

ASEAN's

Growth & Scale Talent Playbook

Every founder's ultimate guide to talent attraction, management, and retention.



Table of contents

Section 1	Painting a picture of digital talent requirements in ASEAN	10
Section 2	Evolving digital talent landscape and key challenges for companies and candidates	23
Section 3	6 building blocks for companies to effectively build and manage digital talent	29
Section 4	Potential systemic interventions by ASEAN governments to mitigate digital talent crunch	66



Foreword by Coordinating Minister for Economic Affairs of Indonesia

We have had the front seat to witness how Indonesia, and, by extension, Southeast Asia built their digital ecosystems from the ground up with astonishing results in the past decade. Even so, I believe this is just the beginning of greater things from the region and we are off to a faster, better digital development in the longer term.

In the coming years, technology adoption is expected to grow even more rapidly. The next industrial transformation will lead to “Society 5.0” or “Society of Intelligence,” where the physical space and cyber world will be tightly integrated. The boom of new technologies such as Metaverse, Blockchain, NFT, and Web 3.0 will also see them become a fixture in certain aspects of people’s lives. The importance of infrastructure, human capital, digital literacy, regulation, and mindset development have become very—if not more—evident for Indonesia should the nation and the region want to continue this trajectory of acceleration and become the next global digital powerhouse.

The Indonesian Government believes that efforts to improve the quality of human resources require multi-party coordination and synergy, including from companies, education institutions, and other industry players. This ASEAN Growth & Scale Talent Playbook is one example of how industry players can contribute to this effort through research and insights sharing. I hope it can serve as a guide to promote the advancement of the digital economy ecosystem in Indonesia and the greater region.



Dr. (H.C.) Ir. **Airlangga Hartarto**, M.B.A., M.M.T., IPU.
Coordinating Minister for Economic Affairs of Indonesia



Foreword by Minister of Manpower Republic of Indonesia

The COVID-19 pandemic has pushed the economy toward a new, vastly different form of labor market. Jobs in health and essential sectors have gained recognition, although much is to be done to improve wages and working conditions in those sectors. As we grapple with the crisis, the ability to work remotely (teleworking) and operate or develop digital technology in production and service lines (automation) is becoming key to employability.

This pandemic era has accelerated digital transformation in the world of work. The digital transformation is creating some well-paid employment opportunities that require strong digital expertise, such as data scientists, web designers, and artificial intelligence specialists. Indonesia's capacity to grow, compete, and thrive in a global economy has become dependent on individuals being able to access and use the right skills at the right time. Now more than ever, as we recover from COVID-19 and the impact on the economy, we need to understand what is happening in the labor market, especially for digital talent.

To this end, the strategic relevance of digital accessibility is increasing for companies that seek to ensure accessible solutions for their clients while at the same time ensuring digital accessibility in its own functioning and within its supplier network. It is essential for these persons to possess the wide range of digital skills that are needed to perform jobs in the digital economy.

The Indonesian Government recognizes the critical importance of all stakeholders to work together to serve digital talent demand as it is projected that by 2030 there will be a shortage of 47 million digital talent in the region. The Ministry of Manpower has created The Nine Great Leaps, which consists of the transformation of Vocational Training Centers; employment link and match; transformation of the employment opportunity expansion program; development of young talent; expansion of the overseas job market; a new vision of industrial relations; supervisory reform; SIAPkerja digital ecosystem; and bureaucratic reform to answer the current challenges.



Foreword by Minister of Manpower Republic of Indonesia

Through the Presidential Regulation Number 68 of 2022 concerning the Revitalization of Vocational Education and Vocational Training, the Indonesian Government also encourages the involvement of the business world to harmonize vocational education and training.

We really appreciate the initiative of Alpha JWC Ventures, Kearney, and GRIT to create this talent playbook report to provide employers, workers, students, and policymakers with a wealth of useful guidance.



Dr. Dra Hj. Ida Fauziyah, M.Si.
The Minister of Manpower Republic of Indonesia



Foreword by Alpha JWC Ventures

Since the inception of Alpha JWC in 2016, we have been a firm believer that the role of a venture capital goes beyond capital injection. In the exciting and challenging journeys of entrepreneurship, founders need more than funds. What they need is a trusted partner who can provide support, guidance, experience, and knowledge to increase their chances of success.

That is how we view ourselves at Alpha JWC Ventures—hence our value creation arm that we have recently rebranded to Alpha-X. What this means is that we value add with our expertise to help our founders scale, and deliberate to help them succeed and grow to multiple of X.

What is that 'X' factor? Under Alpha-X, we provide best practices to our portfolio founders growing their capabilities in the areas of:

- Talents & Organization
- Marketing & Branding
- Public Policy & Government Relations
- Platforms & Partnerships

It is with the cumulative experience of the Alpha JWC team in the areas above, our extensive network of partners, and our track record that we are able to compile some of our insights and put forth this playbook to help founders in their talent management for growth and success.



Erika Dianasari Go
Partner, Alpha-X,
Alpha JWC Ventures



Foreword by Kearney

The digital landscape in ASEAN has grown remarkably in the past 10 years, where multiple homegrown startups have now become valuable unicorns, integral in improving the lives of millions within the region. From innovating new products and services to increasing the efficiency of traditional industry processes, the ASEAN region has grown immensely and still sees strong potential to reach greater heights.

In order to secure the region as a powerhouse for high-quality tech talent, it is imperative to ensure that the digital sector can **attract, nurture, and retain** talent, along with systematic intervention to improve the quality and quantity of the tech talent pool. Despite the attractiveness of the digital sector, the tech talent crunch continues to persist due to mismatches in employer and employee expectations and an overall lack of suitable tech talent in ASEAN considering the relative infancy of this sector in the region.

Through the collaborative efforts of Alpha JWC, Kearney, GRIT, and the 34 companies that have graciously offered their input, we have prepared this playbook that serves as a useful guide in effectively building and managing tech talent, for both startups and any company that hires tech talent. The 6 building blocks of proven best practices aims to ensure employers find, nurture, and retain the right talent while ensuring that employees stay engaged and motivated to grow with the firm. Additionally, potential systematic intervention examples by governments and institutions are showcased as leading examples for ASEAN countries to follow in terms of improving the quality and quantity of the locally available talent pool. It is exciting to see the region's development as a tech talent hub, and we hope this playbook provides useful guidance and insight to you.



Shirley Santoso
Partner and President Director,
Kearney



Foreword by GRIT

GRIT was launched in Singapore in 2020 with the vision to be the leading automated platform for digital and technology talent in Asia. With significant and ongoing demand for digital native talent, particularly across Southeast Asia, we are committed to building the ecosystem of choice for talent to find their dream roles and companies to onboard the best talent to fulfil their company vision.

GRIT specializes in working with digital native companies across exciting categories that include Fintech, Blockchain, Web3, Crypto, e-commerce, traveltech, propertytech, healthtech, edtech, and social platforms. We aim to bring value to both talent and companies through the use of our proprietary technology platform, AI, and data insights. The opportunity to work with Alpha JWC and Kearney in bringing this playbook to founders to help them benefit from the insights to build a scalable, successful venture is one we are very proud of.

Thank you to all those founders who kindly took the time to share their own experience and to the hundreds of talent that gave their input on their personal drivers for joining and staying with a company.

The findings from this report outline the significant opportunity the region offers in the coming years. We created this playbook in partnership with founders and talent to offer you the insights to help onboard and retain your company's greatest resource—talent.

There are incredible opportunities that are being presented in the region and we hope this playbook will help guide you with your own organization strategy and play a part in your successful journey in this world of digitization.



Paul Endacott
Founder and CEO,
GRIT



Endorsement from Industry Expert

On behalf of the Indonesian Chamber of Commerce or KADIN Indonesia, I would like to congratulate you on launching the ASEAN Growth & Scale Talent Playbook. This report will undoubtedly serve as a guide for Indonesian startups and companies at large for hiring and retaining digital talent in their organizations.

According to a survey conducted by Bank Indonesia in 2021, 20% of Indonesia's MSMEs were able to mitigate the impact of the pandemic by digitizing their businesses and successfully tapping into online marketing media. As over 90% of businesses in Indonesia are under the MSMEs category, in a way, Indonesia owes its economic resilience to these digital talent and platforms, which have proven to be pandemic-proof.

Apart from resilience, there are many upsides to digitizing the Indonesian economic landscape. By going digital, Indonesia can unleash the next level of economic growth up to \$150 billion in annual economic impact by 2025. Indonesia is the largest e-commerce market in Southeast Asia, generating roughly \$2.5 billion in new consumption revenue today and a likely \$20 billion by 2022. In Indonesia, 4.0 technologies have the potential to push productivity gains of 40 to 70% for individual companies, adding a net 20 million jobs by 2030 and creating an additional \$120 billion in annual economic output.

We've seen how digital talents have helped the economy recover from the lingering effects of contagion. However, the fact of the matter is that we are aware that our labor force competitiveness still has room for improvements—mainly due to a lack of demand-driven education and supporting infrastructure.



Endorsement from Industry Expert

To address this, we at KADIN were mandated to assume an active role in the national vocational education task force to revamp the system. With this role entrusted to us, we have made great strides, collaborating with international partners across countries in Germany and Switzerland to create a demand-driven curriculum and catalyzing industries to play an active role in national human resources development. This includes ensuring students are learning the latest technologies and relevant skills that are in demand.

The responsibilities to retain and develop national digital talent are ours. We need to create a fair, enjoyable, and appreciative ecosystem for these talents, including ensuring attractive compensation, providing room for them to grow with clear career progression, and fostering an inclusive and tolerant organizational culture.

I hope this playbook can complement our effort and help both the public and private sectors to develop and secure digital talent in the country, thus contributing to the country's prosperity and everlasting economic growth.



M. Arsjad Rasjid P.M.
Chairman of Indonesian
Chamber of Commerce
and Industry



Research Methodology

6 out of 10 ASEAN countries, 95% of ASEAN economy



600+

Startup employees surveyed

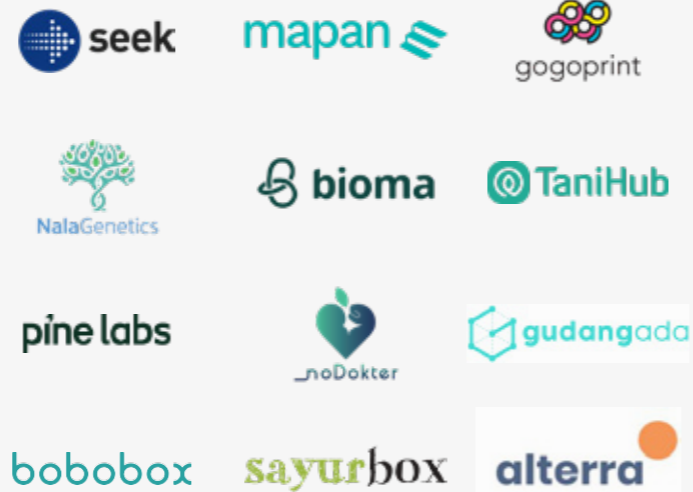
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Companies surveyed and interviewed

4

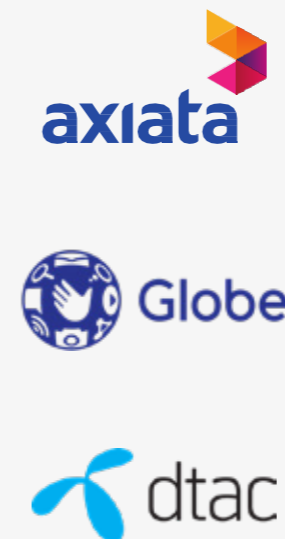
Perspective interviews conducted

Startups



Companies surveyed and interviewed

Corporates



Companies surveyed and interviewed

Venture Capital, Accelerator, and Digital Ecosystem Builder (Perspective interviews)

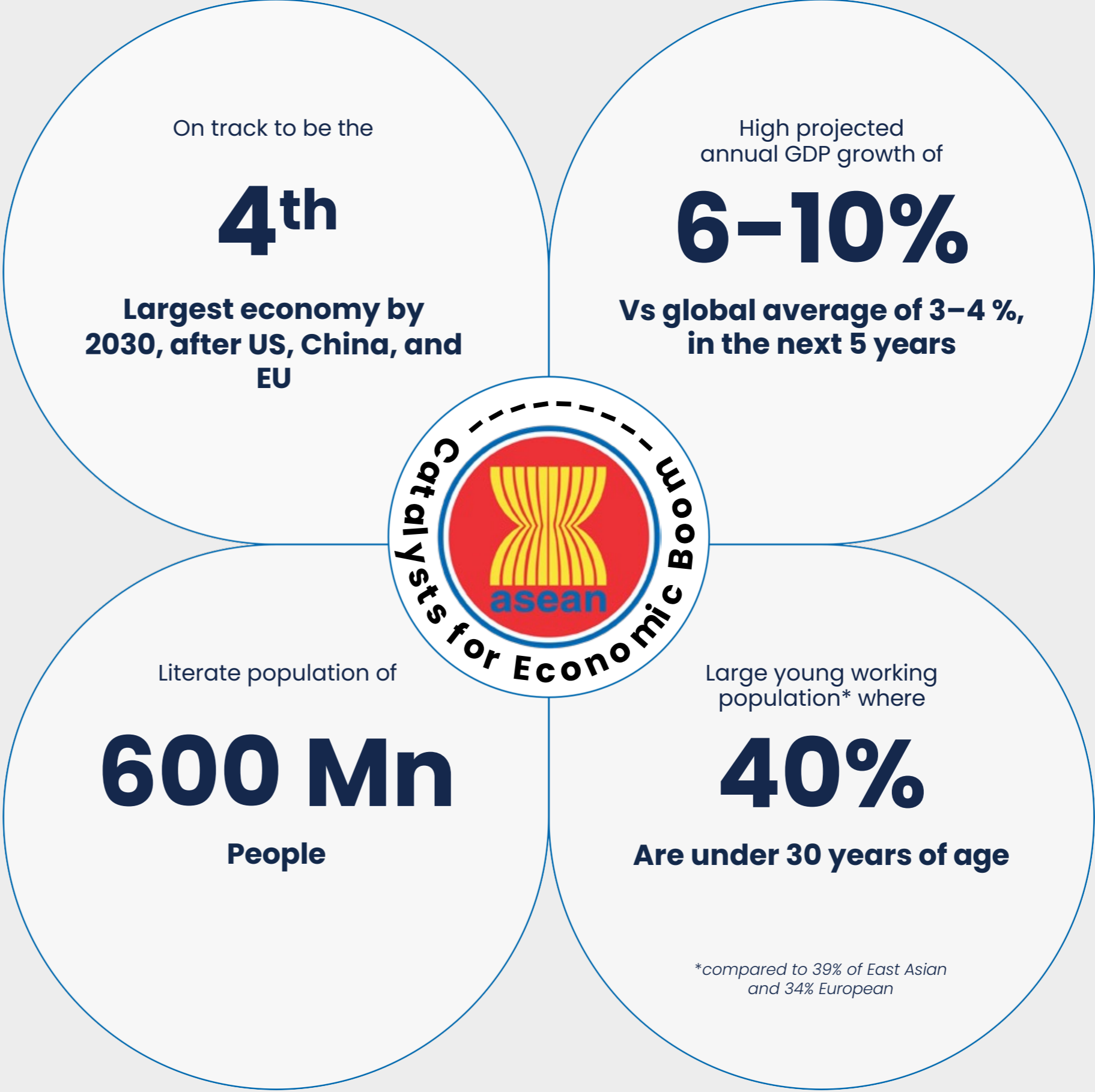


Companies interviewed

Painting a picture of digital talent requirements in ASEAN



ASEAN, with significant demographic bonus, is on track to become the 4th largest economy by 2030



Sources: Oxford Economics, ASEAN Secretariat analysis

ASEAN digital economic boom

 Internet Penetration


 Demand for Digital Services


 Digital Investment


Emerging Digital Business

 The Need for Better Productivity & Better Customer Experience



 The Need for Digitalization Process

Digitalization of Traditional Industries

Added factors that boost demand for local talent

 **Localized Knowledge and Skills**
The importance of local context and nuances

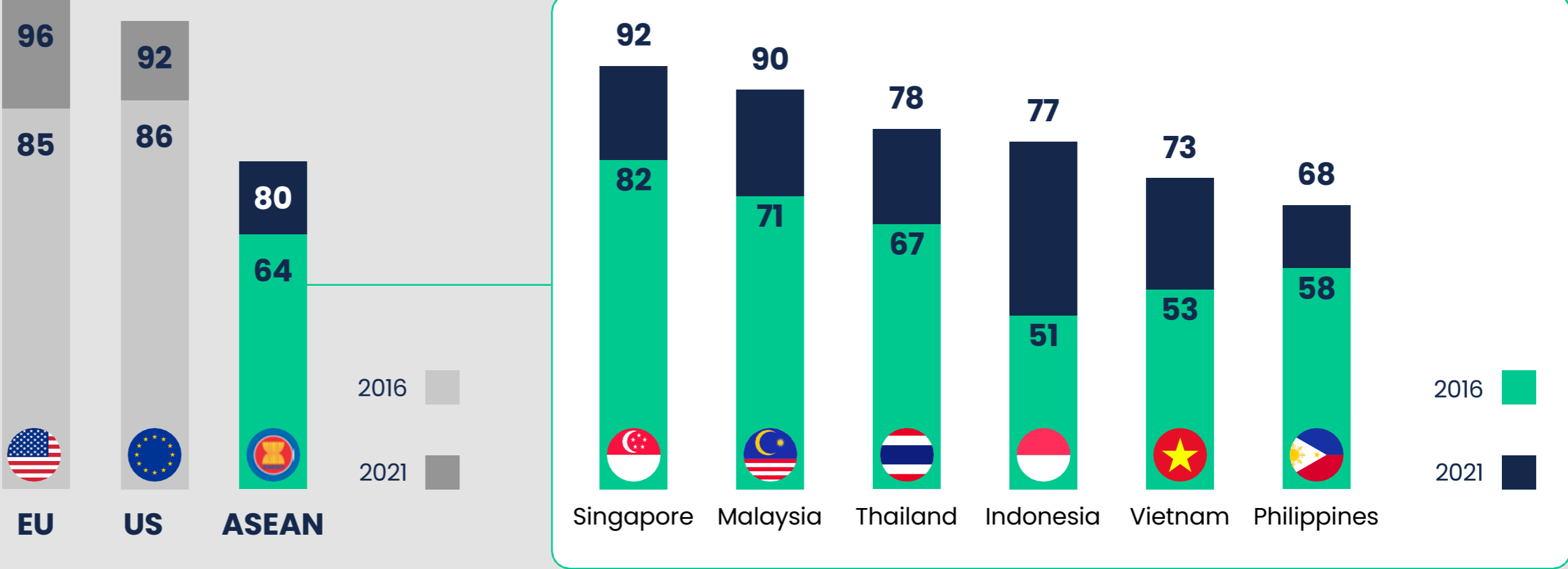
 **Wage Levels Constraint in ASEAN Context**
Wage gap reduces outsourcing possibilities

 **Talent Required Beyond Metro (Tier 1) Cities**
Growing startup space in tier 2/3 cities requires talent in those areas

Large Demand for High-Quality and Highly Skilled ASEAN Digital Talent

The significant increase in internet penetration rate across ASEAN countries is expected to drive demand for digital talent in the region

ASEAN, EU, and US Internet Penetration (2016 vs 2021) Units (%)



ASEAN countries experienced much higher internet penetration growth in the past 5 years, a trend which will likely continue to grow and demand more talent.

However, some ASEAN countries need to establish proper infrastructure (internet/telecommunication connections and road networks) to enable even higher adoption in rural

regions, and to also create opportunities for new tech businesses to reach customers (i.e., delivery accessibility, digital advertising, and engagement).

Digital Business
Internet Penetration



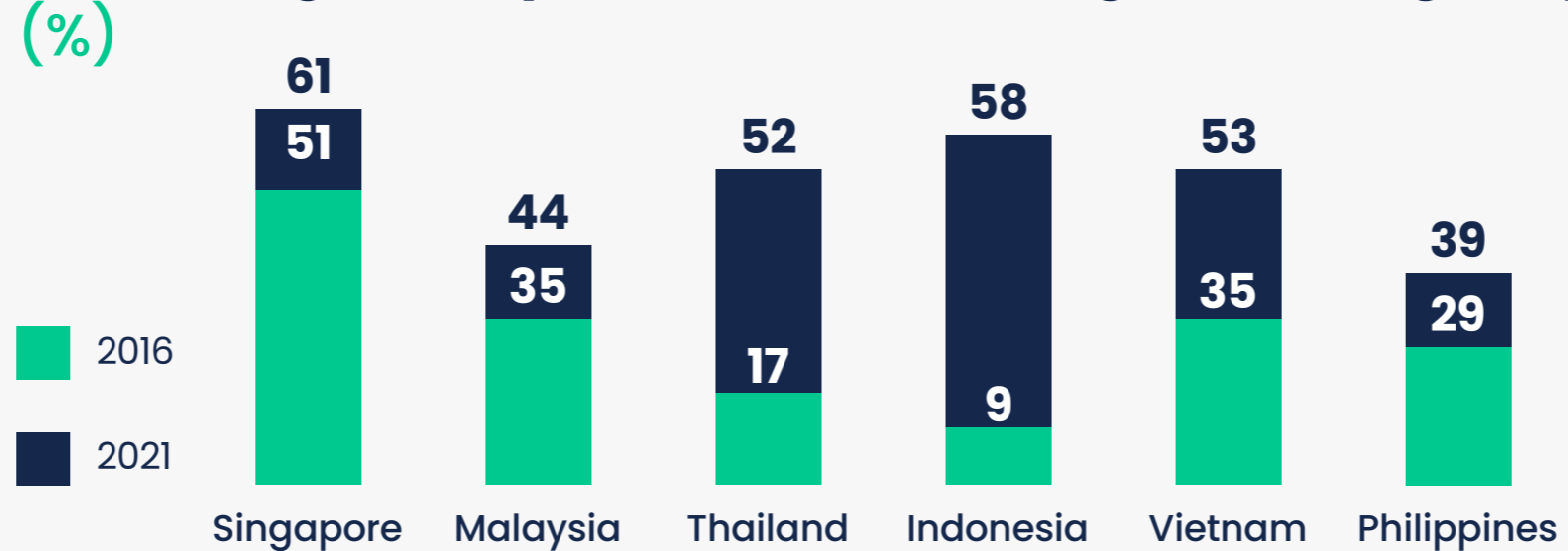
Sources: Statista, Datareportal, Worldbank, Eurostat analysis

The trend shows that more customers are accustomed to purchasing goods online across ASEAN

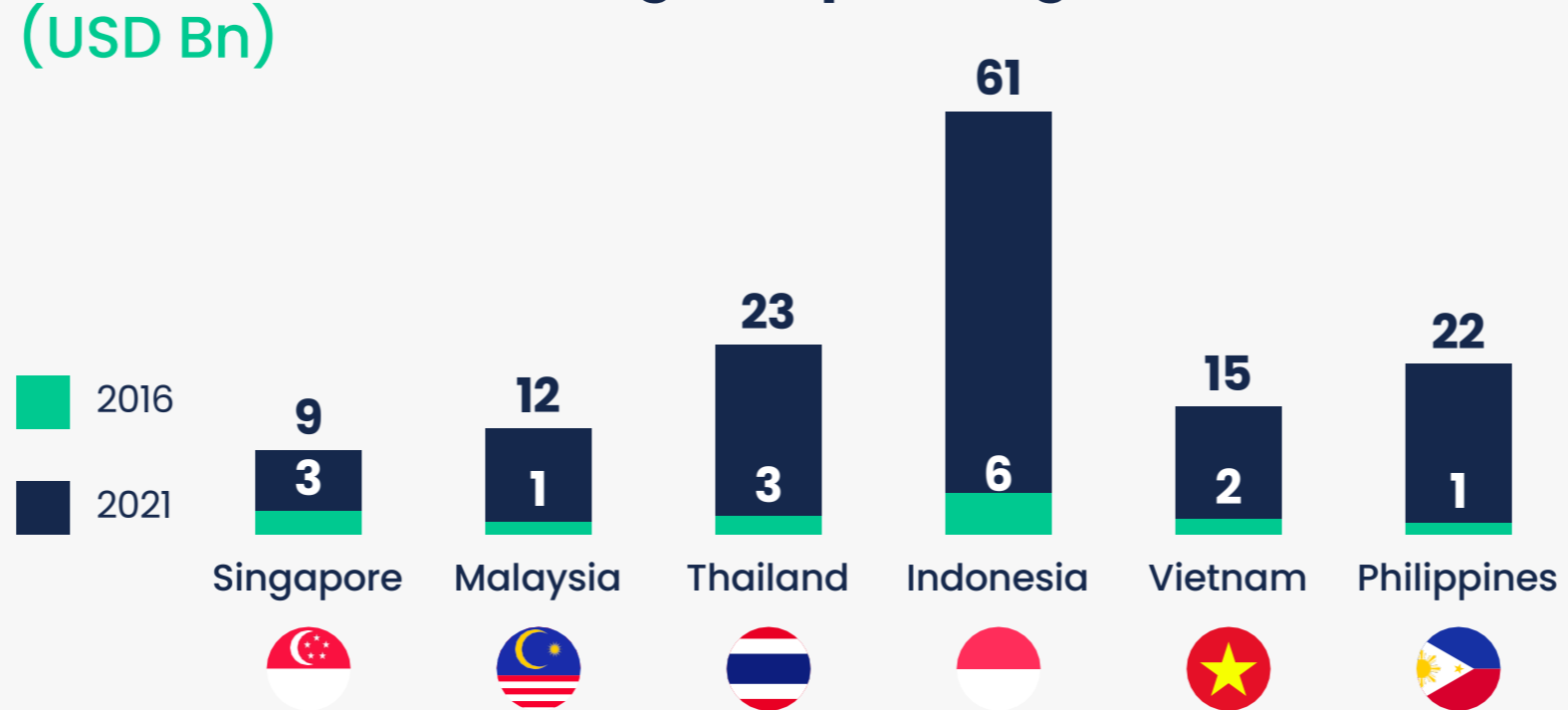
Digital Business
Demand for Digital Services



Percentage of Population Purchasing Goods Digitally (%)



Annual Amount of Digital Spending* (USD Bn)



*Digital spending includes spending on goods purchased at e-commerce, online travel and tourism, digital media, and online food delivery. Source: Datareportal

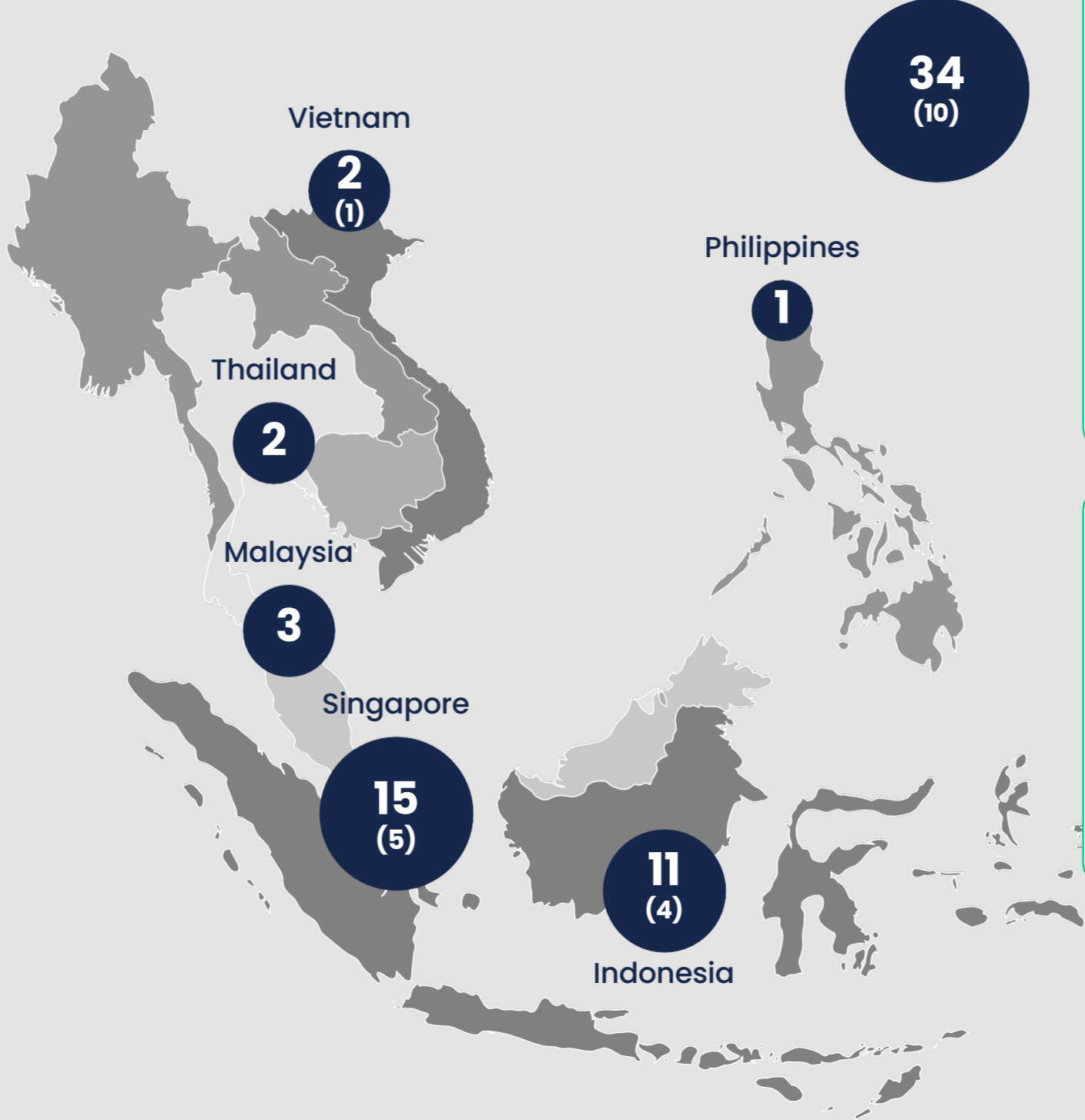
The behavior of ASEAN customers has significantly shifted in the past 5 years, with more people being accustomed to purchasing goods online. Indonesia leads with the biggest jump, with an additional 49% of the population purchasing goods online in 2021 compared to 2016.

In annual amount spent, Indonesia also leads with an increase of 8.6x in the same 5-year period. This trend is caused by emerging e-commerce and startups providing digital services such as Tokopedia, Bukalapak, Shopee, Lazada, and more.

The COVID pandemic not only accelerated digital adoption in SEA, but also created new customer behaviors and habits, and business opportunities.

The number of unicorns in ASEAN tripled in 2021 alone

Number of Unicorns in ASEAN Countries¹ 2021 vs (before 2021)



- Fintech (26%)
- E-commerce (20%)
- Logistics (11%)
- Diversified Internet (8%)²
- Others (35%)³

34
Total Unicorns in ASEAN

76%
Unicorns from Singapore and Indonesia

B2C
Business Model of most ASEAN Unicorns

Many unicorns have started over the past decade. It is noteworthy that 26 unicorns were formed after 2010 with ~60% of the companies being formed during 2011-15, highlighting the accelerated pace of new company formation.

1. Number of unicorns includes decacorns.
 2. Diversified Internet refers to companies in multiple industries (e.g., GoTo).
 3. Others refers to edu-tech, travel, software, real estate, etc.
 Source: Credit Suisse analysis



Most ASEAN countries are experiencing higher growth in annual capital investment in startups compared to US, China, and India

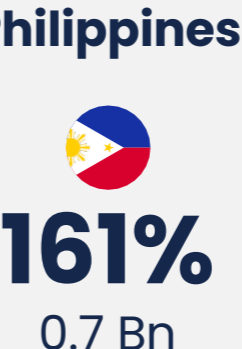
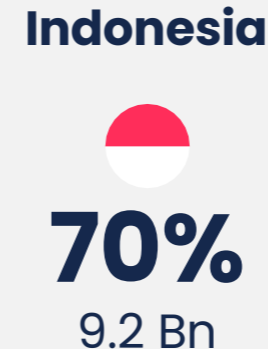
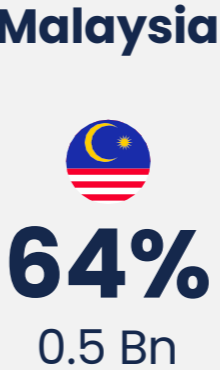
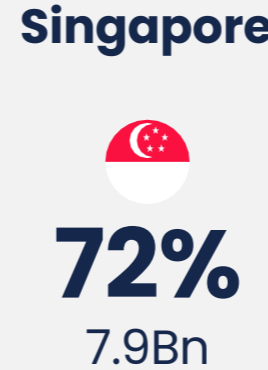
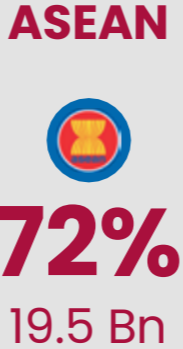
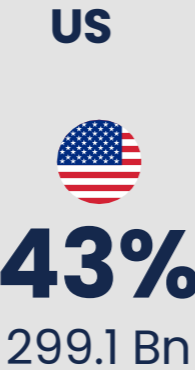
XX% Growth of annual capital invested in startups from 2016 to 2021

XX Bn Capital invested in startups in 2021

Digital Business
Digital Investment



Total Invested Capital and Growth of Invested Capital for the Year 2016 vs 2021 (USD Bn)



The annual capital investment for most ASEAN countries, especially Malaysia, Thailand, Vietnam, and Philippines, is still extremely small compared to their Indonesian and Singaporean peers, and US, China, and India. We expect the number will **grow even more significantly in the next 5 years.**

- Key Drivers of Growth:**
- Maturing markets in US
 - Tighter regulations in China
 - High growth rate for digital penetration in ASEAN
 - Increasing quality, experience, and caliber of founders in ASEAN

Source: Pitchbook analysis

Companies' ability to increase productivity and meet customer expectations is more important than ever

Digitalization of Traditional Industries
The Need for Better Productivity & Better Customer Experience



Productivity (Company's Perspectives)

- Optimize production and delivery time
- Decrease inventory turnover
- Increase efficiency of projects through better tools and analytics



SPEED

- The need to reduce OPEX through automations and predictive learnings
- Better allocation of resources (material, human, intellectual, and financial)



COSTS

- Ability to target and reach new market (regions, countries, demographics)
- Access to wider range of resources
- Sustainable growth



REACH

Customer Experience (Customer's Perspectives)

- Increasing expectations to receive purchased goods in shorter amount of time
- Less wait time in expecting customer's resolution

- More affordable products
- Free or low delivery costs

- Access to wider product assortment
- Access to bigger options of sales support (logistics, payment options, etc.)
- Access to better customer service and increased touch points

In this age of digital transformation, companies must meet 2 criteria to increase their chances of success in their respective industries and to stay competitive:

1. Increase sustainable productivity levels through technology
2. Foresee and fulfill increasing and changing customer needs and expectations

To meet these requirements, companies need to hire talent proficient in technology and CX that can help companies meet their objectives.

Various sectors would require talents that possess the skills to help companies digitalize their processes

Digitalization of Traditional Industries
The Need for Digitalization Process



Industry

Use Cases of Digitalization



RETAIL

- Centralized database for company products and customers
- Automated and transparent order fulfillment and shipment (EDI or web platform), reducing the time required to fulfill orders
- The use of analytics (match consumer interest), SEO, and CRM
- Seamless checkout and order control



HEALTHCARE

- On-demand access to doctors and healthcare services
- Remote (self-) diagnosis and prescriptions and real-time health monitoring through wearable technology
- Virtual communication and diagnosis between patients and doctors
- Paperless portals and digitized end-to-end hospital customer operations



FINANCIAL

- Automated and AI-based customer service
- Digital advertising and mobile banking
- Blockchain as a new form of corporate financing and participation
- Corporate investments through ICOs (initial coin offerings) or STOs (security token offerings)



MANUFACTURING

- Predictive analytics to reduce supply chain costs and maintenance needs
- Digital technology for rapid prototyping and 3D printing
- Automated and AI-based inventory management (ERP system) for increased accuracy and speed
- IoT platforms (big data), vendor portals, and automated bidding processes



AGRICULTURE

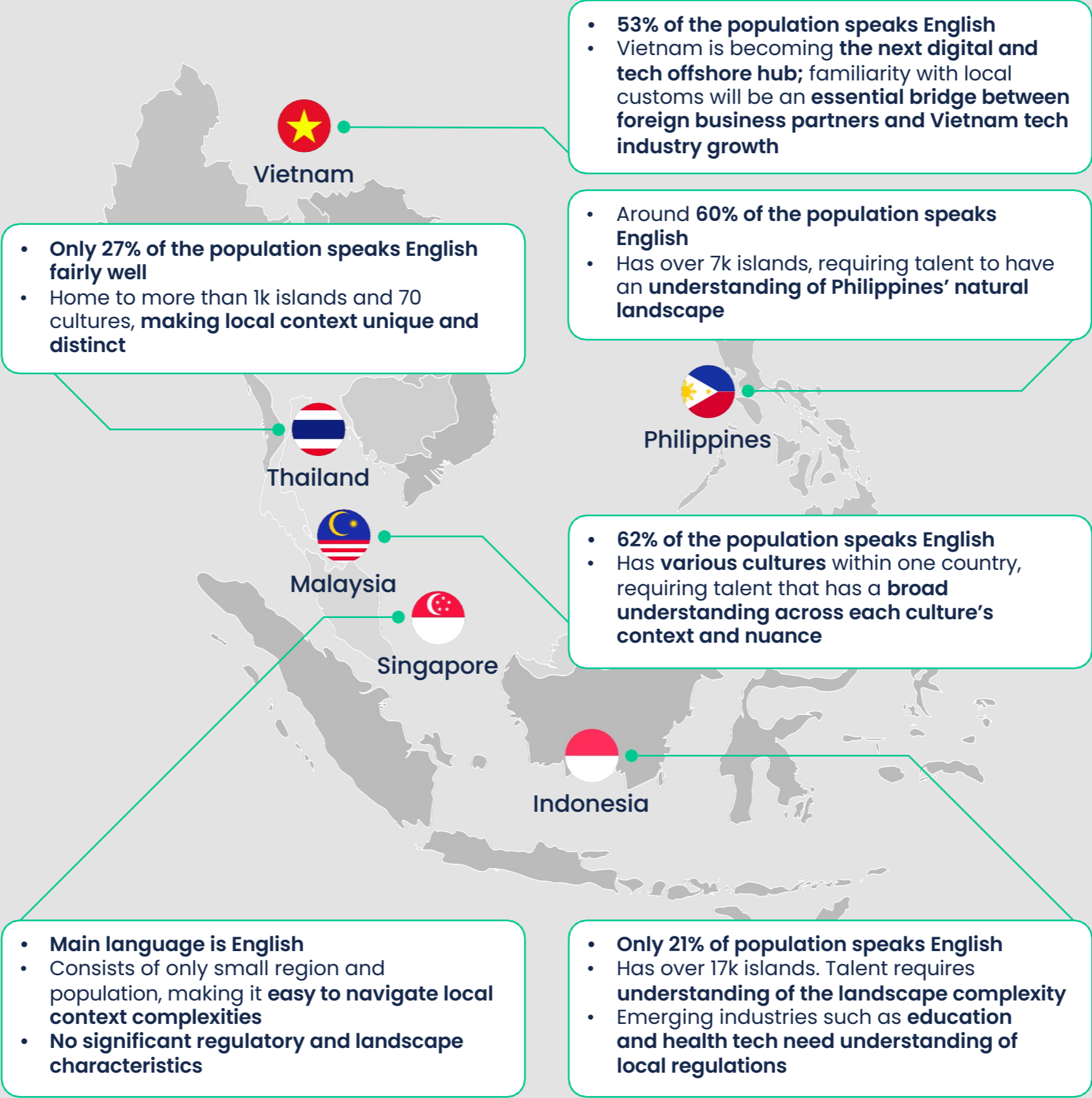
- Integrated planting & harvesting and yield data management
- Smart-farming technology adoption to increase yield productivity
- Digitalization of financial supply chain for agriculture stakeholders
- Farmer registry and plant databases

Digitalization—new business models, automation, and artificial intelligence—enables companies to reduce costs, improve efficiency, target new markets, increase revenue, and improve customer satisfaction and retention.

In order to do this, companies require specific talents that are able to help the organization innovate and improve its processes, products, and services.

Language and local market understanding requirements drive further demand for local talent pool

Boost in Demand:
Localized Knowledge and Skills

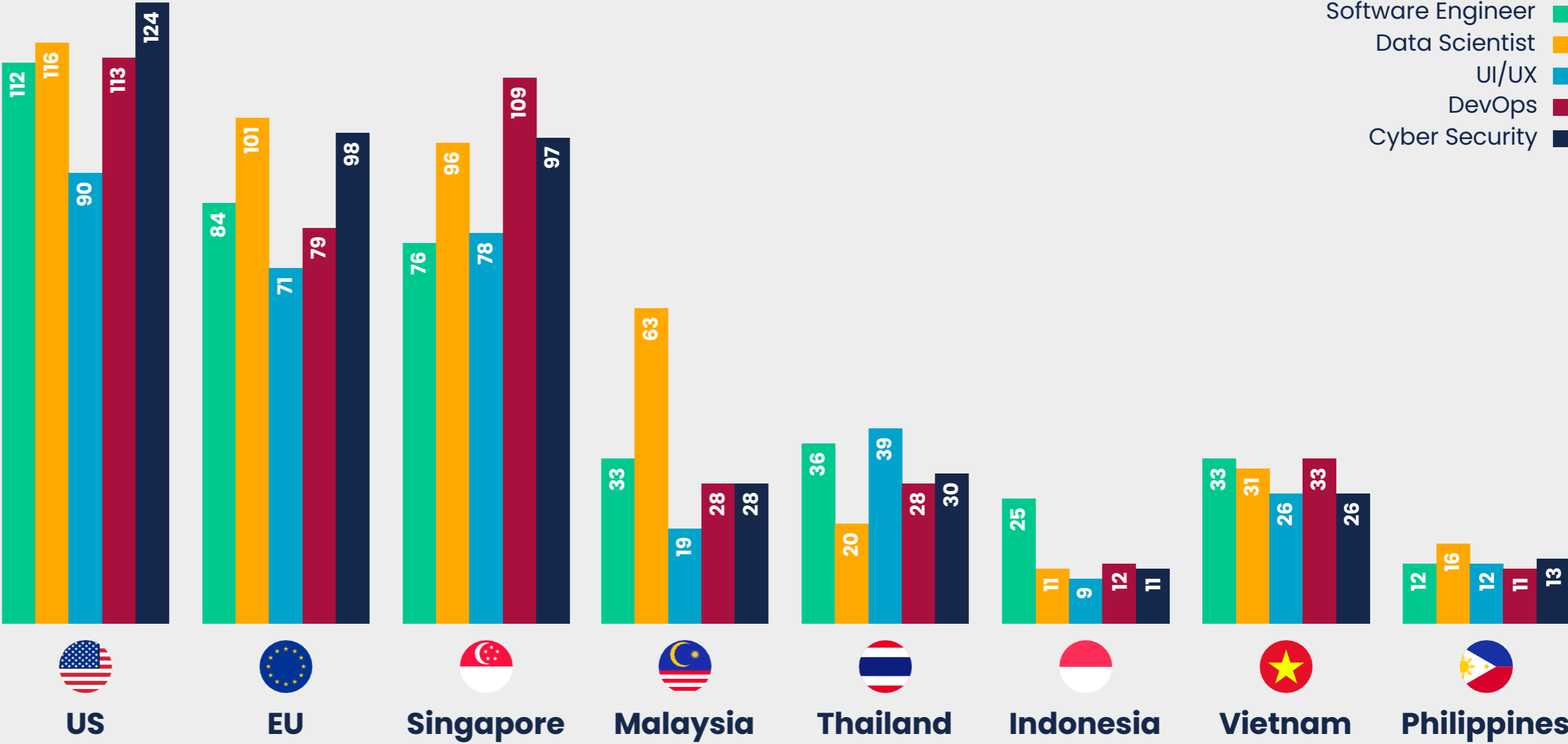


Each ASEAN region has its own distinct characteristics which pushes companies to hire talent that possess **localized specialty and understanding of the local market.**

The main distinguishing point is that each region has different languages and characteristics, such as culture, landscape, lingos, and regulations.

The large salary gap for digital talent between most ASEAN countries and US/EU reduces the feasibility of hiring overseas talent to mitigate the talent gap

ASEAN, EU, US Average Annual Salaries for five in-demand digital roles (USD, Thousands)



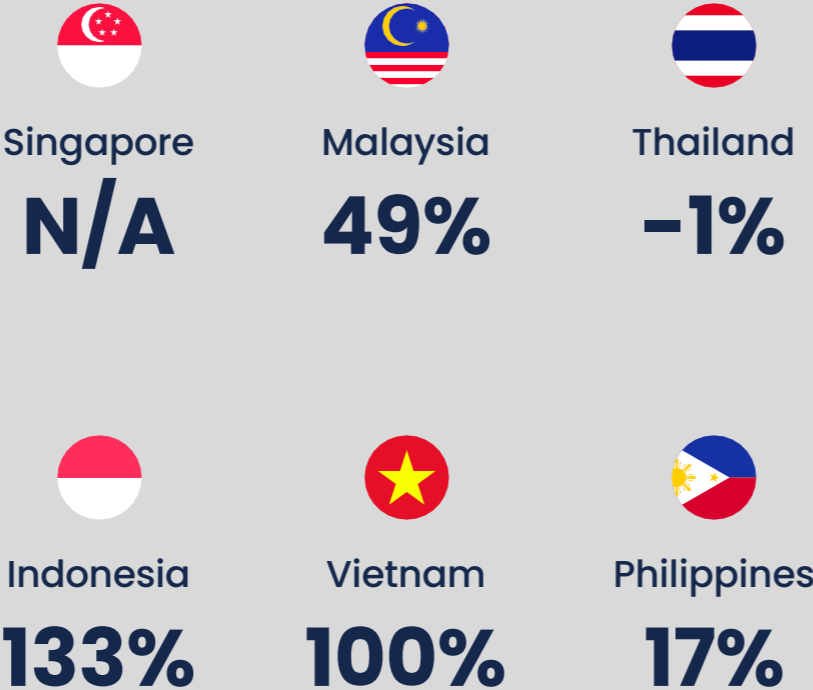
Boost in Demand:
Wage Levels Constraint
in ASEAN Context



Sources: Michael Page, Adecco, Glassdoor, Salary Expert, Salary Explorer, Payscale, Indeed analysis

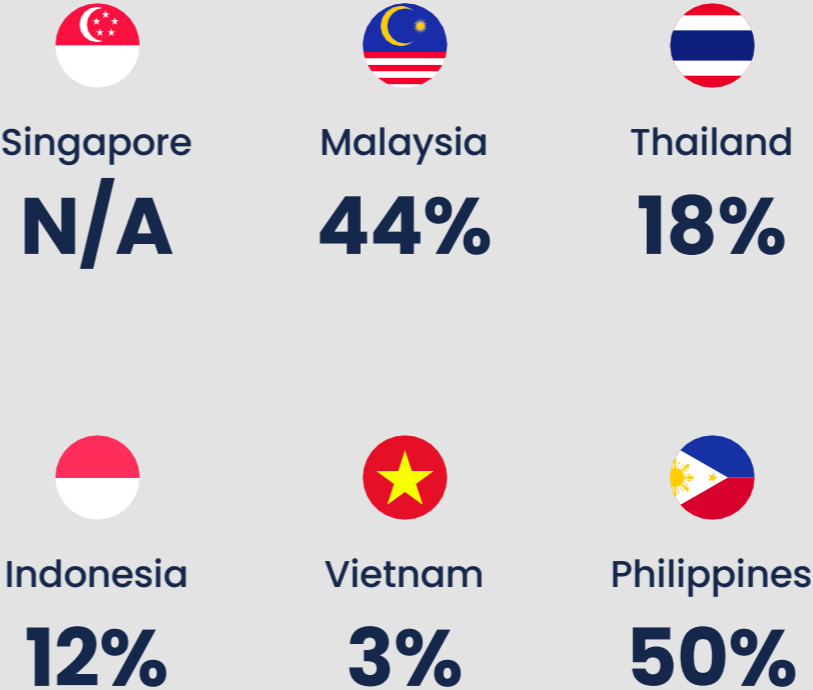
Specific demands for talent in tier 2/3 cities where startup boom is occurring adds extra requirement for talent demand in close proximities to these cities

The % of Growth of Number of Startups Founded in Tier 2/3 ASEAN Countries 2010-2015 vs 2016-2021



The growth of startups founded in tier 2/3 cities across ASEAN has increased significantly. Indonesia, which consists of many differing regions and islands, is leading the pack with double growth.

Percentage of Startups in Tier 2/3 Cities



Although the percentage of startups in tier 2/3 cities in Thailand, Indonesia, and Vietnam is relatively small, there is still much room for growth in the startup scene in these cities in the next 5 years.

The trend that shows increasing number of startups founded in tier 2/3 cities across ASEAN countries is expected to grow over the next 5 years. This suggests that the demand for digital talent will continue to increase in cities other than metro areas.

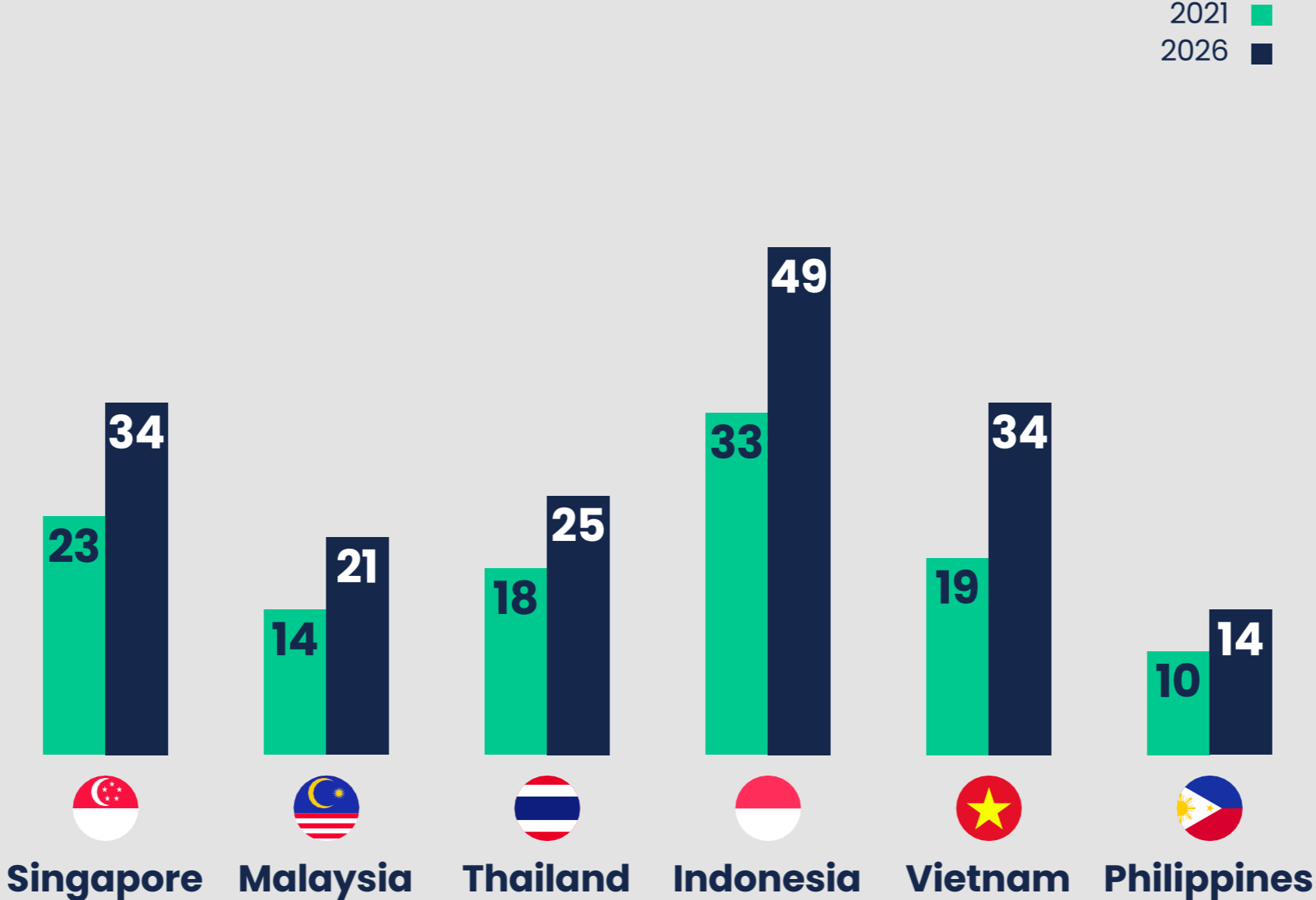
Boost in Demand: Talent Required Beyond Metro (Tier 1) Cities



Source: Crunchbase analysis

Given strong ICT market growth of 1.4x to 1.8x by 2026, the amount of digital talent required will similarly see strong demand

ICT¹ market across ASEAN countries from 2021 to 2026



In line with strong ICT market growth of **1.4x to 1.8x**, the amount of **digital talent required will increase in a similar manner**.

This aggressive demand for talent needs to be met in order for ASEAN to **accelerate its position as an economic powerhouse in digital**.

Large Demand for High-Quality and Highly Skilled ASEAN Digital Talent

1. ICT refers to Information, Communication and Technology
Source: Country statistics sites, Gartner, GlobalData, VietnamPlus analysis



Evolving digital talent landscape and key challenges for companies and candidates



Out of the 34 companies surveyed, 9/10 stated facing difficulties in hiring digital talent; 91% of startup employees are open to leaving their existing jobs

9/10 startups

face challenges in recruiting tech talent.

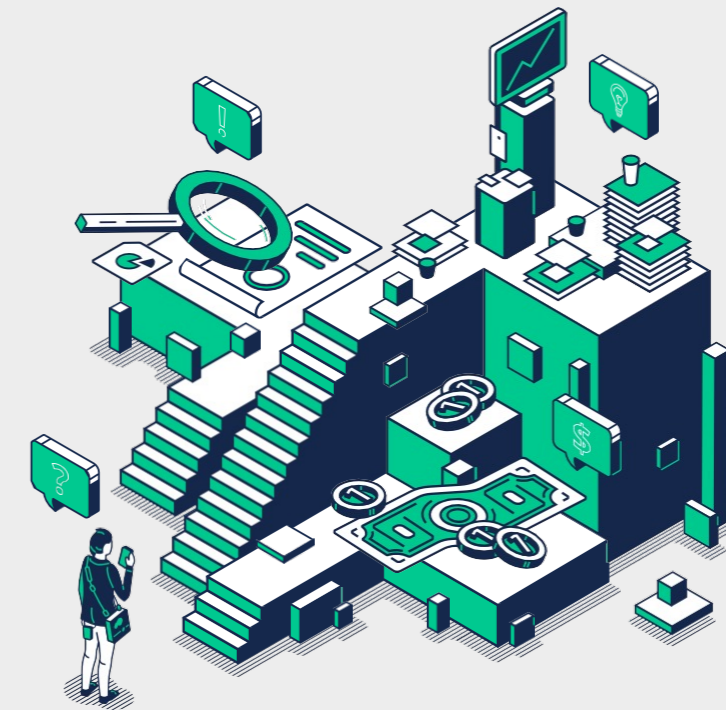


Top 3 challenges

1. Competitive Rewards & Compensation
2. Skills & Experience Mismatch
3. Solid Employer Branding

91% of employees

are open to leaving their existing jobs.



Top 3 reasons

1. Competitive Rewards & Compensation
2. Misalignment in Mission and Culture
3. Lack of Growth Opportunities

Top-Ranked Challenges Faced by Employers in Recruiting the Right Talent

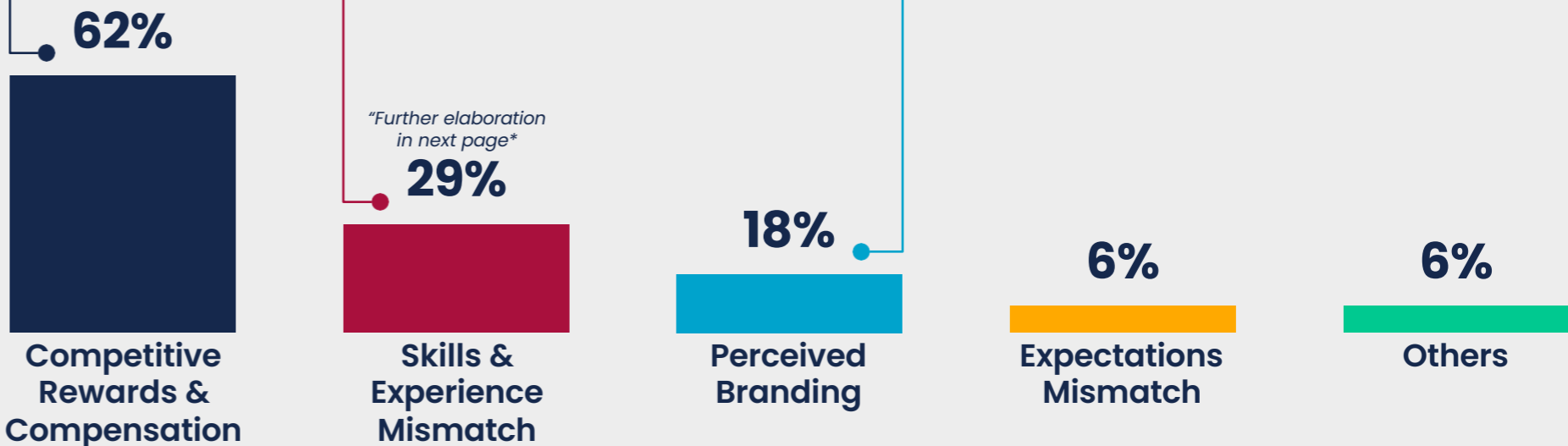
% of employers that selected the challenge as a key challenge

From the companies surveyed, early-stage firms face a greater problem with compensation while later-stage firms and corporates face a greater problem with perceived corporate branding

“Despite having a good reputation within the startup market, we **cannot compete with big tech firms such as SAP, FB, and Google that already have deeper pockets.**”
 - Founder of a talent acquisition tech startup

“It is common for tech candidates to be proficient in their technical skills, but many often **lack the communication, people management skills, and business acumen** to communicate their work to others.”
 - noDokter

“Many tech talents are less inclined to join a telco company as the industry is **perceived to be “traditional” with highly structured culture and norms.**”
 - Digital business lead of an ASEAN telco firm

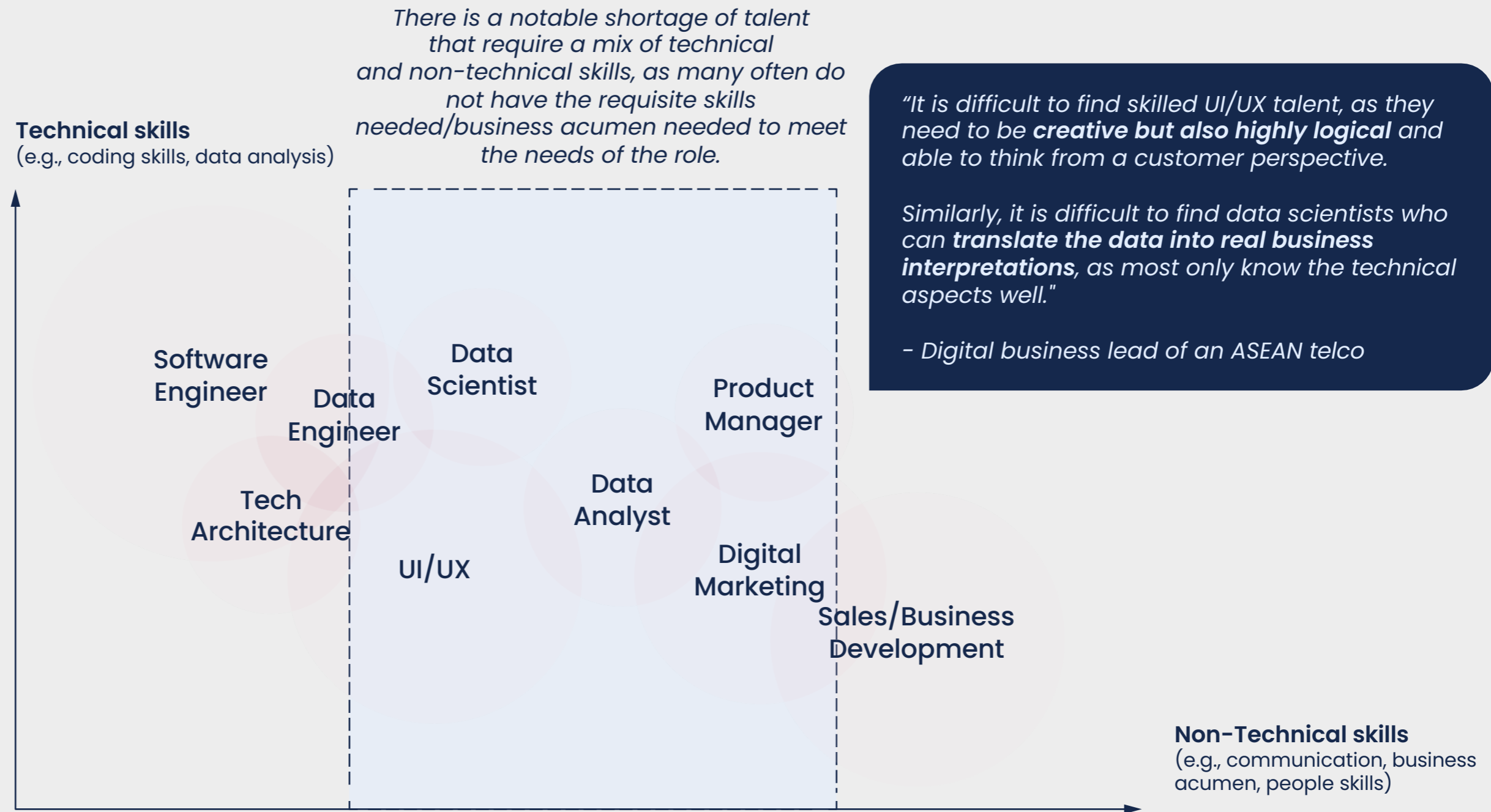


Definition of challenge	Competitive Rewards & Compensation	Skills & Experience Mismatch	Perceived Branding	Expectations Mismatch
<ul style="list-style-type: none"> Startups often cannot compete with big tech firms with deeper pockets. Founders' understanding of market rates may vary. 	<ul style="list-style-type: none"> Employees lack the necessary technical and non-technical capabilities. Employees lack relevant experience. 	<ul style="list-style-type: none"> Some companies don't focus on the right branding areas and don't have appropriate branding strategies in place. 	<ul style="list-style-type: none"> Employees are not prepared to meet the requirements of the job, including the workload, working hours, and other factors. 	
Extent of challenge for early-stage ¹ companies				
Extent of challenge for late-stage ¹ companies				

1. Early-stage refers to pre-seed/seed and series A stages; late-stage refers to series B and above and unicorn/corporate stages

High-quality talent in roles requiring a balance of technical and non-technical skills are likely to be in shorter supply, as few are truly versed in “human-centric” applications of technology

Spectrum of digital talent roles according to level of technical and non-technical skills required



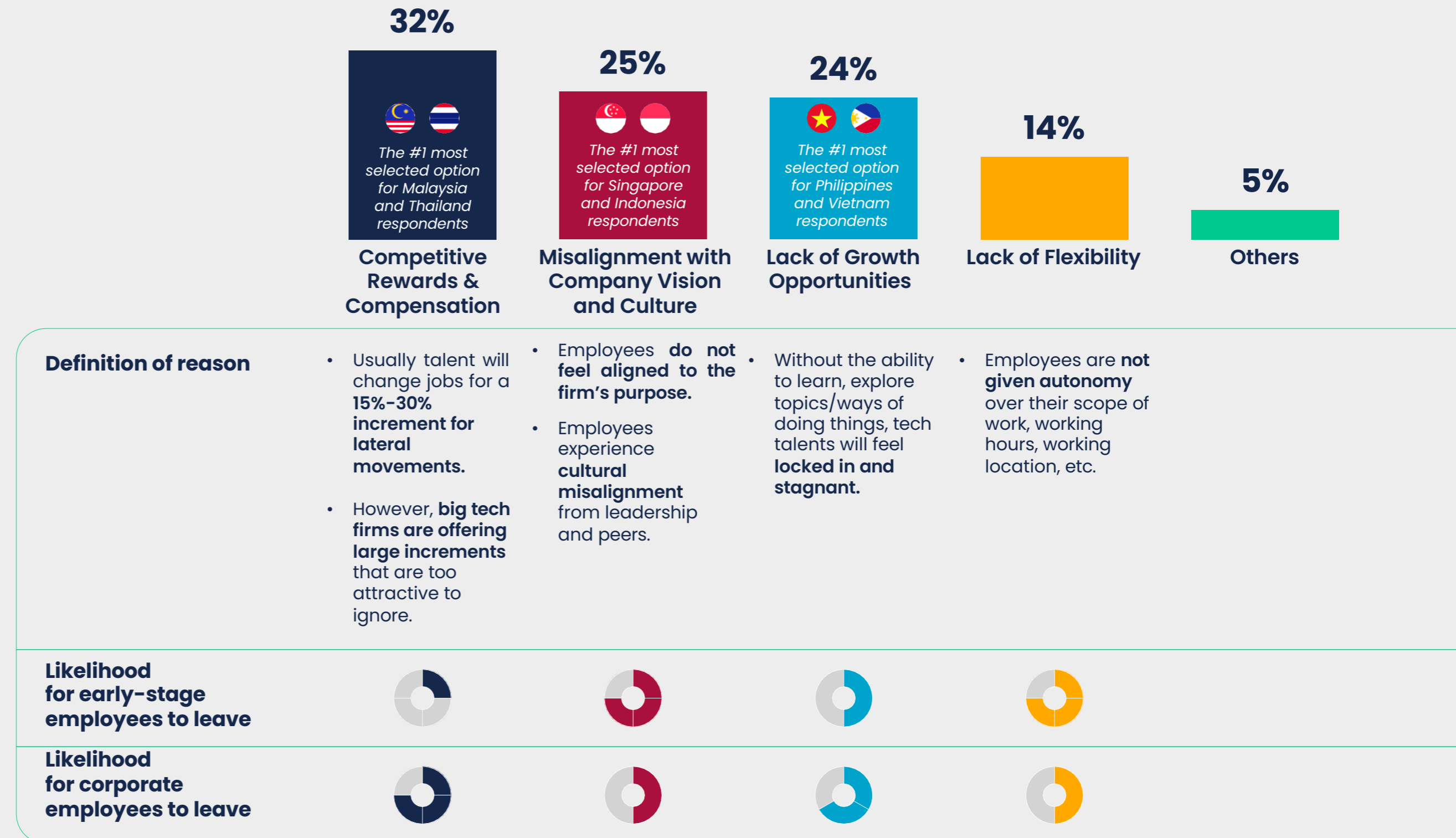
xx% Size of demand

Top employer challenge:
Skills & Experience Mismatch

From employee surveys, misalignment with company vision and culture is a greater reason for early-stage employees to leave, while compensation is a greater reason for late-stage firm employees

Top-Ranked Reasons for Employees to Leave Current Firm

% of employees that selected top reason for considering new career opportunities



The demand for key roles differs across stages:

- **Early stage** (product validation stage)
- **Later stage** (revenue diversification and profitability)



Product Validation
(Pre-seed/seed)

- Building **product value proposition** and **market fit** while growing early traction



Scaling Startup
(Series A funding stage)

- Further developing product and services
- Creating scalable blueprint for growth
- Organization size increases rapidly



Growth Startup
(Series B and series C funding)

- Have dedicated user base, steady streams of revenue—focus shifts to dominance of market share
- Strategic professionals are necessary to drive expansive business and market opportunities



Unicorn to Decacorn Startup
(Series D and above, pre-IPO & post-IPO stage)

- Experiencing solid growth; often expanding globally and potentially acquiring underperforming competitors
- An IPO team would require experienced key professionals

Key roles

1. Product & Technology

- Software engineer, product design, UX, UI

2. Marketing

- Generalist marketer to build content, creatives to support product launch

3. Business development & sales

- Versatile lead to acquire both partners and customer pipeline for early traction

1. Product & Technology

- Separated product & engineering team, led by vice president to C-level roles

2. Commercial & Operations

- Depending on business models, the team is structured by area or value chain

3. Corporate functions

- Consist of human capital, finance, and legal functions
- Mid-level corporate leaders are required to establish a firm foundation of these functions in the company

1. Commercial, Marketing, Product, and Technology — Strong C-Level Hires

- Roles include Chief Commercial Officer, Chief Marketing Officer, Chief Technology Officer, and Chief Product Officer

2. Data analytics

- Robust data analytics leader needed to ensure data-driven business decisions and effective identification of business opportunities

3. Strategic functions

- Growth and revenue management, corporate strategy and planning

1. Chief Financial Officer and General Counsel

- Consists of Securities and Exchange Commission (SEC) experts, lawyers, accountants, and underwriters
- Aim is to develop good corporate governance

2. Government Relations & Corporate Affairs

- Drive regulatory and public policy influence

3. Country Heads

- Country Heads for different verticals/business units

6 building blocks for companies to effectively build and manage digital talent



6 building blocks of proven best practices:

(Deep-dive in next pages)

- Culture: Leading by example from the top, amplified by the middle management

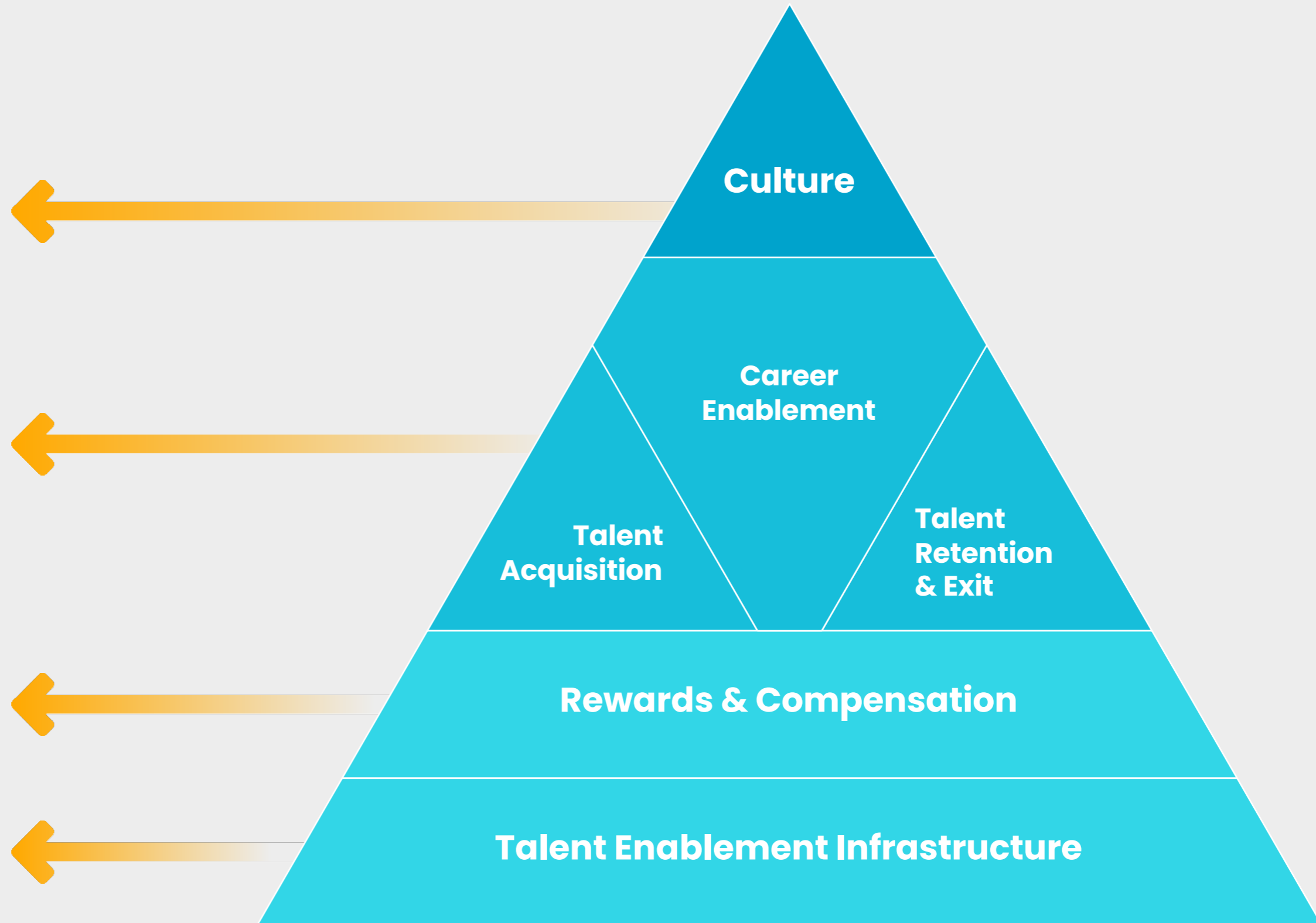
- Acquire: Ensuring the implementation of effective talent acquisition process

- Enable: Enabling employees to perform their roles effectively by nurturing, training, and investing in them

- Retain: Keeping high-potential talent and handling talent exits professionally

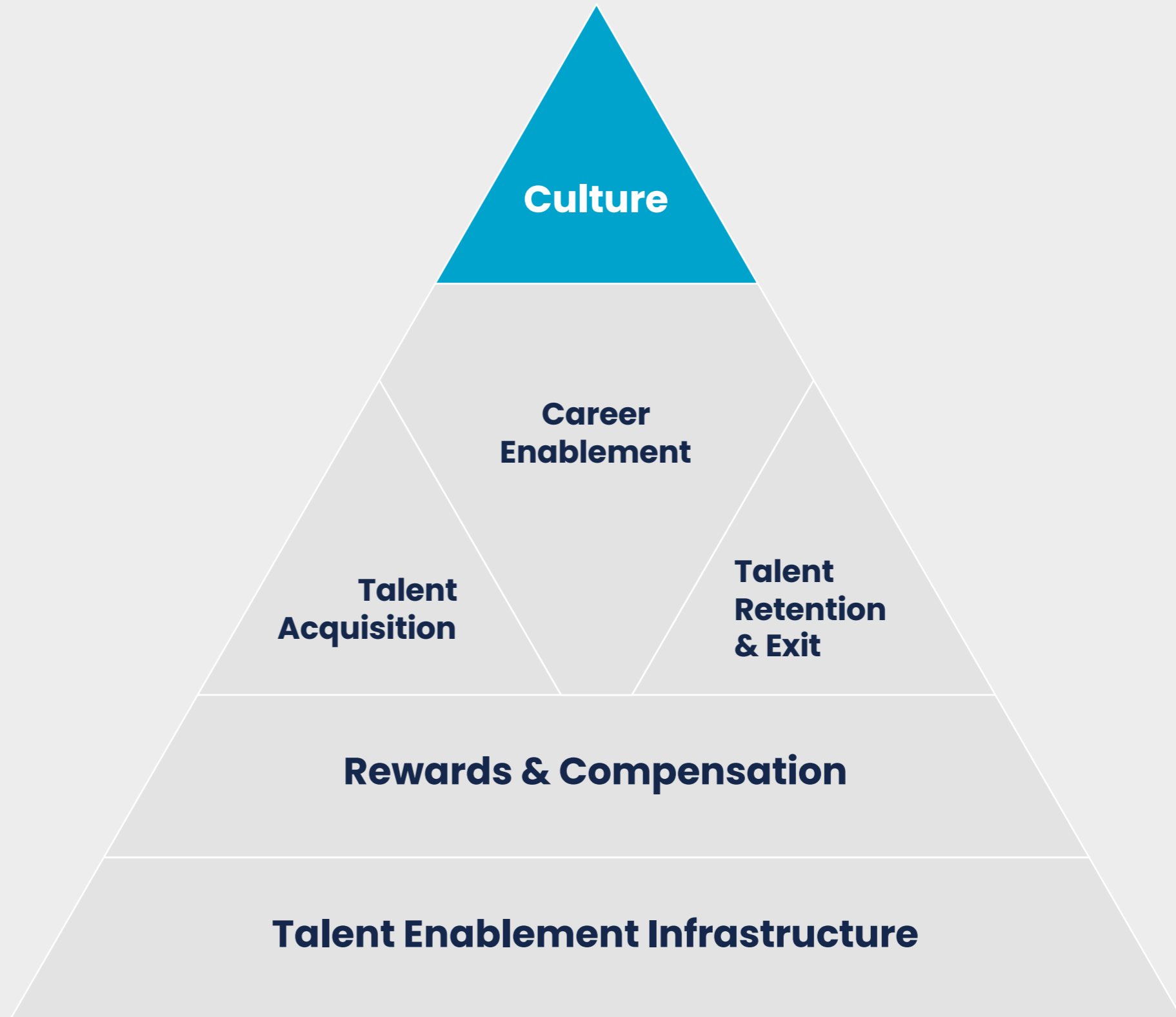
- Providing attractive compensation package that is complemented by other enablers

- Ensuring adequate and appropriate supporting infrastructure



1. Culture

**Leading by example from the top,
amplified by the middle management**



Apart from tangible rewards, firm culture is highly valued by employees as the 3rd most important aspect in a job

Most Important Firm Aspects

% of employees who ranked each aspect most important

1.	Compensation	78%
2.	Employee Benefits	68%
3.	Culture	57%
4.	Learning and Development Opportunities	44%
5.	Career Progression Opportunities	42%
6.	Work Autonomy	10%
7.	Others	<1%

Top Reasons Why Employees Leave Firm

% of employees who ranked each aspect most important


1.	Compensation	32%
2.	Misalignment with Company Vision and Culture	25%
3.	Lack of Growth Opportunities	24%
4.	Lack of Flexibility	14%
5.	Others	5%


1. Culture




Culture has tangible impact on companies; there are 5 key elements crucial to having a positive company culture

5 Key Elements of Positive Firm Culture (Deep-dive in next pages)

 1. Open communication

 2. Leadership sets positive tone of the firm

 3. Middle management as the bridge between leadership & teams

 4. Flexible work arrangements

 5. Active push for DEI agenda

Culture Is an “Intangible” Part of Companies, But with Very Tangible Impacts



Improve financial performance

Increase productivity and firm margins through motivated staff



Improve customer satisfaction

Increased employee commitment results in increased dedication to customers



Improve employee engagement

Increase job satisfaction, motivation, and problem-solving and decrease turnovers



A positive firm culture is often largely built upon open communication

1. Open communication



1. Culture



1

1:1 dialogues and experiences with formal mentors & senior executives

"Communication and accessibility is very important to us in making sure everyone in the team can reach out not only to the senior management at any time for guidance and support, but there is also a strong sense of mentorship culture where we help our team grow and develop. We want our 'management' style to be more mentorship led."



2

Leadership enabling employees to speak their mind

"We actively encourage employees to offer ideas and speak their mind. If they're interested to try other roles we are more than open to accommodate."



3

Regular sharing sessions and newsletters on learnings and achievements

"I think it is critical that big or small, we need to recognise and communicate the achievements and efforts of everyone. This not only allows us to celebrate but also learn from each other so that we can be better together."



4

Company-wide big conversations answer questions and dispel myths

"We have a high-debate culture—everyone is free to discuss ideas, questions, and thoughts but with respect for one another."



Leadership has the key responsibility of setting a company's culture, which can be approached through a reiterative feedback system

2. Leadership sets positive tone of the firm



1. Culture



Misalignment in company vision and culture is the #2 reason for **employees** to leave their current firm.

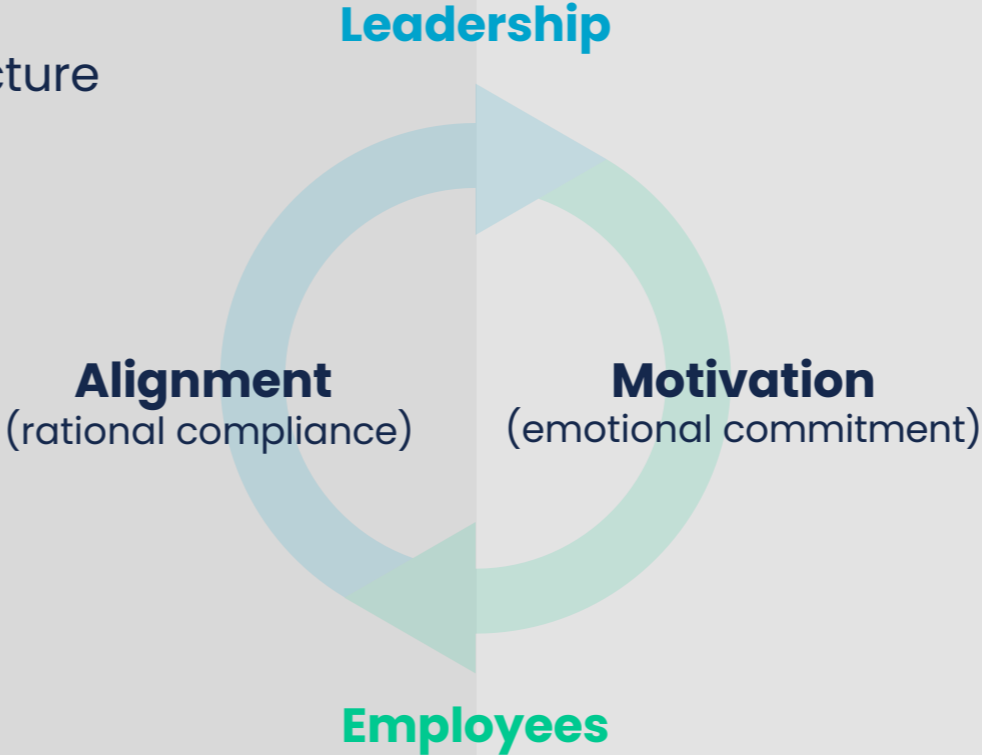
Leadership can reduce the risk of misalignment through a reiterative feedback system with employees.

Formal Mechanisms

- Modify organization structure or reporting lines
- Change decision rights
- Adjust performance management metrics and incentives

Informal Mechanisms

- Define specific behaviors required to demonstrate desired culture
- Train leadership on skills to role model and lead the change
- Identify informal influencers to drive change
- Uncover and share stories of how the culture is lived by employees



"It starts with leadership at the top to embody the values that trickle down. As a startup, our culture will go from being founder led to people led as the company grows."



*Refer to page 32

Middle management is pivotal in creating respective team cultures and translating team feedback into actionable steps

3. Middle management as the bridge between leadership and teams



1. Culture



Middle managers are essential in executing firm values and communicating employee feedback to upper management.

- **Communicate firm values, company goals, and expected deliverables** from employees
- **Tailor behaviors and norms** attributed with topline culture to suit target employee groups (e.g., tech teams and sales teams have different beliefs and goals)
- **Build relationship with team members** through regular 1:1 and employees activities



- **Translate employee feedback and behaviors** into **actionable suggestions** for improvement
- **Collate feedback** and areas of improvement from employees
- **Close observations** on employee interactions and behaviors

The majority of employees across startup stages and countries still prefer flexible working arrangements; 5 best practices are recommended to handle flexible work appropriately

4. Flexible work arrangements

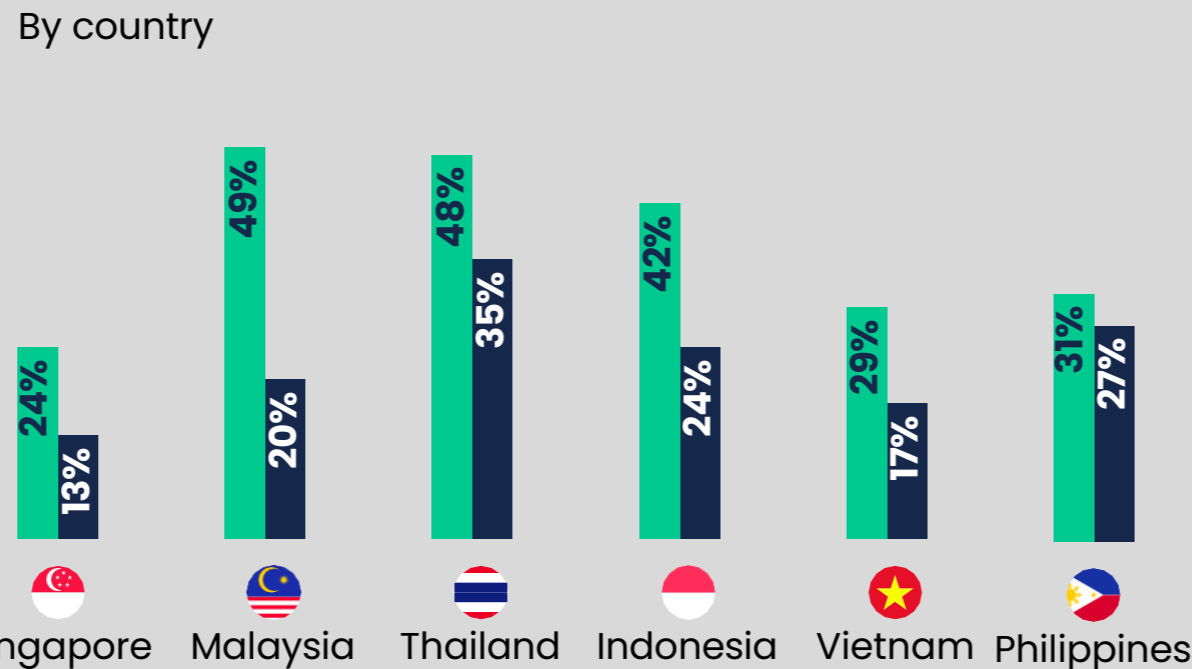
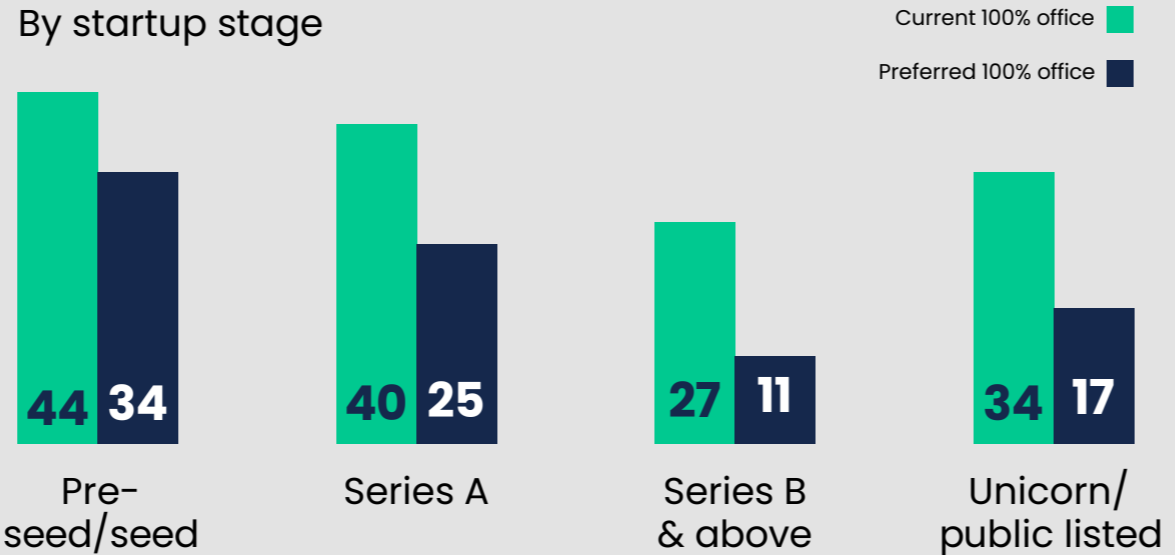


1. Culture



Mismatch in Expectations vs Reality of Working 100% in the Office

% of Employees who currently work 100% from office vs prefer to work 100% from office



There is no one fixed approach for flexible working arrangements, but generally best practices include the following:

- 1. Establish clear expectations** on the mutually agreed upon work aspects such as responsiveness level during work hours vs. out of office hours to respect employees' boundaries.
- 2. Optimize work-from-office schedule for important discussions** that are more effective to discuss in person, rather than making work from office mandatory.
- 3. Acknowledge that specific functions need to work from office more than others.** Thus, companies can consider providing support such as transport allowance to alleviate the burden of travelling daily.
- 4. Have regular team and firm-wide activities** to help employees stay engaged across different departments and aligned in terms of company culture and direction.
- 5. Evaluate the work arrangement policy regularly** according to the latest government regulations.

A positive firm culture should encourage diversity, promote equity, and embrace inclusion

5. Active push for DEI agenda



1. Culture



What does DEI stand for?

Diversity

- The presence of populations that have been/remain underrepresented among practitioners in the field

Equity

- Promoting justice, impartiality, and fairness within the processes and distribution of resources by institutions or systems

Inclusion

- Ensuring that diverse populations feel a sense of belonging and can participate fully in decision-making and development opportunities within an organization or group

Best DEI practices



Set goals

- **Set and review DEI targets across firm ranks** (e.g., gender, capabilities, academic background, race, age, sexuality)
- Make DEI a **CEO-level agenda priority**



Enable

- **Update DEI policies, procedures, and progression regularly** to be in line with best practices
- **Provide minority mentorships** and sponsorships
- **Have DEI training programs in place**
- **Plan and sponsor events** for key diversity moments

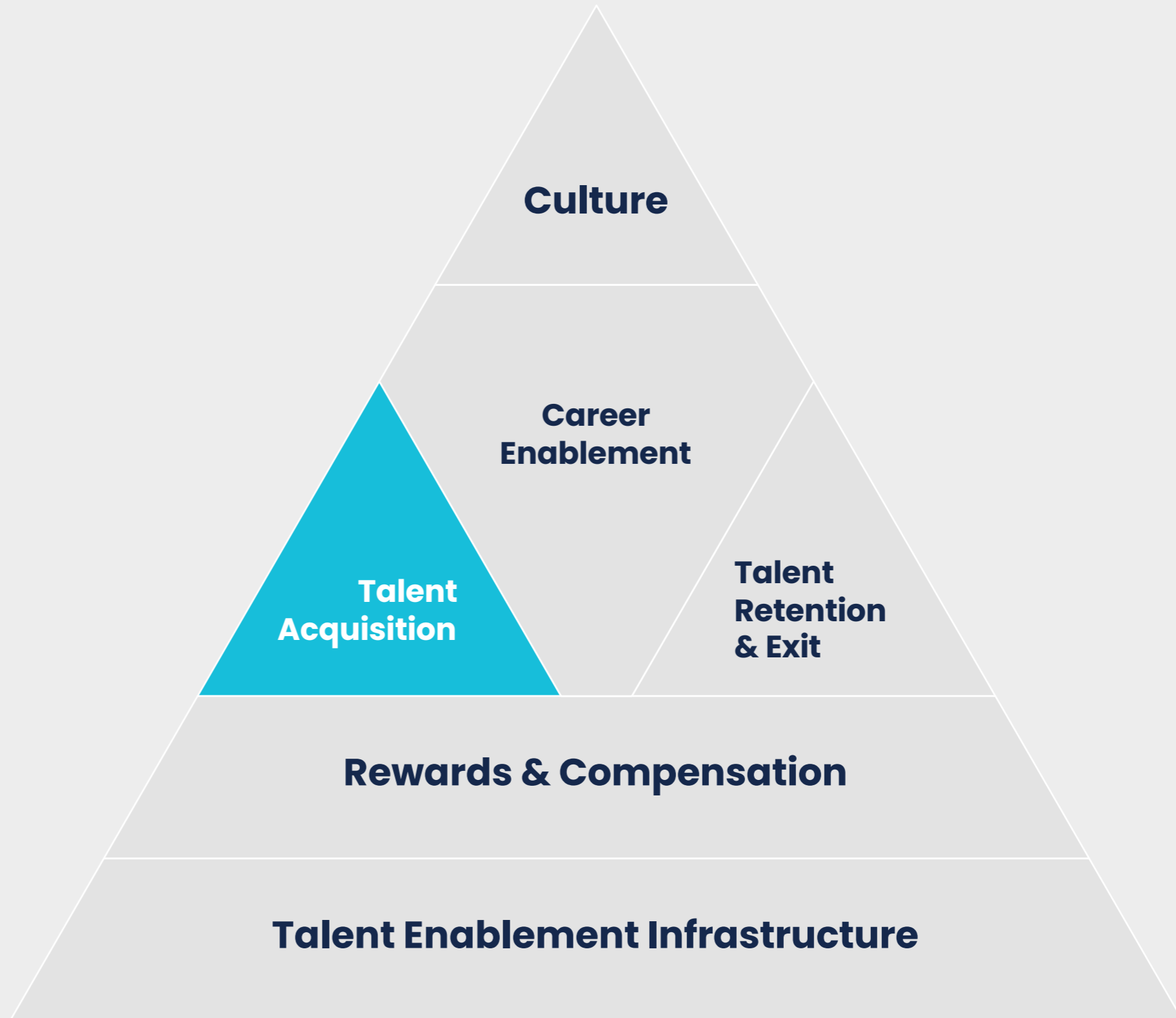


Communicate

- **Regularly report DEI updates** to show company's commitment to DEI targets, results, and initiatives
- Proactively have **DEI conversations** to dispel any **doubts/uncertainties**

2. Talent Acquisition

Ensuring the implementation of effective talent acquisition process




An effective talent acquisition process can increase a company's chances of onboarding candidates with the right fit

(Deep-dive in next pages)



A



Identify candidates based on objective and key critical skills to succeed in the role

B



Widen candidate pool by enabling greater flexibility on hiring criteria

C



Create a seamless hiring experience to keep candidate engaged

D



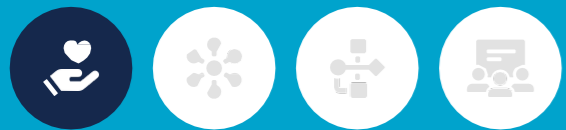
Set clear expectations with candidates

2. Talent Acquisition



Startups need to identify their unique strengths and convey an attractive EVP to incoming employees

A. Convey a targeted employee value proposition (EVP) based on unique firm strengths



2. Talent Acquisition



Identify unique firm strengths to create a compelling EVP.

- 

“What is the firm’s mission and vision?”
(e.g., how is the company making an impact? How is the company revolutionizing the way we live?)
- 

“What kind of deliverables will the candidate be delivering?”
(e.g., why is the product or service relevant?)
- 

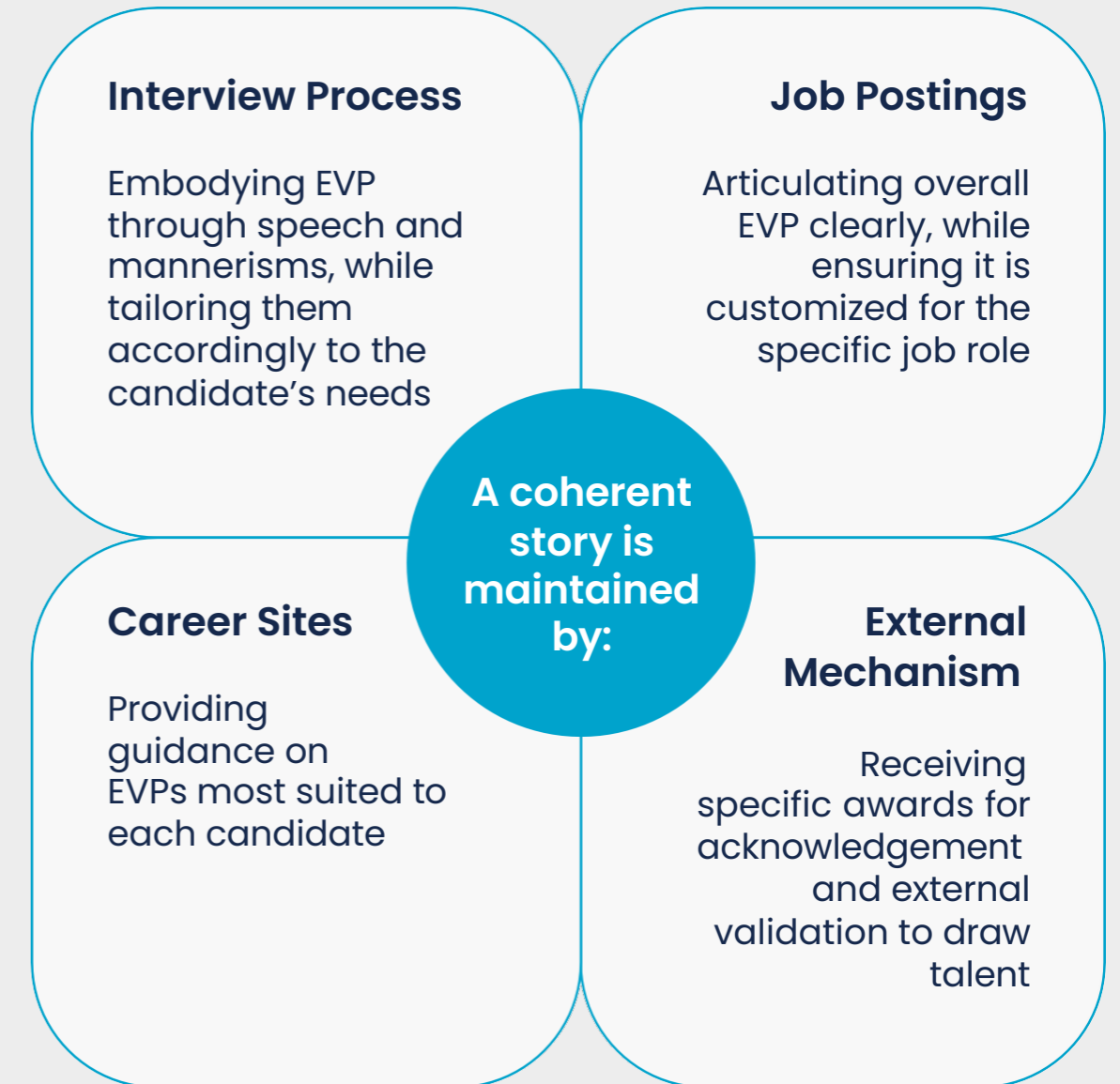
“What kind of culture do we have?”
(e.g., high growth, familial, innovative, flat structure)
- 

“What kind of benefits can we offer that are attractive to the applicant’s target demographic/role?”
(e.g., flexible work for parents, direct guidance under experienced founder)
- 

“What kind of learning and development opportunities can we give to the applicant per their role/level?”
(e.g., funded courses, 1:1 mentorships)
- 

“What kind of company DNA are we looking for in candidates?”
(e.g., customer-first, data-driven, continuous learning)

Convey EVP consistently and coherently through all avenues of the talent acquisition process.



Broaden talent search based on competencies and expertise rather than focusing on traditional qualifications

B. Widen candidate pool by enabling greater flexibility on hiring criteria



2. Talent Acquisition



From minimum academic degree and grades...

Traditional Hiring Method

EXPERIENCE & SKILLSET

Only candidates with **relevant/similar industry experience** are considered

Past experience and tenure in **specific functions/roles** used as sole **measurements of ability**

Generic interview **formats and tests applied** to assess candidates' skills

ROLE & AVAILABILITY

Eligible candidates are within **close proximity** and are **immediately available**

Candidates evaluated solely based on competency and expertise on top of industry experience

... to technical skills proficiency

Flexible Hiring Methods

Be open to explore candidates from different yet relevant industry backgrounds

Look for **overall competencies and significant accomplishments** regardless of tenure as a measure of capability

Tailor interview assessments specific to each role, testing both tech and non-tech skills

Global candidates' location should not be a deal-breaker

Consider incoming candidates' **suitability for other roles** as well

"As an entrepreneur of F&B industry, I started our business with industry experienced talents. Along the growth of the business, I saw the importance of having diversified talents and started refining our hiring requirements. To date, I've seen that hiring talents from tech companies has helped us to move faster and be more innovative in our approach."

mANGKOKKU

Ensure clear communication and a smooth hiring process to maintain an overall positive candidate experience

C. Create a seamless hiring experience to keep candidate engaged



2. Talent Acquisition



A positive hiring experience is crucial in preventing the loss of potential talent in both existing and future hiring efforts.

	Common Issues	Best Practices
<p>Pre-interview</p>	<p>Unattractive career source</p> <ul style="list-style-type: none"> • Career page is not visually appealing • Job posting is too wordy • Limited information about the company is available <p>Painful application process</p> <ul style="list-style-type: none"> • Difficult to navigate/not intuitive • Application requires too much detailed information 	<ul style="list-style-type: none"> • Optimize career sites to offer an intuitive application process • Ensure company site addresses all EVP aspects • Ensure job posting succinctly conveys EVP (e.g., culture, benefits) without compromising on tone
<p>Post-interview</p>	<p>No visibility on application status</p> <ul style="list-style-type: none"> • Non-responsive internal team/candidate person-in-charge • Ambiguity on hiring decisions <p>Misalignment/mismatch between expectations and offer</p> <ul style="list-style-type: none"> • Difference in expectation between job listing and what was offered (regarding role, scope of work, compensation, etc.) 	<ul style="list-style-type: none"> • Constant communication and follow-ups with candidates post application with estimated timelines • Establish KPIs and target deadlines for interviewers to submit reviews and upper management to select candidates • Eliminate levels of approval to reduce lead time • Survey candidates for feedback and use results to continuously improve the process and experience

To ensure new hires' key deliverables are achieved, they need to receive clear expectations from hiring managers to perform effectively

D. Set clear expectations with candidates





2. Talent Acquisition



Hiring managers are accountable to inform the candidates the following details to ensure candidates are well aware of what is expected from the job.

Inform candidates on...


 **Job Scope & Expected Deliverables**
Employee's responsibilities, as well as expected products and services that the employee will be working on

 **Available Resources and Tools**
Software, information, tools, etc. that are necessary to the employee's role and are useful in improving employee productivity

 **Career development opportunities**
Ability for employees to freely explore other interests with the support from the firm

Ask candidates about...

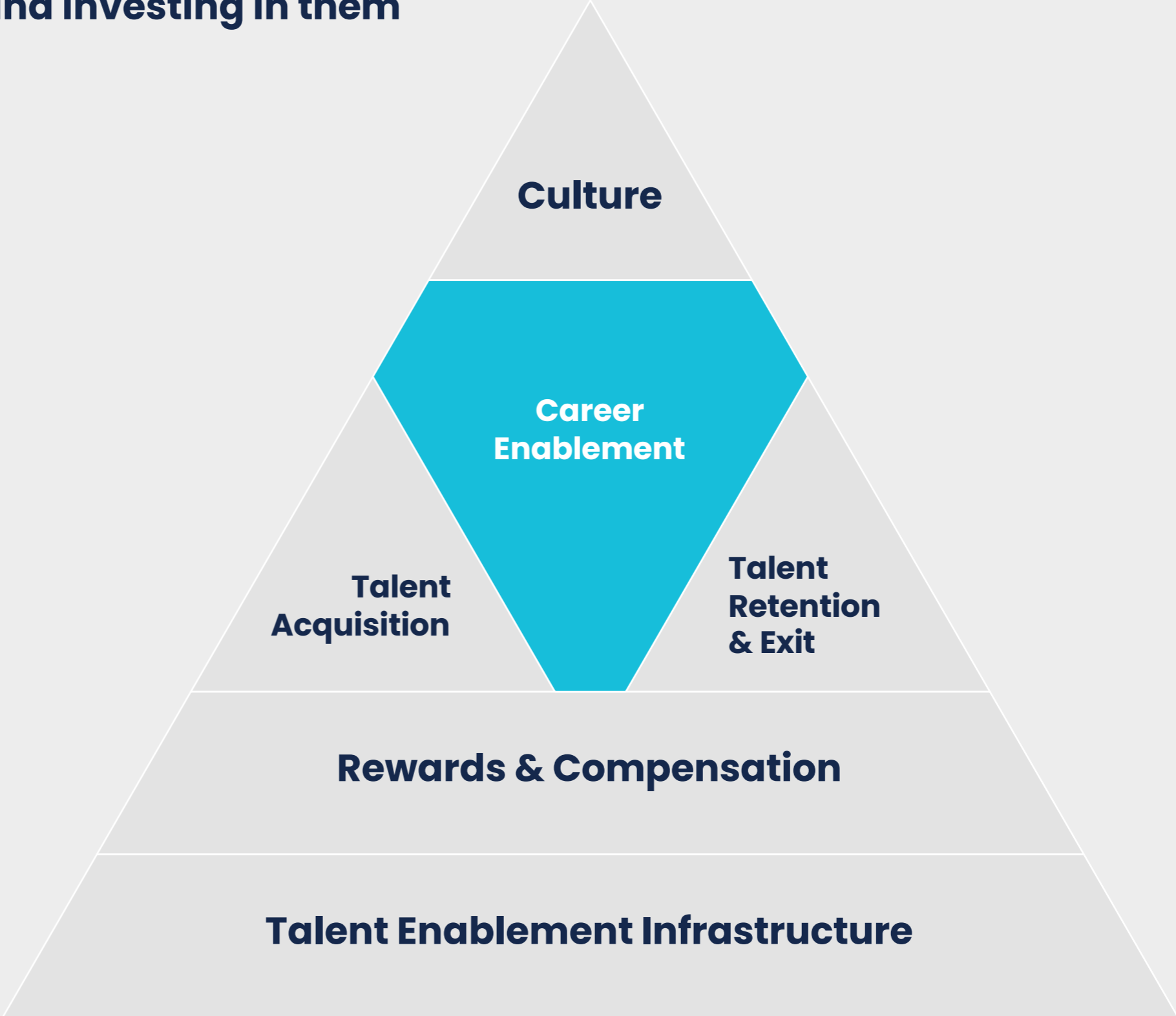
 **Job clarifications**
Ensure candidate clearly acknowledges his role's deliverables

 **Candidates' first 100 days plan**
Ensure candidate shares support required (e.g., training, work buddy) to be able to ramp up on job role

 **Candidates' mid- to long-term aspirations**
Understand candidate's timeline for career advancement and opportunities for personal development within the company, as well as aspirations in pursuing passion for the business

3. Career Enablement

Enabling employees to perform their roles effectively by nurturing, training, and investing in them



Apart from better compensation and inspiring company vision, digital talent are attracted to opportunities that provide growth and enhancement of skills

Most Important Firm Aspects

% of employees who ranked each aspect as most important

1.	Compensation	78%
2.	Employee Benefits	68%
3.	Culture	57%
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7.	Other	<1%

Top Reasons Why Employees Leave Firm

% of employees who selected top reason for leaving firm

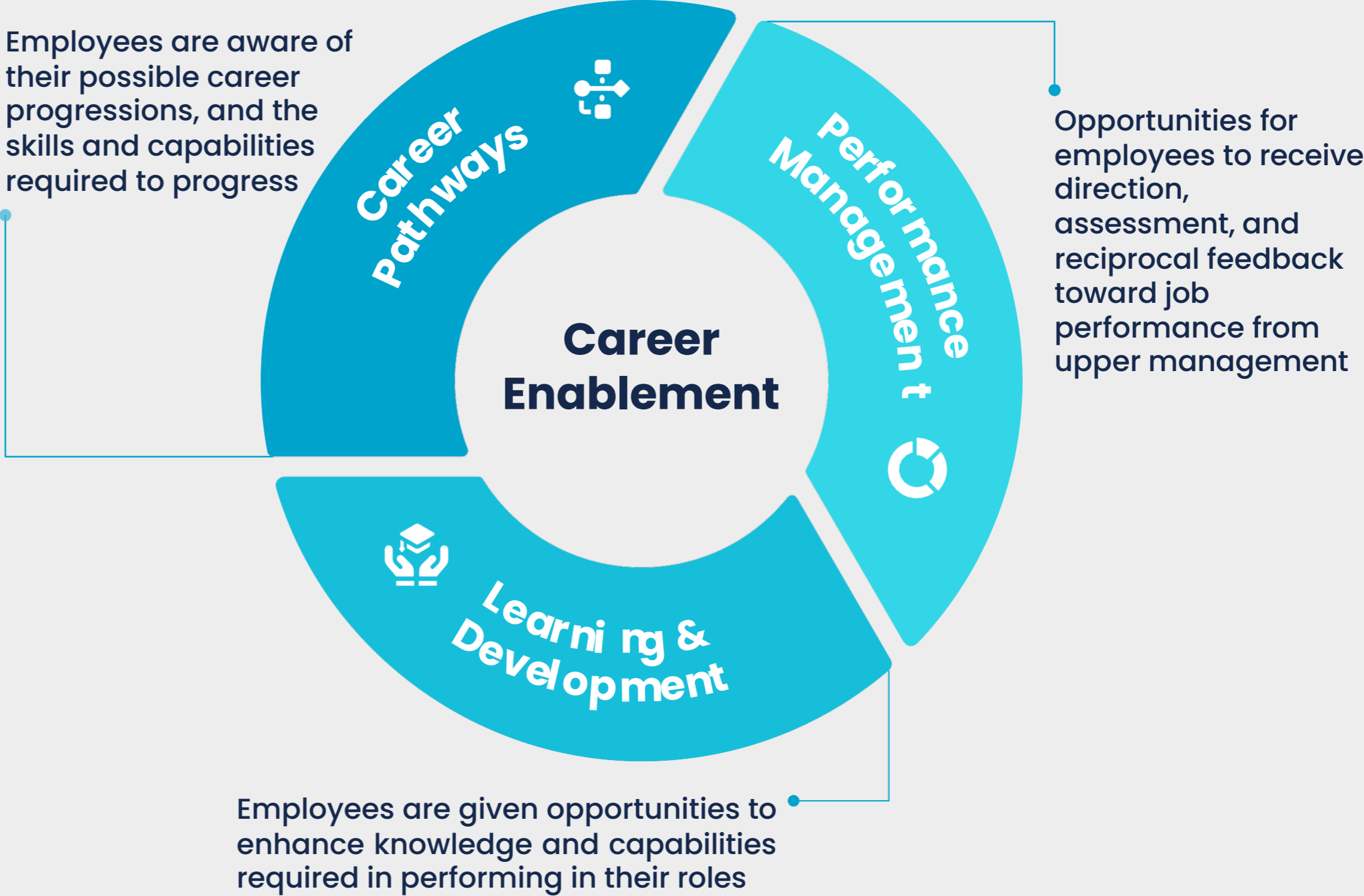
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2.	Misalignment with Company Vision and Culture	25%
3.	Lack of Growth Opportunities	24%
4.	Lack of Flexibility	14%
5.	Others	5%

3. Career Enablement



Businesses need to invest in employees' careers to meet employees' needs for growth and progression

3. Career Enablement



Create clear career pathways guided with critical skills required and leadership-enabling programs

1. Career pathways



3. Career Enablement

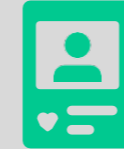


A clear career roadmap is essential for startup retention strategy, especially once they have scaled and a robust leadership is needed to sustain growth.



Create alignment on role development following organization's needs

- Identify role development based on timeline, scope, and ownership related to business objectives and requirements



Ensure adequate role specification for effective recruitment, performance management, and capability development

- Provide clarity on specific competencies, qualifications, and desired requirements to fulfill role objectives

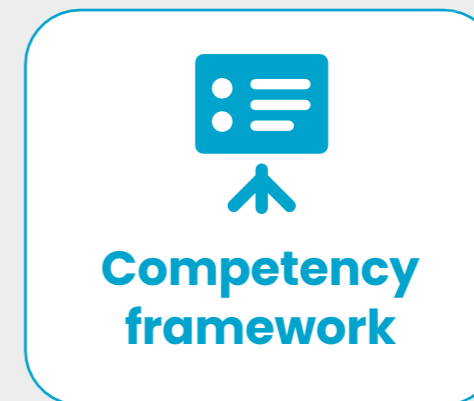


Develop robust performance management practice

- Provide guideline and indicators as to what employees need to move from one level to the next



Career pathways



A well-planned role architecture can provide end-to-end view on employee career prospects

Illustrative Example

1. Career pathways

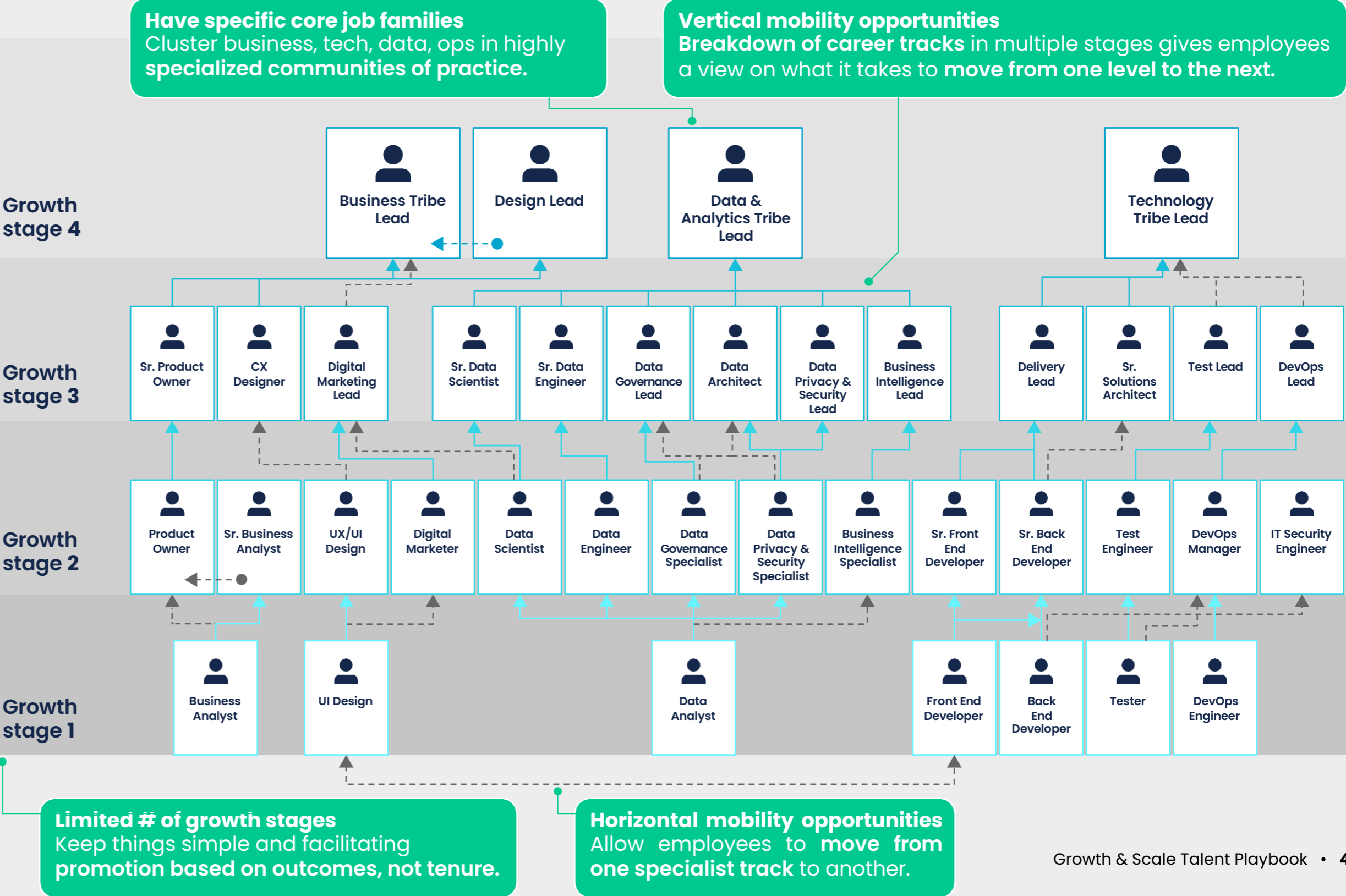


3. Career Enablement



By mapping out different functions within an organization, companies can understand what roles need to be designed and what successful profiles look like for each role.

Business
 Technology
 Risk



Sample Competency Framework of a Data Scientist

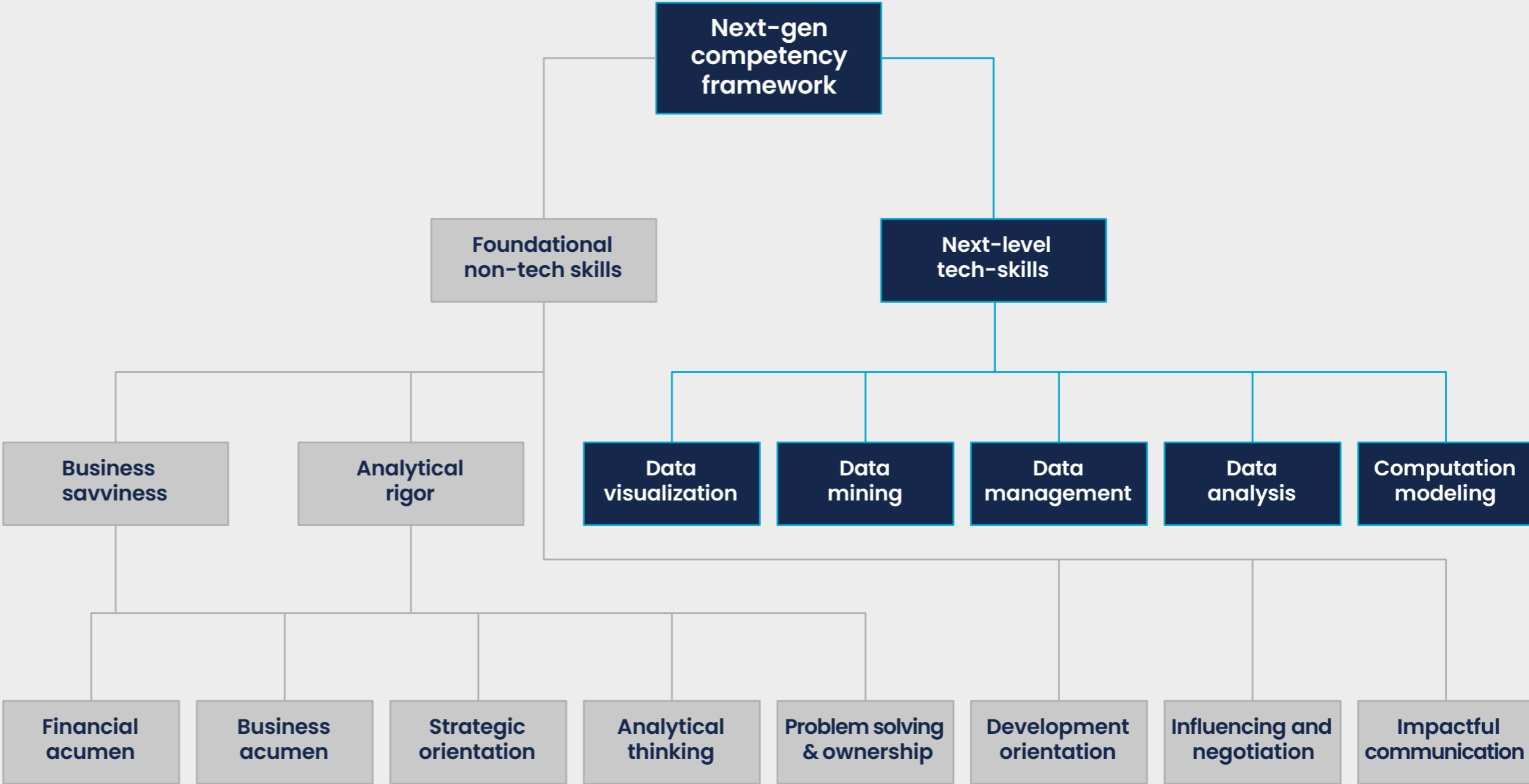
Competency frameworks are informed by a set of standardized foundational and role-specific competencies required to progress to a certain role

Illustrative Example

1. Career pathways



3. Career Enablement



Improvements on employee performance can be enabled through goal setting and reiterative feedback

2. Performance management



3. Career Enablement



3-Pronged Goal Setting



Strategy alignment

- Introduction of **objective key results (OKRs)** for **business units and teams** that are **connected to company goals** for all employees



Personal development

- **Frequent and dynamic goal setting** to be embedded in squad set-up activities
- **Competency-based personal development program** to determine **coaching and development interventions**



Shared purpose

- **Shared responsibility of team goals**—if the team wins, the employee wins
- **Outcome-driven culture** underpinned by **strong collaboration**

Evaluation & Recognition



Objective appraisal

- **Multiple data inputs** (standardized KPIs) to be considered to **facilitate fairness in individual ratings**
- **Calibration exercises** to **facilitate fairness across employee pool ratings**



Regular feedback

- **Individual feedback on the job** that allows **course correction** as and when needed
- **Repeated group forums** to enable **regular feedback and recognition**

Promote employee upskilling and growth through formal learning and development (L&D) programs

Make L&D a Priority



Formalize and allocate budget for all courses and track key learning metrics (e.g., training hours per FTE)



Link and ensure alignment of L&D goals with performance management

Deliver L&D Optimally



Offer personalized programs tailored specific to individual roles

- Specialized training based on the areas that employees need to develop (e.g., on Udemy, Coursera, etc.)



Deploy optimal approach for learning format

- **Hard skills/tech skills:**
Led by internal leadership and mainly through e-learning
- **Soft skills:**
Led by external experts with a mix of virtual and in-person training sessions

3. Learning & development

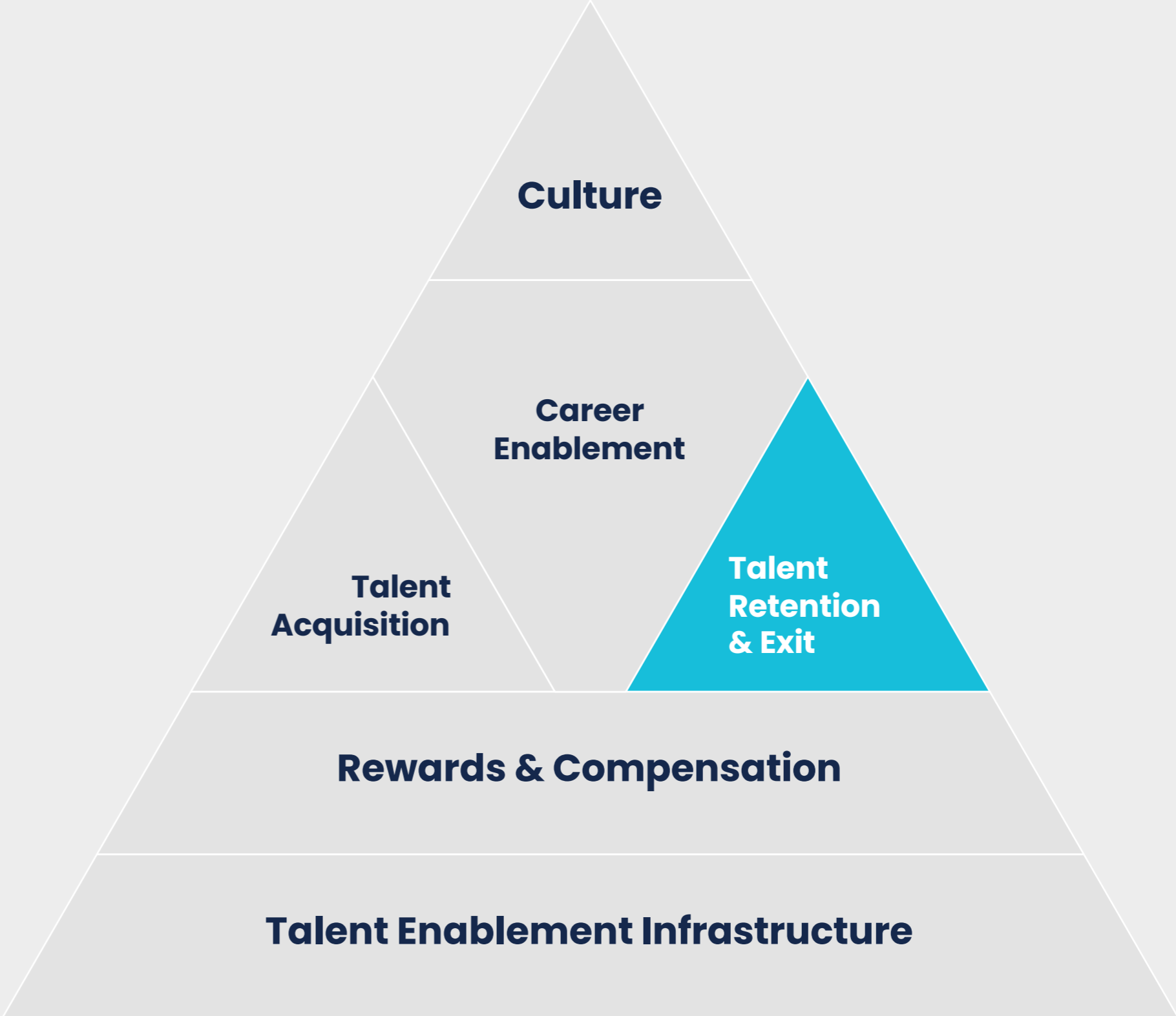


3. Career Enablement



4. Talent Retention & Exit

Keeping high potential talent and handling talent exits professionally



Retaining talents and handling talent exits requires a tailored approach according to the respective drivers

4. Talent Retention & Exit



Dimensions of Talent Exit



Talent resignation

- Employees **leave the company voluntarily** for various reasons



Talent retrenchment

Individuals:

- Company persuades employees to leave for reasons such as lack in performance or misconduct

Large-scale:

- Company undergoes restructure or financial difficulties

Imperatives for Company

Understand drivers of talent resignations

- Explore the push factors that **drive** talent out, from within, and pull factors that **attract** talent elsewhere

Have a retention strategy for high-performing individuals

- Identify high-performing individuals and create a retention strategy around how the market attempts to poach such individuals

Clear communication, compliance, and compassion

- A clear, compassionate, and compliance-driven approach must be exhibited when managing communications with retrenched individuals to prevent bad PR

Companies need to take a preventive approach to retain high-performing individuals and handle exits professionally when they eventually leave

1. Talent resignation



4. Talent Retention & Exit



Understand the drivers of talent resignation

Push factors (internal drivers):

- Expectations mismatch
- Growing misalignment with team/leaders (e.g., cultural differences, change in management)

Pull factors (external drivers):

- Approached by competitors with better terms (e.g., compensation, mentorship opportunities, exciting/hype roles and industries)



Prepare a retention strategy

- **Identify high-performing individuals**, especially those belonging to functions in high demand in the market, or in highly specialized roles
- **Meet high-performing individuals' needs**
- Continuously benchmark to market to remain competitive (via compensation, benefits, successful culture stories, etc.)
- Have regular check-ins to ensure employees feel satisfied at work and to identify seeds of dissatisfaction early
- Ensure there are leadership members accountable for these individuals' performance and needs



Handle talent exit professionally and positively (if employee still decides to leave)

- **Conduct exit interviews** to better understand employees' reasons for leaving, areas for improvement for the firm, and how competitors are faring better in attracting/retaining talent
- **Maintain relationships with ex-employees through an 'alumni network'**
- Establish alumni network community
- Organize events for alumni sharing and networking
- Actively engage network through company updates, sharing of insights/reports, and potential business opportunities

The key to handling retrenchment successfully and professionally is through communication, clarity, and compliance with compassion

2. Talent retrenchment



4. Talent Retention & Exit



Communication

- **Plan a timeline** on when affected employees across different levels should receive notice of the layoffs
 - To prevent premature speculation, panic, and leaks to social media
 - To ensure sufficient notice period to allow employees to search for alternative jobs
- **A formal CEO townhall announcement** should be conducted for mass layoffs
 - To provide a sincere, face-to-face apology to employees
 - To allow employees to clarify their concerns up front
- **Prepare designated feedback and communication channels** for employees to clarify layoffs
- **Plan handovers** indicating the scope and corresponding parties involved

Clarity

- Ensure that the layoff notices are supported with **sufficient explanations** to answer the following questions:

What is the business rationale behind the layoff?

Were mitigative measures taken before the layoff option was decided?

What form of support is available to those affected?

What is the company's plan moving forward for its remaining employees?

Is this layoff attributable to employee performance?

Compliance with Compassion

- Ensure **layoffs are conducted responsibly, thoughtfully, and with empathy**, as they affect the livelihoods and families of many
- **Methods of offering support include:**



Working with unions and network within industry to help staff search for new positions and provide upskilling services



Provide an adequate severance package



Assemble a task force comprising HR plus key leaders to respond to feedback and questions



Provide counselling to existing and laid off staff to reduce mental stress and bring awareness to support channels available

Talent retrenchment needs to be handled properly, otherwise it may adversely affect the company's reputation

2. Talent retrenchment



4. Talent Retention & Exit



Shopee laid off ~3% of employees across **Singapore, Indonesia, and China.**

It was said to be **managed in an off-handed manner**, asking staff to return home and await further notice.

The company has since faced immense social media backlash regarding its actions.



The CEO of a mortgage lender startup **fired 900 employees through a one-way video announcement.**

Following this announcement, the Head of Marketing and VP of communications stepped down.



Microsoft **buried layoff news** regarding 12,500 employees in the 11th paragraph of a memo.

This resulted in numerous media outlets writing harsh articles criticizing the layoff handling.



In 2019, Tesla announced 7% layoffs to lower costs.

However, employees complained about a **lack of transparency** in the company's decision.

Many users on social media have fiercely condemned the company.



When Toys 'R' Us announced 31,000 layoffs in 2018, many employees condemned the company as they said that the news came as a **surprise** to them.

This was because their former employer **closed more stores than what was earlier announced.**



Asos's purchase of Topshop led to 2,500 Topshop employees finding out via media outlets that they had lost their jobs, **instead of hearing directly** via the company.

Numerous employees went to Twitter to express their anger, resulting in **damage to Topshop's brand image.**



Crypto.com's **lack of transparency** in laying off an estimated 1,000+ employees resulted in much disappointment.

Recent employee reviews of the company on Glassdoor refer to "massive layoffs out of the blue" and **criticize the firm as "very unstable."**

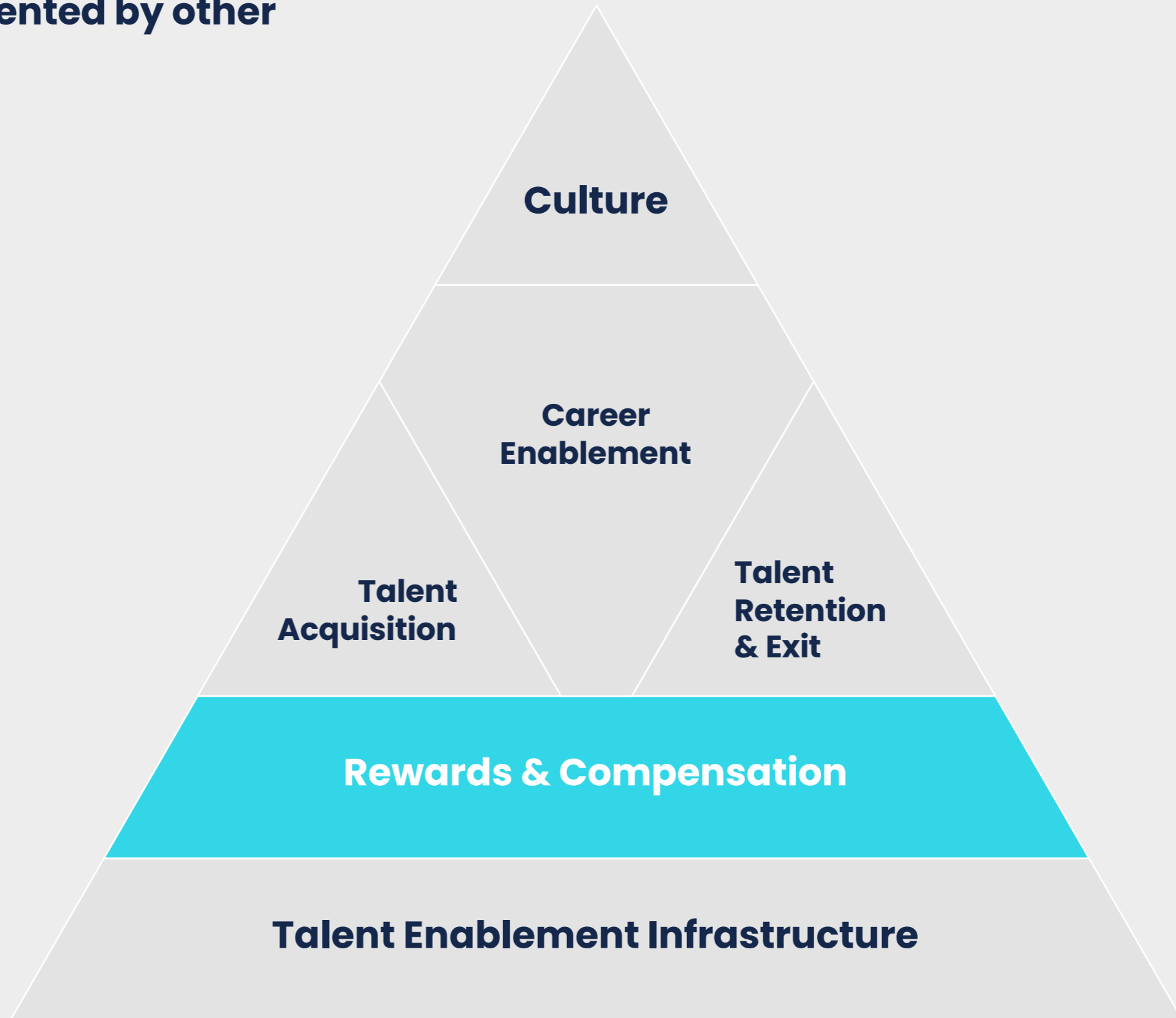


Staff affected by layoffs told media outlets they felt **"blindsided"** by the firm's announcement that it would be cutting more than 700 staff.

Employees also **criticized the decision to publicize** a list of fired staff online.

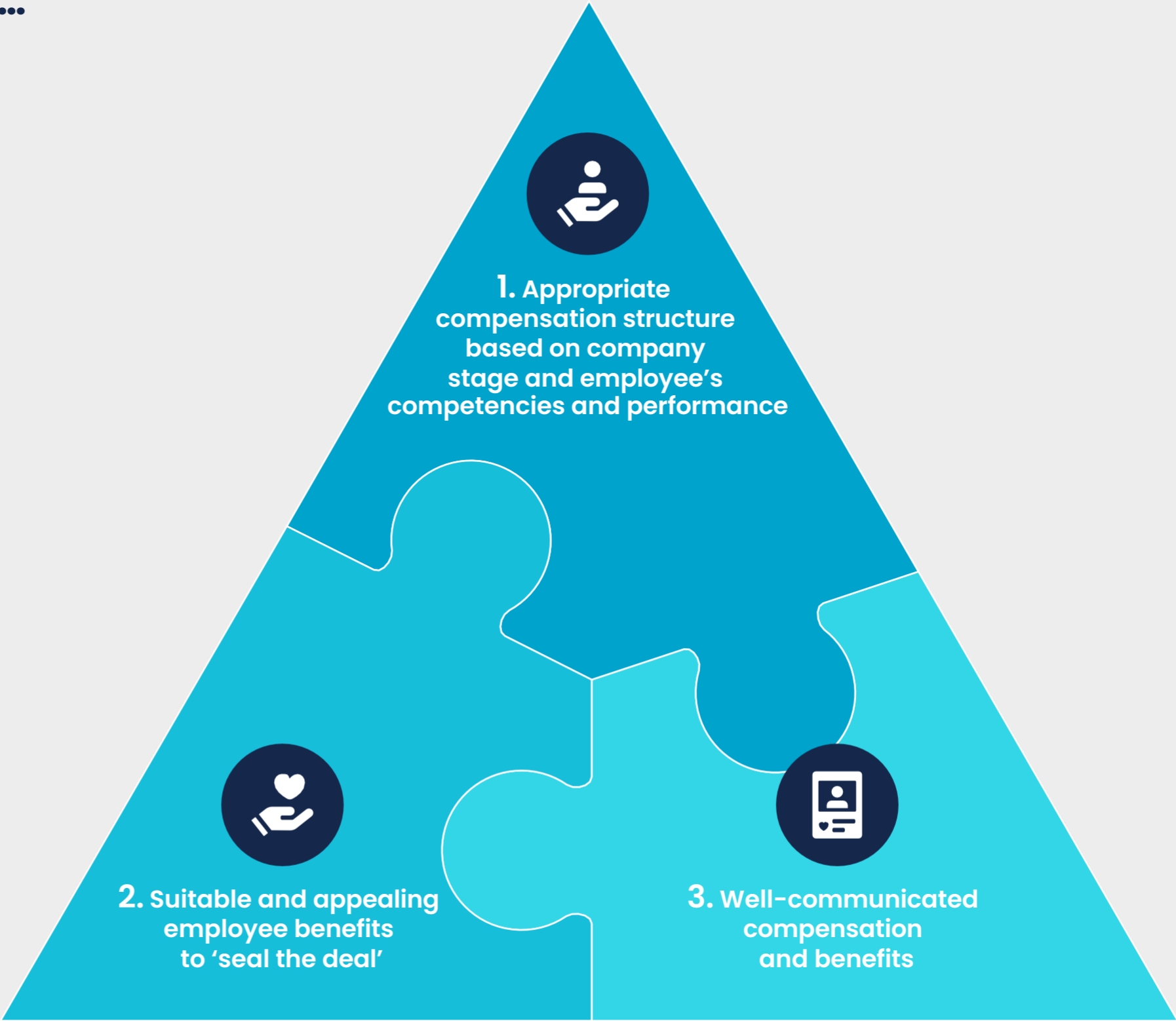
5. Rewards & Compensation

Providing attractive compensation package that is complemented by other enablers



3 building blocks for attractive rewards & compensation

Attractive rewards and compensation structure comprises...



5. Rewards & Compensation



Various compensation structures can be leveraged depending on company stage

Compensation Principles

Good compensation principles should be competitive, merit-based, and encourage long-term loyalty



Regular benchmarks

Pay and benefits should be benchmarked regularly



Leverage equity

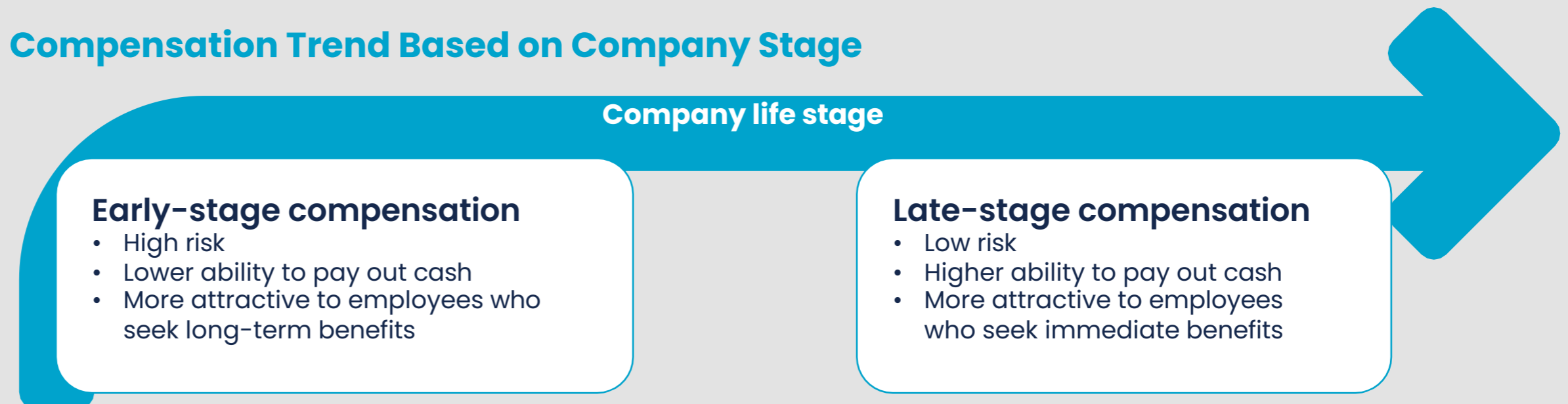
Use bonuses and equity as retention tools/ encourage employee to have 'skin in the game,' especially for earlier-stage startups



Pay for performance

Have variable pay incentives for high performance

Compensation Trend Based on Company Stage



Employee Seniority



Junior roles

Short term:

Use fixed and variable salaries to motivate employees

Longer term:

Consider offering stock options in gradual amounts to employees who perform well



Mid to Senior roles

On top of cash-based compensation, companies can reward employees with long-term incentives such as equity stake/stock options with potential of higher valuations in the future

1. Compensation structure



5. Rewards & Compensation



Employee benefits was the 2nd highest ranked firm aspect—it should be leveraged to ‘seal the deal’

Firms can maintain competitiveness by providing more employee benefits

2. Employee benefits



5. Rewards & Compensation



HR-Related Benefits



Medical benefit

- Insurance/cashless coverage for employees (and even immediate family members)
- Reimburse base medical expense



Personalized rewards

- Personalized rewards for work anniversaries, birthdays, etc., that recognize each employee’s individuality



Fringe benefits

- Company discounts and perks
- Reimbursements on selected wellness programs (e.g., gym membership)



Flexible working arrangements and leave

- Flexible working hours that allow employees ownership of their time
- Flexible leave that can be transferred or extended

Employee Development Benefits



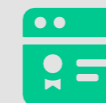
Upskilling and development

- Invest in tailored learning and development programs
- Allow employees time off to pursue external courses and interests



Mentoring

- Provide employees with support and feedback in navigating their careers



Extended project development opportunities

- Enable employees to take on extended roles and responsibilities to further personal growth and learn across different projects



Flexibility in career options

- Allow employees to experience cross-functional secondments and role changes

Non-Exhaustive

It is paramount to communicate the value of compensation packages as many employees may not understand the full value

Ideal for startups to visually show incoming employees the value and growth of the equity


3. Clear communication




5. Rewards & Compensation




Compensation Communication Tools

 **Offer letter**
An employment offer letter should consist of:

- Job Title
- Reporting Line
- Joining Date
- Offering Package
 - Base Salary
 - Allowances
 - Benefits
 - Long-term Incentives (Restricted Stock Unit/Employee Stock Ownership Plan)

 **Long-term Incentive plan documents**
Documents that illustrate the future value of the share options, mechanism, and employee's eligibility (cliff period and vesting schedules)


 **Employee handbook/ onboarding kit**
Platform allowing employees to clearly understand the value of their benefits, such as insurance plan coverage and stock options' existing and future growth



Benefits of Clear Communication

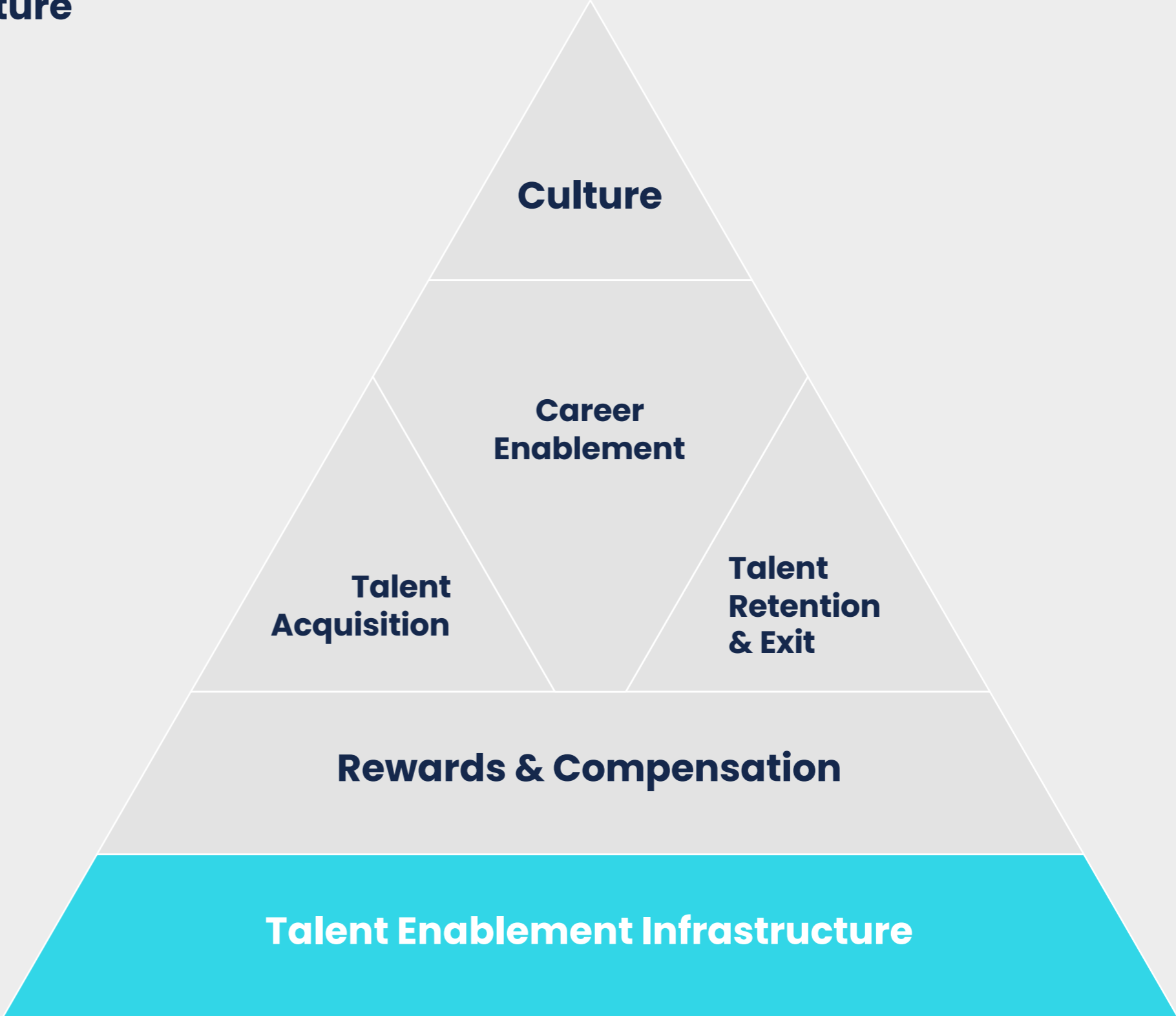
 **Clearer visibility and understanding of compensation package value**

 **Increase employee motivation through visibility of efforts being translated into firm value**

 **Greater transparency through ability to communicate compensation policies and changes instantaneously**

6. Talent Enablement Infrastructure

Ensuring adequate and appropriate supporting infrastructure



Companies should have strong tools that support all aspects of talent management and allow constant real-time feedback and visibility

6. Talent Enablement Infrastructure



		Examples
 Culture	<ul style="list-style-type: none"> Employees can express their individual views about the company via in-depth surveys, and tools will be used to analyze this information, enabling continuous improvement 	
 Diversity	<ul style="list-style-type: none"> Application data including race, gender, academic background, etc., to be kept anonymously to avoid bias when screening for candidates. Candidates should be purely assessed on their skills and abilities. 	
 Talent Acquisition	<ul style="list-style-type: none"> Application tracking and CRM system to source and build relationships with candidates and provide automated emails, enabling a great candidate experience Standardized application process when filling out forms, uploading documents, etc. 	  
 Career Management + Learning & Development	<ul style="list-style-type: none"> Learning management system that allows customizable learning pathways while managing thousands of courses on one centralized platform 	  
 Performance Management	<ul style="list-style-type: none"> Automated system with standardized KPIs to review and track progress of employees 	 
 Talent Retention / Exit Handling	<ul style="list-style-type: none"> Platform to gather employee feedback through surveys and using the data to enhance overall employee satisfaction and address identified issues Alumni management software with email marketing, event registration, and more 	 
 Rewards & Compensation	<ul style="list-style-type: none"> Compensation management software in which employees' performance data is stored in a centralized hub and performance reviews and ratios are used to make fair compensation decisions 	
 Overall Talent Enablement	<ul style="list-style-type: none"> People management and analytics platform with best-practice HR tools enabling automation of core HR processes, centralized performance management, constant employee engagement, and built-in people analytics 	  

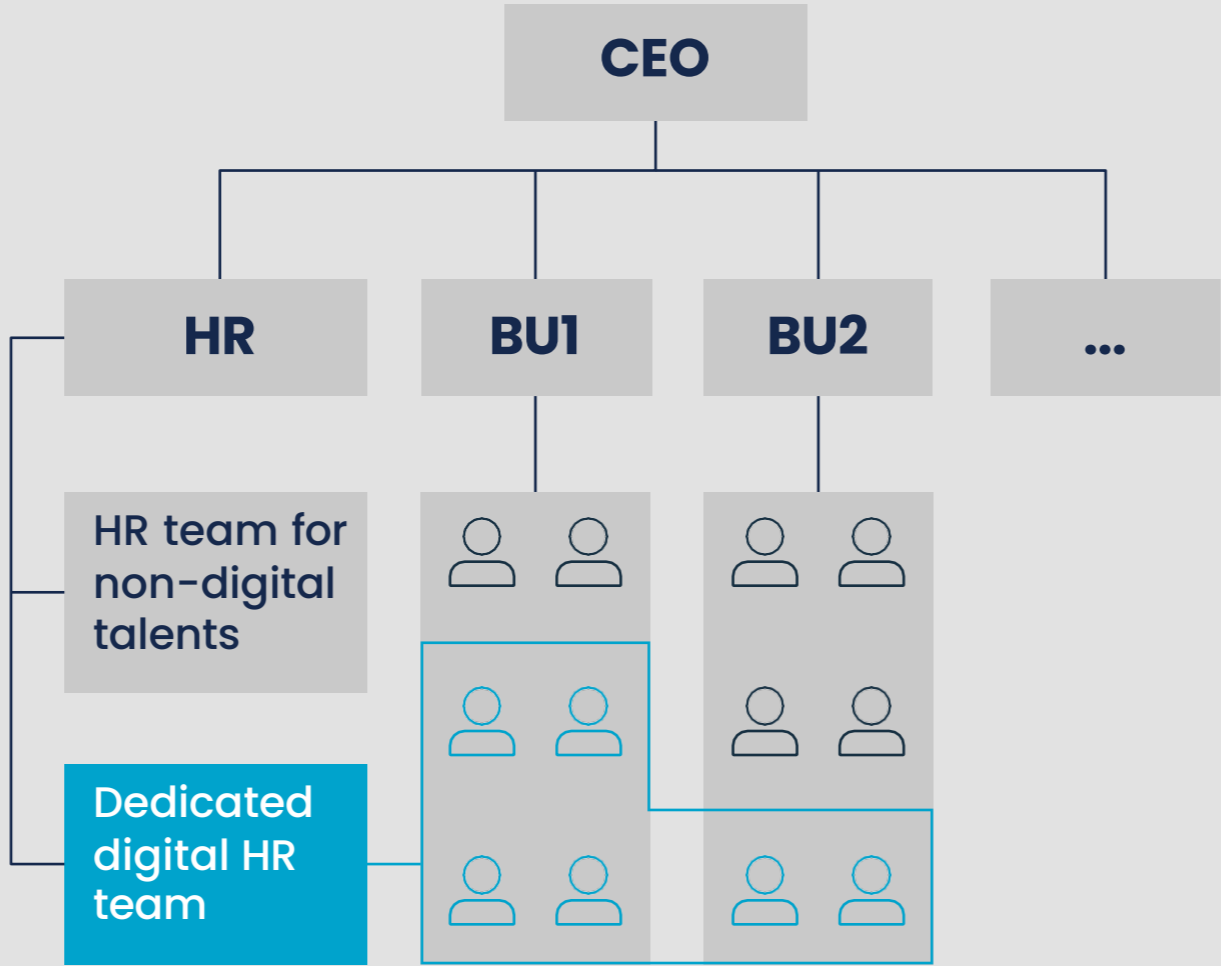
Non-Exhaustive

Given the unique needs of digital talent, a dedicated HR team for digital talent management is recommended for larger-scale firms

6. Talent Enablement Infrastructure



Organization Structure



Non-digital talent
 Digital talent

Benefits



Flexibility & autonomy
 Teams can redesign policies to better improve digital hiring



Better targeting
 Relevant channels for recruitment of digital talent can be better utilized to attract the best candidates, enabling stronger ability to compete with other tech companies eyeing same talent pool



Tailored interview process
 Specific and relevant interview processes can be designed to match the skillsets required from digital talent, freeing the team from usual bureaucratic hiring and management style of corporates



Stronger performance management
 Learning and development for digital talent can be tailored specifically to improve performance and enhance skillsets needed









Potential systemic interventions by ASEAN governments to mitigate digital talent crunch



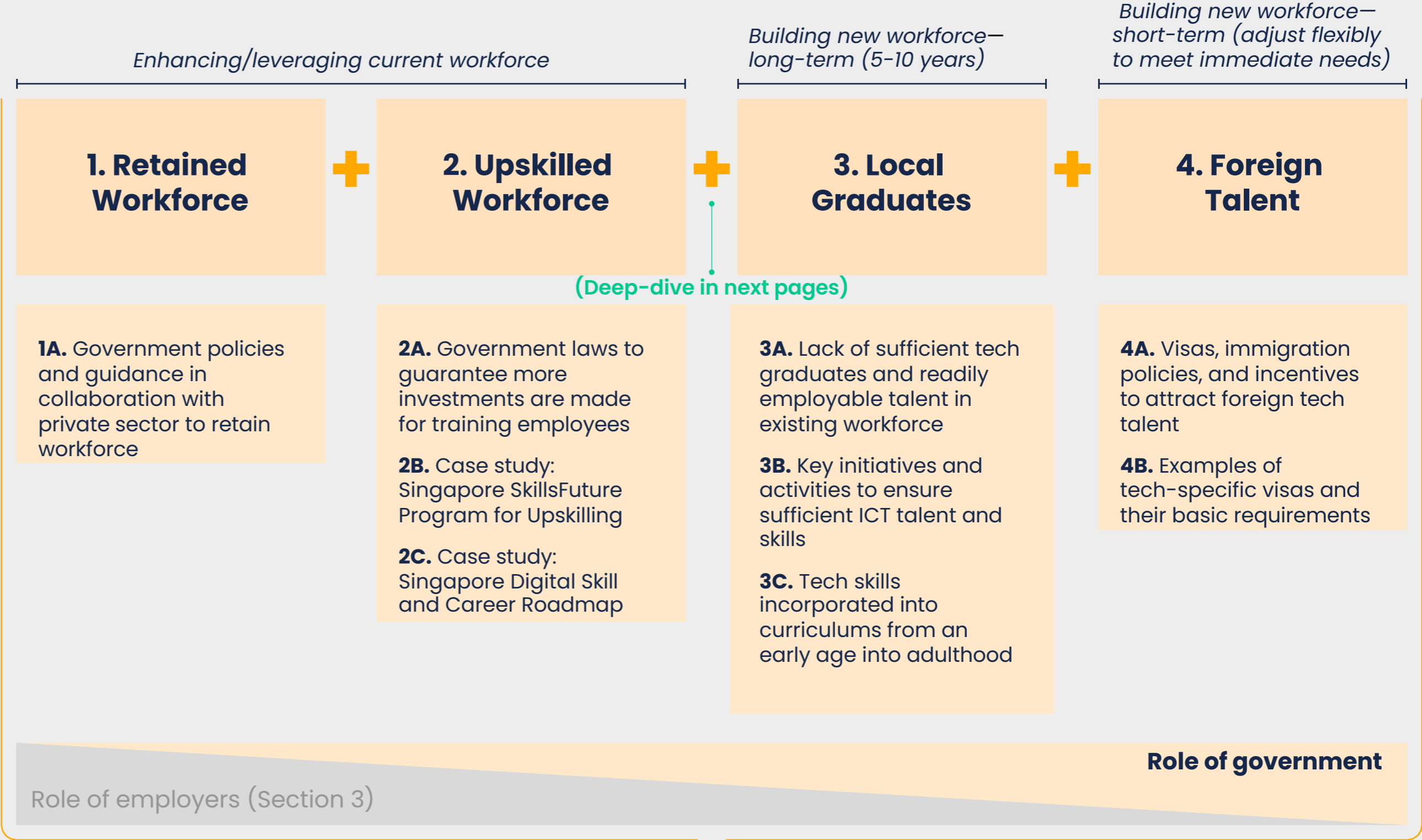
ASEAN countries are widely spread across overall global skills ranking and availability of skilled talent index

While Singapore places in the top quartile and performs relatively well on most metrics, there are also countries like Vietnam that fare poorer and place in the bottom half in terms of talent quality.

						
Rank	Singapore	Malaysia	Thailand	Indonesia	Vietnam	Philippines
WEF Global Competitiveness Index 2019						
Overall skills rank	19	30	73	65	93	67
Digital skills among active population	5	10	66	52	97	22
Ease of finding skilled employees	9	11	86	45	96	13
Extent of staff training	4	8	48	33	73	18
Quality of vocational training	6	12	74	37	102	29
Skillset of graduates	4	17	79	37	116	20
INSEAD Global Talent Competitiveness Index 2021						
Overall rank	2	34	68	80	82	70

Source: WEF Global Competitiveness Index 2019, INSEAD Global Talent Competitiveness Index 2021 analysis

Systemic intervention across 4 stakeholder groups will aid the private sector in mitigating talent crunch










Addressing Supply Shortage for Skilled Labor in ASEAN

Governments have to provide guidance and policies in ensuring ICT industries remain attractive to talents

Through policies, governments can work together with the private sector to ensure the ICT sector's attractiveness.

1A. Government policies and guidance in collaboration with private sector to retain workforce

Key Initiatives		Country Example
Policies	4-day work week	 Belgium to introduce a four-day work week for employees who want it. Employees will be able to decide whether to work four or five days a week, but this does not mean they will be working less—they will simply condense their working hours into fewer days.
	Remote working policy	 Malta's Government is providing public service employers and employees with remote working guidelines to ensure adaptability with current working environment.
	Diversity	 US White House is issuing Executive Order on Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce to be a model for US corporations.
	Reduced work hours	 The weekly working hours in Malaysia will be reduced from 48 to 45 hours effective September 1, 2022, as announced by Human Resources Deputy Minister Datuk Awang Hashim.
Actions	Workspaces/hubs for tech talents	 Italy's government is creating a program that supports the development of coworking spaces around Milan in order to help tech talents work more flexibly and reduce commuting time.
	Offer great connectivity infrastructure	 Estonia's Government built a free Wi-Fi network that covers most of the populated areas, enabling its residents, especially tech talents, to work flexibly from anywhere.
	Set up dedicated tech hubs	 Countries with proven capabilities in various cutting-edge technology trends—such as fintech, healthtech, and medtech—would be able to easily attract and retain talents in the tech industry. The US, with San Francisco as its main tech hub, leads the talent rankings created by Global Talent Competitiveness Index (GTCI). Top tech hubs globally also include Shanghai and Tokyo.

Source: Secondary sources

Governments should help companies remain competitive by providing guidance and policies to ensure trainings are in place

2A. Government must enact laws to guarantee more investments are made for training employees

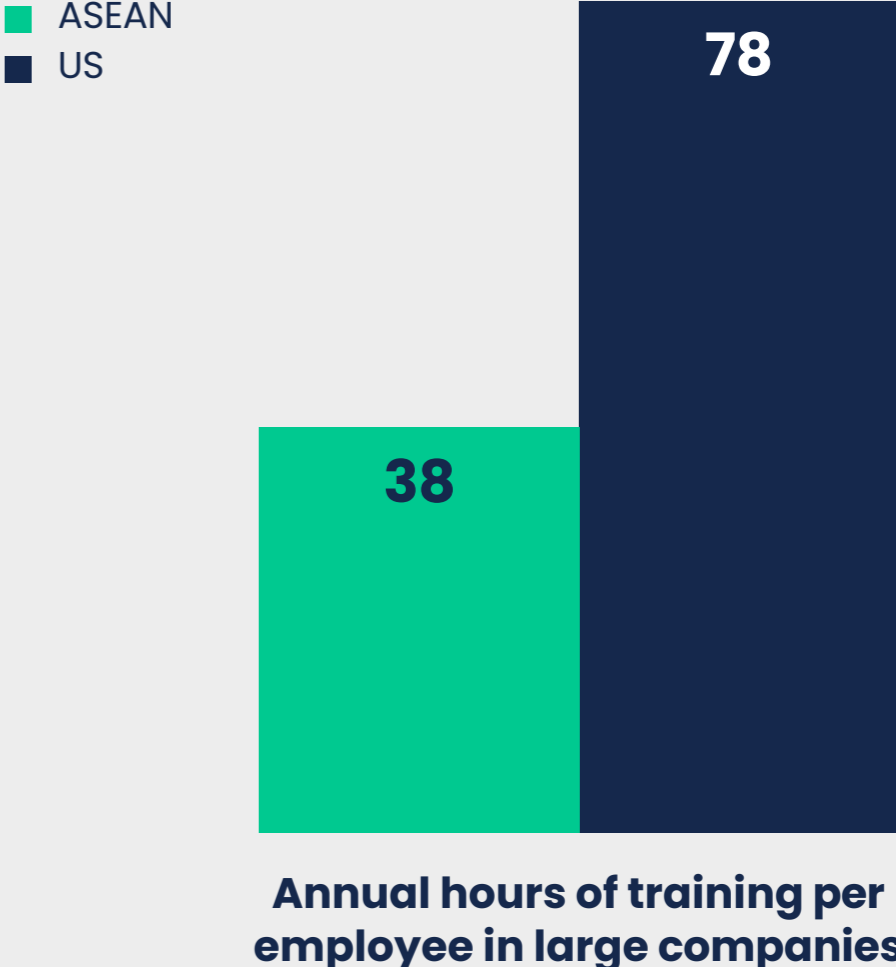
% of ASEAN Firms Offering Formal Training in Comparison to OECD Firms



Governments to ensure more companies invest in trainings

ASEAN governments should **create policies that ensure companies have formal digital trainings** for employees, targeting an increase of **12.5 percentage points** in the next **5 years**.

Number of Training Hours (Per Employee) in ASEAN Firms vs. US Firms



Governments to ensure companies invest more in employee training

ASEAN governments should have **policies in place that ensure employees undergo adequate hours of digital training by employers**, similarly to how accountants have a minimum number of training hours annually to maintain certification.

Sources: Statista, OECD, secondary sources

Singapore has a SkillsFuture program that provides funding to encourage lifelong learning and upskilling



Singapore

2B. Case study: Singapore SkillsFuture Program

SkillsFuture Singapore

To encourage Singaporeans to **undergo lifelong learning and upskilling**, every Singaporean is given \$500 credit each to enroll in courses.



TechSkills Accelerator

- Aims to **enhance training and placement** opportunities for **ICT jobs**
- Facilitates the **reskilling and upskilling of technology skills** required to meet industry needs
- In partnership with **industry partners and hiring employees**
- Also available for employers to conduct this training program



SkillsFuture Series

- Consists of short **industry-relevant training programs for emerging skills**
- Relevant key themes include **data analytics, digital media, tech-enabled services**, and more
- Modules include **AI, IoT, Blockchain, Digital Marketing**, and more
- Programs across three proficiency levels—basic, intermediate, and advanced

Singapore has clear digital skill and career roadmaps that provide job descriptions and corresponding ICT skills required



Singapore

2C. Case study: Singapore Digital Skill and Career Roadmap for Upskilling

Digital Skill Matrix

Data & Artificial Intelligence

- Business Intelligence
- Data Engineering
- Machine Learning Engineering
- Data Science/AI Science
- AI/Applied Research

Infrastructure

- Plan and Design
- Build and Maintain

Software and Application

- Software Engineering
- Embedded System Engineering
- User Interface Engineering

⋮

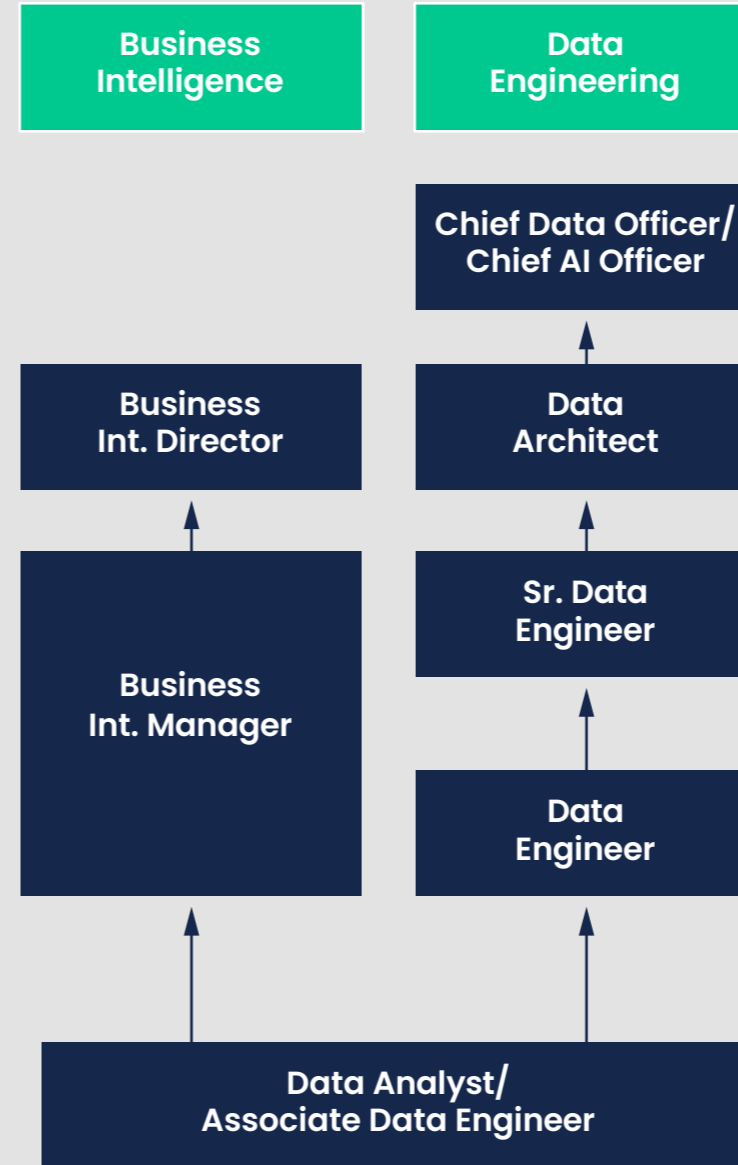
Strategy & Governance

- Enterprise Architecture
- Program and Project Management
- Product Strategy
- Quality Management
- Data Protection
- IT Audit

Singapore "Skills Framework for ICT" covers seven tracks which include advanced ICT competencies (e.g., Data & Artificial Intelligence).

Career Pathways

Data & Artificial Intelligence



Singapore "Skills Framework for ICT" covers seven tracks which include advanced ICT competencies (e.g., Data & Artificial Intelligence).

Job Description and Skills Required

Data Analyst / Associate Data Engineer

Job Description

- Blends historical data from available industry reports, public information, field reports, etc.
- Basic data cleaning and transformation
- Performs analysis to support decisions

Skills Requirement

Lvl

Business Innovation 4

Data Analytics 3

Data Engineering 2

Data Engineering - Level 2
Utilizes appropriate tools, systems and techniques to collect, store, extract, transform, and load data according to set guidelines

Data Ethics 3

Data Visualization 3

Database Administration 2

Design Thinking Practice 3

For each job position, it shows the job description and various specific technical skills expected to be performed on the position.

The talent crunch is furthered by a lack of employability in graduates and insufficient number of graduates to meet market demand

3A. Lack of sufficient tech graduates and readily employable talent in existing workforce

Lack of Employability in Tech Graduates

Having prerequisite education and technical training serves as a good foundation to the start of every career.

However, key differentiators and success indicators come from candidates with robust hands-on work experience, and soft skills such as communication, ability to influence, teamwork, and ability to drive projects and see them to fruition.

As having a qualification is abundant these days, companies seek candidates who can display the ability to be proficient in both software and heartware.

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Lack of Sufficient Number of Tech Graduates to Meet the Demand of the Digital Market

The ICT sector currently employs about 200,000 people and requires another 60,000 in the next three years. However, the education system is only producing 2,400 ICT graduates annually, which is 8,400 over 3 years, leaving a 51,600 shortfall.

– Vulcan Post



More than 87% of organizations do not have sufficient talent to meet the needs of the digital economy, with 48% of SMEs citing the lack of problem solving and critical thinking skills among job seekers.

– AlphaBeta



The Ministry of Communication and Information has estimated that Indonesia needs nine million digital talents in 15 years or an average of 600,000 digital talents per year. However, only 19% of Indonesia's workforce has the necessary digital skills.

– SAP



As the largest producer of local talent, universities have to generate enough talent and ensure they are equipped with the necessary skills to perform in the existing job market

3B. Key initiatives and activities to ensure sufficient ICT talent and skills

	Key Initiatives	Key Actions
Ensuring Local Universities Generate Enough ICT Talent	Increase Investment in post-secondary education institutions	Increase the number of institutions, ICT majors, ICT classes, and class capacity to address the growing needs of the digital sector
	Increase investment in post-secondary teaching staff	Put together policies that would increase the number and quality of teaching staff
	Increase accessibility of students in accessing ICT educations	Reduce the cost of ICT majors and provide scholarships for ICT courses
	Ensure diversity of talents enrolled in ICT majors	Ensure that more women and students from tier 2/3 cities have access to ICT educations
Ensuring Local Universities Equip Talents with Sufficient ICT Skills	Interdisciplinary approaches to skill development	Ensure basic coding and data courses are required for all majors
	Increase the focus of education and training on soft skills	Reduce skill gaps by equipping students with soft skills such as critical, analytical, creative thinking, and problem-solving skills
	Work-based learnings	Mandatory work-based learning policy such as internships and company attachments

Sources: ILO, Secondary sources

Country Example



Universities across India are adding more seats in ICT courses.



South Africa coding programs for teachers to learn how to code as well as how to teach coding with the target of 1,000 schools in 20202



TDRA's ICT Fund has launched a program to support UAE academically distinguished cadres to drive education in ICT-related disciplines.



European Member States and Norway encourages women to be involved in digital and tech sectors, and explore STEM studies at an early age.



The University of Miami has made it a requirement for all business school students to take computational thinking as a core module.



The ESFP supports EU Member States in reforming national education and training systems, supporting key skills, including digital ones.



Germany has a mandatory internship policy in place for students studying in German Universities.

Countries around the world are implementing coding in their education curriculum

3C. Tech skills incorporated into curriculums from an early age into adulthood

Starting Early



In 2017, Italy introduced **digital education** at the **elementary level** with aims to have **basic computing knowledge in 40% of primary schools**.



The Australian government has allocated \$64 million to **fund early learning and school STEM initiatives** under the Inspiring All Australians in Digital Literacy and STEM measure from **preschool onward**.



As part of the National Education Policy 2020, **class 6 students in India are required to take coding**. The Indian government recognizes the importance of learning programming basics from an early age.

Making Basics Mandatory



Singapore's ministry of education decided to make **coding compulsory** for students starting in 2020, in the form of a **10-hour coding enrichment program**.



England became the first country in the European Union to **mandate computer science classes for all children** between the ages of 5 and 16. **Topics range from algorithms and code debugging to programming languages such as Java**.

Introducing Advanced Modules



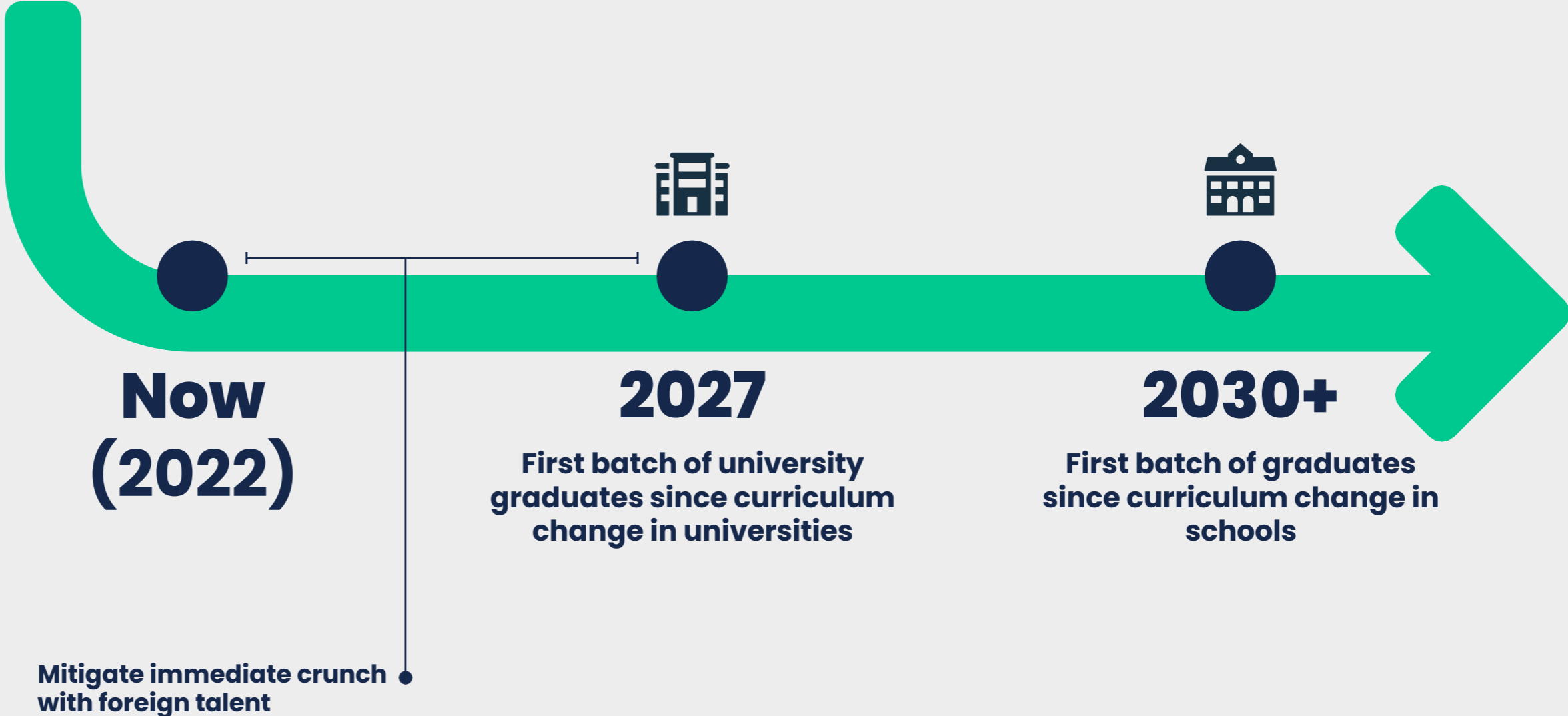
Universities in India offer '**Value Added Courses**' across various engineering degrees. These courses include **Java, Oracle, Mobile App Dev, IoT, and more**.



Institute of Coding **develops and delivers innovative, industry-focused higher education** across the UK. This includes the aim to influence computer science teaching in universities nationally, the application of **data analytics and blockchain**, and more.

Despite changes in the education curriculum, a short-term solution is required to address immediate talent needs

Change in curriculum would take a minimum of 5 years to show effects in addressing the talent shortage.



Short-term solution: Hire foreign talent

- In order to **meet the current digital sector’s need for digital talent**, countries can turn to **foreign talent to alleviate the shortage**.
- ICT skilled workers from other countries can be easily attracted **through the introduction of tech visas, favorable immigration policies, and incentives**.

Governments should introduce measures that welcome foreign tech talent

Countries are seeking workers outside of their domestic talent pool for several reasons; preventing supply chain disruption, boosting tourism, and accelerating economic recovery following the COVID-19 pandemic. With countries around the world seeing a mass exodus of employees in the Great Resignation, it is clear that many people are turning away from traditional employment models. Working overseas could be the challenge many are looking for.

Introducing New Work Visas for Executives

Government should **introduce new types of work visas** that make it **easier for people to work and live there.**

- Bahrain’s Golden Residency Visa
- Canada Global Talent Stream
- Singapore ONE Pass

Introducing Work Visas for Tech Talent and Fresh Graduates

Government should **introduce tech-focused work visas** to **fill in the talent gap** specifically in tech roles.

- Germany Work Visa for IT Experts
- Portugal Tech Visa
- Singapore Tech Pass
- UK “High Potential Individual” route and Global Talent Visa

Shifting Immigration Policies

Government should **change their immigration policies** to reflect the **need for more skilled staff** in their workforce.

- Germany is considering a points-based immigration system.
- China and Japan are considering loosening their immigration laws

Incentivizing for Shortage Occupations

Government could provide **incentives to quickly attract talent** in roles facing shortages.

- UK Skilled Worker Visa
- Australia’s free flights and accommodations for hospitality workers (2021)
- US sign-on bonuses
- Shanghai Fast Pass

Source: Secondary sources

4A. Visas, immigration policies, and incentives to attract foreign tech talent

Countries around the world are starting to introduce new types of visas to attract digital talent

Requirements



Portugal Tech Visa

Tech Visa is an accreditation program focused on providing Portuguese companies with a fast-track program to hire and retain highly qualified non-Schengen professionals.



German IT Work Visa

People who have practical work experience within ICT can apply for a special residence permit.



UK Global Talent Visa

This program allows candidates to work in the UK if they are a leader or potential leader in academia or research, arts and culture, or digital technology.



US STEM OPT

Students who receive science, technology, engineering, and mathematics (STEM) degrees may apply for a 24-month extension of their post-completion optional practical training (OPT).

	Portugal Tech Visa	German IT Work Visa	UK Global Talent Visa	US STEM OPT
Minimum Salary		Remunerated with a gross annual salary of at least €50,760		
Language Requirements	Proficiency in Portuguese, English, French, or Spanish	German language skills are at a minimum level of B1	Fluent in English	Fluent in English
Employment / Education History	Bachelor's or equivalent level —level 6, with 5 years experience in specialized technical functions	At least three years of experience in IT over the past seven years		Have earned a bachelor's, master's , or doctoral degree from a school that is accredited by the US Department of Education
Skills		Proof of the relevant theoretical knowledge required for the job	Leader in one of three areas: academia or research, arts and culture, or digital technology	
Others	Companies limited to recruit up to 50% (80% for companies based in remote or peripheral areas) of their total workforce numbers for this Visa	Employee has a job offer in the IT sector in Germany	Employee has a job offer as a senior academic or researcher in the UK, received an individual fellowship in the UK, or is part of a research grant that is approved by UK Research and Innovation	Employer has to meet all requirements under STEM OPT Employer Responsibilities section

4B. Examples of tech-specific visas and their basic requirements

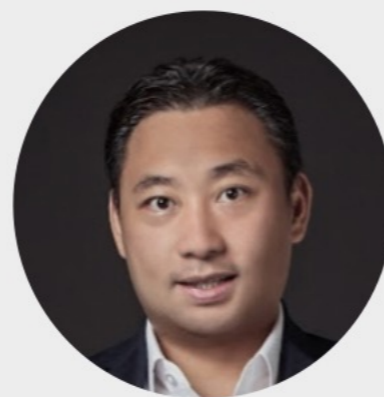
Source: Country official sources



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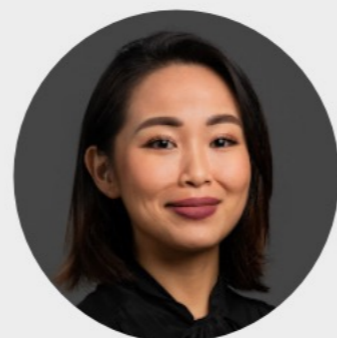
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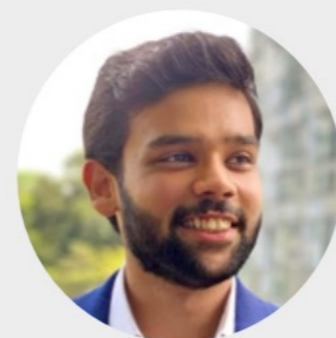
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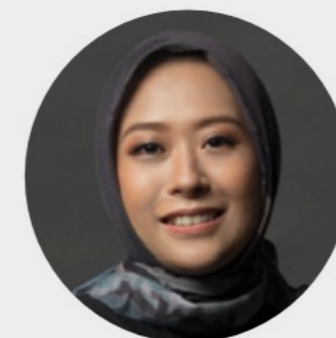
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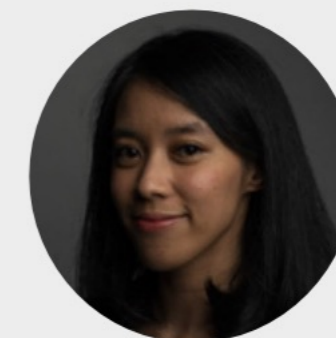
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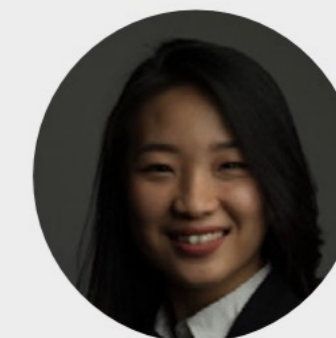
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