



IBM LeadershipConnect

Driving Transformation for Greater Value

Creating a Smarter Workforce by Empowering People and Transforming Business

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2013: A nexus of global talent challenges



Workforce Challenges

1 - Skills

2 – Younger Workforce

3 – Global Talent Imbalance

Workforce Challenge #1: Skills

“We have entered a global economy where talent and skills shortages challenge world economic and business growth around the world.”

– Klaus Schwab, Chairman, World Economic Forum

" 93 per cent of employers say skills shortages have the potential to hamper their business in 2013 within Asia"

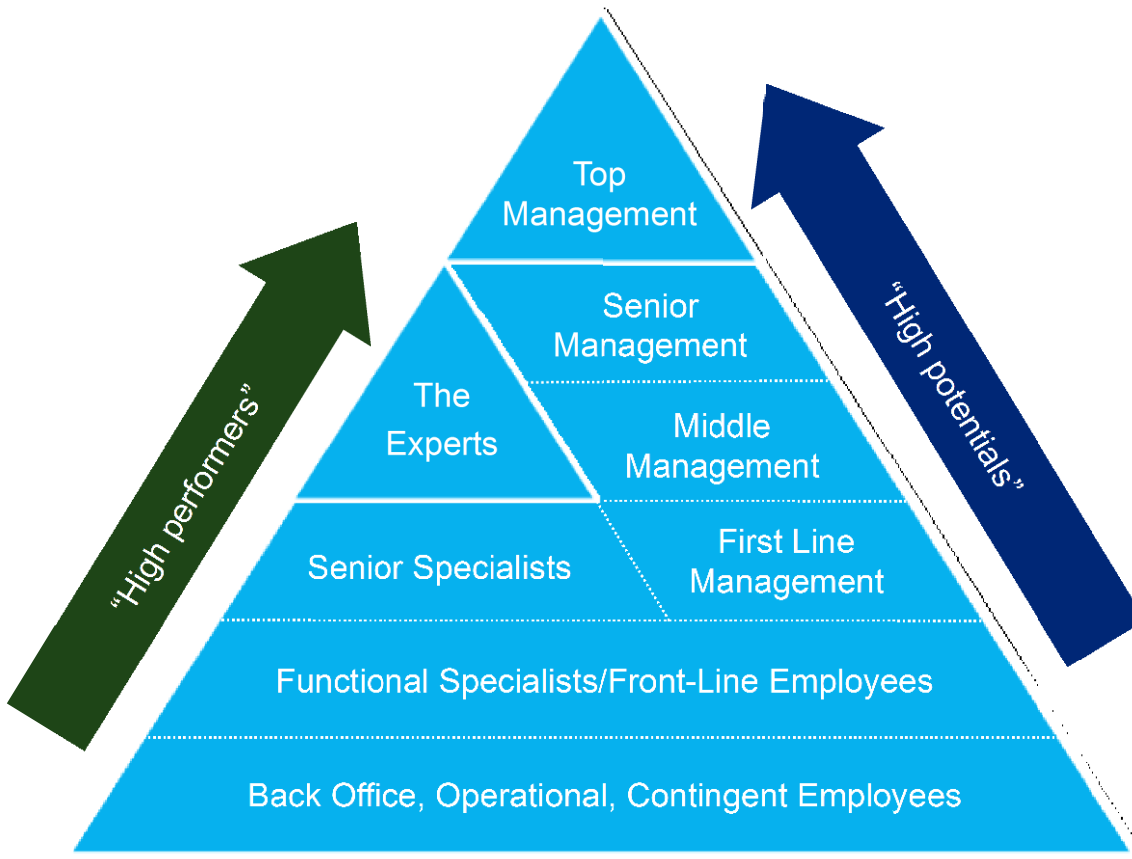
- Jonathan Sampson, Asia Regional Director
Hays - Feb 13, 2013



Acquiring, retaining and developing the right people are key

Workforce Challenge #1: Skills

Specialization, Expertise & Deep Skills Drive Competitive Advantages



- **Specialisation sought**
- **Expertise not Experience**
- **Action learning**

- **Career development** builds such skills
- Individuals with deep skills can **easily leave**

Challenge #2: Youth ...The Workforce is Getting Younger



Jabatan Perangkaan
MALAYSIA

- **“The median age of Malaysia's 28.9 million inhabitants is 27.1”**

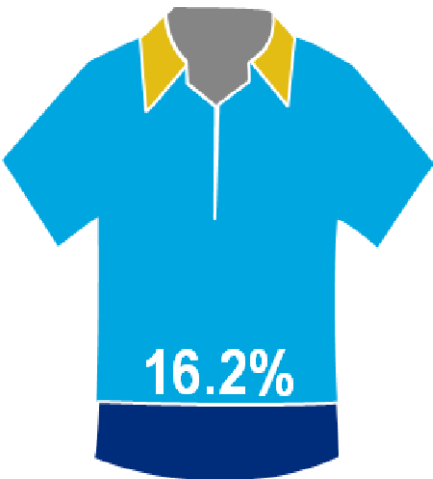
Challenge #2: Youth ...The Workforce is Getting Younger



From Gold Collar to No Collar (% with tertiary education)

1980

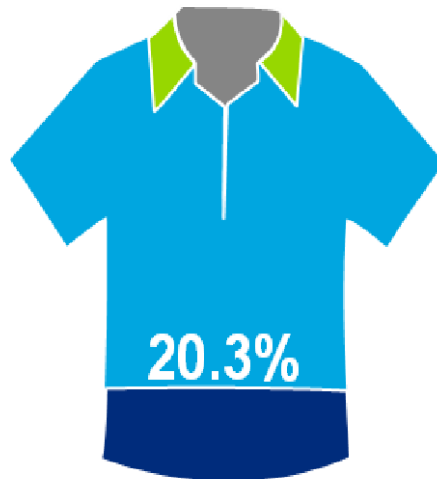
Gold collar



A position that focuses on the highest-level white-collar jobs; associate with the rise of banking, consulting and legal professions in the 1980s

1990

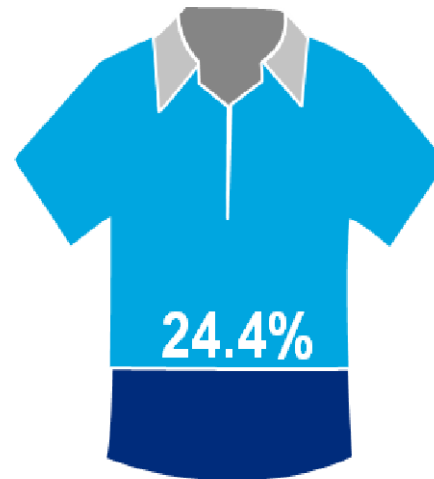
Green collar



A position that focuses on new green-energy jobs; associated with the rise of the environmental and clean energy movement of the 1990s and beyond

2000

Grey collar



A position that focuses around the elderly segment of the labor pool; associated with the rise of the more aged workforce with the postponed retirement of the baby boomers in the 2000s and beyond

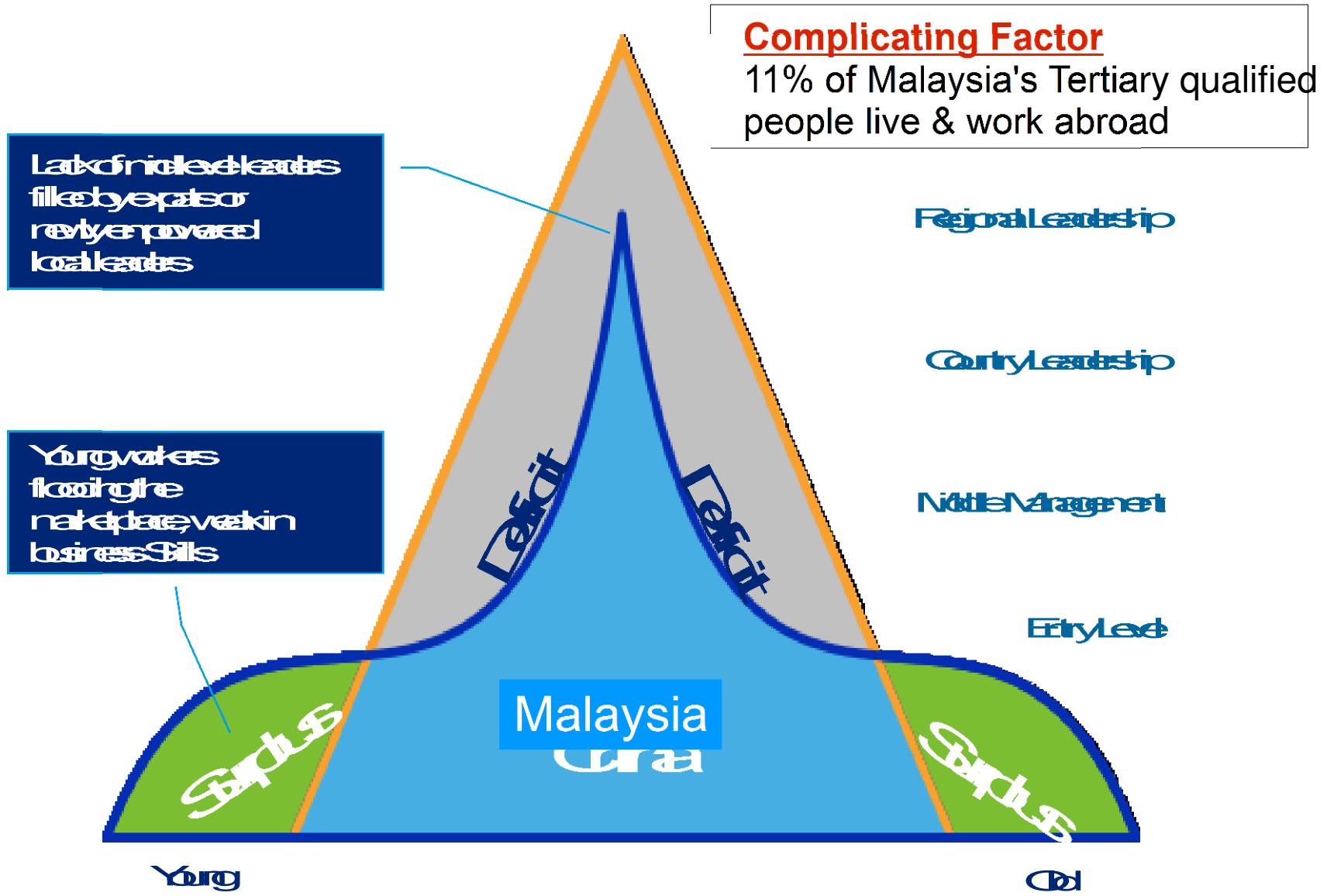
2010

No collar

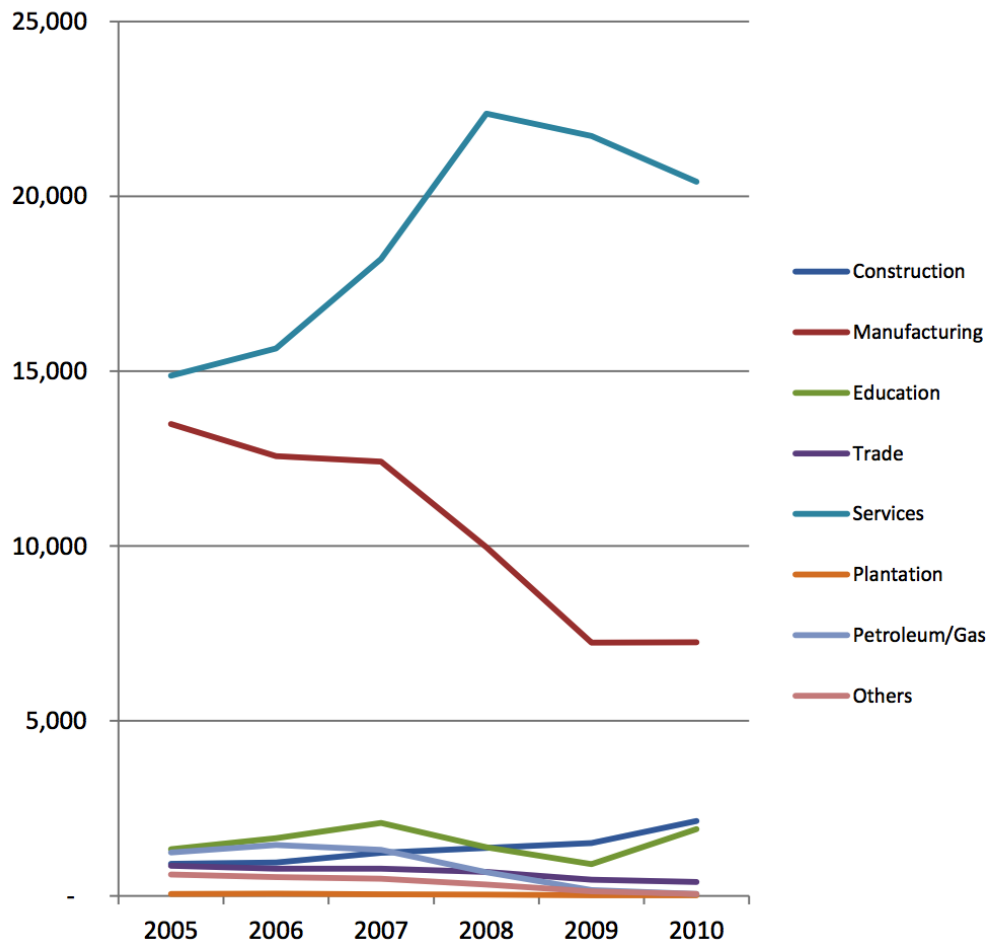


A position that focuses on the free-agent, tech-savvy culture of the 21st century labor pool; associated with the rise of technology in the workplace and the movement towards freelancing

Challenge #3: The Global Talent Imbalance



Declining number of expatriates in Malaysia



Source : Ministry of Home Affairs & Economic Planning Unit

Policy

- Multiple application criteria disincentivise companies to employ expatriates
- Higher tax rate compared to peers (e.g. Hong Kong and Singapore)

Demand

- Current economic activities do not demand high proportion of skilled foreign workforce
 - Focus on more labor intensive activities vs. R&D

Social infrastructure

- Quality of life and social infrastructure better than most SE Asian countries but behind more developed countries (e.g., Hong Kong, Singapore)
 - Ranked 75 in 2007 Mercer Quality of Life index

Perception

- Security in Malaysia increasingly a concern
 - Poor perception on crime and security level

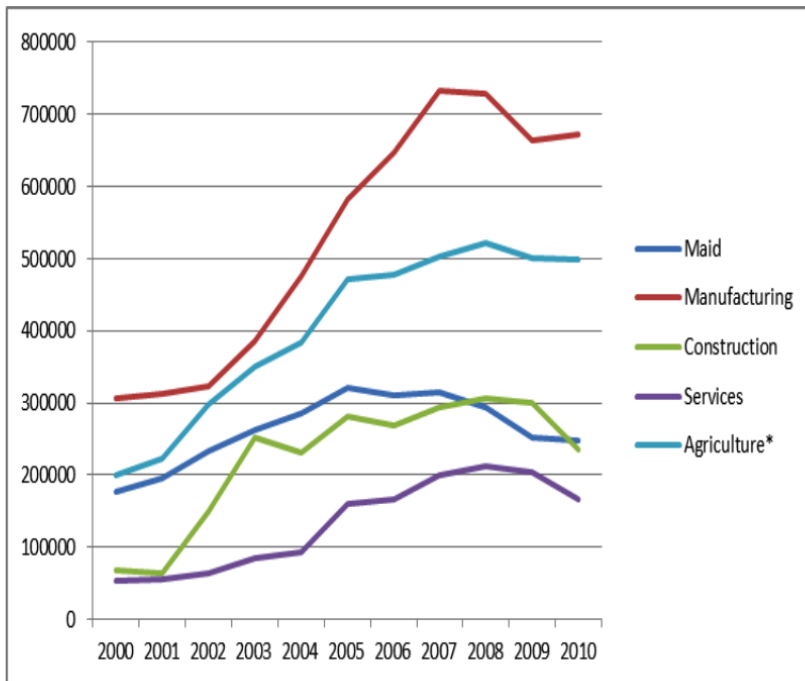
Lack of avenue to stay

- Stringent permanent residency criteria¹
 - Ties to Malaysia citizens required for application of entry permit
 - Minimum 5 years stay in Malaysia on entry permit for permanent resident application

1. Recent change in policy to grant permanent residency for high-net-worth individuals bringing more than \$2million for investments and savings in Malaysia
Source: DOS, Malaysia Immigration Department

At the same time, low skilled foreign labours are increasing

Foreign labours on the rise, especially in manufacturing ...



1. Includes plantation
Source: Department of statistics, LFS (2004) EPU (2008), Narayanan (2007)

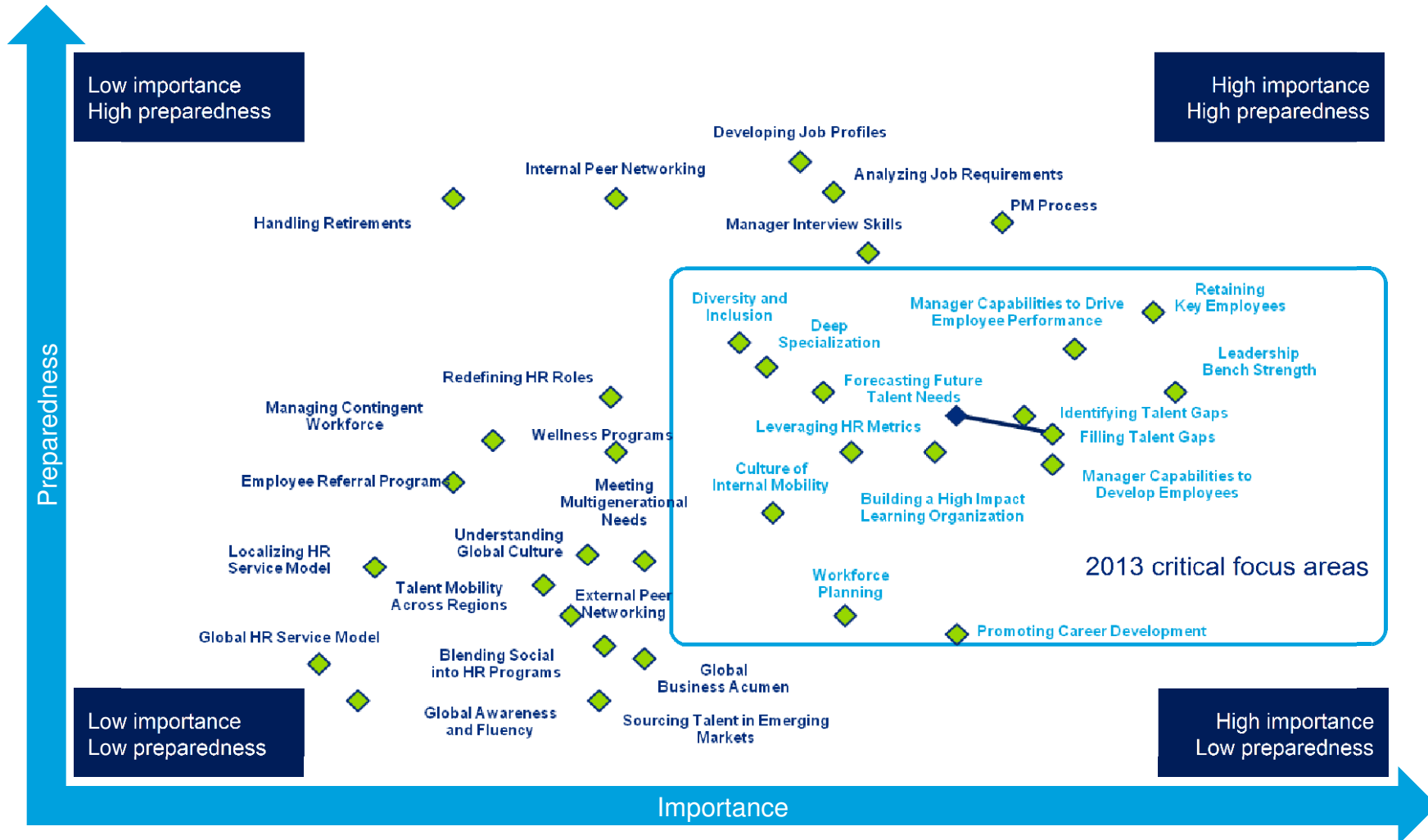
... creating barriers to innovation and mechanisation

Unemployment rate < 2.9%!

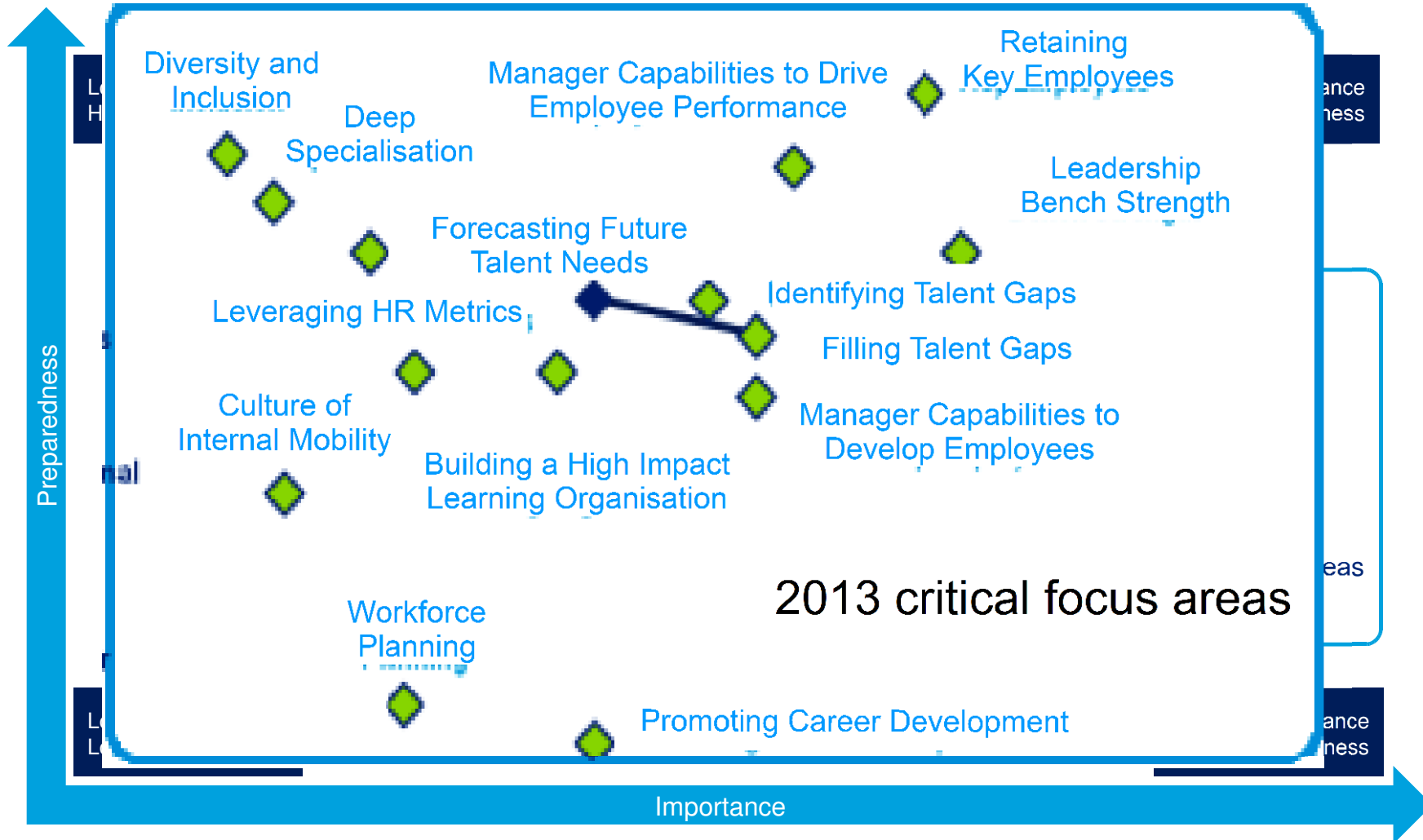
Employers prefer foreign labour to local workers

Illegal foreign workers????

Top talent priorities for 2013



Top talent priorities for 2013

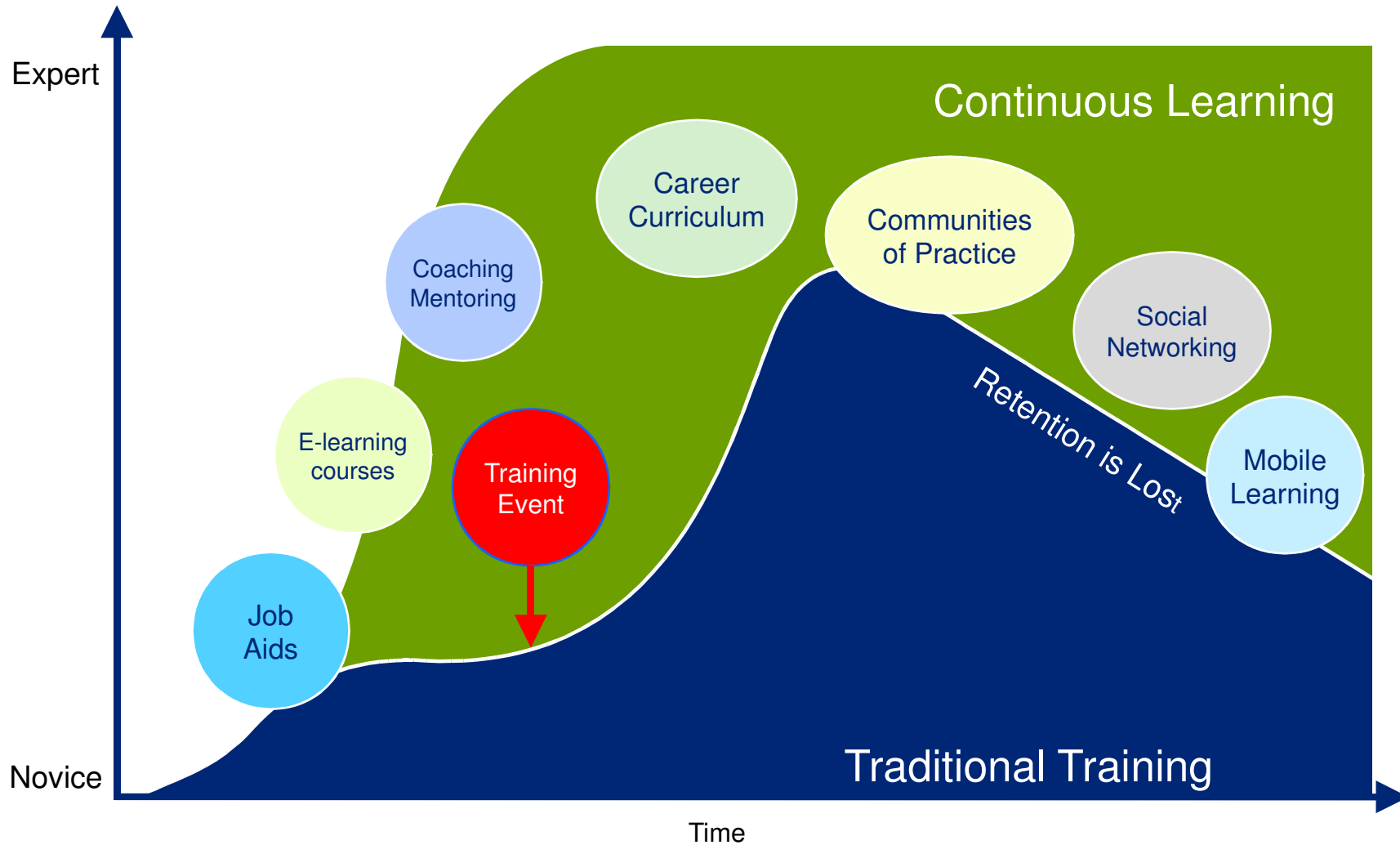


The Agile Organisation: Traditional Practices Don't Always Work

Workforce	The AGILE enterprise	Workplace
Young	Highly connected virtual teams	Specialized
Connected	Collaboration to meet needs rapidly	Diverse
Global	Using data to make decisions	Performance-Driven
Mobile		Team-Oriented
New models for career	New models for management	New models for work

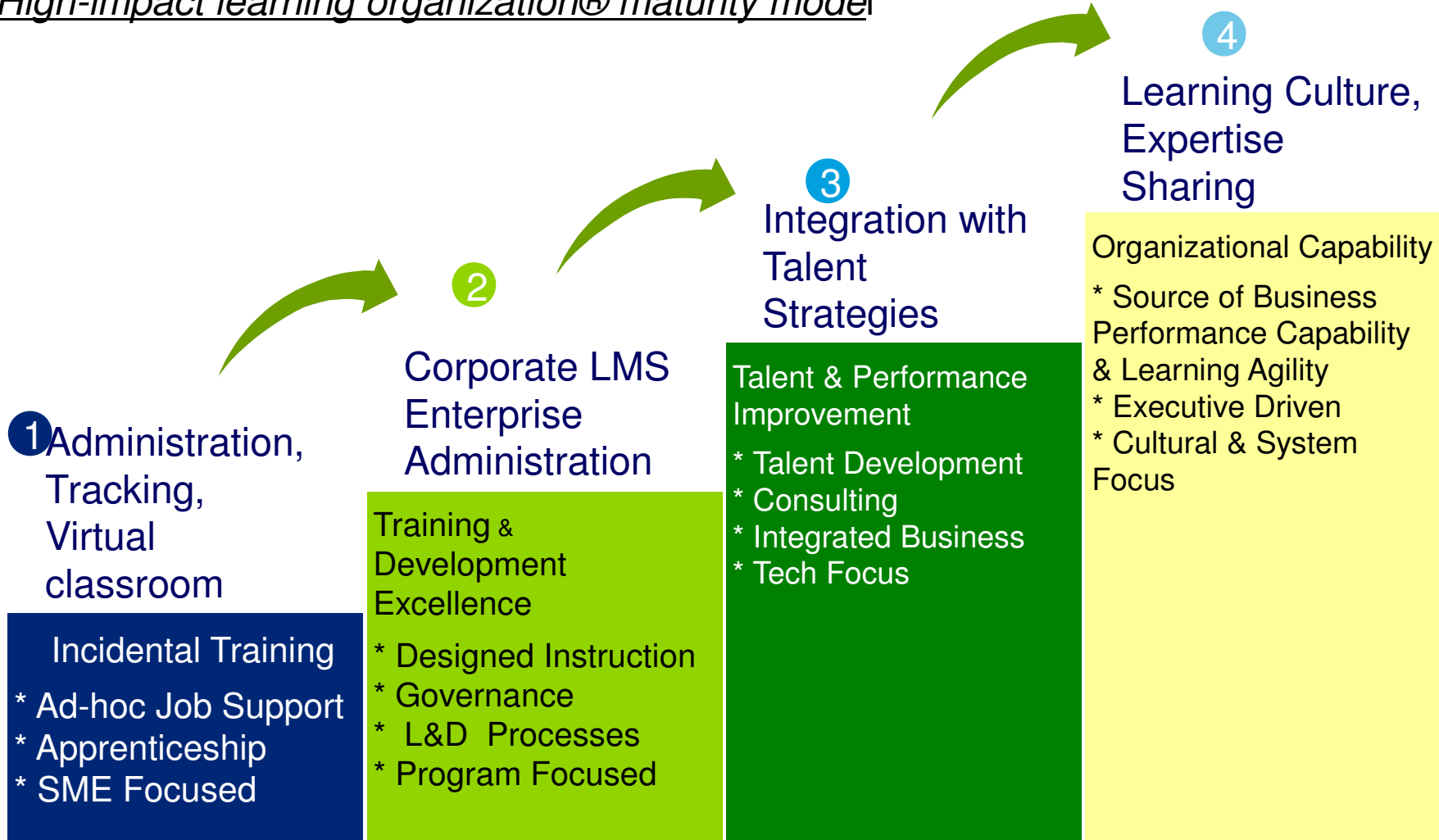


The Continuous Learning model



From HR or L&D to capability development

High-impact learning organization® maturity model



Keys to a smarter workforce

- **Brand and culture, *not recruiting***
 - Customers and alumni as advocates

- **Continuous learning and career, *not training:***
 - Create a continuous learning environment
 - Develop the next generation of leaders

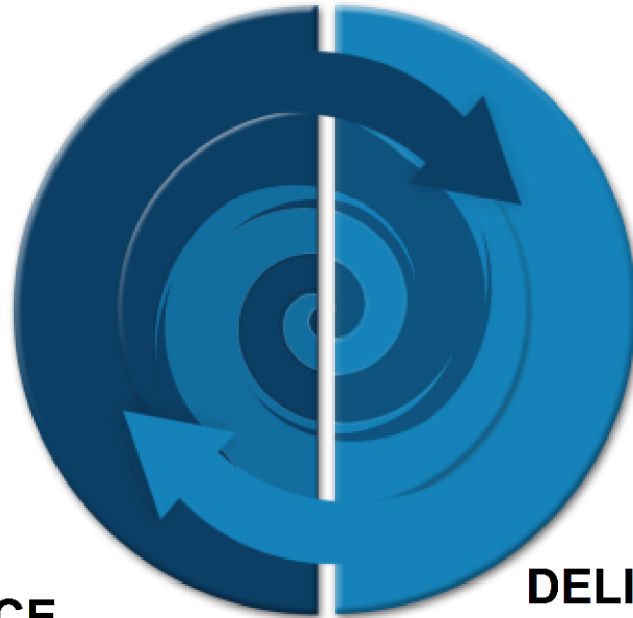
- **Building Passion, *not just engagement***
 - Hire and manage to “passion” and “fit,” not skills

- **Use Technology and Data, *not just beliefs***
 - Apply data to the science of HR



Technology can support desired behavioural change

IBM Social business supports a smarter workforce



ACTIVATE THE WORKFORCE
Creating a Smarter Workforce

DELIGHT CUSTOMERS
Creating Exceptional Customer Experiences

Social Business: From Liking to Leading

Social Business is not simply about technology

Social Business is about;

- * your people
- * how they interact
- * & how they develop
- * to better meet your business objectives

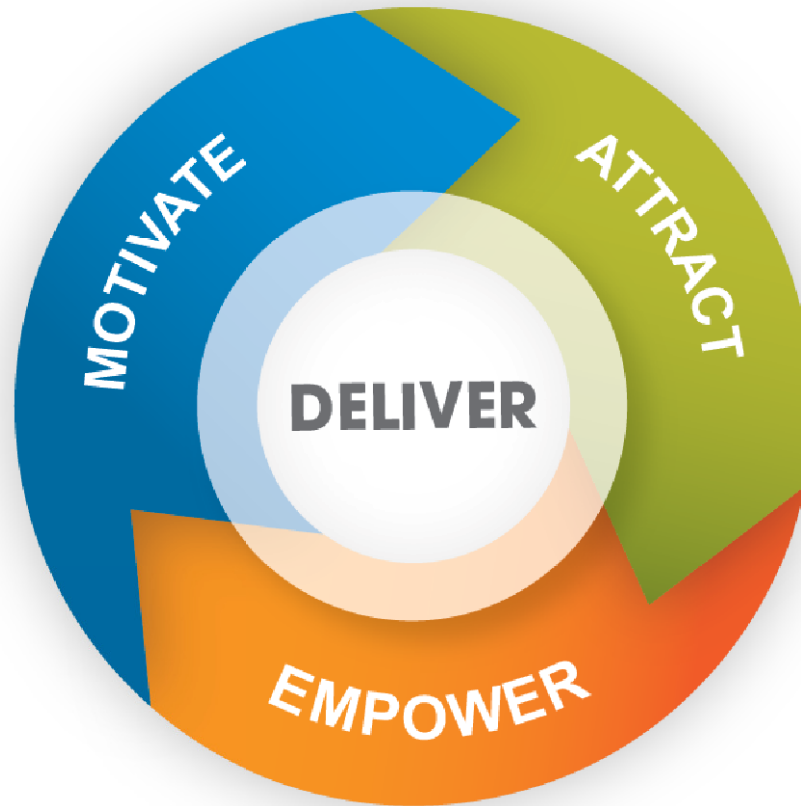
It is about *'humanising'* business processes within the unique culture of your organisation



Rethink how to best leverage and manage your talent

IBM Social business supports a smarter workforce

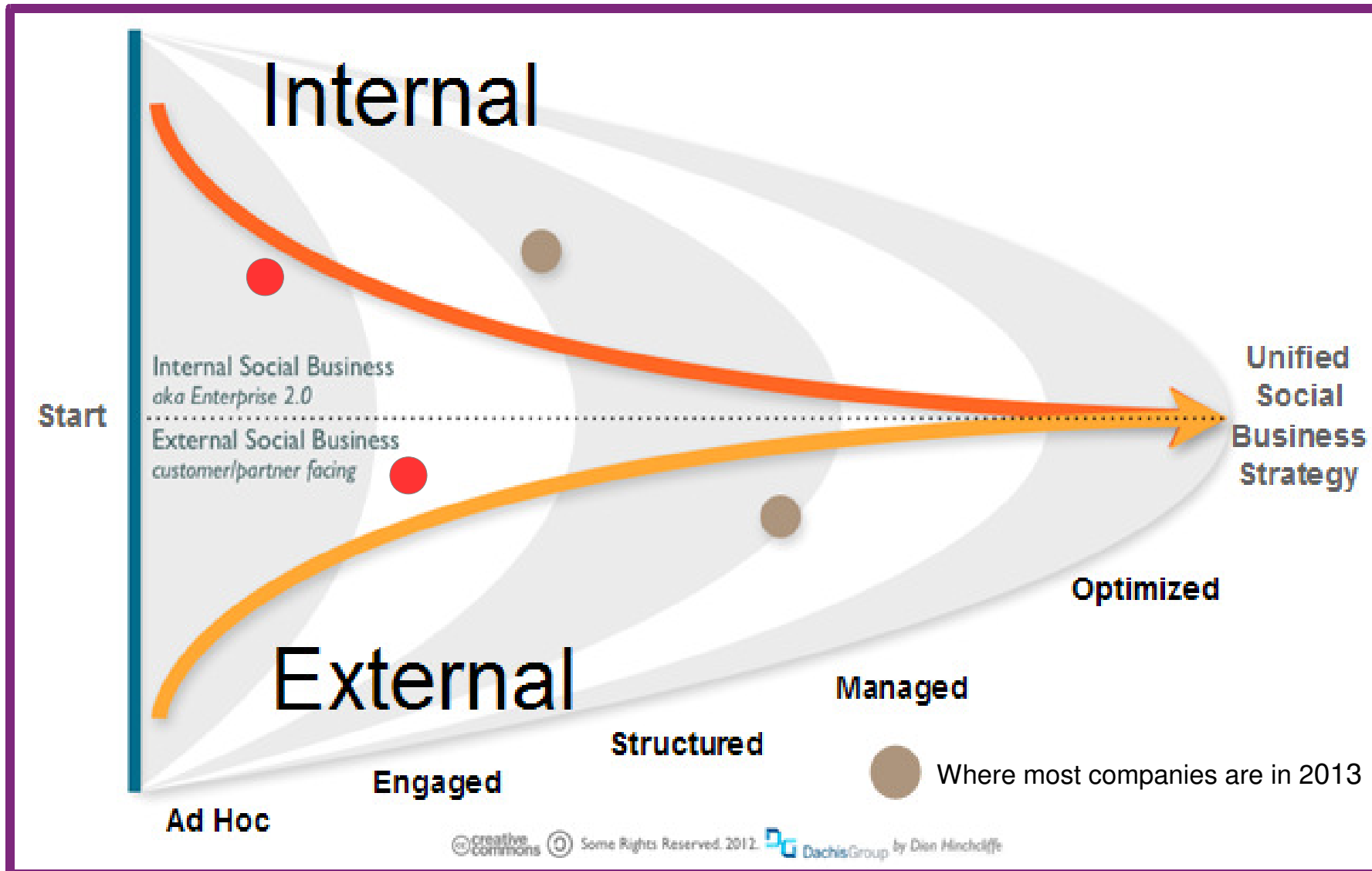
26% more revenue per employee and **40%** lower employee turnover in businesses focused on people. ³



65% of global companies have problems finding employees with the right skills¹

57% more effort from employees who are most committed to their organization ²

High-Level ASEAN Social Business Maturity Model





THANK YOU



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