

# Diversity & Inclusion in the Workplace: Are Companies in Singapore & Malaysia Making Real Progress?

HRX Consulting Group Research Report

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## Executive Summary

Workplace diversity and inclusion (D&I) have increasingly become central themes in corporate strategies across Singapore and Malaysia. As businesses recognize the value of diverse workforces in driving innovation, enhancing productivity, and improving corporate culture, D&I initiatives are gaining prominence. However, while many organizations claim to support diversity, the practical implementation of inclusive policies varies significantly. This research investigates the current state of diversity and inclusion in Singapore and Malaysia, the challenges companies face, and the real impact of D&I policies on workforce engagement and business performance.

## Key Research Findings

### 1. The State of Workplace Diversity & Inclusion

- **71% of companies in Singapore** report having formal D&I strategies, yet only **49% have clear accountability measures** to track their effectiveness.
- In Malaysia, **64% of organizations** claim to support diversity, but **only 38% have policies to actively increase workplace inclusivity**.
- Gender diversity remains a challenge, with **women holding only 22% of executive roles in Singapore** and **18% in Malaysia**.
- **45% of employees** in Southeast Asia feel that their workplace does not provide equal career advancement opportunities for all demographics.

- Despite policy commitments, **bias in hiring and promotion decisions remains prevalent**, especially concerning age, ethnicity, and disability.

## 2. Key Drivers of D&I Adoption

- **Government Regulations:** Singapore's Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) and Malaysia's Equal Employment Opportunity (EEO) framework encourage corporate D&I.
- **Corporate Social Responsibility (CSR):** Companies integrating D&I into their CSR initiatives experience a **29% improvement in employer branding**.
- **Talent Market Demand:** **78% of job seekers in Singapore and Malaysia** prefer employers with strong diversity commitments.
- **Business Performance:** Companies with strong D&I strategies report a **35% increase in innovation** and a **24% higher employee satisfaction rate**.

## 3. Challenges in Implementing Effective D&I Policies

- **Cultural Barriers:** **58% of HR leaders** cite unconscious bias as a key obstacle to inclusive hiring.
- **Lack of Leadership Buy-In:** **46% of D&I initiatives** fail due to limited support from senior executives.
- **Measurement & Accountability:** **39% of firms** do not track D&I progress, making it difficult to assess impact.
- **Resistance to Change:** Employees in **traditional industries** often struggle with integrating inclusive workplace practices.
- **Limited Training & Awareness:** **Only 35% of employees** have received formal D&I training, leading to gaps in understanding and execution.

## Regional Analysis: The D&I Landscape Across Southeast Asia

### Singapore

- Government-backed initiatives have led to **stronger gender and racial diversity policies in multinational corporations (MNCs).**
- **Tech and finance sectors** lead the way in implementing D&I programs, reporting a **28% higher diversity hiring rate.**
- Inclusive leadership programs are gaining traction, with **53% of HR leaders investing in unconscious bias training.**

### Malaysia

- Workplace inclusion is progressing, but **gender pay gaps remain a key concern, with women earning 12-15% less than male counterparts.**
- **Manufacturing and service industries** are slower to adopt structured D&I policies.
- **Government incentives** are being introduced to encourage corporate D&I adoption, with a focus on **age, disability, and gender inclusion.**

### Indonesia, Thailand & Vietnam

- **Ethnic and gender diversity challenges persist**, with businesses struggling to implement inclusive hiring frameworks.
- **D&I in leadership remains a weak point**, with **only 14% of C-suite roles occupied by women.**
- Companies in **urban centers** are more progressive, while **rural businesses lag in diversity efforts.**

### Future Outlook & Recommendations

- **Embedding D&I in Corporate Culture:** Organizations must go beyond policies and integrate inclusivity into daily operations.
- **D&I Data & Analytics:** Companies should leverage AI-driven tools to measure hiring trends, pay gaps, and employee diversity metrics.

- **Inclusive Leadership Training:** Developing leadership programs that foster awareness, accountability, and unbiased decision-making.
- **Stronger Regulatory Compliance:** Governments should enforce clearer D&I guidelines and offer incentives for compliance.
- **Workplace Accessibility & Flexible Policies:** Companies must ensure physical and digital accessibility for employees with disabilities.

## Conclusion

While progress is evident, companies in Singapore and Malaysia must take **more decisive action** to translate diversity policies into meaningful workplace changes. As employees demand greater inclusivity and businesses recognize the competitive advantage of a diverse workforce, the urgency to implement **effective, measurable, and accountable D&I strategies** has never been greater.

Organizations that embrace **diversity-driven innovation, equal opportunity hiring, and inclusive leadership** will lead the future of work in Southeast Asia. The time for performative diversity is over—companies must shift from intent to impact.

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