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To the future: Human capital 2022 and beyond

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Foreword



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Although capital investments and machines are important to make a business, it is people that are the most crucial to making any enterprise a success.

The evolution of human capital has come way beyond what was expected a few years back. Circa 2019, as organisations were still preparing to level-up with the extra-ordinary transformations in technology, the global economy, and consumer preferences, the pandemic brought with it a turbulence that was far from unforeseen, further backed by the Russia-Ukraine war.

The lockdown changed the way the world operated in every aspect, while CEOs reinvented the fundamentals of business strategies to overcome the disruptions. It also drew attention to the immediate adaptations and shifts in human capital, an important macroeconomic aspect, crucial for economies and organisations, but as of today, belonging more to individuals and their choices.

This brought to reality a new set of strategic workforce challenges. To tackle these, plans had to be fitted around more adaptable frontiers of work. As CEOs shift gears to reshape organisations and move past traditional work, they arrive at junctures that question their approach to organisational change—which areas should they transform and which of the long-established ways of working should they keep?

Business leaders and HR heads today are contemplating on how to evaluate and attract talent, retain valued employees, and develop skills that will be needed to create a competitive edge in an unpredictable future. Millions amongst the workforce

are questioning their own choices, as they reassess what they want out of their daily work regimen and demonstrate greater buoyancy in job markets. But then, any discussion on workforce changes and how work should be done comes espoused with hard choices.

While we acknowledge the fact that career moves are important for an individual, we conducted a study through surveys and interviews with CEOs and CHROs, to analyse what can help organisations retain talent, create conditions to boost upward mobility, and develop a more agile workforce. This study was jointly undertaken by the India Leadership Council (ILC), with Deloitte India as its knowledge facilitator in collaboration with ET Edge Insights.

Our research categorically underlined the role of organisations in intensifying the value of human capital. We approached business leaders and organisations with questions around transformational and cultural changes to build its workforce, on the ethics it applied, and in developing its present pool of skills. We used surveys ranging from digital transformation, organisational culture, reskilling, to hybrid work and work integrity. Through the course of our study, some critical factors came through. How can organisations utilise new technologies for transformation? How does one invest in talent ecosystems and for reskilling? Or then, how will demographics impact the workforce?

The insights garnered from the study have been captured in this report through a set of perspectives and interviews with industry leaders. We hope you find this report engaging and useful in your deliberations.

Introduction



Anandrup Ghose
Partner, Consulting
Deloitte India

We are now making our way into a new phase, where we collectively learn to live with COVID-19, a phase, which like much of the last two years, is uncertain and uncharted. We find that many organisations are unsure of whether this phase will reflect the same world as it was pre pandemic, or if there have been fundamental shifts, that will require us to think along new directions.

This report, in collaboration, with Economic Times India Leadership Council, is aimed at delving deeper into some distinct shifts that we believe organisations and their workforces have undergone over the last couple of years. The first, is the fundamental premise of what constitutes a workplace; while many organisations are expecting employees to make their way back to office, almost every organisation has realised the value of flexibility in work. But how are organisations to build culture, drive innovation, and foster teamwork, where individual choice on physical presence gets precedence?

Another aspect that has witnessed an enormous shift over the years, is the premium that both employees and organisations have placed on continuous learning. Learning today, is essential for both employees and organisations to continue to be relevant. Our report attempts to explore how organisations have built learning cultures that encourage self-directed learning, and at the same time, how employees are responding to this impetus.

And finally, the report looks at how leaders are refining their own styles and approaches to navigate their organisations through this new world.

To base our insights on reality and truly explore the extent of these changes, we have relied on our own perspectives, and supplemented them through extensive interviews with industry leaders and data-based studies. We hope you find this to be an interesting read, and that it helps you frame some of your own thoughts on the way forward.



The future of “*the future of work*”: Is hybrid the ultimate zenith?

Since the beginning of time, humans have been predisposed to imagine the future and conjure space-age landscapes of soaring skyscrapers and flying cars. While we live through this imagined “future” at present, it seems that no amount of crystal gazing could predict the state of the world that we operate in now.

As the pandemic compelled workforces to make the reluctant but necessary shift to remote work, the tide had simultaneously begun to turn in favour of this otherwise mandated practice. Productivity soared and “work” carried on in its usual and often enhanced fervour. For many, it seemed that “going to work” was devoid of purpose and perhaps, COVID-19 amidst its devastation, was set to obliterate the very practice of it. This was, until organisations quickly realised that while productivity had rocketed, innovation and collaboration amongst teams had been dealt a blow.

What emerged, at the slightest hint of the pandemic waning, was that going to work had, in fact, its own merits, albeit in a slightly altered capacity. The world had moved on to a pliable yet completely novel strategy—hybrid, which became the buzzword of the vicennial as organisations began their cautious tryst with it.

Remotely in the past

In May 2022, a consumer tech giant grabbed headlines over its AI head’s resignation. The reason: the push to return to office. This was far from an isolated instance; workforces around the world are split on the need or efficacy of this system. Amongst other things, remote work had metamorphosed the hours spent in commute into productivity jumps. In fact, it was at this juncture, that both employers and employees realised that being “in-office” and being “at work” were in fact, exclusive to one another. In many ways, COVID-19 had pushed organisations to take the leap of faith into the predestined next in work design, that had so far been hindered by reservations over its impact on productivity and outcomes.

However, considering that remote work had in fact proved that work was agnostic of location, “hybrid”

appears to some as a redundant system, awaiting its due end. Employers and several others, on the other hand, learnt to quickly dispute this notion. Irrespective of its many benefits, remote work had established silos, even amongst teams that worked together. It seemed that no number of virtual whiteboards could replicate the effects of a spontaneous brainstorming session in office. While tasks were easier to accomplish in the solitary home-offices we were confined to, the isolation had also seeped into what scintillated creativity—human interaction.

That said, while hybrid seems to be the ideal marriage of “remote” and “on-site” work, what makes it a viable possibility is the agility at its core—the very virtue that helped organisations tide over the brutality of the pandemic. While the larger question on the success of hybrid will remain to be answered with time, for organisations to make hybrid work will necessitate the intention to redesign for the future, requiring more than “flexible days in office” policies.

Designing for hybrid: The elements of success

The pandemic has undoubtedly evolved ways of working, not limited to going remote, but functioning despite it. Organisations have had to make an earnest effort to not lose sight of their culture but imbibe it in this new work design. Many found that repurposing existing traditions and practices in this remote setup brought forth unsatisfactory outcomes. Hybrid too, although an amalgamation of the two worlds we are fairly acquainted with, will need a careful examination of workforce traditions. Practices that may have worked in a remote or in-office setup, may not necessarily find success in this new landscape.

To begin with, psychological barriers play out in greater ardency in a remote setup. Where engaging a reluctant audience has always been a hard task in real-time, it became even more pronounced in a virtual world. Those especially overwhelmed or conscious about voicing their opinions have consistently stayed away from participating in virtual meetings. Additionally, even before the onset of COVID-19, remote participants have

harboured a sense of ostracism and disconnect, mainly from the lack of context that is otherwise available to those huddled together. Given that workforces around the world are now, and will largely be, split into remote and on-site participants, organisations will have to champion the cause of “inclusiveness” for better collaboration.

Additionally, humans, since time immemorial, have relied on optics to grade levels of diligence. And while the hybrid model sets out to offer a “choice” to be present or visible in the traditional sense, those choosing to be “in-office” will be predisposed to advantages and better opportunities. This is unless organisations work to eradicate the bias that has existed for generations and redefine “visibility” in their organisation. Leadership across organisations will have to ensure that their workforce, irrespective of where they chose to work from, have equal opportunities, both, to be heard and seen.

Especially relevant in this regard is how organisations uphold their commitment to building social capital. As remote work has demonstrated over the last two years, opportunities to build relationships and maintain them were almost non-existent. While teams have continued to build their rapport virtually, the trust and camaraderie associated with in-person verbal and non-verbal communication has largely been lost. It then falls on the organisation to create opportunities to nurture these relationships and rebuild on its pre-pandemic social capital—an indisputable aid to collaboration. Additionally, considering the generational evolution and the increasing participation of millennials in the workforce, building a strong sense of community will be imperative in retaining young talent in a competitive market.

And while communication within teams and employees is a significant challenge to solve, the other aspect that the success of hybrid hinges on is leadership communication. Organisations that have relayed their culture and ethos through leaders have found success in exuding them in and over time. As hybrid takes centre stage, it will be an uphill task for organisations to uphold its culture while transforming for this novel future. At the helm of it all, leaders will have to don the hat of expert communicators without bias, conveying the organisation’s intent and ability to sail through this change, and more importantly, its commitment towards employees’ best interests through every step of this transformation.

Further, while the conversation on flexibility so far has revolved around days of the week and choosing between homes and offices to work from, it often goes beyond, as many have realised since COVID-19. Workforces today

are demanding flexibility across avenues, whether it is the hours of the day (or night) they want to work and or where they chose to do so. Contrary to popular belief, organisations have greater nuances to navigate than during the shift to remote work. As more embark on this journey, facets of this purported flexibility will push organisations to rethink several avenues of their work design, raising the question—is hybrid really sustainable?

Is it really here to stay?

While the question on the success and longevity of hybrid work cannot be answered with a simple affirmation or otherwise, the times we find ourselves in today, could help fathom possibilities.

First, hybrid work does not begin to apply to the entirety of the workforce. Functions across industries continue to need to be physically present “in-office” or “on-site” to perform some or a large part of their duties. While the pandemic-induced push for remote work was able to digitise some processes, the bulk of the job continues to mandate physical presence. For hybrid to be successful at a scale that represents and includes more of the workforce, organisations will have to spend considerable effort in rethinking and reinventing their processes. Additionally, infrastructure, both reality-oriented and technological, will be key in facilitating a hybrid workforce, and will need to be reimaged at length. What is also essential to consider here is how different the effects of hybrid work are across the pay-scale. For a CXO, concerns such as the increasing costs of electricity and broadband bills or other enabling necessities barely tilt the scales of pros and cons, unlike for a significant proportion of the population.

Second, over the last two years, a large part of the workforce has been compelled to think about their personal values and purpose and how they align with the jobs they hold. This new perspective has obliged many to tender in their resignations in search of better opportunities suited to their tenets and with enhanced flexibility. Amidst this “great reshuffle”, organisations today are vying for talent in a highly competitive market. While organisations have bypassed the hesitation and begun their foray into hybrid work, there’s still much to be imagined for minorities within the workforce.

Deloitte’s Women at Work survey found that about 56 percent women indicated higher stress levels this year than the year before, and around 60 percent of those in hybrid work environments had experienced exclusionary behaviours. With many women indicating that they would quit their jobs over the next two years, organisations building a hybrid workspace stand to lose its foundational pillar—diversity. Given that the participation of the workforce and the uptake of this

setup will chart the path of hybrid work, inclusion will underline every aspect of this redesign.

Irrespective of the outcome, it is clear that the world today stands at crossroads, where change is inevitable. It appears that those that resist the move towards this future stand to lose their social capital, and those who have embarked on this arduous journey, still have miles to go. For organisations to succeed in building this

hybrid future, their intent and the subsequent design and implementation of such policies would have to align. Finally, whether or not hybrid can be the ultimate zenith in work design will only emerge with time; today, it continues to stand the test of intent and commitment.

– By Anandorup Ghose, Partner, Deloitte India and Sweta Chatterjee, Deloitte India



From zero to five: Where does success lie on the spectrum of days “in office”?



In conversation with Harit Nagpal, MD and CEO, Tata Play Ltd.

Two years ago, COVID-19 pushed us to embrace remote work. Today, organisations globally are on their way to formalising a hybrid setup. Between then and now, what really has changed in the context of “work”?

Not much has changed. First, the pandemic made us realise that almost everything could be done from home. For instance, we realised that reviews and other value-add activities don't warrant presence in office. They could be done from home quite well, and sometimes even better than when in office. Video calls have been quite functional in this regard, but what we also realised is that being in office is not an entirely obsolete concept. Creativity suffered because there was no room for it in a virtual environment.

How important is creativity or the lack of it in the larger scheme of returning to office?

Without creativity and ideation, there is no innovation. Over the last two years we did really well with operations, but innovation was negligible. It is also the people perspectives that we miss; the diversity in perspectives that you would otherwise have in a real-time brainstorming session. You need the two days of the week in office to be able to drive and sustain that momentum.

Do you see your workforce going back to the office full time, as the practice was pre-pandemic?

We will never be full-time. In fact, we don't need to be in office five days a week. With remote work, people were compensating for the lack of travel time with work. Productivity had skyrocketed and we did see that certain tasks were better performed from home. On a spectrum of zero to five days in office, both ends are equally bad. What we noticed with remote work or zero days in office is that camaraderie suffered, and beyond two days in office, there were diminishing returns on camaraderie. What we need is a balance between the two that enables the space for collaboration and creativity.

How has organisational culture been affected in this interim?

Over the course of the last two years, those who joined the workforce virtually have been able to adopt and exude the company ethos, all without being in office. So, I wouldn't say that there has been a difference in culture. Additionally, I don't personally believe that there needs to be a diktat for people to follow or keep up with expectations. When leaders act or follow certain practices, the workforce will inevitably keep up.

We witnessed a decent increase in productivity over the last two years. Now that the conditions have changed and we find ourselves in an employee's market, should we anticipate a change in productivity levels?

No one wants to not work. People have a drive to keep working for their own reasons; most have the ambition to make their tomorrows better than their yesterdays.

Employees today have a sense of loyalty to their jobs rather than their companies, as they should be, and they are hired for their output instead of the number of hours they spend on the job. Those who don't perform are automatically identified in these settings. I don't see anything changing in that context.

What do you do to inculcate that sense of responsibility or accountability in a hybrid setting?

Accountability is one of our core values. You have to treat everyone like you would in your family. It's no different from a household; everybody has carved out responsibilities and they are expected to carry those out in their own individual roles as a bare minimum. It's about the output at the end of the day. You also have to build and communicate trust. At Tata Play, we had been communicating to our employees even before the pandemic arrived to work from home and not commute to office unless there were scheduled meetings.

Certain jobs continue to demand being in office or commuting to client locations. How has hybrid or remote work applied to them?

For the first six months of the lockdown, they could not, and nothing suffered. So, we tried to explore that even after the restrictions eased. Even though they couldn't meet their clients or distributors, they were still able to get the data they needed. We went ahead and created a dashboard; now a chunk of their work has been digitised and the need for travel or being in client locations, though still relevant, is limited to critical or exceptional instances. We've used technology as a leverage to allot more responsibilities. Now instead of three distributors or service partners, each of them can manage approximately seven partners.

But how difficult has it been to get a pulse of the organisation in this setting?

We have more people on the field than we do in office, and our workforce has always been split across multiple locations. Our talent team was able to get a pulse of the organisation even before the pandemic hit; remote work did not affect that in any way. In fact, with hybrid, I have found myself meeting more people in the two-days that I am in office than I did during a whole week, pre-pandemic. I don't believe getting a pulse of the organisation will be difficult.

In terms of learning and growth, there has been a dramatic uptake of online courses around communications. What has your organisation's experience been in this regard?

I was taken aback by the number of people enrolling for these online courses. Self-learning has really taken off. The hours that people would have spent in commuting have been redeployed in learning and development.

Why would you say that was?

People want to grow—it is a human instinct. These courses have always existed, but no one had the luxury of investing their time in them before. Now that commute is non-existent, most have invested those hours into self-growth. Learning becomes intoxicating after a while, across levels. As an organisation, we have never enforced fixed hours of learning or certification, yet these courses are flying off the shelves. It just shows that people want to learn and grow by themselves. It's an inherent tendency to be smarter than the next guy.

Along similar lines, attrition levels have also been increasing...

In the first year since COVID-19, attrition dipped, because there were no options. Now in the present day, the offers that are coming in from outside are significantly higher. Even if we do compete, it will never match what they are being offered, and so it wouldn't really make a difference towards retention. It would make more sense to look outside of the organisation and bring in freshers. I also believe that people should expose themselves to at least four different cultures in the first few years of their careers. Each culture adds to your learning. I personally don't think we should hold back people beyond five years. It's detrimental to their own growth.

Has this desire to stay on or leave changed because of the pandemic?

The opportunities have changed. There are more opportunities today. Earlier there was a stable bunch of companies. Now with new start-ups, there is also a demand for people with varying levels of experience. If they need someone with 14 years of experience, they will have to poach them from somewhere.

Have roles and responsibilities also evolved with this way of working?

We have a lean structure with fewer levels. What we do is we continue to enrich the jobs and broaden the horizons of the role to add more responsibilities. Everybody likes higher responsibility. We have had 1,600 people since the last six years but the composition of the 1,600 employees has changed. The front-line jobs have been reducing.

Sense, see, speak: A clarion call for leaders in a hybrid future

In 2022, there is one question kindling conversations, from across dinner tables to boardrooms around the world—is the onset of the next normal drafted in a hybrid future, and will it really outrun the slow-burn of the pandemic?

As the world begins to outline perspectives, first from hypotheses and onto limited but gradual experiences, several trends and realisations are coming to the fore. To begin with, in the pursuit of a sustainable future of work, many pre-pandemic workforce traditions will have to graciously retire. Remote work, over the past two years, has already challenged several of these, and its effects have been most felt by those who have had to reorient their inherent approaches to work—leaders.

It would seem, that overnight, the very pillars of leadership underwent a transition; from firm and commanding stoicism to humane and empathetic allyship. In a way, COVID-19 had managed to merge what through generations had been demarcated as two separate spheres of life—it brought home to work. Beyond Skype windows and Zoom lobbies, flickers of our family lives, celebrations, and tragedies have crossed over into the virtual kiosks we've called our offices since 2020.

Empathy, which for years, had assumed a reputation of an underdog in leadership traits, is now emerging as the core quality to be exhibited and communicated. This is also partly to do with the mental health crisis that the world woke up to as a parallel consequence of the pandemic. With the spotlight on free and open discourse on mental wellbeing at the workplace and beyond, leaders have realised the potential of “check-ins” that go beyond task updates. But this too, amongst others, has been an uphill task at a time where screens made up for the lack of human presence. Leaders today are looking to brace the conjoined challenges of working remotely and on-site. As the new hybrid world takes centre stage, the tectonic shift is noticeably manifesting on what constitutes “good leadership”.

Sensing through screens

For a field of work that is rooted so deeply in behavioural science, gauging moods and sensing authenticities in the absence of body language cues has been a steady challenge that leaders, and especially managers, have had to confront over the last two years. Shashank Jha, Country Manager, Baker Hughes Oil Field Equipment India, elaborated at the ILC-Deloitte roundtable,

“Before remote work took over, you could observe team members beyond their time at the workstation—read their body language. You could go for coffee breaks and simply talk things out.”

— *Shashank Jha*

A hybrid culture, in this context, seems to offer a better setup, considering its potential in bridging this gap, specifically on the subtle nuances that make connections and collaborations successful. An offshoot of this line of thought is the question on management itself—Is “monitoring” still relevant in the new world? As Sanjiv Navangul, Managing Director and CEO, Bharat Serums and Vaccines, poignantly pointed out at the roundtable,

“COVID-19 brought on a wave of behaviour changes amongst managers rather than skill changes.”

— *Sanjiv Navangul*

If anything, remote work has instilled a deep relevance of trust amongst workforces around the world. In the absence of the ability to monitor over the shoulder,

metrics of success have also moved around from surface-level parameters to productivity and outcomes.

To see and be seen

What a large section of the workforce has grappled with in this regard is visibility. Being seen in a fully virtual setup has presented differently for different people—while some rose to the challenge, others struggled to stay afloat. This is also the juncture where beginners and new joiners will, in most likelihood, receive fewer opportunities for face time with managers and senior leadership.

In a hybrid world, this will continue to challenge those predisposed to be discreet and restrained in their communication styles. Pratik Dattani, Managing Director, Economic Policy Group, London, at the roundtable highlighted how cultural attributes often define the predominant communication styles of the workforce,

“Some people are better at reaching out. Inherent self-confidence varies across cultures. In a virtual team, some members perform better because they are better at asking.”

— Pratik Dattani

It is evident, that even in a hybrid world, leading teams, whether cross-cultural, cross-geographical, or otherwise, will continue to require leaders to actively listen and intuitively ensure that processes, irrespective of the location of work, provide an equilibrium of opportunities across the team.

Today, as the workforce begins to timorously make its (patterned) way back into the office, hybrid work looks to herald the next generation of leadership skills, focussed on ideals of empowerment and collaboration, but most importantly, revamped networks and channels of communication.

In a few words or less

Effective communication in a hybrid workplace necessitates brevity—the shortest time to get the key message across, without sacrificing crucial context and with clear action steps. And while the temptation, since

work went online, had been to call meetings, touch base, and virtually stay connected, Zoom fatigue soon became a tiring reality. Pradeep Sekar, Managing Director, Optiv, explained,

“In a hybrid world, there’s still some amount of a personal connect and touchpoints to ensure a certain level of accountability. But how can managers not super impose or be overbearing but check in on the team, without connecting multiple times a day?”

— Pradeep Sekar

It is perhaps in this delicate balance that the “hybrid paradox” seems to be creeping in. The inverse dichotomy of limited real-time, in-person communication is now demanding greater adeptness with soft and people skills.

The final take

Hybrid calls for a shift in mindsets—from leaders being viewed as routine task managers to coaches and mentors, who reinforce and uphold the organisation’s purpose. In this regard, hybrid presents a stable and clean slate, whether through enhanced collaboration tools, better communication strategies, or wellness programmes. While leaders may have to retrace their steps to strike the right balance, workers too will chart their path onto the same horizon, albeit with slightly divergent expectations. Even in the duality of online and offline work, a key benefit may lie in what makes hybrid what it is—flexibility. It is perhaps with this, and the core attributes that make us human—empathy, openness, inclusivity, that will mast the sail of leadership towards a new and sustainable future. While a lot remains to be imagined, the undisputed fact remains that leaders today are at the cusp of their organisation’s work design for the future—what shapes the team’s work experience will subsequently mould their perception of this hybrid future.

– By Anandorup Ghose, Partner, Deloitte India and Sweta Chatterjee, Deloitte India

Binding people with culture: Future-proofing talent strategies



In conversation with Sanjiv Navangul, MD & CEO,
Bharat Serums and Vaccines Ltd (BSV)

Up until a few months ago, it was largely believed that virtual would be the future. But now, almost all organisations are making their way back to office with some flexibility. But we've heard of tech companies losing employees to the mandate of coming back to office. What has been your experience, perhaps with your peers in the industry or in your organisation?

We had a positive and welcoming experience as we began work from office. It's been similar with most organisations in our industry with no friction in bringing the workforce back to office. As a company BSV was actively contributing to COVID-19 care, hence we had limited options to offer in terms of remote work. We have always had a sizeable number of our colleagues on the field. And our focus, at that time, was to ensure employee safety. Now, as we slowly overcome the safety concern, we have also learnt that work can be done without being physically present in office. In this process, what we have now, is a more nuanced response to how work should be structured & designed. This will be limited to the 10 or 15 percent of the total workforce, because the rest, especially in manufacturing and sales, need to be present in office or on ground.

Our decision has been to respond to this maturely, in terms of the advantages that this technology-driven setup could help us with—the options that it give us and the flexibilities it brings in? To that effect, we have been offering certain benefits to better manage work. Some of our employees take a day in a week to work from home, some choose to flexi-work, where they work from

home in the morning so they can drop off their kids to school or take care of a personal responsibility. Our aim has been to make sure that this is meaningful for every employee, as opposed to a blanket rule or policy that dictates a single way of working. We have been fairly successful, given the positive response that we have received to this approach.

Then there is also the fear factor. We've had to address employee fears on safety, which has subsequently ensured improved cleanliness and hygiene. We have also added another floor in light of greater distancing between work desks and are now trying to put in glass separators between cubicles. Our approach has been to learn from the last two years and create a completely new environment and experience. At the core of all of this is that we are trying to make this more flexible, more employee friendly, and customised to ensure that employees are happy. But what really needs work at this moment is the rebuilding of company culture. For this, we need to make sure that people have the opportunity to meet each other and discuss matters that need in-person collaboration.

Since you mentioned culture, I think giving flexibility and a choice to employees automatically brings about a cultural change in the organisation. How are managers dealing with this cultural shift?

It has been a learning experience. Managers are coping with the understanding that choices and decisions don't just lay with them. They are fighting hard let go off of

this old school control and accept this new system of being co-workers and finding solutions collaboratively, together. However, what has helped is that the last two years have taught them to be agile and adaptable to unpredictability. It is a journey—the real struggle lies in ensuring that this becomes a more habitual and accepted practice for managers.

But has there been a change in how teams bond together or the rapport between managers and their teams, particularly those who remain in a hybrid mode?

Fortunately for us, more than 70 percent of our people are back in office. Do they miss the camaraderie and the backslapping? I believe they do.

But most organisations today are deliberating on ways of creating team culture. It is going to be an uphill journey. While teams are largely going back to office, pre-pandemic rituals of offsite and team outings are still not in full swing. We are taking baby steps with team lunches/dinners, which is an encouraging step forward. However, since there is no continuity in the people who are coming into office every day, naturally, tracking or driving team behaviours is something that is not done fully well.

I believe there is no single right answer to this at the moment. People are experimenting with a myriad of options and only time will tell if they have been successful or not. The other side of the story is that this has led to co-workers getting to know each other at a deeper, more human level; understand their constraints a little more. People are now more accepting and empathetic of colleagues' and personal responsibilities and concerns. My belief is, team culture and bonding will improve, because we will try to understand each other better.

What has been your experience in hiring and retaining talent? Do you see any of these affecting your strategies?

From a hiring perspective, there hasn't been much of a change. Some businesses have picked up pace, which has led to a resource crunch. The IT industry has been on a hiring spree and has been driving the cost per hire in an upward direction, which in turn, has impacted other industries. The need for talent in such fields is much higher; it is almost a desperation, which is not sustainable in the long term.

This is where industries such as ours are finding it difficult to hire the right talent and it is taking us longer to do so. When it comes to retention, if the jobs in question are not tradeable with IT and consulting

industries, then retention is not a challenge. If they are tradeable, then we have faced concerns. In finance, we've had people who have got up to 50 percent jumps and have switched. But this has been largely felt in finance than in any other of our departments. The impact for us has been department specific. On the other hand, attrition in HR or supply-chain operations has been quite low.

Also, we have noticed that some start-ups have been successful while some have not been able to take off as planned. In these cases, we've had some talent come back. If this continues, we may see the pressure subside.

It's important for me to add that one area in which infusing new talent is getting tougher is sales. People are wary of travelling too much and are concerned about their safety. Here is where we see that more than new people coming in, existing employees make a switch to an alternative career.

The sales function is also where the impact was felt the most, where employees had the least amount of flexibility. How is your organisation revamping some of its policies to retain these talent pools?

I believe that whatever we drive, it needs to be sustainable. What we can do in our industry, is to create a stronger value proposition for sales employees. That is where we are trying to focus our energies. Instead of trying to use benefits, money, or non-monetary incentives, we are committed to building a culture of best-in class, high-quality, bio-tech company. We are telling our story.

In our interviews, we have made it a practice to start – not with a question to the prospect but rather, pitch who we are as an organisation and the strong employee value that we deliver. Today, we have a lot more communication with our employees than we did before and make it a point to talk about BSV as an organisation, focus on our values, focus on the way we do business and showcase our business strategy more aggressively than before, both within and outside the organisation. This is how we are driving our hiring and retention policies. We have been religiously harnessing social media in this regard.

In parallel, we have also enhanced our presence on external forums and extended our reach to media houses. We are trying to build our brand in a way that the value proposition keeps getting stronger, bigger and better. This is a sustainable narrative for us. We will never be able to compete with an IT or consulting company in terms of compensation and benefits, which we understand. Every industry has its own way of doing

these things and I believe that we should work on our strengths instead of our weaknesses. Our strength lies in our value proposition.

Let's go back to the retention story for a bit. How do you convince an employee to stay when they want to leave?

There are usually two or three things that can be said in such a scenario.

First, analyse the reason. There could be multiple reasons; are we demonstrating weak leadership? It starts with asking these difficult questions, and we do pose these questions to departments that are faced with significant attrition. On leadership styles and communication, a 360-degree view can help. The idea is to stop it before it becomes a pattern.

The second thing to note is where or who we are losing people to? If it's to competition, then we are falling short of showcasing our company in a better light. Here we would like to dissect and explore further on what we can do better—it allows us to take the right feedback. But if an employee grows significantly in their career trajectory and leapfrogs with the change, then we don't stop them. We encourage them to take the opportunity as we are also accountable to our people and need to be supportive of their growth. As we see it, they eventually become great ambassadors for our brand. Sometimes, if it is a simple compensation-driven change, then we sit with the employee and make them understand the value proposition we offer that outweighs compensation, and of course, if we can make accommodate a small change in the compensation, we review it and do what we can to address it. But we make it a point to have this conversation around what they want to achieve from this change and whether it is in line with their overall personal and professional goals.

We have been able to drive retention. I recall vividly, it was as recent as a few days back, we had one of our employees who said that a new opportunity would allow him to fulfil two of his goals in life. So, I asked him if we could help fulfil those goals for him. And he came back the next morning with a proposition that could be worked on. He believed that staying back would be the right decision if, we could help him achieve these goals.

As an organisation, one needs to understand and fight hard to retain talent and people. However, at times, if nothing can be done, then the next best choice is to build a brand ambassador in our employees. We act

in a manner where our employees, both current and previous, remember us for our people-driven values. That is largely the balancing act that we have been trying to pull off.

Let's assume that things continue in the same pattern as right now, where COVID-19 waves come and go without causing much damage. Do you believe that this is equilibrium, or will there be a new equilibrium after this?

I think we need to brace ourselves for a new equilibrium. Someone once told me that after the first industrial revolution, people came to work because they wanted to survive. When the information revolution happened, people talked about lifestyle—they wanted a better lifestyle than their previous generation. Now people are going to work to satisfy their own personal goals, ambitions, and a sense of purpose. What people are starting to witness is a sense of increasing reflections around whether their jobs are aligned to their life's purpose. I think we will increasingly see people come to work because there is meaningful work to be done and there is enough cause or reason to do that. Organisations will have to start to define themselves on their values.

However, at this point, not all companies are looking at this with a long-term view. Most organisations are now complacent because people are coming back to work. But I think we will need to pause, take a hard look, and think long about this, because I foresee this change.

For us, since we are in the bio-tech space, it is easier for us to define this value-driven purpose as we ask ourselves this question - "*are we creating value through what we do?*" However, this may not be the case for most organisations.

Each organisation will need to start working on how they impact the society, groups, communities, and the cultures they operate in. Previously, we could run surveys to decipher employee behaviours based on the groups they belonged to. This would help us draw and define our work policies and the way we customised them. But now, it's important to note that there are no groups of employees.

I think we will have to train our managers to be more targeted in their responses towards individuals, and not broad demographics. This is why, I believe we are not at equilibrium. *But where we are today is the starting point of all that is to come!*

Architecting talent strategies for the future

Talent strategies first found relevance in the early twentieth century when workers began to organise themselves for the want of better conditions. By the 1950s, worker well-being had found a dedicated place within organisational structures, labelled as “human resources”. While the foundations of the HR function have remained steady through the years, what has evolved is its scope in defining the workplace, and in the present day, dictating the contours of our imagined “future of work”.

Historically, the role of the talent function has taken centre stage in organisational success or survival amidst each revolution in the world of work. While the recession of 1980s saw the sun set on “lifetime employment” policies, the push for restructured employee compensation processes became the survival strategy for many amidst the global financial crisis of 2008. That said, irrespective of changing priorities and policies, organisations, for years, have continued to employ legacy systems of how talent is hired and managed. However, as it would appear, systems founded amidst a predictable, production-oriented, and industrial phase could never hold together in the erratic world of the twenty-first century.

Solving for the future

As COVID-19 struck, talent teams across organisations focussed on first surviving through the pandemic, and then charting their way to success. While the pandemic was another wave of change in the field of work, it had also been an instrumental catalyst in altering the workforce's perception of “work”. It was with the pandemic that workers took to self-reflection and employers absorbed the consequential damages in mass resignations. What ensued was a quantum leap in the number of employees who had rethought their careers in the larger context of their values and priorities. More so, they had discovered the true value of their skills in the market.

The talent function today, in the two years since the onset of the global virus, has found itself with the larger responsibility of sustainably solving for The Great Resignation, but is also tasked with designing the seamless shift to a hybrid future. It is apparent to organisations and their respective HR functions that rehashing strategies that may have worked in the past will no longer help the triad of attracting, retaining, and developing talent.

In an employees' market, as the world finds itself in today, the yardstick of benefits evolves into a larger ask for more “holistic” compensation. Higher pay and related benefits fall short in not just attracting top talent, but also retaining those existing. What is needed, now more than ever, are talent teams that are empowered to communicate—to both, listen to what employees want and define what they intend to provide.

The race for talent

Culture is especially pivotal in this regard. As workforces made the turn towards remote and then hybrid systems, what emerged as a key point of contention amongst employees was their organisation's culture. Those organisations that imbibed trust and compassion in their culture of work witnessed higher accountability in the months of remote work. In the months following the onset of COVID-19, team culture and work dynamics became a principal cause of workers choosing to stay on or resign from their workplaces. Talent teams, thereby, found themselves in the front-line of defining this key aspect for their organisations. The strategy to success, in this context, is bound by the tenets of communication, trust, and empathy—either designed and imbibed within the culture or fervidly communicated within and outside of the organisation's workforce. However, in a world that may slowly be inching towards a gig-based workforce, “culture” as we know it will redefine and metamorphose itself. What will be interesting to see is how significant or redundant a part talent will play in this altered future.

Peter Drucker famously said, “Culture eats strategy for breakfast” and leaders across organisations are feeling its weight in this age of the great reshuffle. To shape and successfully implement a hybrid team culture, business leaders need to focus on the following:

1. Build trust: Trust goes both ways and is essential for employees and leaders to work alongside each other, physically or remotely.
2. Lead with empathy: Personal and professional lives have intertwined like never before, which leaders need to be considerate about to make the hybrid work model function effectively.
3. Frame shared consciousness: Define a collective vision that all employees can sync with to work collectively as a single unit.
4. Empower execution: Provide a safe space to make mistakes and for employees to execute against the established goals and objectives.

— Pradeep Sekar

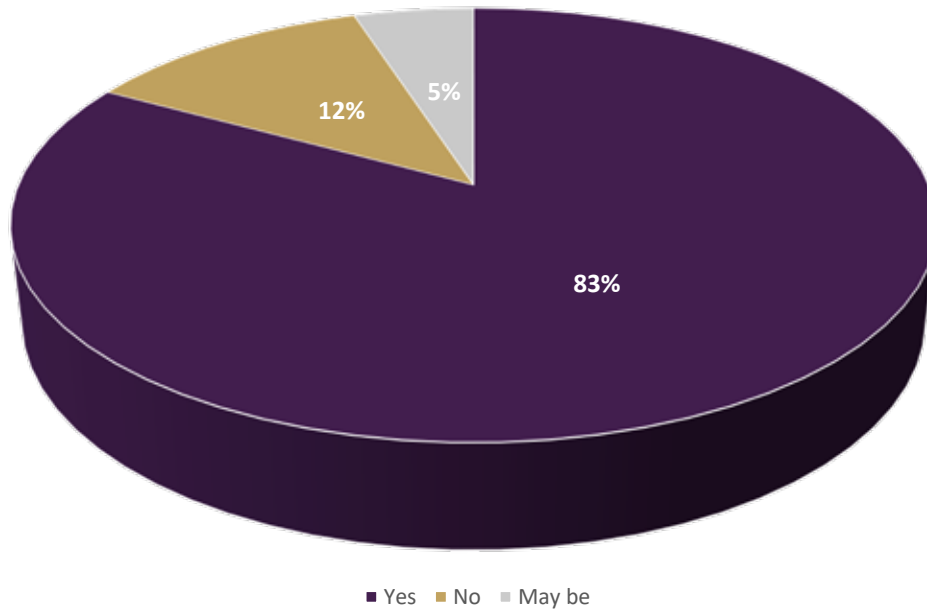
But beyond trust, comes the more nuanced aspects of flexibility—the central theme of what hybrid intends to provide. Flexibility, as seen in the current dynamic, has largely been limited to the number of days in office. From the perspective of the workforce, flexibility is a larger ask across the how, what, when, and where of work. There is a growing demand, because of the tumultuous schedules over the last years, to be empowered with the choice to decide the days, place, and hours of work. In the growing need to be inclusive, talent teams will need to recognise and be cognisant of the disparities in the roles and responsibilities of their workers, with respect to their social positions. The productive hours of a young caregiver may be significantly different to a professional with fewer personal obligations and it will become the organisation's responsibility to ensure that both have the flexibility to work and perform at their optimal hours. It is in stitching together this mesh, fitted to empower the entirety of the workforce, that talent strategies will find success.

Additionally, while not being the end-all benefit that the workforce may be aspiring for, compensation continues

to be relevant in this race to attract and retain talent. However, compensation in this altered world presents a different set of challenges. First is the inflationary pressure on organisations to match counter offers and stay ahead of competition. The second, and more relevant to retaining talent, is the need to introduce compensation structured around well-being. The times of today spotlight the need for employee wellness, beyond the gratification of the return on investment for business outcomes. Well thought-out policies around employee well-being are not just imperative in ensuring a positive employee experience, but also have long-term effects on organisational success. Talent teams will have to stretch beyond wearable tech and access to subsidised health care to demonstrate their intent of care and sensitivity towards their workforces' needs.

Our survey found that 83.33 percent of the surveyed executives have increased their L&D budget towards well-being and Diversity, Equity, and Inclusion (DEI). This includes corporate subscriptions for online counselling and meditation apps and adding additional well-being benefits such as free online counselling sessions or training for compassionate leadership.

L&D budget allocation towards well-being and DEI (Diversity, Equity and Inclusion) related learning



Adapting to adopt

In a hybrid setup, touchpoints to connect and stay aligned with organisational goals will largely remain digital. As organisations sprint towards this digital-first world, processes and structures across hierarchies will have to evolve the lack of in-person directions to achieve outcomes. This is especially true for the workforce and its ability to perceive organisational objectives and align their goals with them in the lack of regular in-person meetings and directives. Talent teams will have to design workflows that translate short-term and long-term organisational goals into clear, achievable personal milestones for the workers. At a time when individual purpose and values are assuming increased prominence in vocational decisions, having clear outlined goals can reinforce the sense of belonging in purpose within the workforce.

Further, the ability to transition into a seamless and successful hybrid future will also depend on how talent strategies can combat inherent biases. While visibility and optics have always influenced decisions in a professional context, continuing and upholding the practice of it will prove to be detrimental in a hybrid world, and in being able to nurture or bring in talent.

Hybrid also brings forth questions on developing a workforce of the future. If anything, the last two years

have demonstrated that the workforce of today is acutely aware of their needs, goals, and aspirations. With the current market, abundant with alternatives, there is a greater probability of workers moving on to opportunities that provide them with the avenues of development that they seek. It would then, be of reason for talent teams to enable workers to craft their own developmental journeys, in line with the organisation's business objectives. Primarily acting as the links between managers and workers to direct both regular tasks and overall performance objectives to align on mutually rewarding and transparent goals.

As the intricacies of the hybrid world begin to unravel, organisations, and especially their talent teams, will find themselves adapting to many, unfamiliar practices. As has been evident historically, times of change necessitate fundamental dexterity. Irrespective of the outcome, what will be imperative to incorporate going into the abstract paradigms of hybrid work is agility at the core of each work design—a seemingly unchanging requisite as talent teams continue to architect for the future.

– By Anandorup Ghose, Partner, Deloitte India and Sweta Chatterjee, Deloitte India

Restructuring the foundation of organisational culture in the current decade

The shift is evident, and the very crux of organisations has drastically changed from its traditional identity. From an after-thought whispered around office water coolers to becoming an agenda action point at boardroom discussions, the concept of redesigning organisational culture has drastically evolved, not just in its importance but the very nature of it. The Covid lockdown changed the way, the world operated in every aspect, it also brought to reality the concept of work-from-home. Notably, this large-scale transition from traditional office going and meeting rooms to the culture of work-from-home to eventually work-from-anywhere, is also owed to the fast-paced synchrony between access to technology and digital connectivity, which evidently, to a great extent is attributed to the influx of the pandemic.

Culture strategies matter

As organisations move past traditional work, and prepare for the future of work it becomes crucial to have in its approach a change in organisational ethics and in particular a change in culture that impresses upon people, strategy, structure, and HR practises in tandem with technology, that would work towards cultivating an agile organisation.

Today, organisations may urge managers to make decisions while collaborating and giving staff members additional incentives to work together across silos and share expertise. Working across silos seemed to gain an uptick, particularly in the last two years, much to advantage of the firm, as well as its employees. On the path to becoming a leader in innovations, firms might identify strategies to support employees in preserving their time for entrepreneurial endeavours and teach them about product creation and client needs assessments. Heads of the various business units were

often able to make specific linkages between the tasks, they carry out daily and the overarching strategic goals of the company.

Formulating the building blocks of the Organisational culture

Understandably there is no set format or guideline to achieve a culture in organisations. Businesses have traversed the length of its firm's culture while espousing it on their websites, in most cases, it seems to be delivered from the top management. In several cases, experts believe, that employees who have newly joined the firms come to the organisations with researched or learned perceptions of the organisation and often move due to a lack of synchrony between the organisation's core values and the displayed culture in the firm.

In a hyper-competitive market, productivity and organisational culture are closely linked. While several firms failed in achieving quarterly targets in the last two years, the great resignation saw a ripple effect across the world, a hurricane of questions took over the firm's management, revolving primarily around the ways in which firms can transform their culture to tide over the storm. One can undoubtedly say, while employee retention is one of the benefits of organisational culture, there are larger business outcomes that can emerge, such as gaining synchrony across business units, and achieving better outcomes from decentralisation.

Need to define organisational culture increases

Any enterprise-wide agile transformation needs to be both comprehensive and iterative. That is, it should be comprehensive in that it touches strategy, structure, people, process, and technology, and iterative in that not everything can be planned up front



We have seen a significant return on investment when it comes to investing in strong cultures. Attitudes, initiatives, and employee strategies determined success for these firms particularly, during the last two years. Agility, personal development, teamwork and the need to adapt well are the key employee strategies that have been foremost in discussions around the boardroom, with the primary goal to make adapting to the new normal with an effective culture.

Since change has been the only constant for businesses in the recent past, leadership will find it easier if they have a culture that supports it. Defining a culture that supports a strategy of change is paramount to sustaining future shocks. Hybrid organisations are a new wave that has seen significant success, albeit sustaining the entire COVID-19 paradigm that shifted a better half of businesses across sectors towards redundancy.

Yet, the idea of a hybrid culture didn't take off until businesses were forced to adapt their workplace policies to take advantage of cutting-edge technologies that would enable workers to work remotely and assist the business to achieve its goals.

"Hybrid and remote working are to stay here for a much longer time. With this transformation in place, hiring diverse and skilled talent from across the globe has become more achievable than earlier, provided organisations' efforts and focus are applied in the right directions. "Hybrid" itself offers a variety of different opportunities combined with a set of challenges, however, it's quite appreciable that organisations and its people are adapting fast to stand out among the competition. This changing aspect also offers HR Team to rethink on talent strategy, integrating new acquisition and learning emerging topics like social recruiting which

may further build efficiency and focus of its people," avers Mani Mamallan, CMD of EPS, an India-based provider of technology solutions.

The growing acceptance of the latest innovation strategies is eventually becoming a driver of growth. While the dependence on internet connectivity gradually increased, there were those cloud providers who seemed to give vital cloud solutions. Cloud providers have seen the positives and the challenges in hybrid work culture.

For infrastructure companies, who have seemed to find it a bit challenging to adopt hybrid working cultures, were quick to adopt these technologies. "Hybrid work environment is all about 'how' we work, not 'where' we work. Hence communication and collaboration, two critical pillars of success, become more challenging to manage. They directly impact employee morale, productivity, efficiency, and happiness," observes Sunil Gupta, Co-founder & CEO, Yotta Infrastructure.

Yet, he does amplify the need to adopt newer skills, "As the technology landscape advances, it demands continuous reskilling and upskilling of resources with a focus on the emerging trends and digital technologies that shape a hyper-connected world along with social, emotional, and higher cognitive skills. Just as Yotta builds its data centres, we are building a robust pool of future-ready IT professionals with new-age skills such as Data Centre Management, Network Operations, Solution Engineering, Cloud Architecture, Cloud Management, Big Data & Analytics, Network Programming, Cybersecurity, Artificial Intelligence, Machine Learning and Edge Computing, among others that are crucial for our business."

There were some sectors that were difficult to adapt to the hybrid work setup such as the hospitality industry yet tapped into the latest technology merely not just for sustaining the global crisis but to delve into newer clientele and newer avenues. Sunjae Sharma, Managing Director – India & Southwest Asia at Hyatt Hotels Corporation expresses, “The ease and effectiveness of hybrid setups has made it evident that this new normal is here to stay. However, we have learned that people certainly miss face-to-face interactions and in-person gatherings. Therefore, a future that is equipped to host guests virtually while delivering unique, personalized experiences is what we should be preparing for. VR (virtual reality) technology that enables immersive experiences, platforms that let guests and planners have get a closer glimpse of room layouts, meeting spaces, etc. through their screens will prove to be critical for a hybrid future.”

Although hybrid cultures are the foundation around which organisations develop their new age strategies,

there have been warnings over the apparent gap between businesses and their workforces as they move toward digitisation. With significant technological advancements over the previous two years, there has been an equivalent degree of employee discontent, not just because of social isolation but also because of actual dissatisfaction with the general decline in productivity. While there have been cases of poor internet connectivity, reduced incentives to remain online while in a hybrid setup, several firms while propagating a hybrid culture, did not seem as invested in the shift in culture as was required.

Believing that organisational is merely a linear concept or that a single approach to organisational culture will seem successful, it is evident that it can no longer help companies sustain in long run. Its increasingly becoming evident that there are blurred lines between the concept of the office that move it beyond its physical constructs.

– By Anupama Sugghosh, ET Edge Insights



From the “Great Resignation” to a “Great Reset”: Redrawing social contracts in the future of work



In conversation with Amitabh Ray, Managing Director, Ericsson Global Services

Speaking about the future of work and the importance of artificial intelligence or digitisation to transform the workspace. Leaders are confronted with the issue of reskilling and talent shortages. In view of this, why is human capital not considered as significant as financial capital?

Nothing is accomplished in an organisation without people. It is important to understand that every activity in an organisation finds its way to the balance sheet in some form or the other. Human capital or human resources, whatever be the label, too has a serious financial impact on the operations of the company. Hiring, onboarding, training, every HR activity has a direct impact on business development, project delivery, and customer satisfaction. In the Information Technology industry, no company can win any business unless it can demonstrate that it has a capable team to deliver – this is the primary requirement in the engagement process with a client.

An organisation succeeds when all its functions, Human Resource, Legal, Finance, Communications, Marketing, Administration, functions like well-oiled gears interlocked with each other. All these activities eventually find a way into the balance sheet. There isn't any activity that cannot be measured in an organisation; what can't be measured, doesn't exist. Any return on investment (ROI) of human capital can be calculated

by dividing the company's total profits by its overall investments in human capital. There is now statistical evidence to show that happy employees lead to happy customers. Glassdoor research found that each one-star improvement in a company's Glassdoor rating corresponds to a 1.3-point out of 100 improvement in customer satisfaction scores—a statistically significant impact, which was more than twice as large in industries where employees interact closely and frequently with customers.

As the head of an organisation yourself, what was it that you first did in the new normal. What is it that leaders must embrace to thrive in the hybrid world?

If you are referring to the period when the pandemic hit us, then I can say with conviction that our first priority was the health and safety of our people. Not just our employees, but their families are equally important to us. We ensured, as an organisation, and as volunteer groups of employees, to put in place a support infrastructure and system, to help employees and their families who needed medical care – from hospitalisation, medical support, to insurance claim settlements. The hybrid world is not very new to us, as we always have a sizeable population of our employees who are travelling. So, it took us just a couple of days to move into 100 percent remote working. We had the platform, tools, processes, especially collaboration platforms in place, to enable a

seamless transition to remote working. What is it that leaders must embrace to thrive in the hybrid world? I think it is the believe in the team, believe in delegation and the most important thing is to internalise that the Hybrid works depends on the power of relationships, not hierarchies. The leader must prioritise what matters most; and invest in building trust with the stakeholders.

Skilling, reskilling, and organisational culture, all connect at some point. How does that work when one has to map present work functions against future roles?

The issue is creating future-ready talent. In the early days of 2019, we undertook blueprinting a Future of Work strategic exercise. It helped us to figure out which roles will be automated, roles that could be delivered remotely, roles that needed reengineering, and roles that needed humans to work collaboratively with machines. This was part of our existing work even before the pandemic. Ericsson as a company has led the communication revolution in every decade. When the world is discussing 5G, we were already deep into our R&D for 6G that will usher in the internet of senses, and are getting it ready to be launched in future. As of now the Internet uses only audio and visual sense, while touch, smell, emotions are yet to be mapped to be sensed over the Net. Apart of AI, Machine Learning, AR/VR etc., these are some of the technologies that we work on. It gives us a fair idea about future skills.

How do leaders accelerate the shift to a more varied people's talent base, one that motivates performance and is within the norms of the new hybrid work culture?

In a hybrid work culture, it is important to have people who are self-motivated, can work in an autonomous mode, need very little supervision and are keen to stay continuously updated. These are the four things that employees must have. While we are ensuring that our recruitment process does not only evaluate the current skills of the people, but also consider their ability to stay on top of the knowledge curve, jobs too have to be redesigned to ensure employees are happy working on those assignments and can unleash their creativity. The

repetitive jobs are getting automated. Jobs that require a high degree of creativity, problem solving, innovation and collaboration will continue to be performed by humans. Once jobs become creatively challenging, motivation is but a natural outcome. Crafting jobs is where the individual's skills can really come alive. Job crafting has become extremely important. Leaders have to connect the purpose of the organisation to the aspirations of the employees. That is what motivation is all about.

In your opinion what is the state of human capital in the world today?

The Great Resignation is actually a Great Reset. Employees and organisations are redrawing a social contract about the Future of Work (FoW). As I see it today, FoW is still a moving target. There is no one size fits all. As much as the haze has cleared around many elements of hybrid work, there's still a lot we don't know. What we know is that talent will flow towards companies that are focussed on building future-ready skills, that can motivate them by crafting jobs that allow employees to be creative, intellectually challenged, and enable them to work with minimal supervision.

Nevertheless, both companies and workers are still in relatively early days of this strange new experiment – and researchers, too, still don't have meaningful longitudinal data to be able to definitively draw conclusions. And, even when the research is robust, it may still be difficult to make broad, sweeping generalisations, since what works in a hybrid environment is so personal to each employee and business. In other words, there's still a lot to learn, and it's not even clear when, or if, we'll know it. The macro-economic environment that threatens every country with inflation, supply-chain disruption, resurgence of the pandemic, and geo-political tensions will also have an impact on organisations, employees and FoW. For now, however, focus will be on honing the policies and routines that normalise hybrid work, so this stage starts to feel more intentional and less like an experiment. Even if progress is slow, moves around the world will help us solve short-term hiccups and develop long-term solutions, and hopefully make hybrid work.

Quotes

To promote a learning culture, organizations need to implement new digital learning methods that meet shifting skills and competence profiles and unlock the potential in present and future employees.

**Amit Gossain, Managing Director
KONE Elevator India**

There is no doubt that when implemented right, hybrid work has a positive impact on the quality of life of employees. From an organization's perspective, too, it translates to numerous benefits, among them improved productivity and reduced administrative costs.

**Jaya Vaidhyanathan, CEO of BCT Digital,
division of Bahwan CyberTek (BCT)**

In an ever-changing VUCA world, we have evolved towards looking beyond function-specific technical skills. To be prepared for but not be surprised by unprecedented external circumstances.

**Sunil Sethi, Executive Chairman, Modenik
Lifestyle Pvt. Ltd.**

We believe, in-person human interactions are important for alignment of staff with the company's culture and in building people to people connections.

Agendra Kumar, MD, ESRI India

Hybrid working is here to stay, but must be modified, personalised, and optimised for individual organisations based on their requirements.

Pallavi Shrivastava, Co-founder Progcap

It is undoubtedly a big step for the organizations to induce hybrid work culture in their existing systems. People are the most crucial aspect of any business & this strategy is intended to achieve the anticipated positive output by giving the people a comfortable zone to decide their workspace.

**Kalidas Bhangare, Managing Director,
Testo India Ltd**

To thrive in a hybrid workplace, there is a strong need to rethink the approach to blended learning. Traditional blended learning trickles information down from the instructor to the participant, which skips over the benefits of Collaborative Learning, like increased knowledge retention and higher engagement. We believe, a hybrid workplace has opened a more practical approach to blended learning

**Alexander Reisch, Managing Director India
Philip Morris International**

As leaders, we have our jobs cut out before us: Driving tangible business growth at the intersection of the flexibility our employees desire and the productivity that the organization demands. It is possible only if we jettison the conventions and accept that the future of work is a hybrid, wherein the trust between the employer and the employees is an essential currency of exchange.

**Ramesh Narasimhan, CEO – India,
Worldline**

We envision a world where most of these organisations would eventually become autonomous, guided by a set of principles and policies. That would require our associates to be abreast of the latest technologies including AI/ML, Blockchain, Robotics, AR/VR/XR, etc., But more than that, we look for the ability to imagine the path forward for these organisations and be the thought leader and a trustworthy advisor helping them embrace our innovative solutions to accelerate their journey on that path.

**Winston S. K. Adams, Vice President –
Corporate Affairs, MarComm & Partner
Relations, Fluentgrid Limited**

At SunTec, our approach is to ensure that both from an organizational and employee standpoint, we implement well-defined processes and state-of-the-art tools for smooth operations along with structured governance of resources and workflows. We foster consistent employee engagement through our intranet and emphasize the need of reskilling and upskilling to sail through the challenges of a hybrid work model.

**Nanda Kumar, President & CEO, Suntec
Group**

Recruitment today is drastically different from what it was a few years ago. Recruiters must move towards creating more cross-functional teams to build leaner organizations that are better prepared to deal with workplace disruptions. Companies need to align hiring efforts with the overall organizational ethos and invest in technology that facilitates a more streamlined recruitment process.

Nitya Sharma, Co-founder & CEO SIMPL

Back to the *white* board: Reskilling for relevance

Unlearning, and subsequently, learning has been a key element in the survival and success story for many organisations. The crisis impelled organisations to not just imagine but deal with a reality that had seemed impractical until a few months ago. Systems had to change and the most of what we knew and as we knew them, had to be reimaged. In this, and through the whirlpool of changes that organisations underwent, another aspect came to the fore. There were significant skill gaps amongst the workforce—it seemed dated and out of touch with this new reality.

While the pandemic provided the thrust to this momentum, for years digitalisation and automation have posed the need for workers to upgrade their skills. Before the onset of COVID-19, there had been a slow push for upskilling amongst workers, and those who lagged behind, found themselves struggling to keep up in the fast-paced, digital environment of the post-pandemic workplace. In fact, World Economic Forum's Future of Jobs Report 2020 found that half of all employees worldwide, will need to reskill themselves by 2025.¹ What this hints towards is the juncture at which the world has arrived and the need for a systemic transformation in the world of work. It is now evident that charting the path to success into this ambiguous future would need learning to become a key area of focus for organisations and their workforces alike.

And the gap widens...

While on the surface, reskilling appears to be a task to be incentivised on its uptake, the two years of the pandemic has signalled an unparalleled interest in online learning modules amongst workers. Organisations around the world noticed higher participation and enrolment in online courses—perpetuated by both, the lack of commute hours, as well as a growing awareness of the widening skill gap amongst the workforce. Organisations today have the opportunity to capitalise on this momentum by adopting the right learning strategy, investing in sophisticated tools, and increasing the emphasis on upskilling and reskilling. This is especially more crucial as organisations continue to indicate their choice of remote or flexible

work options, which will require higher melds of automation and digitalisation.

Further, as organisations across industries and sectors make their way through the nuances of this new future, the skill gap is likely to widen. The transcendence of tech and its growing relevance across every sphere of human life indicates that upcoming demand will revolve around niche skills, far from physical or basic computational competencies—more so with an increasing emphasis on human and emotional intelligence. For organisations and their leaders, this means drawing up a roadmap that can chart these needs against their existing talent pools to highlight where these gaps exist. Further, for reskilling and upskilling to augur real value, it would require organisations to strategically align these skill gaps with their overall organisational goals for this new future.

Organisations are then faced with two courses of action to bridge this gap: Hire new talent or empower the existing workforce with upskilling and reskilling opportunities. The former, in the current talent market bears limited scope, given the aggressive contest for new talent. New talent, especially in emerging fields such as advanced tech are already in short supply, further accentuating the pull on the string. It would then hold more merit for organisations to prioritise upskilling within the existing workforce.

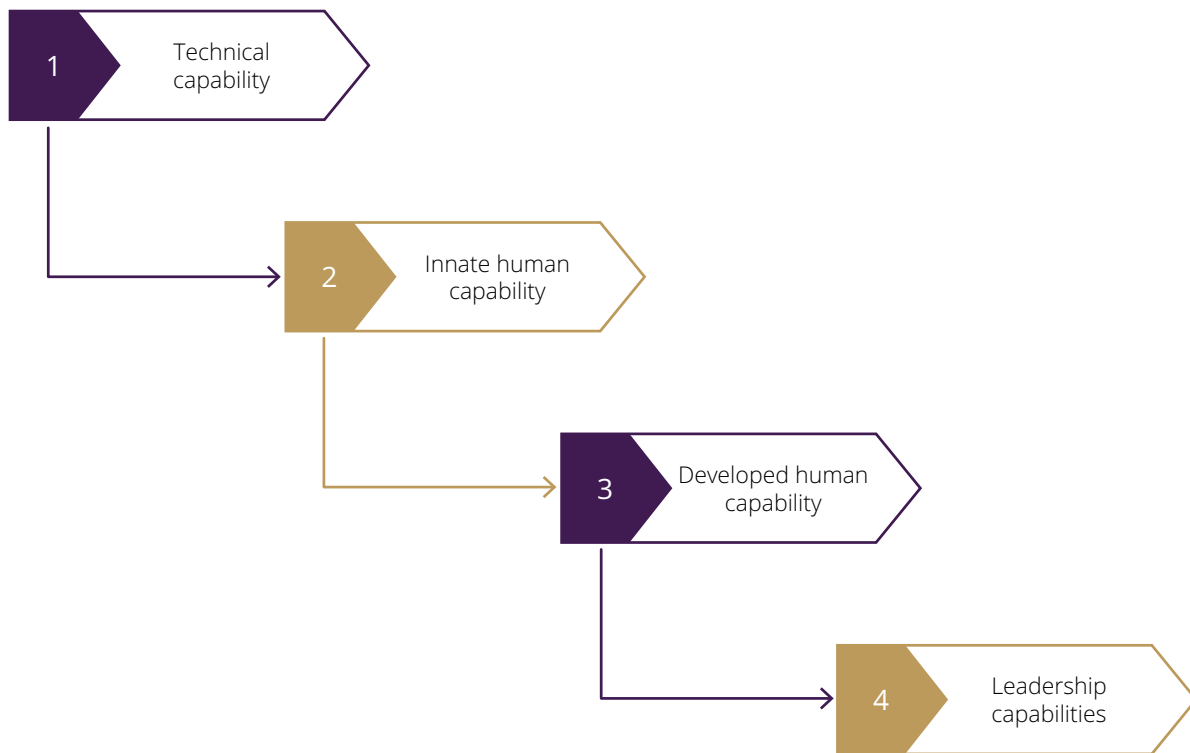
Towards this, the first step is to weigh skills against their foreseeable value. Only in doing so will organisations be successful in identifying and gleaning opportunities in the market. While much of this would rely on ambiguous crystal gazing, the uncertainty further drives home the criticality of upskilling and reskilling the workforce. As of the present day, it would seem that the world of work, as it emerged out of the pandemic, is set to play out in a similar yet nuanced landscape. As has been evident in the two years of remote work, both the market and customer needs will evolve drastically and in line with the phase that the world enters into. Reskilling then, assumes utmost priority, to be placed at the top of the business agenda. Those organisations that are equipped with a talent pool with future-proof and future-ready skills will be able to ride through the waves of disruptions that may further sweep through.

¹ https://www3.weforum.org/docs/WEF_Upskilling_for_Shared_Prosperty_2021.pdf

While technical skills are the top priority for organisations, our survey found an ascent in the demand for a curious mind.

Technical capabilities were ranked number one in required skill-building by 61 percent respondents. Basic technical skills include corporate communications, project management, data analysis, and IT security.

However, there is also a paradigm shift in other skill categories preferred by executives. Innately human capabilities are now seen as key skills by 54 percent respondents. These are capabilities we are born with, including curiosity, empathy, imagination. Businesses are gradually realising that tactical knowledge and skills are crucial, but with the presence of empathy and creativity, ideation, problem-solving skills, and the appetite to grasp technical skills skyrocket.



Top skill-building categories in order of its ranking

Begin, repeat, invest

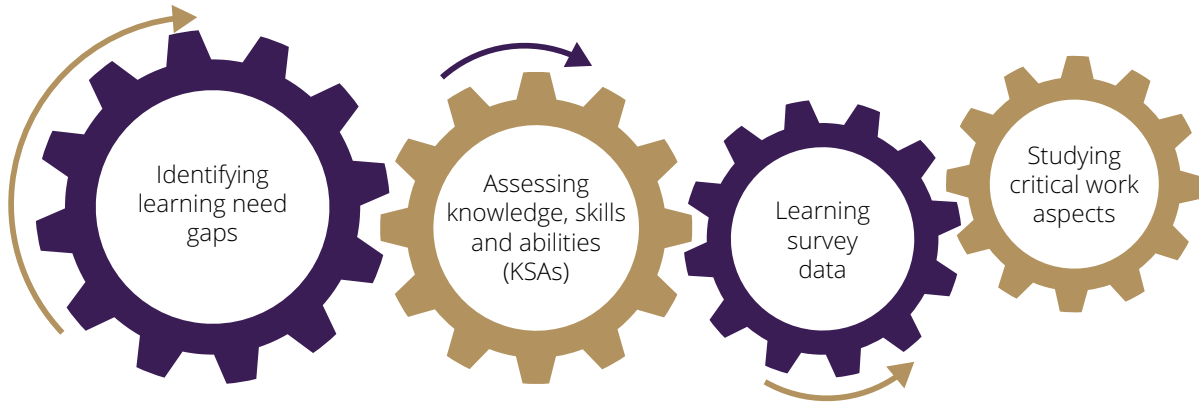
The first and most essential step, is for organisations to get started. While many fall into the trap of designing an elaborate and extensive journey, the moment of action appears to be cemented in the now. That said, immediate action in this context will also have to follow a strategic approach, mapped to the longer term instead of acting as a stop-gap solution. This holds multiple benefits for organisations—first, it abates the possibility of looking outside the existing pool for talent. Not only does this benefit the organisation from incurring onboarding costs, but it opens up

avenues for employees to take on new roles and evolve professionally. Second, any initiative in skilling has a direct impact on productivity—with new and upgraded skills, workers are more likely to be motivated and participate with higher engagement.

Further, with the evolution in what workers seek from their organisations, learning and reskilling are emerging to be key areas of focus. Workers today are looking for greater avenues to grow professionally and are invested in their own growth. This presents organisations with a unique impetus to not only build a culture of learning but continue to encourage it as a practice. One way to

inculcate this practice could be found in technology itself—from a mindset of building a blanket, one-size-fits-all learning strategy, it would help to identify individual skills and gaps and tailor reskilling opportunities to

those. Of the respondents, 80.4 percent indicated that their L&D teams design learning interventions based on the traditional approach of capturing learning needs from the business.



Data points used by organisations to design learning interventions for employees

With the sheer number of tech tools available to organisations today, designing a customised reskilling

strategy is not only possible but prudent, in the face of the abyss we are referring to as the future of work.

“Employees need just-in-time skills in the right dosage to perform their tasks efficiently. Learning has become dynamic with far greater use of micro-learning. The focus is also on upskilling a select team of motivated and influential employees and then having them coach their peers on new skills as the need arises. And of course, using data to identify and tailor learning delivery to the moments when the need for certain skills arise in the business.”

— Amitabh Ray

While this seems like a daunting task, given the present economic scenario and organisations pushing to save costs, reskilling is one aspect where cutting budgets today can translate into higher costs in the future. Additionally, tech, once again, can prove to be an enabler in this regard, facilitating online and hybrid modules and saving costs.

The pandemic has been proof of the bearing of up-to-date skills in organisations retaining their relevance. In the race for resilience, grooming the workforce with a long-term strategy can become a crunch point, both in surviving and possibly emerging as the front runner amongst cut-throat competition.

The digital fix—what hybrid needs to survive in the long run

Imagine a usual day of work—the steady flow of emails and a long list of to-dos. One of them, is a pitch that needs to be perfected before the eerily close D-day. In rummaging through endless meeting rooms that have all been blocked for days at stretch, the last resort is a table at the café next door. The paper trail seems longer than the actual presentation and no matter how far ahead the schedule is set, a 100 percent attendance is nothing short of a myth. But amidst this chaos, there is a single question that comes to mind, “why can’t this just be virtual?” And in that question, lies the spoke of the wheel driving the momentum of our collective work futures.

The very premise of the future of work hinges on technology and digital tools bridging the gaps of the real world. The most profound impact of this was felt with the pandemic, with organisations realising that digital went above and beyond just virtual collaboration tools. Both within and outside of an organisation’s gamut of operations, digital, and subsequently technology, has been at the core of delivering better value. In today’s post-COVID-19 world, collaboration is just one aspect that technology has been enabling.

“The hybrid workforce is a seismic shift from what came before it. Innovative companies must reimagine what it means to go forward to build a productive, creative, future-proof workforce—all enabled by technology. Building the ultimate hybrid workspaces where people can connect, grow, and carve out a career requires hardware and software to pull all the pieces

together. And hence, tech is at the heart of hybrid.”

— *Ketan Patel*

Rehashing legacies

While the pandemic has been heralded as a key disruptor for workflows and processes worldwide, it has accelerated the digital adoption journey that organisations are now embarking on. This may have been a long way coming. In fact, Industry 4.0 relies on the availability of solid, bankable, and state-of-the-art digital tools for its success. However, most digital tools that exist today are archaic relics of a past that the world seems to be shedding, one phase at a time. No longer the prompt, 9-5 workforce, employees of today are increasingly deciding how, when, and where they choose to work. Applications and software that were designed for incremental and ad hoc needs seem disruptively out of touch with the needs of an agile workforce. Legacy systems and solutions are not equipped to ease the flow of information—a pivotal need of a hybrid workforce. What is needed, is for these tools to be imagined, designed, and built for a world that seems to be reaching for the next in the world of work.

Here too, organisations play a significant role in empanelling and making these tools available, which subsequently, requires a thorough understanding of the work that needs to be done and how it is done. Most organisations grapple with the nuances of each function. While “digital transformation” often alludes to the holistic transformation of a business’ processes, what would augur significantly more value is for each function to undergo a digital transformation, tailored to them. Rather than a blanket wave of digital stimuli that may lose out on relevance across certain functions, a deeper look into the “what and how” of each function can lead to better outcomes. For an organisation to truly embrace a digital state of being, the first port of call is identifying where the business stands and where it intends to be. It is in the charting of this journey that organisations will have to take a deeper look at how digital tools and the people empowered with them can begin to bring in change. This entails a larger dissection of the overall organisational

strategy, but also a complete redesign of the work, the workflow, and the experience it is intended to bring forth.

Keeping the edge

Organisations are now increasingly imbibing flexible practices in their policies. Tech and digital tools have only enhanced this momentum, to ease the synergies between a workforce that shuffles in and out of office. Organisations, depending on their maturity in the digital adoption journey, stand to win on two accounts in this context. The first being the lucidity of operations that a well-oiled digital infrastructure can bring in, also enabling greater customisation of workforce policies. The second and subsequent impact of which, would lead to greater retention of employees in a competitive talent landscape. According to a survey, 76.38 percent workers in India would consider resigning if asked to come back to office full time, per pre-COVID-19 practices.

Employees today value purpose and experiences—a trend that is likely to extend into the near future with greater relevance. A workforce that finds its organisation ready and adept at bracing change and enabling a people-first culture, is likely to weigh that experience in their professional decisions against those organisations that don't. Further, in today's talent market, a tech-forward organisation stands to win against competition, especially pure tech companies vying for top tech talent. For non-tech organisations, the point of differentiation lies in their ability to offer both, a tech-powered organisation and the diversity of functions, laying the ground for cross-functional innovation.

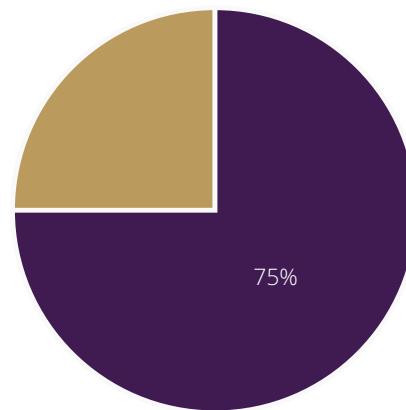
The blueprint for success

Innovation too, is helmed by tech—whether that may be in designing better workflows or improved customer journeys. Today, the push to design differentiated customer journeys and experiences is greater than ever before. In an “experience economy”, tech-powered innovation continues to be currency, and increasingly so. Agnostic of the industry, the blueprint of a great product or experience today, undoubtedly includes the etchings of tech-enabled automation, simulation, or simple process improvements.

That said, the power of tech in charting success is overarching—not limited to workflows and product engineering, every gearwheel of an organisation stands to metamorphose with tech. Given that we are inching closer to increased personalisation across our work routines, learning and development too, is likely to take a similar turn. Organisations of tomorrow will have to take into consideration, the dynamics of individual learning habits and cultures. With workforces indicating an increased significance of learning and development opportunities, the task ahead for L&D teams lies in harnessing tech to curate and provide channels of professional development, tailored to personal identities and learning abilities.

Artificial Intelligence (AI) and Machine Learning (ML) offer immense potential in this context. While we collectively distance ourselves from the one-size-fits-all formula, L&D too can augment its reach when enmeshed with tech. Beyond cutting content to a mould, advanced tech can be utilised to predict individual avenues of growth based on behavioural and performance history, presenting the opportunity for workers to learn what suits their professional and personal aspirations.

75 percent surveyed organisations are adapting unconventional approaches such as Knowledge, Skills, and Abilities (KSA) assessments to identify emerging skill gaps and build learning interventions aimed at bridging these gaps.



Organisations adapting unconventional approaches such as KSA (Knowledge, Skills & Abilities) assessments to identify emerging skill gaps and build learning interventions

The portal to the future

Industry 4.0 offers a unique window of opportunity for organisations to provide stellar value while optimising costs. That said, it is a tricky slope to scale, given the need to differentiate between organisational tradition and legacy, and bring the latter to redundancy. For organisations to succeed in the future of work, they will need to work with technology, going beyond just deploying or making tools available.

While digital transformation continues to be the flavour of the season, with organisations on a sprint to the finish line, digital, by itself, will not guarantee success. It will lie in the hands of those empowered with these tools to break down silos and affect change that translates into outcomes. It is thus, as crucial for organisations to tug their workforce to an equal fettle of digital capability, in an environment that enables innovation. It is in this reality that workplaces of the future operate—where the work, workforce, and the workplace assume their own digital identities, aligned with the single objective of organisational success.

– By Anandorup Ghose, Partner, Deloitte India and Sweta Chatterjee, Deloitte India

Diversity, empathy, and learning: The three-legged stool hoisting the future of work



In conversation with Puneet Chandok,
President, India and South Asia, AWS

Leaders today are confronted with increasing challenges in reskilling and talent shortages. In view of this, why is human capital not considered as significant as financial capital?

Human capital is as significant, if not more than any other part of an organisation. Between human capital and financial capital, human capital is far more nuanced, because it depends on a myriad of factors—the industry, organisation, and even within that, flavours change among different teams. Unlike financial capital, human capital is not black and white, it doesn't operate with a one-size-fits-all approach; that is where the complexity lies. As an example, a NASSCOM report indicated that there was an installed base of +600,000 cloud skills roles in India in FY2021, and the open positions ranged somewhere around 265,000; accounting for roughly 30 percent of the demand that is unmet. This is only the tip of the iceberg. In fact, in a study that we conducted with AlphaBeta, we learnt that by 2025, India will need nine times the digitally skilled workers that we have today. Also, each digitally skilled worker will also have to pick up seven new digital skills, across cloud, analytics, AI, ML, and so forth.

The skill gaps that we are witnessing today, are no longer linear, it's almost bursting at the seams. For that, talent retention alone is not enough—there's a need to invest in emerging skills and constantly reskill. Over the last five years, we have trained two million people on cloud skills—but that's not enough to close the gap.

What these numbers indicate to me, is that the bottlenecks for growth, digital transformation, or digitalisation in human capital is not technology, it's talent. At AWS, we have the technology to support almost every application on the cloud. It goes back to the leadership, to the culture, the skills, and the ability for the right people with the right skills to focus on the right problems. This is why I think human capital is far more significant than some of the other challenges that we usually focus on.

As we navigate through this new world, skilling, reskilling and culture, come together at some point. How does that work in aligning present work functions with the skills and roles of the future?

The short answer to that is that at Amazon, we don't hire for a specific job description, but we hire specific people. We do believe that skills are important; however, the mindset and overall attitude is far more pivotal in becoming a successful Amazonian. We can coach and train people on skills, but a match in terms of the mindset is crucial. We aim to hire people who can invent, look at customer experiences and point out what is amiss, and constantly reinvent, and those who think of a new product launch as the starting point instead of the finish line; they are, what we call, "builders".

The longer answer is that we are trying to build a learning-forward organisation at Amazon. We have

leadership principles that drive the culture and one of our principles is to “learn and be curious”, which is defined as, “leaders are never done learning. They are always seeking to improve themselves. They are curious about the possibilities and act to explore them. They are constantly trying to see where they may be going wrong and how they can learn.” We use this to hire, evaluate, and develop our people.

My personal take on this, especially around learning is that, if you are not embarrassed of who you were last year, then you’re probably not learning enough, and you’re not pushing yourself hard enough. That’s what we try to do at Amazon—we are constantly pushing our boundaries of competence and learning. However, for that, you also need the permission to fail. You can’t expect people to experiment and learn and be curious without failing. If you don’t make space for that, they will continue to use the same safe script. Jeff (Bezos) said many years ago, that he wanted Amazon to be the best place for people to come and fail, and that’s how we have been building our culture.

Organisations that succeed, amidst these challenging times and otherwise, have imbibed a habit of reinventing and reskilling into their DNAs. As a leader yourself, what would you advise businesses to embrace if they have to succeed in this new world?

I came across a piece of writing recently, which said, “the war for talent is over—talent has won.” This couldn’t be truer, given what we are witnessing today, both in India and globally. Before the pandemic, remote and hybrid work were choices limited to a few, but now they are table stakes—you cannot operate if you don’t offer these. Today’s talent wants to choose where they work from. At AWS, I have been trying to put in place a loose-tight philosophy, wherein there are a few guardrails around work, but the rest of it, lies in the autonomy of the leaders, the managers, the developers, and the technologists on ground, who decide the right model for them. When dealing with the blow from the pandemic, our focus was on reimagining three key aspects: Employee well-being, work-life harmony, and finally, leading with empathy and not pretending to have all the answers—because we didn’t, and we still don’t. We are still trying to figure our way through this new world.

With employee well-being, we shifted our focus to mental health. We had several doctors and psychologists come in and address the flood of emotions that people were feeling, their financial anxieties, and being away from their families. In terms of work-life harmony, we removed all redundancies from our reviews and meetings, focussing only on what really mattered. We

empowered our people to say no—we’ve given them the autonomy to decide what they want to or don’t want to attend. We also chalked out downtime through focussed interventions, such as “well-being day”, where we took meetings off the calendars. In leading with empathy, one thing we did, was that we renamed our townhall from “all hands” to “all hearts”. But at the end of the day, this was just vocabulary. So, we had a conversation where we put our heads together and thought about how we could really lead with “all hearts”. That’s when we dropped the script, the business updates, the pipelines, and the agenda, and really focussed on what was going on, what people were feeling. Those discussions, where we had no agenda, turned out to be the most effective ones for us. I think our hope will be for everything we have learnt so far to continue as practice, instead of falling back onto pre-pandemic habits.

Over the last two years, the sense of belonging amongst employees has been at an all-time low. Amidst such circumstances and in a hybrid world, how can leaders motivate and evaluate performance? What can leaders do to make this shift more seamless?

First thing is that we feel that the trade-off between performance and empathy is a false one. A few days ago, we had our people reviews and one of the key areas of focus was on how we could care deeply for our people while challenging them directly—the radical candour approach. Sometimes, being nice all through to avoid conflict can be selfish, from a long-term perspective. As a leader, you need to have the ability to care deeply and challenge directly. Without that, you won’t be pushing your people to be better.

The other thing is, we’re now moving towards a world with universal access to talent. The other unlock from the pandemic has been the ability to work out of India and serve customers across the globe. Talent used to be a market with imperfect substitution but now that has changed—the “age of average” is over. Technology and platforms have enabled this to a large extent. It is very easy to find exceptional talent now, anywhere in the world, and not constrained by geography, which in itself is a big shift.

As a music enthusiast, I use an analogy in this context—a succession of mediocre performances will never add up to one spectacular performance. That is also an interesting metaphor for talent. Talent used to be a commodity that could be bought in bulk and played around with in combinations. That is no longer true. Now, there is a premium on good talent. In terms of how this shift can be made easy, my view is to focus on three pillars—equity, diversity, and inclusion. It is easy to

find skilled talent anywhere across the globe; however, without an environment where they can thrive, be heard, and be themselves, you won't get the best out of them. In that sense, diversity is not just a metric; if diversity is not part of the organisational ethos, you will not be able to design products for a diverse set of customers.

Let's talk about the philosophy of human capital. Where would you say human capital is headed and what is your perspective of where it stands today?

There are two ways to frame this, almost like the tale of two cities. The first is to look at this as the early days of “decoupling”, where technology is racing ahead but many of our skills and organisations at large are lagging behind. Even at present, the pace of development in technology is miles ahead of that in skilling or reskilling. The positive flipside of this is that we are living in truly extraordinary times. Recently, in a conversation with an acquaintance in another part of the world, we spoke of India being the largest open market for technology businesses to serve. There is no market like India today—we have 60,000 odd start-ups, with one unicorn emerging almost every week, we are the SaaS capital of

the world, we have 75 million SMEs—there is untapped potential across the country. This subsequently creates a tonne of opportunities for human capital. That said, India has undergone a few changes of its own. One, we are now eager to bring in diverse skills to the workforce, and we are celebrating diversity for the first time. For example, at AWS, we have a programme designed to bring women who have taken sabbaticals back into the workforce—we call this the “restart”. Second, technology has been a massive enabler. We have witnessed the democratisation of technology, where you could be seated in a cyber café and have access to as much data, storage, and analytics as an organisation with million-dollar budgets. I am also starting to see a certain thirst for excellence, where diversity, skills, and opportunities are coming together, and curiosity amongst people is picking up. There is a growing concept of lifelong learning or unlearning to pick up new skills. We are deviating from looking at life as a linear career path but treating phases of life as junctures to pick up new skills. If you bring these together—diversity, the massive opportunity that exists in India and across the world, and the thirst to reinvent and reskill, the times of today look promising and exciting.



Sustainable human capital strategy: The missing link for sustainable organisations

We have a compelling narrative about a circular economy and how reducing emissions to net zero could be the key to building sustainable organisations in the future. However, the importance of sustainable human capital and how it is pivotal to building a business is a facet that often gets lost in the mix.

Today, business leaders, investors, and board rooms are leveraging sustainable human capital practices and strategies to unlock optimum results for their respective organisations. So, how can your business implement human capital strategies to build sustainable talent? What are some key human capital metrics that your business should consider?

Changing priorities

We are in a business environment that finds itself in a constant state of flux. If the pandemic weren't enough, rising geopolitical tensions have only added to the uncertainty quotient. In such a scenario, for organisations, employees must be the top priority. This is because even if finance is critical, the right talent can help pivot your organisational ship amidst murky waters. Any organisation today that wants to achieve a certain semblance of peace of mind must focus on investing in human resource, especially when the economy is changing rapidly. Caring for employees and managing their experience is the greatest asset that an organisation can undoubtedly have.

Another crucial aspect is that in present times, a business is being largely valued not just on its financial stability, but also its intangible assets. In fact, these intangible assets such as brand value, intellectual property, and employees or talent. It is, therefore, critical that businesses get their sustainable human resource management strategies in place.

However, what would a sustainable Human Resource Management (HRM) strategy entail?

It's certainly a balancing act between measurement, balance, and alignment. Some of the facets are as highlighted below:

- **Alignment and balance:** Ostensibly, a sustainable HRM strategy should be in sync between the business leader's and talent's perspectives, profit and purpose, risk and cost as well as behaviour and performance.

While the human capital strategy and business goals being in alignment may seem deceptively simple at an initial glance, an effectively sustainable HRM strategy entails managing tolerance and risk exposure, affordability and cost, maintaining the work culture in sync with the organisational values, and also goals and governance.

- **Measurement:** The progress towards goals should also consider metrics such as engagement, well-being, business results, productivity, and alignment with ESG principles.

The biggest shift in perception while implementing a sustainable HRM strategy has been to challenge the conventionally held perception of adhering to business models that solely focus on maximising shareholder value strategies. Instead, a sustainable HRM strategy focuses on taking into account the interests of multiple stakeholders with a focus on employees and creating a comprehensive business strategy based on these interests. The idea is to focus on long-term value creation for all stakeholders involved and not just the shareholders.

How can ESG and human capital work in tandem?

Integrating ESG into human capital is a potent combination to achieve the vision of a sustainable business. The first step is to implement key ESG metric in performance expectations and incentive plans for executives. This step will help spark the momentum towards impactful change for a business in line with its ESG goals.

A great example of ESG and human capital working in tandem would be Mastercard's initiatives that helped advocate purpose-driven rewards. Mastercard, in an announcement in 2021, stated that ESG goals and

compensation for its executives would be in sync; goals such as gender-pay parity, carbon neutrality, and financial inclusion were aspects tied into an executive's compensation. The total rewards of the company are constantly evolving to adhere to different areas of risk and capital value such as employee well-being, new ways of working, and a focus on DEI.

There is a stark realisation by organisation's today that the world has become increasingly more conscious of ethics and social equality. The increased focus on financial and organisational sustainability thus enables organisations with a sustainable human capital strategy to outperform the market, drive shareholder and stakeholder value, while managing risk effectively.

– By Lionel Alva, ET Edge Insights



The study presented in “To the Future - Human Capital Strategies for 2022 and Beyond.” (herein: “Report”) is based on a methodology integrating the latest data and information from surveys of organisations and direct conversations with executives. The findings, interpretations and conclusions expressed in this work do not necessarily reflect the views of the India Leadership Council (herein: “ILC”) or ET Edge Insights its member firms, parent companies or its affiliates by any means This report contains general information only and none of the content by any means through this publication represents any business or investment, nor should the contents in the publication be considered as a substitute for any professional advice or services, and it should not be considered so.

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