mature markets like the U.S. and China.

In terms of employee benefits³², startups sometimes remove fringe benefits to cut costs. However, a flexible or hybrid work environment (nearly universal in markets), performance bonuses, and AWS (13th month) bonuses remained critical³³.

Based on founders surveyed who currently offer ESOP to employees.



Why Founders Offer Equity



Types of Bonuses Offered to Talent

³¹ The Southeast Asia Startup Talent Report 2023

³² The Southeast Asia Startup Talent Report 2023

³³ Tech talent trends across Southeast Asia in 2023: Salaries, roles, and more | Human Resources Online

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.2. Talent retention

- Salary increment:

Aon plc (NYSE: AON), a leading global professional services firm, has released its 2023 Salary Increase and Turnover Report for Southeast Asia³⁴.

	Attrition in 2022	Attrition in 2023	Actual Salary Increase 2023	Actual Salary Expected 2024
Indonesia	15.9%	15.1%	6.0%	6.5%
Malaysia	14.9%	16.2%	5.0%	5.0%
Philippines	18.0%	17.5%	5.2%	5.5%
Singapore	19.6%	16.5%	4.0%	4.0%
Thailand	15.4%	14.0%	4.7%	4.9%
Vietnam	15.2%	13.8%	7.5%	8.0%

Managing hiring, retention, and salary negotiations are predicted to become more feasible. Although inflation persists, there will still be expectations of salary increase, around 5-7% per annum.

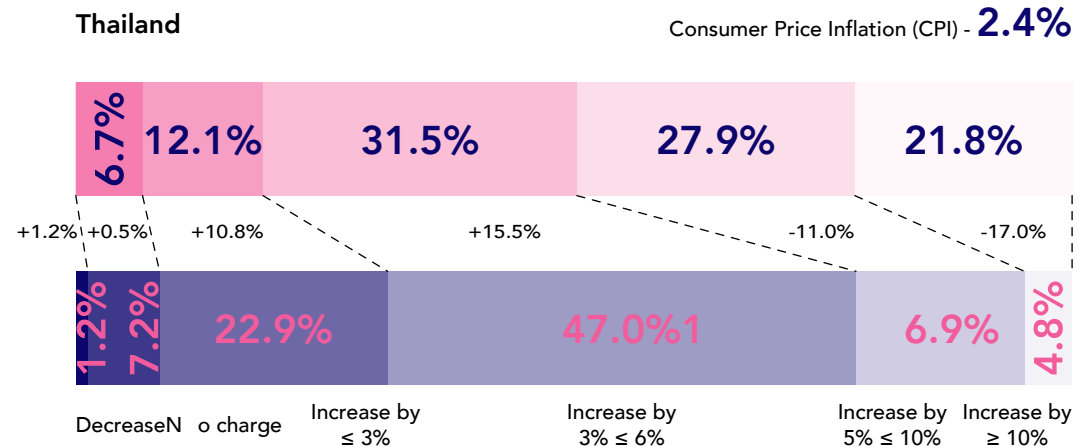
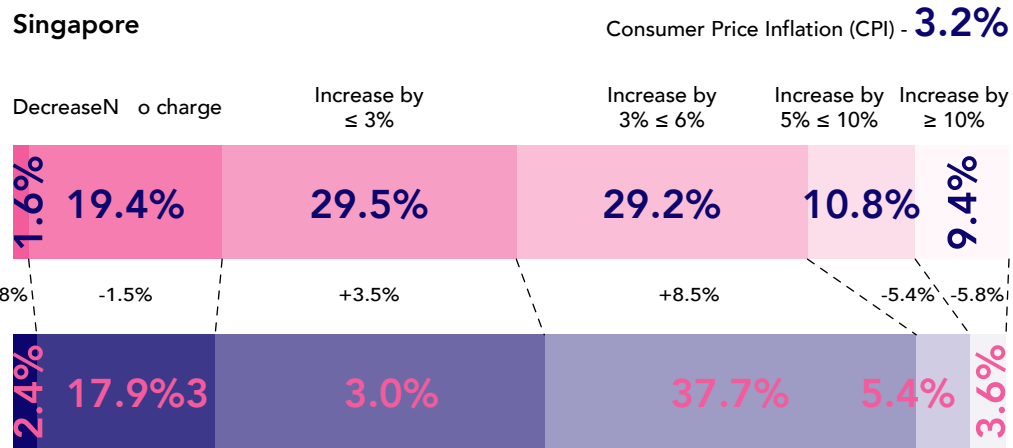
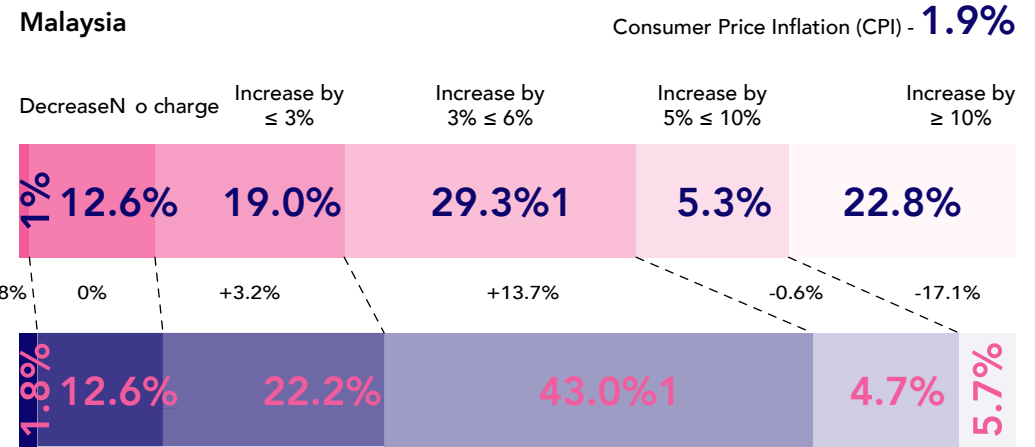
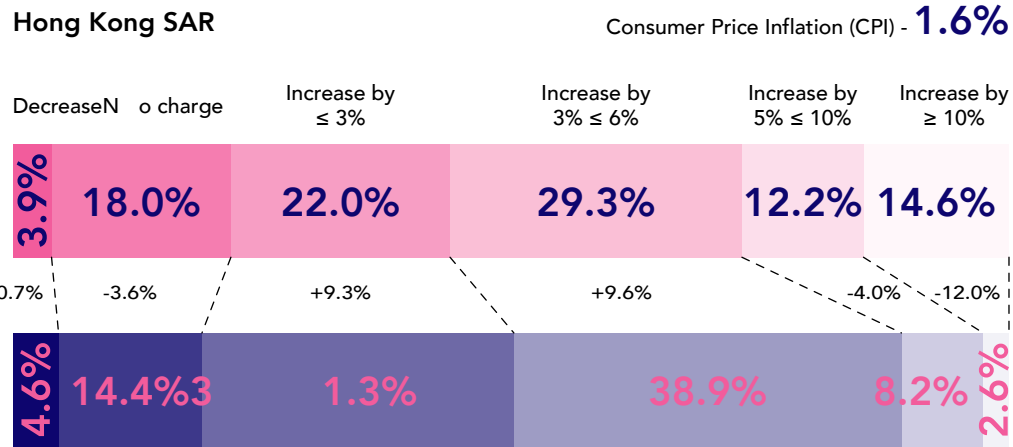
Geopolitical instability, rising interest rates, inflation, and recessionary fears were all projected to make it difficult to attract, hire, and retain talent in 2023. Following layoffs in 2022, IT companies were expected to take a more cautious hiring approach. Many companies were expected to concentrate on revenue-generating responsibilities such as sales and marketing during uncertain times. This cautious trend was anticipated to result in more moderate wage increases in compensation discussions, mostly to correspond with inflation.

³⁴ Asia Newsroom - 15 November 2023 - Aon Survey Projects Increase in Salaries in Southeast Asia in 2024 Defying Economic Slowdown Concerns

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.3. Salary overview

- Salary and bonuses expectation in 2024³⁵:



Salary Expectations in 2024

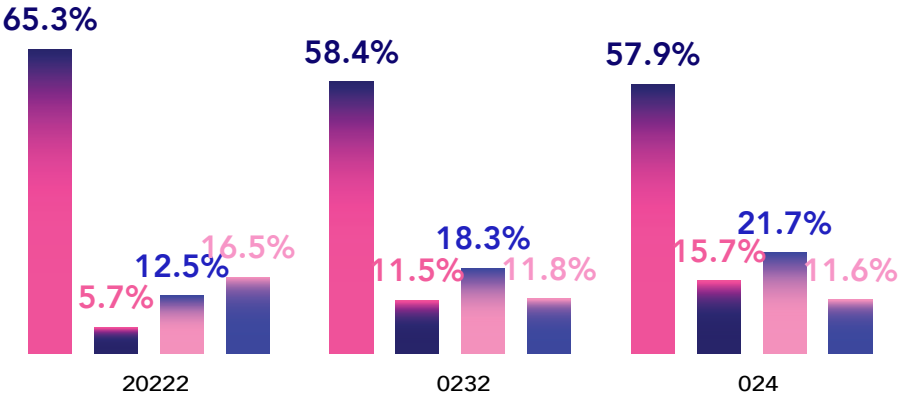
Employees Employers

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

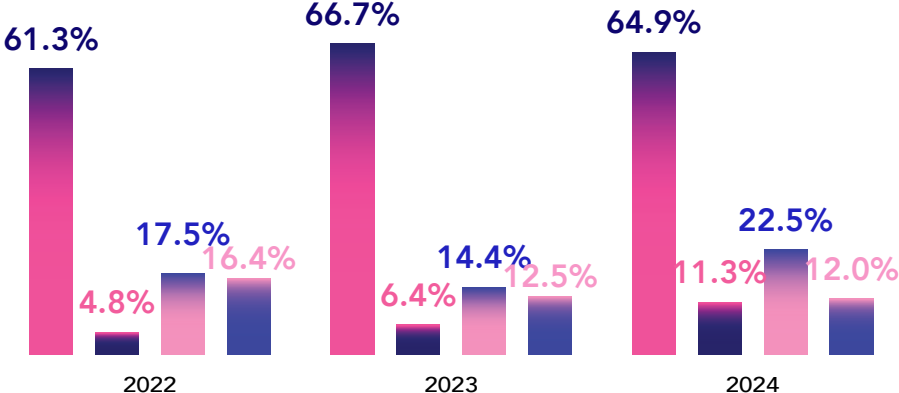
1.4. Talent management landscape / 1.4.3. Salary overview

Employer Perspectives

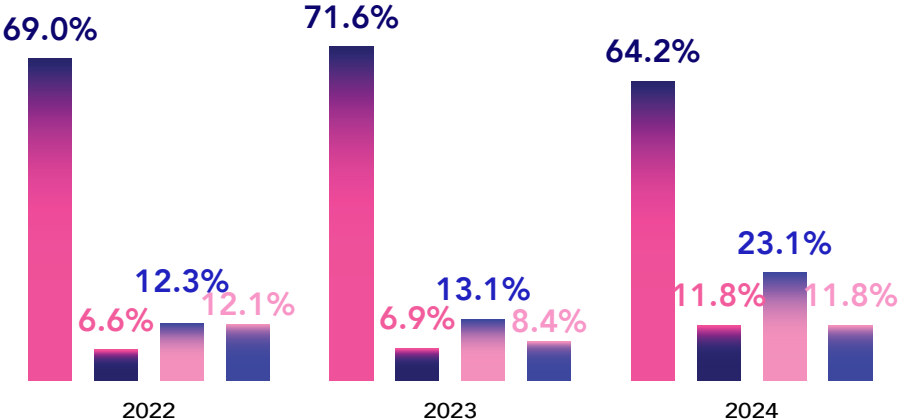
Hong Kong SAR



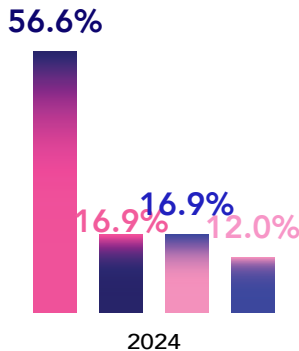
Malaysia



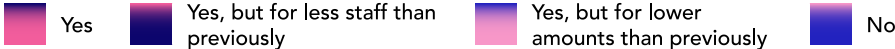
Singapore



Thailand



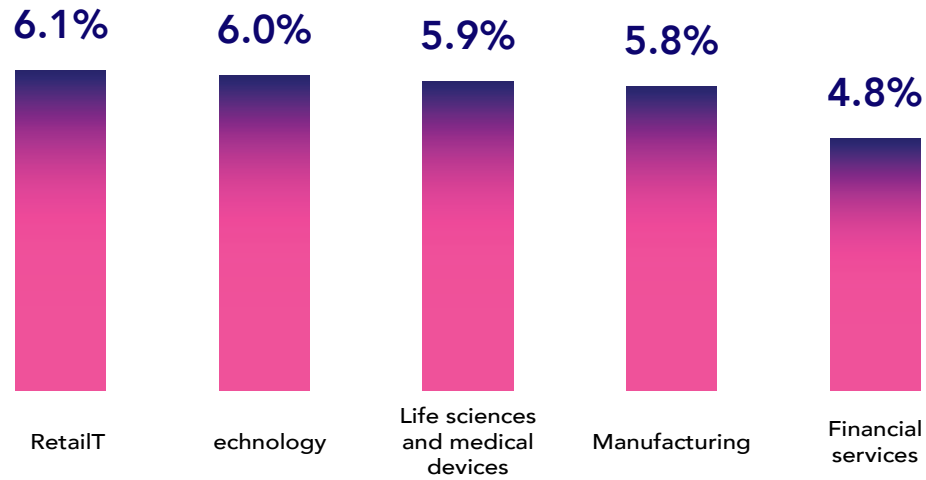
Bonus Expectations in 2024



*Note: The response percentages in 2024 may exceed 100% as participants were allowed to select multiple options in this year's survey.

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.3. Salary overview



Industries with the highest budgeted salary increases³⁶



³⁶ Asia Newsroom - 15 November 2023 - Aon Survey Projects Increase in Salaries in Southeast Asia in 2024 Defying Economic Slowdown Concerns

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.3. Salary overview

- Salary guide of common position³⁷:

	Hong Kong (HKD)	Malaysia (MYR)	Singapore (SGD)	Thailand (BHT)
Technology				
Full-stack Developer	420 - 840	84 - 240	80 - 150	960 - 1,440
Front-End Developer	350 - 600	84 - 180	80 - 150	600 - 1,440
Back-end Developer	350 - 800	72 - 240	80 - 180	720 - 1,440
Solution Architect - IOT	720 - 1,080	240 - 384	120 - 300	1,440 - 2,400
AI Developer	420 - 960	96 - 240	70 - 150	840 - 1,440
Cloud Engineer	360 - 800	120 - 240	60 - 144	600 - 960
Accountancy/Banking & Financial services				
Financial Controller	1,140 - 1,400	276 - 360	180 - 300	2,000 - 3,000
Tax Accountant	400 - 780	60 - 120	90 - 160	800 - 1,200
Treasury Accountant	480 - 720	72 - 120	80 - 130	600 - 900
Accounts Receivable/ Accounts Payable	240 - 360	34 - 66	40 - 65	300 - 600
Auditor (Banking)	350 - 450	66 - 84	50 - 95	700 - 900
Credit Risk (Banking) Associate	420 - 720	65 - 108	66 - 84	650 - 1,200

³⁷ 2024 Hays Asia Salary Guide | Hays Hong Kong SAR

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.3. Salary overview

	Hong Kong (HKD)	Malaysia (MYR)	Singapore (SGD)	Thailand (BHT)
Marketing & Digital				
Marketing Executive	190 - 300	48 - 62	36 - 48	400 - 800
Media Planner	250 - 400	42 - 72	60 - 90	360 - 720
Account Executive	200 - 330	36 - 72	40 - 60	300 - 720
Copywriter	240 - 480	48 - 72	40 - 60	N/A
Market Research/ Consumer Insights Analyst	360 - 456	82 - 140	60 - 90	N/A
Marketing Manager	540 - 930	96 - 180	90 - 150	1,500 - 3,000
Human Resources				
HR Executive	200 - 360	42 - 66	50 - 70	400 - 550
HR Co-ordinator	200 - 300	N/A	42 - 54	400 - 550
TA/Recruiter	360 - 1,200	60 - 108	72 - 120	600 - 1,100
L&D Officer	216 - 500	60 - 72	66 - 80	400 - 720
HRIS Analyst	380 - 600	96 - 144	60 - 80	450 - 750
Payroll Officer	216 - 336	54 - 90	48 - 70	360 - 550

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.3. Salary overview

	Hong Kong (HKD)	Malaysia (MYR)	Singapore (SGD)	Thailand (BHT)
Procurement & Supply Chain				
Stock/Inventory Controller	240 - 340	70 - 96	24 - 43	600 - 960
Operations Executive	240 - 420	36 - 72	33 - 55	360 - 840
Transport Coordinator	280 - 390	30 - 58	40 - 55	300 - 720
Order Fulfillment	300 - 420	42 - 120	36 - 60	300 - 720
Supply Chain Analyst	350 - 480	42 - 120	40 - 90	300 - 900

*Note: Salary ranges are represented in local currencies in '000. All salaries are representative of the total package value.

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.4. Cross-boarded challenges among Southeast Asian countries

Singapore is the top 3 most popular overseas work destinations among global countries³⁸.

Regarding employment management, Workforce-related problems can arise from differences in hiring practices, programmes for developing talent, and HR regulations brought about by various cultural and legal contexts.

Country ³⁹	Top Skills	Top HR Challenges	Talent Crunch
Singapore	Agility, digital skills, analytical and data-driven in nature - such as data scientists, product managers, UX designers, and other digital roles	Talent retention, digital adoption, shrinking and aging workforce, upskilling	Logistics and Supply chain, Sales and Marketing ⁴⁰ , Technology, ICT, Data, Healthcare
Indonesia	Digital talent, Back End Developers, Data Scientists, Android Developers, Full Stack Engineers, Front End Developers	Managing millennials, employee engagement, skills gap, upskilling and retention of talent	Technology, ICT ⁴¹ , Manufacturing, Finance ⁴² , Healthcare ⁴³
Malaysia	Digital skills in big data, software and user testing, mobile development, Cloud computing and software engineering management	War for talent, managing millennials, employee engagement, upskilling and creating a continuous learning mindset	Semiconductor (E&E), Manufacturing (Food Processing), Construction ⁴⁴ , Healthcare ⁴⁵

³⁸ Job Seeker Salary Report 2023 | JobsDB

³⁹ Article: HR and Work Tech: The Southeast Asia market opportunity — People Matters Global

⁴⁰ Amid ongoing talent shortage, 80% of employees in logistics industry plan to change jobs next year - Singapore News (theindependent.sg)

⁴¹ Tech Talent Shortage in Indonesia - Geekhunter

⁴² Indonesia to Experience Labour Shortage Across Key Industries by 2023 According to Jobs App KUPU - TNGlobal (technode.global)

⁴³ Overcoming the Talent Shortage: Navigating Hiring in the Healthcare (monroeconsulting.com)

⁴⁴ MyCOL 2022-2023 FINAL.pdf (talentcorp.com.my)

⁴⁵ How To Solve Manpower Shortage in Malaysia [2024] (apsamasama.com.my)

1. THE HR LANDSCAPE IN SOUTHEAST ASIA AND HONG KONG

1.4. Talent management landscape / 1.4.4. Cross-boarded challenges among Southeast Asian countries

Country ³⁹	Top Skills	Top HR Challenges	Talent Crunch
Thailand	Digital skills, learning agility, soft skills Sales, Engineering, IT, Accounting, Administrative	Attracting, engaging and retaining current and new talents, skills shortage, technology adoption, an aging workforce, managing millennials	Technology, IT ⁴⁶ , EV ⁴⁷ , Healthcare ⁴⁸ , Tourism, Service, Construction and Real estate, Food processing and small business sectors ⁴⁹
Philippines	Digital competency, along with management and communication skills	Localization of talent, inclusion, going digital, hiring and retaining good talent and employee engagement	Power ⁵⁰ , IT, Healthcare ⁵¹ , Emerging technology (AI, ML, Cybersecurity), Data, Construction ⁵²
Vietnam	Tech, engineering, arts, design, enter-tainment, sports, and media workers. Skills in people management, emotional intelligence, problem solving and judgment and decision making	Retaining talent, low attrition rates, low-skilled work-force, creating an attractive employer brand, driving best behaviors from employees to ensure optimum productivity	Garment blue collars, Information technology, Foreign language, Automation ⁵³ , Emerging technology (AI, ML, Blockchain, Cybersecurity) ⁵⁴ , ESG ⁵⁵
Hong Kong⁵⁶	Skilled workforce, Multilingual advantage, Talent pool diversity Financial sectors, innovation and information technology industry, commerce and trade fields, import and export	Employee shortage, aging workforce, skills gap, low workforce well-being and mental health, retaining talent	Construction ⁵⁷ , Retail ⁵⁸ , IT, Data, Engineering, Sustainability ⁵⁹ , Banking ⁶⁰

⁴⁶ Thailand faces shortage of skilled workers in the digital sector - Thailand Business News (thailand-business-news.com)

⁴⁷ Bangkok Post - EV industry faces 'critical' worker shortage

⁴⁸ Workforce in Thailand: Hiring Trends and Strategies (worldref.co)

⁴⁹ Bangkok Post - Extension granted to migrant workforce

⁵⁰ Upskilling key to bridging Philippine power industry talent gap - Chief of Staff Asia

⁵¹ The Philippines economy in 2024 | McKinsey

⁵² Bridging the Gap: Philippines Faces Skilled Worker Shortage in Ambitious Infrastructure Drive - Negosyante News

⁵³ Tackling Labour Shortages in Vietnam for Foreign Firms (vietnam-briefing.com)

⁵⁴ Hiring in Tech & Transformation : Guide and Trends in 2024 (robertwalters.com.vn)

⁵⁵ Talent acquisition and recruitment policies transforming (vir.com.vn)

⁵⁶ Workforce and Human Resource Landscape in Hong Kong: Unlocking Growth Opportunities | LinkedIn

⁵⁷ [Addressing Talent Shortage] JCI North District: Unlocking Talent Potential Beyond Background and Education (vietnamnews.vn)

⁵⁸ Why Hong Kong's retail sector may face talent shortage in 2024 | Hong Kong Business

⁵⁹ Most Hong Kong firms struggling to source talent | HRD Asia (hcamag.com)

⁶⁰ The Battle for Talent: Hong Kong's Banking and Finance Sector | LinkedIn

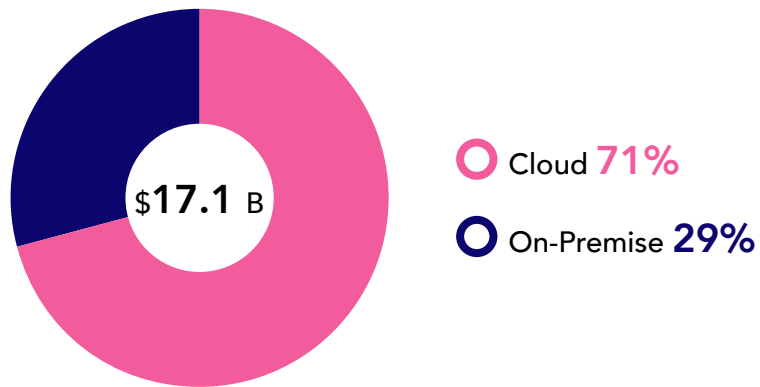
2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.1. Technology trends - Digital transformation

The HR technology space has changed dramatically over the past few decades. Tracing its inception to System of Record platforms focused on automating paper transactions and record-keeping, the HR-Tech stack has since expanded to include a variety of platforms such as Applicant Tracking Systems (ATS), Workforce Planning (ERP systems), Systems of Engagement (HCM systems), Talent Management, and Employee Experience tools. Most recently, leading companies have ventured into what has been called Talent Science- tools designed to leverage analytics that assess employee behavior and performance.

Given the ongoing market turbulence, hiring, developing, and talent retention remain a priority for global enterprises with increasing focus from C-level personnel on deploying resources, experimenting, and adopting HR-empowering technologies as a crucial element to their operations.

2.1. Technology trends - Digital transformation / 2.1.1. Cloud-Based trends



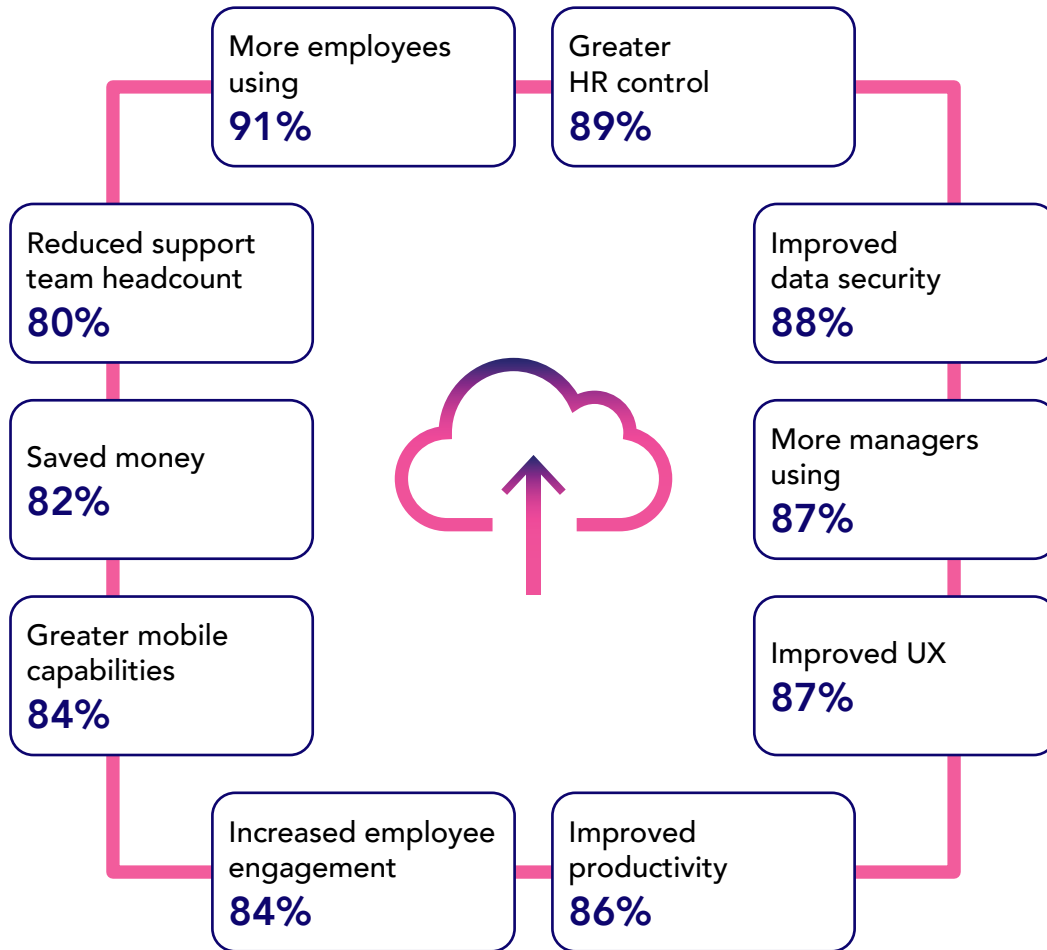
The cloud segment has been the major contributor to market growth. Cloudbased HR software provides a lot of flexibility when it comes to establishing the IT architecture of HR software. Additionally, cloud-based systems offer enhanced data security, accessibility and cost-effectiveness. With cloud solutions, businesses can easily adapt to changing needs and seamlessly scale their HR operations.

Percentage of Market Share By Deployment in 2021

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.1. Technology trends - Digital transformation / 2.1.1. Cloud-Based trends

- Benefits of core HR on cloud:



The best cloud HRIS systems are built to integrate with your core ERP. A cloud ERP system, for instance, is designed to combine several dissimilar business processes and controls a broad variety of daily company activities. ERPs provide dependable data integrity and offer a single source of truth by consolidating data from several business units. Thus, you have the best of both worlds when your fundamental HR procedures and HRIS are combined with the efficiency and analytical power of a contemporary AI-powered ERP.

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.1. Technology trends - Digital transformation / 2.1.2. AI-Based trends

Employers Spend Significant Resources on Basic Hiring Tasks:

- On average, employers are still spending nearly half (45%) their time on tasks associated with hiring activities, including two of the most challenging stages of the hiring process: candidate sourcing and assessment.
- Roughly 53% of employers say they spend at least six hours a week on candidate sourcing, and 22% of them spend more than 11 hours. Similarly, half of employers (50%) spend at least six hours a week on candidate assessment, and 15% say they dedicate more than 11 hours per week to the task.
- According to the survey, HR managers who do not fully automate say they lose an average of 14 hours a week manually completing tasks that could be automated; more than a quarter waste 20 hours or more; and 1 in 10 spend 30 hours or more.

The global market size of the AI recruitment industry has grown to a staggering \$590.50 billion in 2023 and is expected to experience a steady CAGR of 6.9% between 2023 and 2030⁶¹. Many recruitment and talent acquisition professionals are already reaping the professional benefits of AI-driven technologies:

- 95% of HR professionals believe AI could help with application processing for candidates⁶².
- Certainly, an organization's pay philosophy presents a distinct 85% of recruiters think AI will replace some parts of the hiring and recruitment process⁶³.
- 79% of recruiters believe AI to soon be advanced enough to make hiring and firing decisions⁶⁴.
- 68% of recruiters agree AI implementation will remove unintentional bias⁶⁵.
- A research study done by Zippia found that 35-45% of all companies are using AI in the hiring process, and that number is even larger among recruiters and Fortune 500 companies. 65% of recruiters and 99% of Fortune 500 companies are using AI for the hiring process⁶⁶.

⁶¹ The Importance of AI in Tech Recruitment - StaffingPartner

⁶² <https://builtin.com/recruiting/how-ai-can-help-with-recruiting>

⁶³ <https://wawiwa-tech.com/blog/revolutionizing-recruitment-how-ai-is-changing-the-game-for-tech-talent>

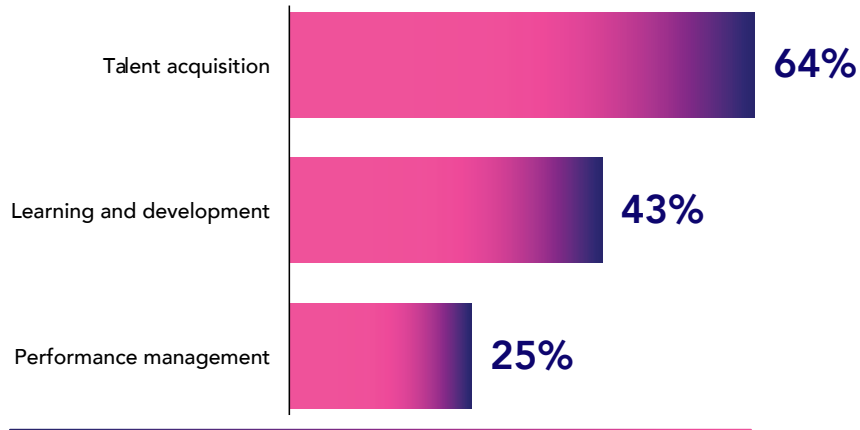
⁶⁴ 15+ AI Recruitment Statistics [2023]: Hiring Trends, Facts, and Data - Zippia For Employers

⁶⁵ <https://www.linkedin.com/pulse/ai-recruitment-statistics-intelion-systems/>

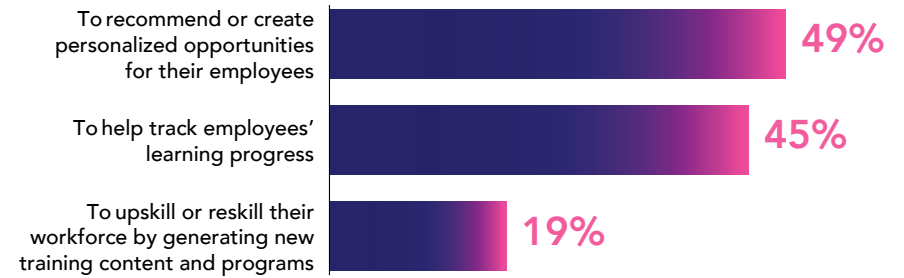
⁶⁶ 15+ AI Recruitment Statistics [2023]: Hiring Trends, Facts, and Data - Zippia For Employers

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

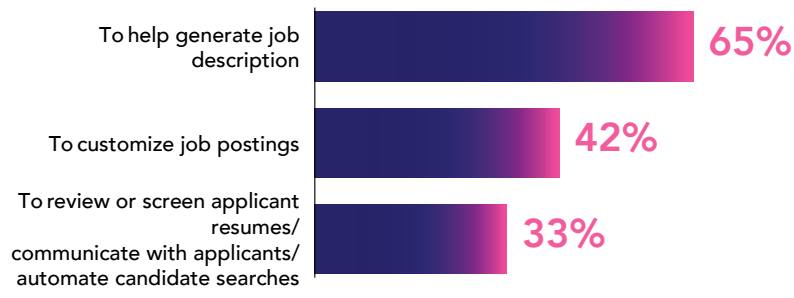
2.1. Technology trends - Digital transformation / 2.1.2. AI-Based trends



Among the organizations that have adopted AI for HR purposes⁶⁷



Among organizations that support learning and development activities



Among HR professionals who use AI for recruiting



Among organizations that support performance management

⁶⁷ AI Adoption in HR Is Growing (shrm.org)

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.1. Technology trends - Digital transformation / 2.1.2. AI-Based trends

AI is significantly transforming talent acquisition in Southeast Asia. Beyond matching algorithms, AI now offers data-driven insights and predictive analytics that assess candidates' cognitive abilities and cultural fit through gamified tests. It also analyzes historical recruiting data to recommend the best candidates, streamlining the hiring process.

The biggest challenge, finding the right candidate, affects over 52% of recruiters. AI addresses this by providing insights into candidate suitability and improving role fit. However, concerns about algorithmic bias and the importance of human judgment remain.

Conversational AI, such as chatbots, plays a crucial role by answering questions, screening applicants, and scheduling interviews. Advanced AI even conducts video interviews, providing deeper assessments beyond resumes. Additionally, AI identifies untapped talent pools on social media, enhancing diversity and inclusion in recruitment.

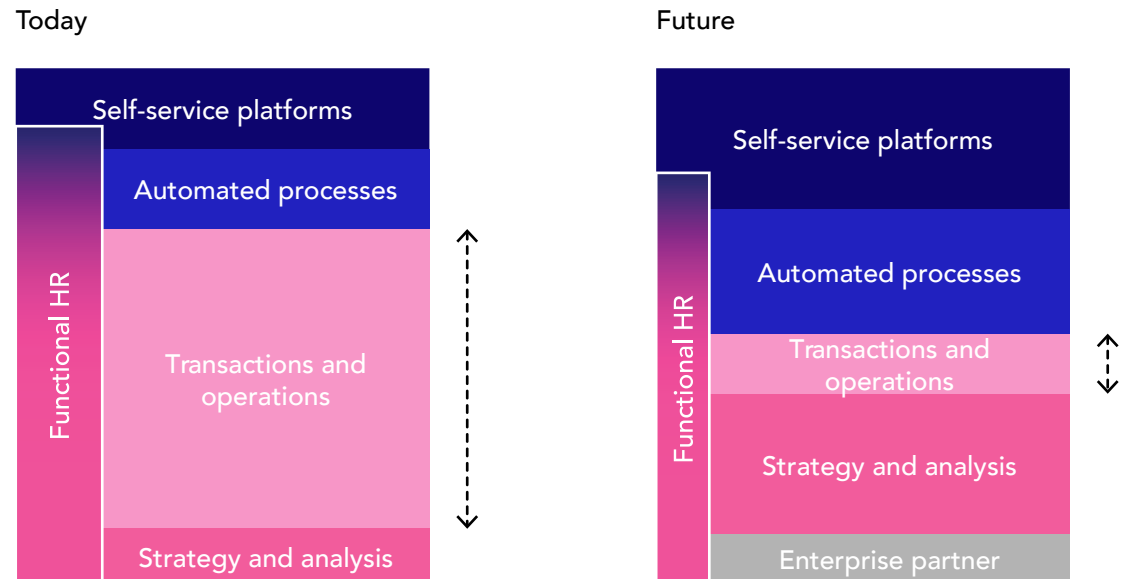
AI-powered HR tech in Southeast Asia could revolutionize performance management, employee experience, learning and development, and routine HR tasks. In Hong Kong, 44% of employees believe AI can boost productivity, and 30% see AI as a means to learn new skills.

- Generative AI:** GenAI technologies—which can create content from disparate sources and quickly summarize multiple data sets — offer the HR discipline several powerfully compelling capabilities. Teams are already using chatbots and experimenting with AI in recruiting use cases, and as deployments bring efficiency and new insights to the people function, HR's engagement with GenAI is set to escalate dramatically.

o Impact of GenAI on HR function⁶⁸:

Transformation enabled by:

- Dramatically increased self-service
- Productivity and experience enhancements across hire-to-retain processes
- Truly personalized and always-on delivery of HR services
- A comprehensive data-driven talent ecosystem to power people decisions and workforce transformation

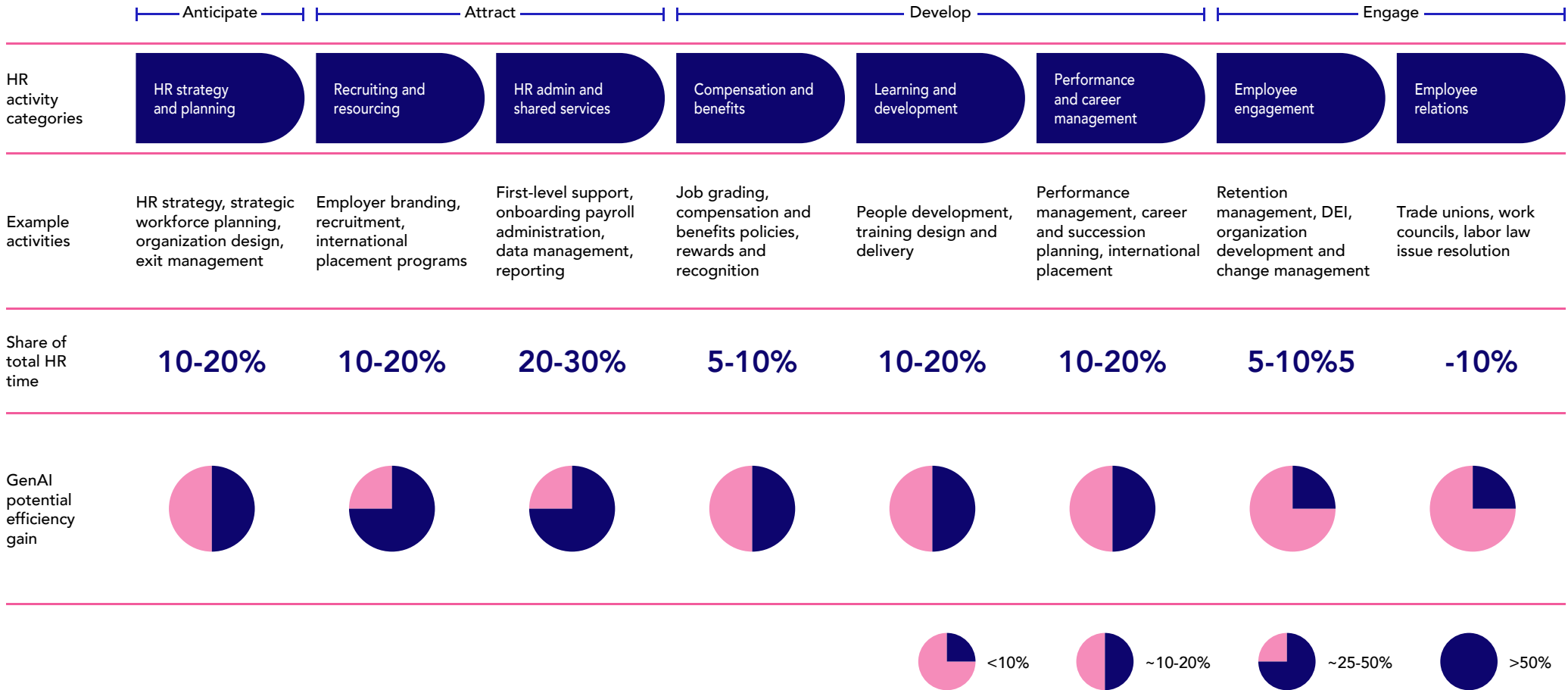


Size = Illustrative share of the workflow

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.1. Technology trends - Digital transformation / 2.1.2. AI-Based trends

o How GenAI will transform HR:

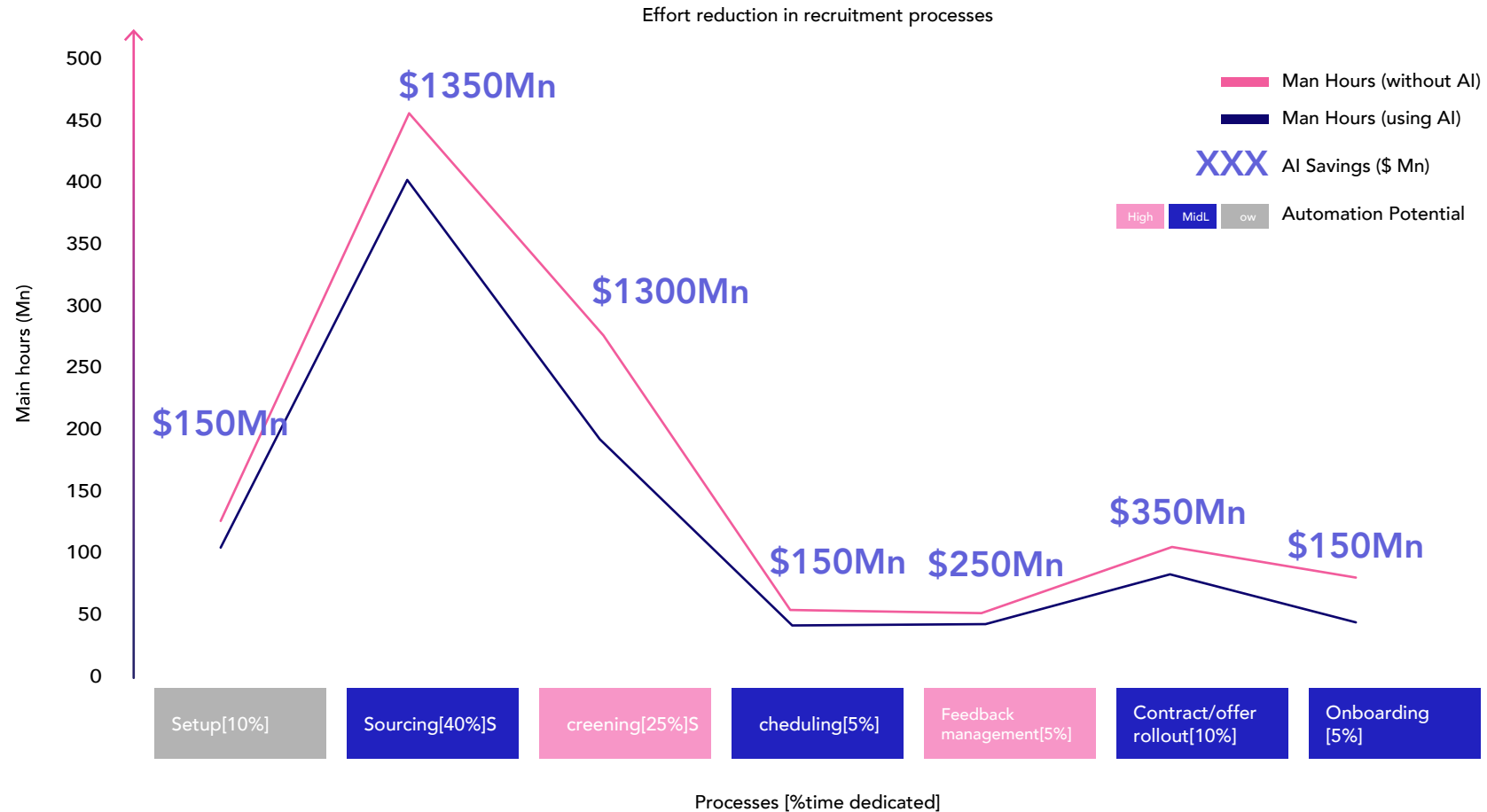


HR Transformation | GenAI has the potential to drive about 30% increased productivity across the HR value chain in the near term

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.1. Technology trends - Digital transformation / 2.1.2. AI-Based trends

- Regarding the whole recruitment processes, AI help saved \$3700Mn and tremendously benefits sourcing and screening, the two most time consuming tasks.



Savings in recruitment processes, thanks to Artificial Intelligence⁶⁹

⁶⁹ Artificial Intelligence In HR: How HR Professionals Can Stay Relevant (zinnov.com)

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.1. Technology trends - Digital transformation / 2.1.3. HR analytics: Data-driven decision making

- **HR Data Analytics:** Organizations are progressively transitioning toward data-driven decision-making, which is true across many industries, including human resources. Such tools help decode insights into enormous data troves to improve growth, substituting intuition for real data-backed judgments⁷⁰.
- **Lifecycle employee listening systems/Survey platforms:** Solutions in this category are becoming robust. There are top platforms in the market are built to be data analytics platforms first and survey platforms second. They gather information from a variety of sources (including passive data from email traffic, calendar schedules, voice comments, and even video), resulting in a full picture of employee sentiment, satisfaction, engagement, and, ultimately, productivity. Cutting-edge passive listening technologies are a key competitive advantage prioritized for implementation⁷¹.

2.1. Technology trends - Digital transformation / 2.1.4. Global Recruitment and International Team Management: Gig economy and Remote/Nomad work

Due to the lack of skilled labor and the growth of remote workforces, businesses are expanding their teams to decentralized, international talent pools.

In the region, there was an increasing demand for cross-border remote employment as businesses grew more cautious and cost-conscious. According to Glint, there will be a 10% rise in cross-border remote employment possibilities in 2023, with Singapore setting the standard for employing these positions. Business development and sales, marketing and public relations, and engineering were the top three departments for employing remote workers from other countries⁷².

Southeast Asia is a major region in the world of remote work, according to the 2023 Nomad List, which ranks the top locations for digital nomads based on variables including cost of living, internet speed, and overall quality of life. Half of the top 10 cities in the world for digital nomads are in this area, including Da Nang, Vietnam (#9), Canggu, Bali, Indonesia (#6), and Uluwatu, Bali, Indonesia (#8), Bangkok, Thailand (#2), and Ko Pha Ngan, Thailand (#3). Significant changes have been made to the future of remote work in Southeast Asia, and government measures are progressively supporting it. Governments in the area are recognising the potential benefits and putting policies in place to accommodate this expanding demographic as the digital nomad community grows⁷³.

⁷⁰ The Southeast Asia Startup Talent Report 2023

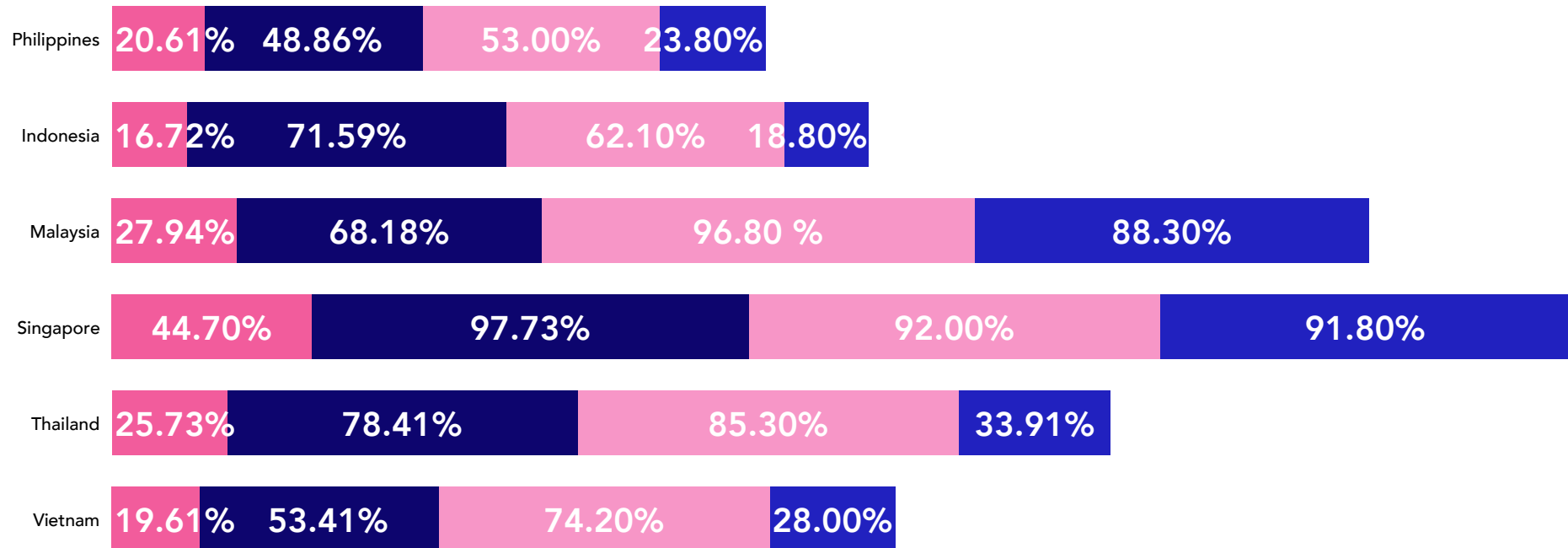
⁷¹ The HR tech market categories to watch this year | HRM Asia : HRM Asia

⁷² The Southeast Asia Startup Talent Report 2023

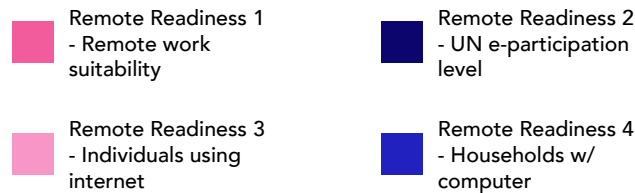
⁷³ Decoding Southeast Asia's job market in 2023 - ETHRWorldSEA

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.1. Technology trends - Digital transformation / 2.1.4. Global Recruitment and International Team Management: Gig economy and Remote/Nomad work



Total Workforce Index⁷⁴



⁷⁴ Market Profiles (mpgtalentsolutions.com)

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.2. Workforce management and development

- **Contract worker management platforms:** In too many cases, contractors are still managed by purchasing departments using vendor management applications, and contractor data is not integrated into enterprise HR solutions. I believe in 2023 we will finally start to see these systems come together with core human resource management systems (HRMSs) as contract and gig work continues to grow. For instance, contractors can make up 40-60% of workforces in pharmaceutical, tech and distribution companies. These individuals need scheduling systems, payroll support, various forms of onboarding, benefits and information security.
- **Employee experience:** In order to provide a great employee experience, organizations are looking to adopt technologies in all areas, including talent acquisition, learning and development, performance management, payroll, and so on. This is because they are under pressure to attract talent and to concentrate on developing a consumer mind “internally,” which is forcing them to look at everything related to employee experience⁷⁵.

Vendors in this category offer advanced services that are not accessible from vendors offering human capital management (HCM) or enterprise resource planning (ERP). Employee experience platforms (EXPs) are critical for managing the processes connected with hybrid work, employee listening, onboarding, and tailored career and development activities that are now taking place⁷⁶. Nowadays, employees want more from their job. Work satisfaction and career development are as important to them as salary and job title.

- **AI adoption:**
 - o **AI-driven sentiment analysis:** AI-driven sentiment analysis can analyse staff emails, interactions or discussions on social media, and facial expressions to assess sentiment and foresee potential problems, outperforming traditional surveys in the process. It can spot patterns or trends that might indicate possible problems affecting employee engagement or morale. This further enables HR to use focused activities and tailored communication to address the problems proactively.

This method facilitates interventions and improves communication to create a positive work environment. Beyond basic FAQs, AI-powered helpers provide individualized support, troubleshoot issues, and guide staff members in their professional development. This adaptable approach ensures ongoing, personalized support, freeing up HR professionals to work on strategic tasks like creating and implementing cutting-edge learning and development initiatives or concentrating on completing deals with qualified candidates.

- o **AI-enabled predictive analytics:** By seeing patterns and trends in worker performance, AI-enabled predictive analytics has the potential to radically transform performance management. A Singapore Institute of Human Resource Management research from 2023 found that companies adopting AI in performance management had a 20% gain in employee retention compared to traditional procedures. Additionally, AI may tailor incentive and recognition programs based on insights gleaned from data.

⁷⁵ Article: HR and Work Tech: The Southeast Asia market opportunity — People Matters Global

⁷⁶ The HR tech market categories to watch this year | HRM Asia : HRM Asia

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

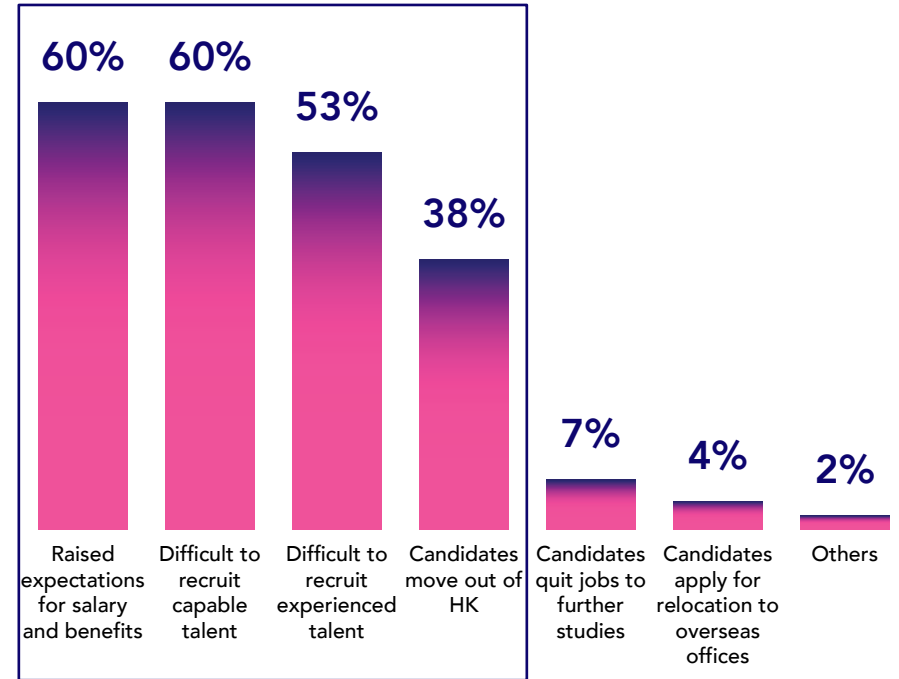
2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.1. Recruitment

- Difficulties:

According to the Growth & Scale Talent Playbook, launched by Alpha JWC Ventures, Kearney, and GRIT in December 2022, nine out of ten ASEAN organizations encounter issues in recruiting, cultivating, and keeping tech talent, while 91% of IT professionals are willing to leave their companies⁷⁷.

According to PeopleHum, employee well-being (49%), remote working arrangements (16%), and engaging remote workforces (40%) were the most often addressed HR issues in Southeast Asia. Businesses are worried about their workers working from home because of a number of already-familiar reasons, including isolation, communication problems, technological difficulties, and more⁷⁸.

Hong Kong	68% of the surveyed companies report recruitment difficulties as compared to five years ago. "Raised expectations for salary and benefits" (60%), "recruiting capable talent" (60%) and "recruiting experienced talent" (53%) are the key challenges for recruitment difficulties ⁷⁹ .
Vietnam	83 per cent faced challenges in recruiting at the professional level, 18 per cent at the executive level and 60 per cent at the management level ⁸⁰ .
Malaysia	The complexity and nuance of Malaysian work culture with multi-ethnic population and diverse languages.
Singapore	"Rising costs, longer hiring cycles, and the struggle to retain talent during the crucial probationary period are hurdles hiring managers face daily," Thompson, CEO and co-founder of Employment Hero, said ⁸¹ .



Main Reasons for Recruitment Difficulties

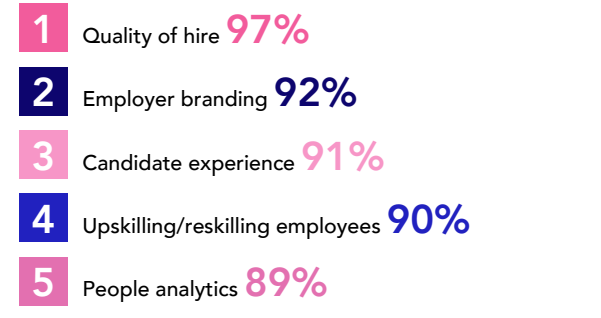
⁷⁷ Nine in ten companies in ASEAN face challenges in recruiting, nurturing and retaining tech talent, a survey shows - TNGlobal (technode.global)
⁷⁸ Overcoming HR challenges in a diverse South East Asia | peopleHum
⁷⁹ Hiring, Compensation & Benefits Survey Report 2023 | SEEK Employer
⁸⁰ 61% of companies experience difficulty in hiring human capital (vietnamnews.vn)
⁸¹ Singapore recruiters hit hard by hiring costs, onboarding challenges: report | HRD Asia (hcamag.com)

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.1. Recruitment

- Trends and predictions in 2024: LinkedIn Talent Solutions⁸² had six predictions about what’s ahead for Talent Acquisition:
 - o **Prediction 1 - AI:** 81% of Southeast Asia recruiting pros express optimism about AI’s impact on recruitment, especially Generative AI. Not only Gen AI will accelerate hiring and boost productivity, it also elevates Talent Acquisition role in organisations. However, the human touch will still be crucial. The top three soft skills recruiters in Southeast Asia will need in the future are: communication, analytical skills and leadership.
 - o **Prediction 2 - Skills-based hiring:** 74% of recruiting pros in SEA say hiring based on skills is a priority. Companies can advance diversity through skills-based hiring and tackle skills shortage by upskilling workers.
 - o **Prediction 3 - Quality of hire:** 97% of recruiting pros in SEA agree that quality of hire will shape recruiting over the next five years. Quality of hire will be prioritized in recruitment, focusing on job performance, team fit, culture add, productivity, and retention. The definition of “quality hire” is evolving, with firms seeking employees with soft skills and aligning beliefs with company goals.

Percentage of recruiting pros saying a topic will shape recruiting over the next five years.



Topic shaping the future of recruiting in SEA

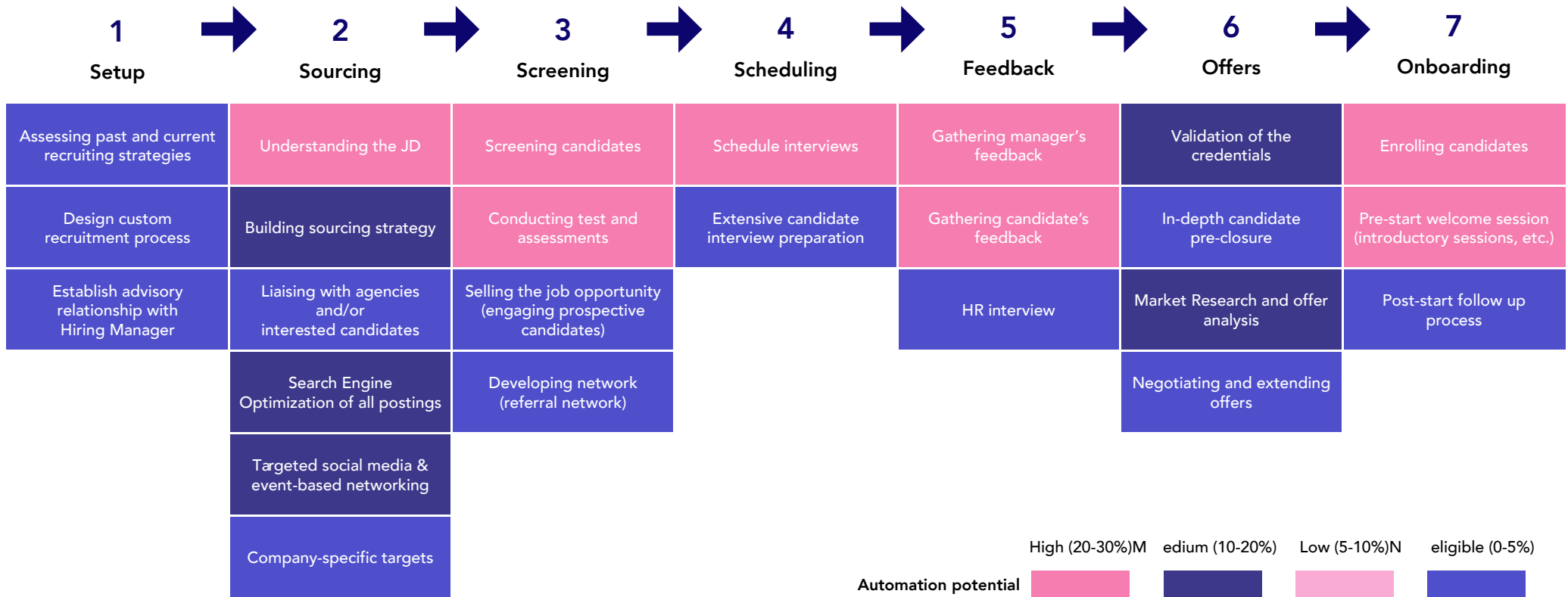
- o **Prediction 4 - Agile recruiting team:** 97% of recruiting pros in SEA say they are focused on being agile to adapt to hiring needs. Agility is crucial for recruiting teams, with 91% of professionals prioritizing adaptability. Talent acquisition professionals are expected to be “full-stack” recruiters, capable of handling various roles and stages of the hiring process.
- o **Predictions 5 - Flex work policies:** Recruiting teams will support flexible work policies, which positively impact hiring. Flexible work has become increasingly important, especially for Gen Z. SEA LinkedIn data shows that 6.2% of job applications are remote and 3.3% of job postings are remote.
- o **Prediction 6 - Gen Z:** According to McKinsey, Gen Z will account for 25% of Asia-Pacific’s population by 2025. Attracting Gen Z requires a new approach and will be a major challenge for recruiters. Gen Z prioritizes companies that share their values, offer professional development, and provide good compensation, work-life balance, and flexibility.

⁸² future-of-recruiting-2024-seasia.pdf (linkedin.com)

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.1. Recruitment

- AI adoption:
 - o **Daily tasks support:** Create job descriptions, communication via mobile apply and SMS texts, schedule interviews, screen resumes with a focus on eliminating bias, assist candidates with application process for open positions, assess candidate's skills and scoring candidates, conversational AI with potential candidates/active candidates,...
 - o **Talent intelligence platforms:** Such platforms can help companies with sourcing, internal talent matching, intelligence succession management and data-driven solutions for assessment, job design and skills analysis.
 - o **AI Automation** can be deployed in various stages of the recruitment value chain⁸³:



AI Automation Potential across the recruitment value chain

⁸³ Artificial Intelligence In HR: How HR Professionals Can Stay Relevant (zinnov.com)

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.2. EOR

- EOR demand is highest in China, Hong Kong, India, and Southeast Asia⁸⁴. Industries seeking EOR services include technology, administration, support services, and health services⁸⁵.
- Difficulties: The challenges that companies are solving with EOR services include global expansion complexities, general hiring challenges, and the retention of talent⁸⁶.

Philippines

EOR model is highly regulated, labour outsourcing is unlawful in most cases, yet the country permits a similar model called "business process outsourcing"⁸⁷.

Malaysia

Constant changes in government policies⁸⁸. Malaysia faces difficulties in reducing its reliance on foreign labour and in addressing the high rate of jobless and scammed migrant workers⁸⁹.

Thailand

Expatriates working in Thailand under an EOR arrangement commonly faced tax challenges such as under-reported assessable income, double taxation risk, deductions and allowances⁹⁰.

- Trends and predictions in 2024⁹¹:
 - o Technology will disrupt EOR, especially AI to enhance workforce agility
 - o Compliance-as-a-Service: the scope of EOR services may include compliance management and labour contract advisory
 - o Enhancing employee experience via building attractive employer brand
 - o Seamlessly handling multi-currency payments
 - o Niche, tailored EOR services with specialised expertise in particular industries
- AI adoption:
 - o Enhance accuracy and efficiency in payroll management, multi-currency exchange management
 - o Quick access and extract information from relevant labour law to ensure compliance
 - o Remote workforce management and employee engagement

⁸⁴ The Growth of Employer of Record (EOR) Services – Atlas HXM

⁸⁵ The Growth of Employer of Record (EOR) Services – Atlas HXM

⁸⁶ The Growth of Employer of Record (EOR) Services – Atlas HXM

⁸⁷ Where Digital Nomad Visas Miss the Mark - Ogletree

⁸⁸ Employer of Record (EOR) Malaysia | Infotree Global Solutions

⁸⁹ 'Limit their numbers': Malaysia's scammed, jobless migrant workers problem highlights its foreign labour dependence - CNA (channelnewsasia.com)

⁹⁰ Navigating key tax challenges for expatriates under EOR employment - Forvis Mazars - Thailand

⁹¹ EOR in APAC: 2024 Outlook (innovare-group.com)

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.3. Payroll

- Difficulties:
 - o Fragmented payroll systems: Many companies still rely on manual processes which lack full automation and integration with Human Capital Management
 - o Isolated payroll systems which increase the complexity and time consumption of the process
 - o Risk of non-compliance, absence of audit trails, erosion of trust, and the possibility of incorrect payments

Thailand	Payroll compliance laws vary depending on whether the employees are residents or non-residents
Philippines	Various payroll process laws
Vietnam	Complex tax regulations
Malaysia	Troubleshooting payroll errors Data security and privacy concerns Balancing automation and human oversight
Singapore	A significant portion of payroll providers in Singapore (52%) automate only 31-60% of their payroll services

- Trends and predictions in 2024⁹²:
 - o Remote work and flexible payroll solutions
 - o AI and automation in payroll processing / Cloud-based automated payroll systems
 - o Real-time payroll analytics and insights
 - o Financial wellness programs integrated with payroll / The rise of on-demand pay
 - o Payroll data and cybersecurity
- AI adoption⁹³:
 - o Natural Language Processing (NLP): NLP-capable AI systems are able to comprehend and analyse intricate employment contracts, guaranteeing precise compensation calculations and adherence to labour regulations.
 - o Robotic Process Automation (RPA) and Artificial Intelligence (AI) Integration: AI and RPA work together to automate payroll procedures from data collecting to reporting. While AI delivers sophisticated insights and decision-making, RPA manages repetitive activities.
 - o AI-Powered Chatbots and Virtual Assistants: These technologies revolutionize payroll management's employee self-service by enabling staff members to view payroll data, request leaves, and get prompt answers.

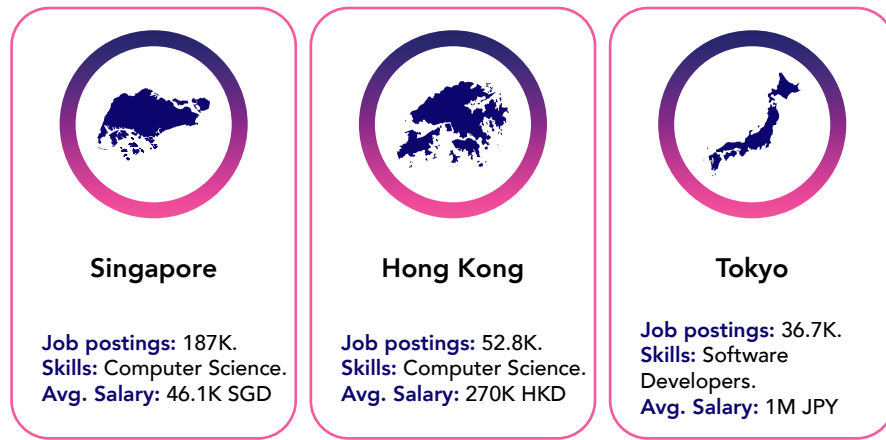
⁹² <https://employmenthero.com/blog/payroll-trends/>

⁹³ Revolutionizing Payroll Management with AI: The Future of Automated Systems (paylinedata.com)

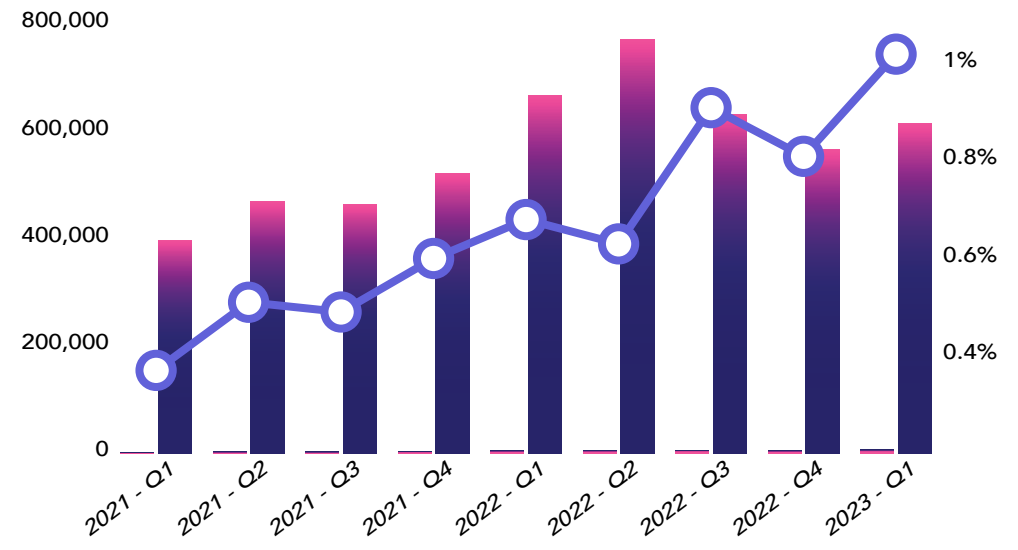
2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.4. Job Portal

Job network sites were the main source of employment for most job searchers (78%) who said they used them. Compared to other methods, a much larger percentage of respondents attributed the success of these sites to helping them obtain employment⁹⁴.



Tech Talent Landscape in Asia:
Key Data Points for Job Board Optimization⁹⁵



Work From Home Job Posting Trends in Singapore (2021 to 2023)⁹⁶



⁹⁴ <https://joinhandshake.com/blog/network-trends/trends-in-resources-gen-z-uses-for-job-hunting/>

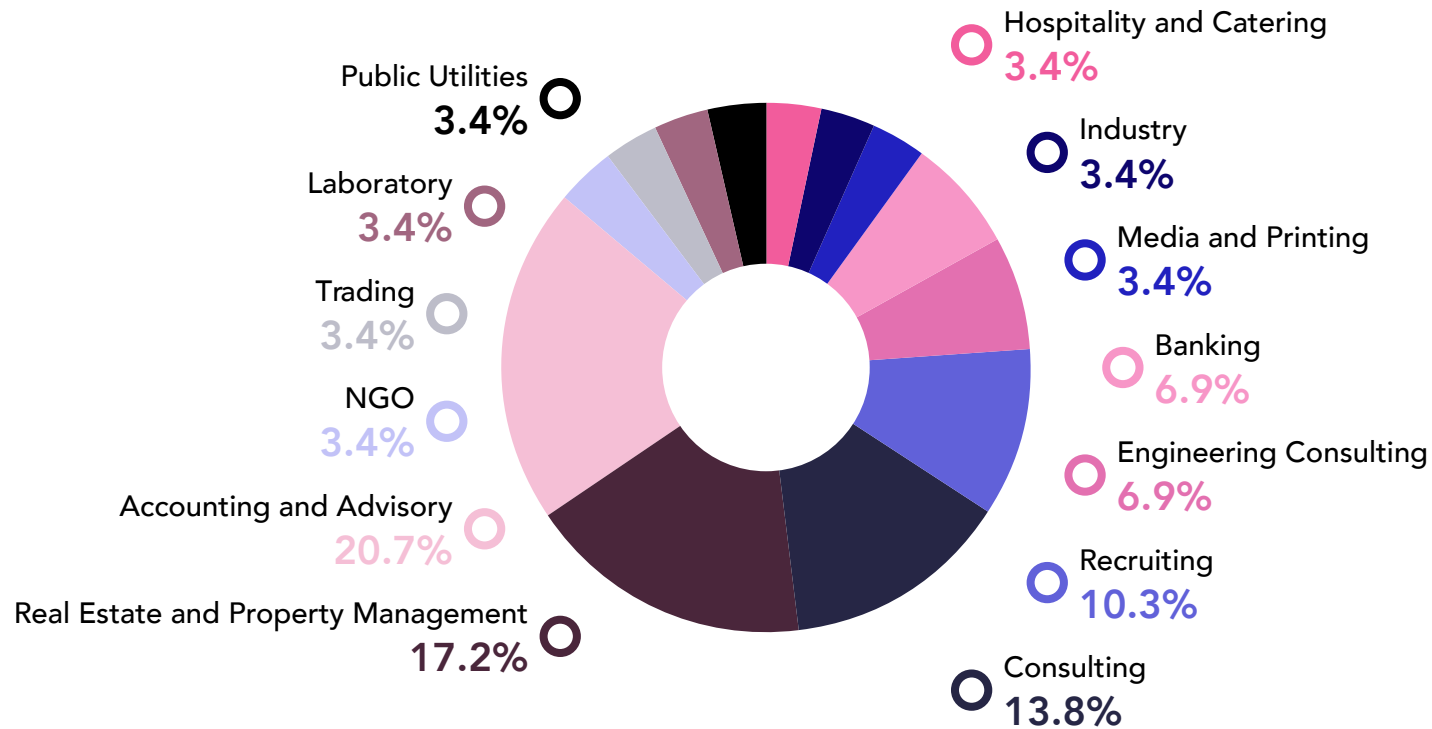
⁹⁵ Labor Market Analysis Infographics - Job Trends & Insights (jobspikr.com)

⁹⁶ 2023 – The Year of The Return to Work in APAC? | Blog | Lightcast

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.4. Job Portal

Hong Kong Job Postings by Sector⁹⁷:



Sector Distribution: Where is the Demand?

⁹⁷ (4) Hong Kong ESG Job Market Snapshot: 12 October 2023 | LinkedIn

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.4. Job Portal

- Difficulties:
 - High-volume non-executive jobs in an urgent hiring
 - Generalised approach and lack of personalisation
 - Complex UX, user experience, over overwhelming volume of information and number of listings

Indonesia	Limited job listing, job market mismatches, employment quality
Philippines	Lack of job prospects for young people
Vietnam	Fierce competition among recruitment websites, user trust
Hong Kong	Job title inflation causes difficulties in candidate matching and high turnover rate ⁹⁸

- Trends and predictions in 2024⁹⁹:
 - **Gamification:** Another trend in the hiring process is gamification, which many companies use to make job advertisements more appealing to Millennials and Gen Z candidates¹⁰⁰.
 - **Automated Job Applications:** With technology, job seekers can now apply to multiple positions quickly, using auto-fill and sending hundreds of applications in under an hour¹⁰¹.
 - **Job Search Personalization:** Based on their online behavior, interests, and past applications, job seekers should anticipate more individualized career guidance and job suggestions in 2024.
 - **Niche Job Boards:** They offer companies access to a more relevant candidate pool through an industry-specific job platform, providing opportunities tailored to job seekers' interests and skills¹⁰².
- AI adoption:
 - AI-powered profile matching
 - AI-powered job search automation platform
 - AI-powered job ad builder
 - Automatically posting in different platforms

⁹⁸ Job title inflation in Hong Kong leads to employees leaving and recruitment difficulties | Human Resources Online

⁹⁹ How do job boards differ in southeast Asia? | Evergreen Podcasts

¹⁰⁰ Top 11 Recruitment Trends Emerging in 2023 (zappyhire.com)

¹⁰¹ Job Search 2024: Key Trends and What to Expect

¹⁰² Emerging Trends in Job Distribution: Leveraging Niche Job Boards for Industry-Specific Talent Acquisition - Hirebee

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.5. Upskilling

The governments in the SEA region, especially in Singapore are constantly implementing reforms and initiatives to upskill the workforce to keep up with the dynamics of evolving business needs¹⁰³. Crucially, it contributes to the development of a flexible and resilient labor force amid unstable economies and unstable geopolitical environments¹⁰⁴. According to PwC research, upskilling and reskilling with an emphasis on digital-first competencies may increase Southeast Asia's GDP by 4% by 2030 and generate almost 680,000 additional jobs.

In Southeast Asia (SEA), 26% of employees are looking to try different careers by reskilling to new professions throughout their life. However, in the case of Hong Kong, findings from the Randstad Hong Kong 2023 Employer Brand Research indicate that while 77% of Hongkongers acknowledge the significance of upskilling, only 48% have access to learning opportunities.

It is imperative for employers to prioritize continuous upskilling and reskilling to keep their workforce pertinent in today's rapidly evolving job market. According to a survey by Citrix, in order to stay competitive in a global job market, 82% of employees and 62% of HR directors think that workers will need to improve their present skills or pick up new ones at least once a year. A survey by Manpower on nearly 39,000 employers across 41 countries shows that global organizations are gearing up to invest in their personnel like never before, with 71% focusing on upskilling and reskilling their current workforce¹⁰⁵.

On the employees' side, according to the World Economic Forum, individuals who upskill or reskill can expect to earn 10–20% more than their non-upskilled counterparts. A study by the Lumina Foundation showed that learners who used educational reimbursement programs offered by their organizations saw a 43% increase in wages¹⁰⁶. Upskilling also brings higher chances of landing a job. The ASEAN-led Go Digital ASEAN, which successfully broaden digital skills participation to 42,682 job seekers, stated in their survey that 58% job seekers acquired employment in two months or less; and 28% acquired employment as a result of the training¹⁰⁷.

¹⁰³ Article: HR and Work Tech: The Southeast Asia market opportunity — People Matters Global

¹⁰⁴ Embracing the Future: How Technology is Revolutionizing Upskilling and Reskilling in Southeast Asia - HR ASIA

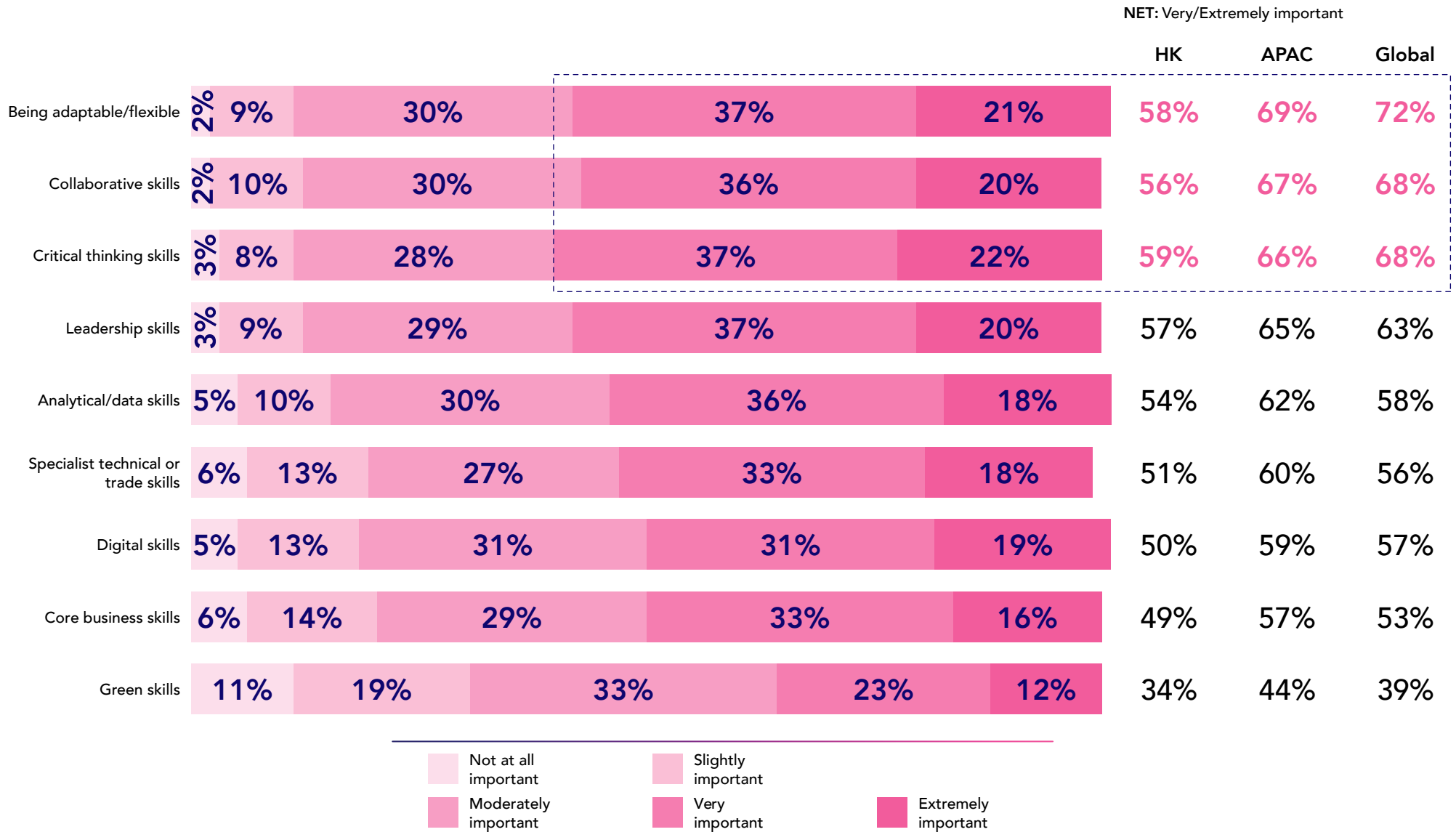
¹⁰⁵ MPG_TS_2023_Infographic_FINAL.pdf (manpowergroup.com)

¹⁰⁶ talent-investments-pay-off-cigna-full.pdf (luminafoundation.org)

¹⁰⁷ Go Digital ASEAN: Regional Impact Summary (asiafoundation.org)

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.5. Upskilling



Being adaptable/flexible, Collaborative skills and Critical thinking skills are top three skills that not only Hong Kong employees, but also their APAC and global counterparts consider it to be very/extremely important¹⁰⁸.

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.5. Upskilling

- Difficulties:

Thailand

A lack of time is the biggest barrier to acquiring digital (34%) and analytical (33%) skills, lack of opportunities to practice these skills (29%) and poor internet access (25%), high cost (25%) inhibits learning¹⁰⁹

Philippines

Poor internet access (41% respondents), a lack of available time (40%), course fees (30%), absence of training opportunities in their workplaces (30%)¹¹⁰

Vietnam

A lack of high-quality national upskilling programs on a large scale

Singapore

A lack of time, resources, or knowledge about upskilling programmes

- Trends and predictions in 2024:

- Trends in Capability academics/mastery learning platforms:** Within these solutions, employees have access to a centralized platform that enables them to browse content, connect with experts and mentors, enroll in courses, and develop their skills or acquire new ones. Additionally, these platforms offer tools for creating learning content, facilitating cohort-based or collaborative learning, and establishing AI-powered coaching networks¹¹¹.

- Trends in Learning & Development:** A further recruitment function that has seen significant growth in recent years is Learning and Development, and experts are optimistic about the function evolving at a much faster rate in Southeast Asia, according to Vidisha Mehta, Managing Director, Talent & Rewards, Singapore, Willis Towers Watson. Although there are other causes, “the workforce for the future” is the primary motivator for many expenditures in L&D¹¹².

- AI adoption:

- AI-powered learning platforms/LMS to create tailored learning paths for learners, based on their self-evaluation of skills or competencies, and their advancement goal.

- AI-powered Learning Experience Platforms, which are collaborative learning platforms, provide employees with tailored learning courses.

- Generative AI-powered educational tools to quickly create learning materials, assist with understanding technical documentation, and provide tailored explanations. It also offers flexibility and customization in language, specificity, and instructional methods.

¹⁰⁹ Bridging the skills gap: Fuelling careers and the economy in Thailand - Economist Impact

¹¹⁰ Filipinos Keen to Upskill in Artificial Intelligence but Face Hurdles | Grow Your Business

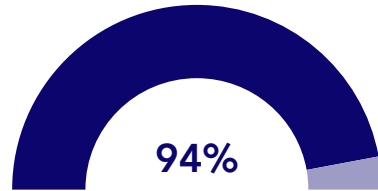
¹¹¹ The HR tech market categories to watch this year | HRM Asia : HRM Asia

¹¹² Article: HR and Work Tech: The Southeast Asia market opportunity — People Matters

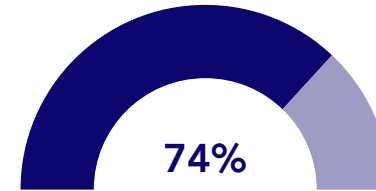
2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.6. Career Mapping

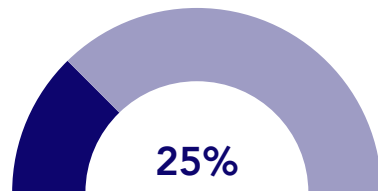
- Career Development Statistics¹¹³:



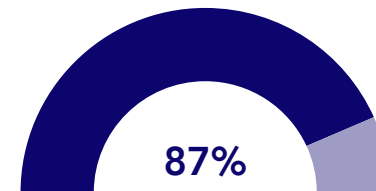
94% of employees said that if a company invested in their careers, they would stay for longer.



74% of employees think that a lack of development is preventing them from reaching their full potential.



Only **25%** of employees are confident about their career paths at their current organization.



87% of millennials say professional growth and career development are very important.

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.6. Career Mapping

- Difficulties:

Average of 64% of ASEAN respondents face challenges in career mapping, while it's 82% of Singaporean, 51% of Thailand respondents and 31% of Vietnam respondents.

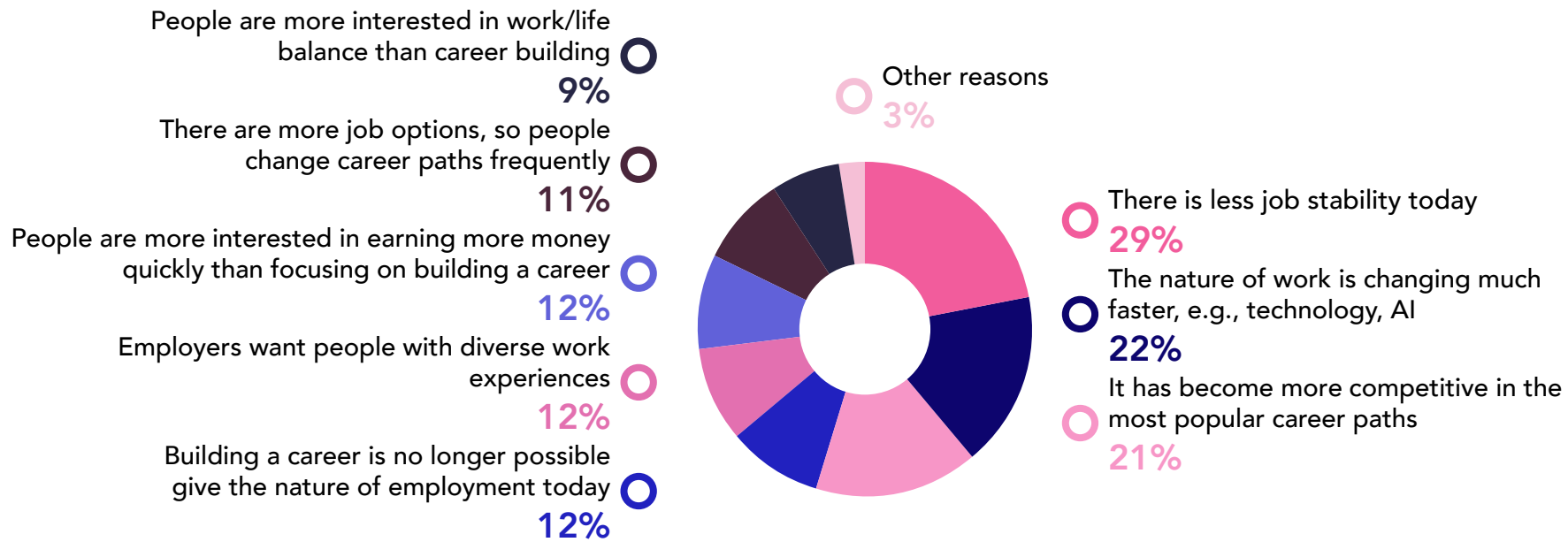
Reasons causing the shifts in career preferences are lesser job stability, fast-changing nature of work due to technology and AI, high competition, people preferring work-life balance than career building and prioritizing making money faster¹¹⁴.

Thailand

Short-lived coordination and a lack of co-research between social enterprises and government agencies
 Long timeframe required for government budget proposals (3 years)
 Undiversified options for students as government career guidance services offer limited, policy-led options, while social enterprises are more client-led¹¹⁶

Cambodia

A lack of preparatory programme or career sessions in students' learning session
 Students have little information about the job market and lack career path counselling¹¹⁷



Top Reasons Making Career Planning More Difficult in Southeast Asia¹¹⁵

¹¹⁴ Career expectations in Singapore: Hottest jobs, biggest challenges, and more | Human Resources Online

¹¹⁵ Career sentiments in SEA: Is planning a career path harder today? — Blackbox Research

¹¹⁶ Mapping of career guidance services EN.pdf (unicef.org)

¹¹⁷ CPPC_Fact-Sheet_0323.pdf (childsdream.org)

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.6. Career Mapping

- Trends and predictions in 2024:

- o **Internal mobility:** This LinkedIn Global Trends report highlights that companies whose employees excelled at developing skills in the last 12 months have a 15% higher internal mobility rate¹¹⁸.

Instead than waiting for proactive workers to seek out prospective new opportunities, internal recruiters can collaborate with Learning & Development specialists. The ultimate goal is to nurture current talent, provide stimulating training programs, and provide career prospects for them.

- o **Revolutionizing career pathing with cutting-edge HR technologies¹¹⁹:**

- o **Predictive analytics for talent management:** Predictive analytics uses historical data to forecast trends, helping identify high-potential employees and plan succession and development strategies.
- o **Career pathing software:** Career pathing software automates career development, guiding employees with customized templates and showing them the next steps for advancement.
- o **Performance management systems:** These tools enable HR to track team members' professional progress and identify top performers.

- o **Manage career pathing with a community-driven approach¹²⁰:**

A community-driven approach to career pathing decentralizes responsibility from a single manager to the entire organization. It connects employees directly with opportunities like mentors, coaches, and subject matter experts. This flexible approach adapts to changing business needs, fostering a culture of learning and ensuring accessibility and equity. Implementing community-led career development at scale requires the right tools and software for large enterprise organizations with thousands of employees.

- o **Multi-function career mapping tools:** It allows businesses to integrate with LMS to boost upskilling and L&D initiatives.

- AI adoption:

- o AI-powered career path generator to create a personalised roadmap
- o AI generated career report
- o Job market trend analysis and insight generation
- o AI-driven career advisor platforms that create learning paths to match with users' backgrounds and job preferences.

¹¹⁸ business.linkedin.com

¹¹⁹ Career pathing: Foster employee growth through paths & mapping (hibob.com)

¹²⁰ Career Pathing for the Modern Organization (2023) (tenthousandcoffees.com)

2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.7. ATS

- Difficulties:
 - Keyword overreliance: Many ATS rely heavily on keyword-based matching but the keyword criteria is not well structured
 - Inaccurate data entry and parsing: inconsistent resume formatting can lead to errors
 - Integration and compatibility issues
 - Data privacy and security
- Trends and predictions in 2024:
 - **Integration:** Ensure the ATS can seamlessly integrate with other HR systems and tools in your tech stack. Examples: Job boards integration, Social media integration, HR software integration, App integration (such as email marketing software), Company website integration¹²¹.
 - **Mobile-friendly ATS software:** Engagement and feedback, learning and development, employee feedback, performance check-ins, and video interviewing.
 - **Cloud-based applicant tracking systems (ATS)** have made recruiting procedures considerably easier, more organized, and speedier for applicants and HR, with convenient administration of candidate data, applications, and meetings with hiring managers¹²².
 - **Blockchain technology:** Revolutionize background verification and reference checks
- AI adoption:
 - **AI-driven candidate screening:** makes it possible to identify the most qualified candidates quickly and accurately
 - **AI/ML/Predictive analytics** with chatbots, virtual assistants to enhance candidate engagement
 - **Must-have features**¹²³:
 - Intuitive user interface with a user-friendly dashboard.
 - Customizable workflows to your company's unique hiring procedure.
 - AI-powered candidate matching.
 - Compliance management to ensure all hiring practices align with legal requirements.
 - Reporting and analytics tools for better data-driven decisions.

¹²¹ Applicant Tracking System Software Market: Future Trends & Forecasts (gohire.io)

¹²² HR Tech Update: Harnessing the power of cloud technology in HR - Chief of Staff Asia

¹²³ 2024 Guide to Applicant Tracking System for Talent Acquisition - Porters (portershrbc.com)

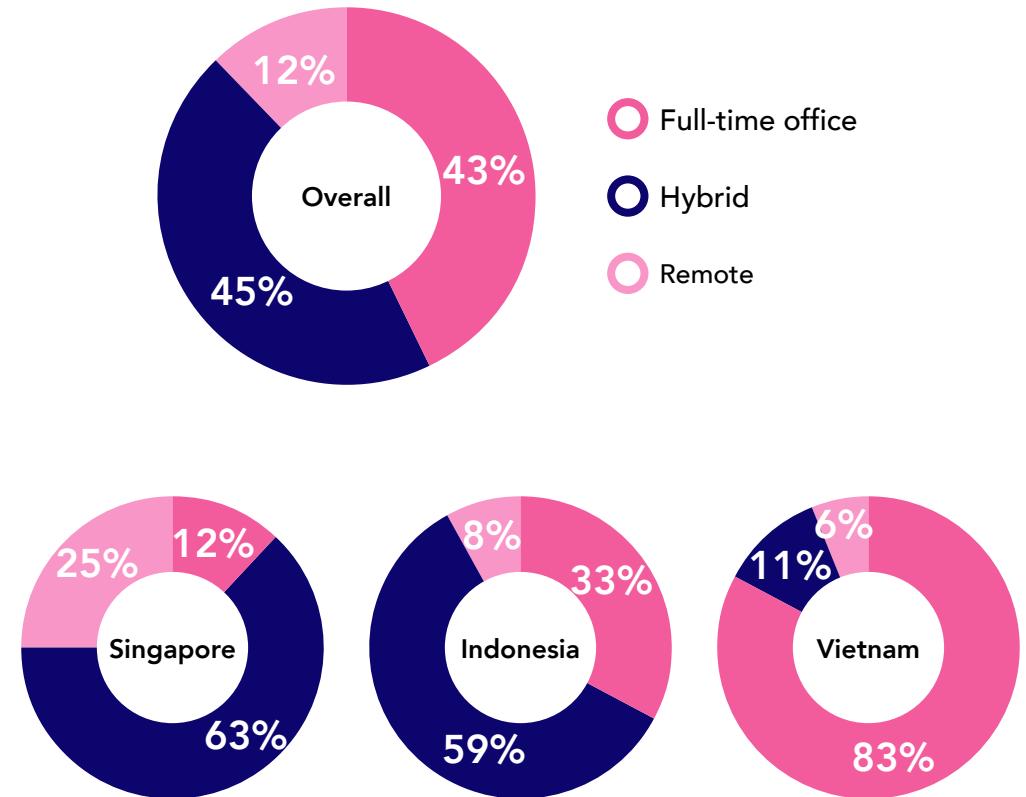
2. OVERVIEW OF HUMAN RESOURCES AREAS, CURRENT TRENDS AND PREDICTIONS

2.3. Difficulties, predictions and AI adoption in diverse HR areas / 2.3.8. Other trends in East and Southeast Asia

- **Providing mobile-enabled HR tech solutions:** Offering HR technology solutions with mobile functionality is now required, not just a choice. A increasing amount of data demonstrates that most businesses already provide their staff with mobile-first HR services and use mobile devices to handle payroll, leave administration, talent acquisition, and other crucial workplace communications¹²⁴.
- **Hybrid work:** Hybrid work is becoming the norm, with 45% of SEA companies offering hybrid work and 12% providing remote work choices to employees across markets¹²⁵.

Hybrid working is more prevalent in Hong Kong employees as compared to APAC and global counterparts: 3 in 4 (77%) Hong Kongers prefer hybrid working over working remotely or in person full-time. This is in contrast with their APAC (59%) and global (54%) peers. This bears good news, as per the data, a significantly larger fraction of Hong Kong employees is currently implementing a hybrid working model, therefore making hybrid working more prevalent in Hong Kong when compared to APAC and global employees¹²⁶.

In a worldwide poll encompassing Singapore, Malaysia, Indonesia, and the Philippines, 7 out of 10 participants said they were more productive and creative in hybrid work situations. In Southeast Asia, just 2 out of 10 workers say they would like to work in an office full-time. If compelled to return to the workplace full-time, about 1 in 3 workers in Southeast Asia still want to look for job elsewhere¹²⁷. However, research from Monks Hill Ventures and Glints revealed that not all APAC markets are primarily hybrid, with Vietnam and, to a lesser extent, Indonesia lagging behind¹²⁸.



Work Environment Policy 2023¹²⁹

¹²⁴ Article: HR and Work Tech: The Southeast Asia market opportunity — People Matters Global

¹²⁵ The Southeast Asia Startup Talent Report 2023

¹²⁶ 6 hopes and fears from Hong Kong's workforce for employers to know | Human Resources Online

¹²⁷ Outlook: Hybrid Working in Southeast Asia (manatal.com)

¹²⁸ [Recap] Navigating the Transformation: Hybrid Work in Asia (flexos.work)

¹²⁹ Monk's Hill Ventures & Glints, The Southeast Asia Startup Talent Report, April 2023

ABOUT US

BRINGING STRATEGY & INNOVATION TO REALITY

01. Innovative Approaches to Growth

Innovation is at the core of what we do. We leverage cutting-edge tools and methodologies to drive sustainable growth, ensuring your business stays ahead of the curve in competitive markets.

03. Deep Market Expertise in Asia

With extensive experience across Asia and Hong Kong, we understand the unique challenges and opportunities in these dynamic markets. Our strategies are tailored to meet the demands of this region.

02. Proven Success in Market Entry

Our track record speaks for itself. We have successfully guided numerous companies through the complexities of entering and expanding in Asia, delivering tangible results and long-term success.

04. Tailored Strategic Solutions

Every business is unique, and so are our solutions. We collaborate closely with our clients to develop customised strategies that align with their goals and the intricacies of the Asian market.



 hcostrategy.com



WHAT WE DO

Strategic Partnerships

Forge and manage impactful alliances that drive growth, innovation, and long-term business success.

Managed Services

Provide end-to-end managed services that enhance operational efficiency, allowing you to focus on core business growth.

Leadership & Talent

Develop leadership capabilities and talent strategies that empower your workforce and foster a culture of excellence.

Human Capital

Transform your workforce with strategies that optimise talent acquisition, development, and retention for sustainable success.

A.I Enablement

Leverage AI technologies to streamline operations, enhance decision-making, and drive business innovation and efficiency.

Market Expansion

Navigate new markets with confidence through tailored strategies that maximise growth and minimise risks.

Product Development

Transform ideas into market-ready products with comprehensive strategies that accelerate development and ensure success.

Branding & Design

Craft impactful branding and design strategies that elevate your brand identity and create lasting impressions in the market.

Training & Learning

Deliver customised training and learning programmes that enhance skills, boost performance, and drive organisational growth.

Sales & Marketing

Develop integrated sales and marketing strategies that boost customer management, drive revenue, and maximise market presence.

Go-to-Market Strategy

Design comprehensive go-to-market strategies that align your product, marketing, and sales efforts for successful market entry.

Operations

Optimise business processes and enhance operational efficiency to drive productivity and achieve sustainable growth

Digital & Tech

Implement innovative digital and technology solutions that transform your business operations and drive growth.

Distribution Channel

Optimise and develop effective distribution channels to ensure your products reach the right markets efficiently.

Design & Build

Create and implement tailored solutions that align with your business vision, ensuring effective and sustainable growth.