2020 employee experience trends
Malaysia
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Foreword

A Decade of Opportunity

The experience economy has triggered a massive change among the global workforce. As employees, similar to our behaviour as consumers, we will reward businesses providing great employee experiences with improved productivity and loyalty.

In today’s fast moving and competitive economies, a happy and engaged workforce is one of the most effective and long-lasting ways to improve performance. Highly engaged employees are 10% more likely to exceed performance expectations, while companies with high levels of engagement achieve 2.5 x more revenue growth and 40% less churn.

This is why findings from the Qualtrics 2020 employee experience trends are so valuable to HR professionals, team leaders, and people managers. This latest report provides a guide on how businesses in Malaysia can further engage their employees to significantly improve employee experience and drive individual performance.

Drawing upon insights and feedback from more than 350 respondents across the region, Qualtrics’ study found employees, especially when going through change, want to feel their voices are heard more.

As we enter a new decade of continued transformation, businesses can optimise their employee engagement strategies by not only seeking feedback more regularly, but by demonstrating a genuine commitment to listening and acting upon it.

When company leaders and managers display strong leadership and invest in employee development the result is sustained high engagement levels across the entire employee lifecycle.

We trust our insights into Malaysia’s latest employee engagement trends will help you make real and impactful changes generating continued business growth.
SECTION 1

Employee Engagement in Malaysia
EMPLOYERS HAVE WORK TO DO IN EVERY COUNTRY

In most regions employee engagement is trending low, with Malaysia just ahead of the global average. Employers in the country - like those across the globe - must work to improve the experience for their people in 2020.

What countries or regions have the most engaged workers?

Countries or regions with the highest engagement.

- India: 79%
- Thailand: 72%
- Hong Kong: 63%
- USA: 55%
- France: 55%
- Canada: 54%
- Malaysia: 54%
- Australia & New Zealand: 53%
- Middle East: 53%
- UK: 50%
- Singapore: 47%
- Germany: 41%
- South Korea: 40%
- Japan: 35%
Recognition is top engagement driver

Employee engagement reflects employees’ willingness to go beyond the status quo, emotional connection to the organisation, intent to stay with the business, and dedication to the work itself.

In this study, we measured several key drivers of employee engagement, such as opportunities for growth & development, manager effectiveness, support & resources, etc., to better understand what aspects of the employee experience have the greatest impact on engagement. Results show strong leadership, recognition, growth and development, and manager effectiveness are the top drivers of engagement among employees around the world.

What drives employee engagement?

Top drivers of engagement in Malaysia (in order of importance with % favourability associated)

01 Recognition for good work (62%)
02 There is a clear link between my work and the company’s strategic objectives (62%)
03 Opportunities for learning and development (67%)
04 My manager helps me in my career development (59%)
05 Confidence in senior leadership to make the right decisions for the company (62%)

What does % favourability mean?

This number reflects the percentage of people that agreed their organisation does well for a particular driver. For example, in the case of ‘opportunities for learning and development’ (our #3 driver of engagement), 67% of survey respondents agree their organisation excels in that area. This highlights an area of opportunity for 33% of employees.
How we measure employee engagement

At Qualtrics we measure employee engagement as a composite score of items measuring intent to stay, work involvement, discretionary effort, pride of company, and willingness to recommend a company.

Engagement improves over time

Engagement tends to increase the longer an employee remains at the company, peaking around 4 years.

Engagement drivers change over time however, reflecting the need to constantly understand and act on what’s important to teams. For instance, the second most important engagement driver for employees with less than two years of tenure is ‘training’ whereas it is ‘a link between my work and the company’s objectives’ for more tenured employees (4+ years).

How does tenure affect engagement?

Average employee engagement based on current tenure at their organisation.
SECTION 2

Key Trends for 2020
Key Trends for 2020

Overall, employee engagement is low. Here are the three main things employees say can help improve it:

01 Ask for feedback often, listen, and take action
People place a lot of value on being asked for feedback. But what do they value even more? When that feedback is turned into tangible actions.
See more: page 10

02 In times of change, listen more
Transformation is constant in business, and when things are changing people want to be heard more. Businesses that capture feedback more often will be rewarded by their employees.
See more: page 15

03 Invest in manager and career development
Leadership, purpose, and development are important to people. Investing in manager development and career growth can increase your chances of keeping people longer and attracting the best talent.
See more: page 20
01 Ask for feedback often, listen, and take action

When our employees are engaged, our customers are advocating our brand.

Jason Bradshaw
Chief Customer & Marketing Officer, Volkswagen Australia

Discover how Volkswagen Australia is engaging employees to boost customer loyalty.
ASK, LISTEN, ACT

Results show that having a feedback program dramatically improves engagement. Employees want to provide feedback. But to boost engagement, organisations need to take action on it.

**Asking for feedback boosts engagement**

Those who said their company provides a feedback program are more engaged.

**Feedback matters**

- Engagement score of employees who said their company provides a feedback program: 58%
- Engagement score of employees who said their company does not provide a feedback program: 42%
Don’t just ask, listen

For those that have an opportunity to provide feedback, two thirds indicate it is “very important” that their employers listen to that feedback.

67% employees believe that it is “very important that their employers listen to their feedback.

Don’t just listen, act

70% of respondents reported having an opportunity to give feedback, however only 27% of them indicated their company turns their feedback into action “very or extremely well”.

70% of respondents reported having an opportunity to give feedback.

27% indicated that their company turns their feedback into action “very or extremely well”.

ACTING ON FEEDBACK BOOSTS ENGAGEMENT EVEN MORE

Engagement score for those who feel their company turns feedback into action really well, regardless of the frequency, was 79% compared to 47% for those who feel their companies do not turn feedback into action “well at all” or even “slightly well”.

Our study shows that while asking for employee feedback and the frequency with which organisations ask have an impact on employee engagement scores, it is whether the employee feels the company turns feedback into action that really moves the needle.

Employee engagement scores and turning feedback into action

- Companies that turn feedback into action really well: 79%
- Companies that do not turn feedback into action well: 47%
CASE STUDY

SEPHORA

HOW ACTING ON FEEDBACK DRIVES EMPLOYEE EXPERIENCE

Finding moments that matter

“ We [as HR practitioners] tend to focus on the big moments — the pivotal things like promotions — we usually get those right, because we focus on them. Often times it’s the ordinary moments that make the difference. My best example comes from when we audited our onboarding process.

Our new hire orientation got great feedback. But, when people arrived at their new workspace after orientation, it was kind of lackluster. We’d hear things like, ‘I got back to my desk and everyone was at a meeting’. We were missing a chance to create a moment of celebration and make that ordinary situation significant. Now we make an effort to remind new employees – in that moment – of why they chose to come to Sephora in the first place.”

—Karalyn Smith, Chief People Officer at Sephora

How Sephora meets human needs | WATCH NOW
02  Listen even more in times of change

Change is inevitable. Feedback is how we adapt. Listening to our people directs the actions we take that make a difference in everyday experiences.

JULIE LARSON-GREEN
Chief Experience Officer

Find out tips and tricks for managing change in your workforce
The world of work is changing faster than ever. With digital transformation, increasingly remote workforces, and the rise of alternative employment models, rapid change has a profound impact on the employee experience.

Examples of large scale change can be an M&A, massive restructuring, or even business systems transformations. Through these changes, it’s increasingly important to get feedback in real time.

**64%** of people feel change is ‘always’ happening within their organisation

**59%** of survey respondents said their organisations were experiencing large-scale change
IF YOUR ORGANISATION IS CHANGING, YOUR FEEDBACK PROGRAM SHOULD TOO

It can be tempting to shy away from gathering feedback during times of change for fear of seeing 'lower scores'. However, our study shows this is the time to gather more feedback. And many companies are doing so.

Companies request feedback in periods of change

For those who indicated “yes” they are experiencing large-scale change, 81% said that they have an opportunity to provide feedback. Compared to those who said “no” they aren’t experiencing a change, only 54% indicated having an opportunity to have a voice.

81% YES respondents reported having an opportunity to give feedback.

54% NO respondents reported having an opportunity to give feedback.
Asking for more feedback = higher engagement

Asking these groups for feedback more often pays off for engagement too. For those who said they are experiencing change and are also given the opportunity to provide feedback at least quarterly, their engagement is higher than those who aren’t given a voice more frequently.

How engaged are employees when experiencing change?

67%  Engagement when asked for feedback at least quarterly in times of change

58%  Engagement when asked for feedback less frequently (i.e. once to twice a year) in times of change

Times of change present more of an impetus to gather insight from employees to ensure they are prepared, understand the direction of the company and of the changes, and can actively participate.
CASE STUDY

LinkedIn

HOW TO RETAIN TOP TALENT IN TIMES OF CHANGE

The challenge  Competition for talent in the tech industry is fierce. LinkedIn needed to find ways to nurture its leaders and improve their performance, making it easier for them to stay and for their teams to follow them.

The solution  LinkedIn uses the Qualtrics Experience Management Platform™ to gather 360 feedback. The often surprising results lead coaches through productive conversations and individual action plans tied to the verified feedback from Qualtrics.

Results

Higher retention rate
Increased employee engagement
Insightful leadership development

Read the full LinkedIn story  READ NOW
03 Invest in manager and career development

"For change to stick, consistent practices of culture must be embedded into your people and process operations."

MARINA PEARCE, Ph.D.
Talent Analytics, Ford Motor Company

See how Ford is overhauling its employee experience
MANAGER + CAREER DEVELOPMENT = THE KEYS TO RETENTION

Employee turnover is very costly for organisations and can directly impact business performance. But understanding and improving employees’ experiences in the workplace can help reduce those costs. At Qualtrics, we use a time-bound question in the hopes of identifying the experience gaps and reducing flight risk between employees who have one foot out the door and those who are planning to stay for the long haul.

Our study found that 16% of employees in Malaysia intend to stay at their company for less than a year while 30% intend to stay for less than 2 years. This means a company needs to replace almost a third of its workforce every two years - a significant cost to the business.

16% of employees say they intend to stay with their company “1 year or less”

Boosting engagement can reduce churn, and managers have a key role in driving improvements. Unsurprisingly, managers who invest in career development and resolve workplace issues significantly contribute to employee engagement. That’s why investing in great leaders and managers is key, alongside understanding what’s important to your teams at different stages of the employee lifecycle.
What are the key drivers of intent to stay in Malaysia?

Top drivers of intent to stay (in order of importance with % favourability associated).

01  Recognition for good work (59%)

02  I see a link between my work and the company’s strategic objectives (62%)

03  My manager is effective in helping me resolve work-related issues (63%)

04  I have confidence in senior leadership to make the right decisions for the company (62%)

05  I have access to the resources needed to do my job (73%)

People value clear direction, opportunities to develop, and recognition. Investing in providing that direction, whether through their own career trajectory or through initiatives to get them closer to the company’s objectives, will have a clear impact on retention.
Which industries have the highest attrition risk globally?

Attrition risk by industry (with % of employees intending to stay less than a year).

The retail industry is the highest when it comes to attrition risk globally, with 26% of employees reporting they intend to stay for less than a year, while only 14% of employees in IT & Tech reported intending to stay less than 1 year.
There's a significant variance in intent to stay across countries and regions. Workers in the UK, Australia & New Zealand are the most likely to leave.
Empower Managers to Drive Employee Experience

HR practitioners can do a lot to improve employee experience (EX) in their organisations—but they can have even more impact when partnering with managers. Managers are the “boots on the ground” of strategic HR initiatives. They’re the ones who can most visibly demonstrate that employee feedback was heard, valued, and acted upon.

*Here are some examples of actions managers can take based on feedback from employee surveys.*

<table>
<thead>
<tr>
<th>Development Area</th>
<th>Low-scoring Survey Item</th>
<th>Best-Practice Tip</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaboration</td>
<td>The people I work with cooperate to get the job done.</td>
<td>Review your team members’ objectives. Think of ways you can create more alignment in the goals and work of your employees.</td>
</tr>
<tr>
<td>Communication</td>
<td>There is open and honest communication at this company.</td>
<td>Consider starting short bi-weekly or monthly emails to your team with the highlights of what has happened in the business that might be relevant. Creating (and sticking to) a regular channel of communication will make a difference.</td>
</tr>
<tr>
<td>Company Leadership</td>
<td>I have confidence in the senior leadership team to make the right decisions for this company.</td>
<td>Ask your team about how often and through which channel(s) they would like to hear from senior leaders—and pass this information upward.</td>
</tr>
<tr>
<td>Development Area</td>
<td>Low-scoring Survey Item</td>
<td>Best-Practice Tip</td>
</tr>
<tr>
<td>-----------------------------</td>
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<td>-------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Customer Focus</td>
<td>I am empowered to make decisions to best serve my customers.</td>
<td>Ask the team to identify the changes that need to be made to improve the quality of the products and services. Take action on implementing the changes over which you have control.</td>
</tr>
<tr>
<td>Growth &amp; Development</td>
<td>My manager helps me in my career development.</td>
<td>In an upcoming 1-to-1 with each of your employees, ask how you can help them understand their strengths and areas of opportunity. Ask if the current way you provide feedback is useful and if they would like to receive more or less feedback.</td>
</tr>
<tr>
<td>Inclusion</td>
<td>I trust my manager</td>
<td>Reflect on managers that you have had in the past who were exceptionally poor and strong examples of building trust. Write down the specific behaviors that differentiated those leaders and think about where you fall (be honest with yourself).</td>
</tr>
<tr>
<td>Performance &amp; Accountability</td>
<td>I have a clear understanding of what is expected of me</td>
<td>Review the formal job duties and tasks with each employee on an annual basis. Note any changes in the employee’s duties/tasks for the coming year. Identify the objective measures that will be used to assess the employee’s performance to ensure that the employee understands your performance expectations.</td>
</tr>
<tr>
<td>Development Area</td>
<td>Low-scoring Survey Item</td>
<td>Best-Practice Tip</td>
</tr>
<tr>
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</tr>
<tr>
<td>Strategic Alignment</td>
<td>I can see a clear link between my work and this company’s strategic objectives</td>
<td>If you don’t already have one, create a simple table outlining the company objectives, team’s objectives, and each individual’s objectives that contribute to those. Post this in your team’s work area (e.g., whiteboard, printed poster) so that it is visible to everyone.</td>
</tr>
<tr>
<td>Work Process</td>
<td>I am encouraged to come up with better ways of doing things</td>
<td>Encourage the team to bring forward ideas for improvement, either in 1-to-1 sessions or a team meeting. For a bigger focus, consider doing a short crowd-sourcing session in your next team meeting.</td>
</tr>
</tbody>
</table>

Check out our Manager Growth Cards for more tips to help drive action from employee feedback.
SECTION 3

Appendix: Methodology and Demographics
Appendix:

Methodology

The global study was conducted over a span of 18 days and included 13,551 respondents 18 years of age or older who were currently employed (84% FTE; 16% PTE). For this study, the response rate was 30.6% and the margin of sampling error is ±2 percentage points at the 95% confidence level for results based on the entire sample of employed adults.

350 responses were captured from Malaysia. The full study can be downloaded here.

Demographics

This study looked at employees across 17 countries and regions. The breakdown of respondents amongst those countries and regions can be seen in the table below.

- US 28.47%
- Canada 14.23%
- UK 7.12%
- Australia & New Zealand 6.55%
- Middle East 6.05%
- Germany 3.56%
- France 3.56%
- Singapore 3.56%
- Japan 3.56%
- Eastern Europe 2.58%
- Nordics 2.49%
- Benelux 2.49%
- Malaysia 2.49%
- Thailand 2.49%
- India 2.49%
- South Korea 2.49%
- Hong Kong 2.35%
Survey respondents come from a wide variety of industries as indicated by the 20% who chose “other” and represent employees at the individual contributor level (40% of respondents), as well as lower and upper management and c-level executives. About a fifth (18%) are in the customer support function and over a third (37%) have been at their current company for more than 5 years. For those that selected “Other” for sector, participants indicated, education, legal, construction & engineering, food & beverage, research, agriculture, not-for-profit, real estate, transportation.

**Sector**

- IT/Tech = 15%
- Retail = 13%
- Manufacturing = 12%
- Public sector = 10%
- Finance = 10%
- Healthcare = 9%
- Travel & Leisure = 3%
- Media and advertising = 3%
- Utilities = 3%
- Telecoms = 2%
- Other = 21%
In addition to different sectors, the study surveyed across a spread of age, genders, and roles. These are broken down in the tables below.

### Age

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>11%</td>
</tr>
<tr>
<td>25-29</td>
<td>17%</td>
</tr>
<tr>
<td>30-39</td>
<td>34%</td>
</tr>
<tr>
<td>40-49</td>
<td>21%</td>
</tr>
<tr>
<td>50-59</td>
<td>12%</td>
</tr>
<tr>
<td>60+</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>57%</td>
</tr>
<tr>
<td>Female</td>
<td>43%</td>
</tr>
</tbody>
</table>

### Job role

<table>
<thead>
<tr>
<th>Job role</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual contributor</td>
<td>40%</td>
</tr>
<tr>
<td>Manager (more than 3 years)</td>
<td>22%</td>
</tr>
<tr>
<td>Manager (less than 3 years)</td>
<td>17%</td>
</tr>
<tr>
<td>Leader (looks after a region)</td>
<td>10%</td>
</tr>
<tr>
<td>Trainee/Intern</td>
<td>6%</td>
</tr>
<tr>
<td>Executive/C-Suite</td>
<td>5%</td>
</tr>
</tbody>
</table>
WANT TO SEE HOW IT ALL WORKS?
Contact us for more information on how to get started.

BOOK A DEMO