Decoding Hiring Trends in India: Aon Hewitt Hiring Study

2015 will be a year of growth, but employers must match the pace.
The Interview

Anand Mahindra on Leadership Practices

Anand Mahindra shares his perspective on leadership.

Mahindra Group is in Aon Hewitt’s Global Top Companies for Leaders list.

Analytics as a Lifestyle Within HR

On the Road to Culture Transformation – Part I

Building Technical Capability the Right Way

Bridging the Gap for Sustainable Growth: Family Enterprises

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2015 will be a year of growth, but employers must match the pace.
We are waking up to the new normal of how technology and Millennials are shaping our economic future. Technology continues to evolve at a breakneck speed and permeates the relationship we have with the three most important stakeholders in our business – customers, suppliers and employees.

Digital transformation is reshaping both the supply of and demand for talent and is repositioning employee skill sets across industries. Markets like the US and the UK are already well on their way to “reskilling” the labor force to meet the demands of a digitized and interconnected world. Digital evolution will empower and give early responsibility, and our employees will log in from wherever as opposed to checking in office. This Y-Fi (Young Focused Individuals) generation and virtual working could have a huge impact on an organization’s culture.

This will also fundamentally change HR as we know it, enabling talent management to become less of a centralized HR activity and more of an activity that is embedded in the fabric of everyday business. Talent management will become an everyday activity for each employee, manager and leader. The locus of information and decision-making will shift from HR or a small group of leaders to employees, which is a significant departure from how we know it.

The digital age will knock down silos and boundaries – between HR and business, customer and enterprise applications, between operational hierarchy layers in an organization and personal and work life. All this will greatly impact the structure and size of HR.

The focus is not only on highly skilled technical workers but also on new behavioral and leadership skills. These skills cannot be bought, because they don’t exist; they need to be built and hence, training has to be a vital constant in this journey. The shift will be from command and control to a fluid, collaborative style, with a healthy disrespect for hierarchy. This will push interpersonal and communication skills, co-creativity and brainstorming skills in great demand.

For Millennials, the entrepreneurial spirit and risk taking ability is in their DNA. At the risk of sounding seditious, will our traditional bell curves, annual appraisals become irrelevant, and if so, what will be the alternative to our age-old practices? Whatever it might be, this rising group of Digital Millennials inspires me and makes me chronically optimistic about the future of India.
Analytics as a Lifestyle Within HR
There is unprecedented excitement about big data and data analytics – everyone is talking about it, everyone has a view on it, and most organizations we know are working on it. Organizations are striving harder to use data and predictive analytics to make investment decisions on product strategies, expansion into new markets, capital maintenance, predicting consumer preferences, foretelling market tendencies and the likelihood of fraud.

Within organizations, the finance, sales, marketing and supply chain areas have increasingly relied on data and analytics to enhance their effectiveness and drive robust decisions. Despite the vast advancement in tools, technologies, behavioral sciences and statistics, HR is the last function to use data for robust decision-making. 51% of HR organizations surveyed by the Harvard Business Review rarely or reactively use data to make critical decisions¹. Our perspective is that driving value through human capital analytics will be a strategic imperative for HR over the next few years. In this article, we will first discuss the four critical trends that will precipitate this change for HR. We will then discuss four key principles on which organizations should focus as they adopt analytics as a lifestyle.

1. Focusing on Fact-Based Talent Decisions/Investments

The pressure on HR is increasing, and the C-suite wants to make decisions on talent programs and investments based on facts and not HR’s “hunch” or “intuition.” HR leaders are also striving to create a niche for the HR function as a core part of the business strategy. So the question is, “Can we re-organize the HR portfolio and make investment decisions based on data?”

For example, one of the most reputed brands in the information technology and consulting industry currently uses data, metrics, results and year-on-year trend analysis to enhance dramatically how it appoints, inducts and develops managers. This company is integrating data on manager education, experience and exposure to design the learning experiences that are most effective for a specific manager “persona.”

2. Quantifying Business Impacts

For decades, HR teams across the world have been talking about talent being a competitive differentiator for organizations. The need for better visibility into an organization’s talent, and not leaving talent management to chance, has only increased over the past few years.

For example, a large global multinational medical devices and pharmaceuticals firm has a robust assessment strategy supplemented by a vast range of data and analytics. One of its main assessment processes, known as the “Integrated Executive Process,” integrates several types of information – experiences, competencies, styles and attitudes, and motivators and interests. This data-based approach helps the company accelerate employee development through feedback and planning and address gaps in selection decisions.

3. Preparing for the Next Evolution of HR Transformation

Over the past few decades, HR has been steadily transforming through the implementation of newer technologies, setting up of shared services and realignment of roles. HR is driving value, and we see the next wave emerging from a radical change in the way HR Business Partners (HRBPs) use data and insights to consult with their business leaders. Moving from analyzing the impact of people-related decisions to knowing whether a decision makes good business sense is enabling HRBPs to add value to business leaders in a definitive way.

Aon Hewitt’s observation is that data and analytics are changing the dialogue between HR and the business by positioning HRBPs to be more strategic.

4. Expanding Technology Choices

The fourth trend is an increase in the number of organizations that have access to a vast array of business intelligence and analytic technology solutions. Field HR and business leaders need technology that is intuitive and requires little training. They are also looking for technology to provide immediate and relevant data to support decision-making processes. HRBPs need technology that they can bring to a meeting with a business leader that allows them to drill into details on the spot without having

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to take the time to pull data together and manually create the visualizations.

Adopting the Analytics Lifestyle

The four trends we described are making analytics a strategic imperative for HR organizations. So how do HR organizations embrace analytics and leverage data to drive value? We believe, HR needs to adopt analytics as a lifestyle to evolve to the next stage of driving value to the business through data. Organizations that are adopting analytics as a lifestyle are focused on four key principles in how they are organizing, synthesizing, evaluating and communicating data and insights to their business leaders.

1. Start with the Business Issues and “Right Questions”

In order to have targeted impact, HR should start with the “critical few” questions that matter to its specific business/business unit. Our experience in consulting with organizations on HR analytics and HR data has led us to discover a few patterns. Business leaders tend to focus on large business issues and related talent issues; they do not have a siloed view of compensation or talent acquisition or benefits.

The richer the dialogue and the deeper the impact on the organization, the greater is the credibility of the HR leaders. HR needs to start combining data across HR disciplines to answer the integrated questions as well as predicting the drivers of human capital – retention, engagement and career growth patterns.

2. Focus on Data-Driven Narratives

Once HR has a deep understanding of the talent questions and challenges and has gathered data from the various systems; organized it with a keen eye on patterns and insights; and experimented with it, the next step is to build a cogent narrative with insights based on the data. We recommend creating a storyboard that connects to the strategic business priorities and their resulting implications on talent, along with a set of analytics that highlights and addresses the business leaders’ key priorities for human capital.

3. Develop a Narrative – Building Analytical Capability

While HR teams have been building capabilities in organization design, change management, evaluation of top talent, and interview and selection of top candidates, they have frequently neglected the use of data when consulting with business leaders. Instead, HR has been celebrated for its intuition and gut-based decision-making. In a 2014 research study led by the Harvard Business Review, 47% of the surveyed companies reported that lack of analytical acumen or skills in HR professionals was a large obstacle to achieving better use of data, metrics and analysis.

There is a need for HR to elevate itself to focus on strategic business questions rather than more functional HR questions. In order to be effective at identifying key questions, seasoned HR professionals should be able to understand the key business priorities and the impact of those priorities on talent needs.

4. Establish a Cadence

The next step and a core principle in making analytics a lifestyle within HR is to develop a regular and disciplined cadence of reviewing data, metrics and findings. We believe it should become second nature for HR to look at the key metrics each month/quarter, select insights from the data and be able to consult proactively with the business on ways to move the needle and monitor results when specific interventions have been put in place.

HR needs to be able to tell stories with the numbers in the same way that its counterparts in finance do. HR needs the discipline to be able to review data on an ongoing and sustainable basis and not just in an event-driven manner such as during annual compensation cycles or at talent reviews. HR’s review of data should be proactive and should bring business insights before the business is looking for them.

Continued cadence will drive the next evolution of HR as the HRBP gets closer to critical talent issues within the business and is able to revise and tune the focused narrative to meet new needs as the business continually evolves.
Getting Started on the Analytics Lifestyle

While there are huge expectations from big data and predictive analytics in terms of the impact they can have on organizational effectiveness, we are seeing and learning that organizations cannot just make big investments and hire data scientists in the hope of getting started on their analytics journey. In order to gain a return on investment, we think organizations need a long-term roadmap and a phased plan for their data and analytics journey that includes building the capabilities of HRBPs at every step.

- The first step is to build a vision and roadmap by evaluating the foundation of data, understanding the business appetite for analytics, and assessing HR capabilities and readiness to take the organization on the path towards analytics. A key element of this step is to evaluate the current technology solutions and the business intent of acting on the findings of talent analytics.

- The second step is beginning the analytics focus by identifying the “critical few” business questions and launching a nimble set of tools to support the analytics. The tools should ensure that HR is not using people as data aggregators but as a means to handle the data aggregation.

- The third step is launching the analytics lifestyle by building focused data-based narratives, investing in HR capability development and maintaining a disciplined cadence of fact-based dialogue with the business.

- The fourth step is using the dialogue with business leaders to identify deep research questions that can help evaluate the current talent assumptions and influence future changes in human capital programs and investment.

These four steps can lead to the successful launch and follow-through of an analytics lifestyle. It is time for HR to participate in this revolution not through incremental, unconnected changes, but by adopting analytics as a lifestyle.

Data Source:
It's indisputable...

**Gen Y** engagement score is the lowest age category at 63%.
Best Employers Gen Y engagement score is higher at 81%.

**Employee Engagement**
- Only 83% of employees at Best Employers believe their organization offers excellent career opportunities, vs only 64% at participating organizations.

**High Performance Culture**
- Overall, 54% of organizations have a clearly defined employer brand, yet only 24% of CEOs and HR are aligned on its nature.

**Compelling Employer Brand**
- Only 56% of Gen Y employees said that their future career opportunities in their organization look good.

**Aon Hewitt**
Best Employers
India 2015

- 88% of employees at Best Employers would recommend their company, vs 74% at participating organizations.
- 82% of employees at Best Employers believe their organization delivers on promises, vs only 64% at participating organizations.
Table: Best Employers lead the way

BEST EMPLOYERS - INDIA 2015

Immediate actionable key insights into what differentiates Best Employers, and what is driving and engaging the workforce in India.

- Only 31% of organizations provide coaching to their managers vs 45% of Best Employers.
- 82% of employees at Best Employers think senior leaders treat them as a ‘most valued asset’, vs only 63% of employees at participating organizations.

EFFECTIVE LEADERSHIP

- 73% of Best Employers have structured succession planning, compared to 49% of participating organizations.

82% of Best Employers have rotational assignment programs for developing their leaders, vs 63% participant average.

Aon
“Check their horoscopes”

It is said that when Napoleon was recruiting troops, he would ask for horoscopes of candidates. Astrologers reviewed these horoscopes to predict whether a candidate was lucky for him. Clearly, predictive hiring is an age old desire!

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Campus G.A.T.E.
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Assessment for development

LEADER
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DeCode
Virtual development center for managers

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Reach out to Vishal Singh at vishal.singh.6@aonhewitt.com or visit us at www.aonhewitt.com/india to know more.
Apparel manufacturing is a labor-intensive, highly competitive, low margin business. For decades, global brands and retailers like Walmart and Nike have outsourced manufacturing to low-cost countries like India, China, Sri Lanka, Vietnam and others. Early entrepreneurs recognized this opportunity, and a few created USD 1 billion enterprises over the basic principles of client centricity (do as “they” desire), costs arbitrage and operational efficiency.

More recently, increased production and labor costs, amplified by raw material proximity and sophisticated supply chain, led to the emergence of newer manufacturing locations across the globe. Our clients in this industry responded by adopting better account management and automation/lean practices. However, the need for quicker fashion cycles and customized design requirements has demanded that their culture also evolves to be more proactive, long-term-oriented and external focused.

Easier said than done! While new capabilities can be bought, their assimilation with existing structures can be daunting as well as frustrating. Current practices and norms impede progress. Employees resist changes to their past behavior. Organizations therefore need to plan their cultural transformation in line with the changes to external environment and their business strategy.
Unfortunately, our research says organizations are behaving otherwise:
1) 66% of organizations say their culture is not well aligned with their organization’s strategic objectives.
2) 83% said their leaders don’t have the skills required to build and sustain a high performing culture.

3) Unsurprisingly, disengaged employees increase from 14% to 19% during phases of business/strategy transformation with significant impact on job.

Despite being an effusive term, culture (defined most often as “shared norms and beliefs”) can be a source of distinct competitive advantage. Apart from bringing alignment on informal codes of behavior (“how things are done here”), culture, when articulated and matured deliberately, becomes a strong fabric that weaves people into creating a sustainable and resilient organization.

Started in 1999 as an online shoe store, Zappos’ CEO, Tony Hsieh refused to sell out to Amazon in 2005 since he felt their “culture and brand would be at the risk of disappearing”. According to Tony, “At Zappos, the belief is that if you get the culture right, most of the other stuff – like great customer service, or building a great long-term brand, or passionate employees and customers – will happen naturally on its own.”

Jeff Bezos did have his way in 2009, but only after

### Exhibit 1: Sample Comparison of Current and Desired States

<table>
<thead>
<tr>
<th>Significant Difference</th>
<th>Current</th>
<th>Needed</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term-oriented</td>
<td></td>
<td></td>
<td>2.26</td>
</tr>
<tr>
<td>Reactive</td>
<td></td>
<td></td>
<td>2.11</td>
</tr>
<tr>
<td>Unit/function-focused</td>
<td></td>
<td></td>
<td>2.00</td>
</tr>
<tr>
<td>Internally-focused</td>
<td></td>
<td></td>
<td>1.95</td>
</tr>
<tr>
<td>Hierarchical</td>
<td></td>
<td></td>
<td>1.79</td>
</tr>
<tr>
<td>Collaborative</td>
<td></td>
<td></td>
<td>1.79</td>
</tr>
<tr>
<td>Decisive</td>
<td></td>
<td></td>
<td>1.71</td>
</tr>
<tr>
<td>Open/transparent</td>
<td></td>
<td></td>
<td>1.32</td>
</tr>
<tr>
<td>Tolerant/accepting</td>
<td></td>
<td></td>
<td>1.16</td>
</tr>
<tr>
<td>Cost-focused</td>
<td></td>
<td></td>
<td>0.84</td>
</tr>
<tr>
<td>People-oriented</td>
<td></td>
<td></td>
<td>0.68</td>
</tr>
<tr>
<td>Outcome-oriented</td>
<td></td>
<td></td>
<td>0.63</td>
</tr>
<tr>
<td>Risk taking</td>
<td></td>
<td></td>
<td>0.58</td>
</tr>
<tr>
<td>Action-oriented</td>
<td></td>
<td></td>
<td>0.05</td>
</tr>
<tr>
<td>Disciplined</td>
<td></td>
<td></td>
<td>0.05</td>
</tr>
<tr>
<td>Process-oriented</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk-averse</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analytical</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible</td>
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</tbody>
</table>
offering USD 1.2 billion and agreeing to let Zappos operate independently. Zappos continues to deliver year-on-year profitable growth – something that isn’t so common in online retail platform industry.

**Critical Properties of Culture**

1) **Culture is unique to every organization, much like each one of us has a distinct personality, even though Big 5 personality traits (extraversion, agreeableness, conscientiousness, openness and neuroticism) serve as our building blocks**

2) Culture is learned through demonstration of commonly acceptable and desired behaviors. Likewise, abstaining from specific behavior is also representative of a culture, e.g. healthy disrespect for seniors in a hierarchical organization may be a taboo, while it may be encouraged in a professional services organization that wants to promote innovation and create a transparent culture

3) Culture is patterned, which means various attributes of culture walk together despite being independent variables, e.g. innovative cultures value risk taking as well as collaboration amongst its employees

The properties mentioned above that culture can be a differentiator for an organization, can be objectively defined and promoted through management and leadership practices. These cultural drivers can be broadly classified under:

- **Leadership and talent**: How leaders behave, who is selected for leadership positions and the type of talent in the organization sets the tone and sends powerful messages about what is important and what types of behaviors are acceptable and not acceptable
- **Organizational structure and governance**: Organizational structure creates operational boundaries and drives line of sight to performance metrics at various levels. Governance and decision rights also set the tone for how decisions are made and who has the authority
- **Organizational policies and processes**: An organization’s policies and processes set the tone for operations and how work gets done. The level of detail and focus points define parameters and consequences for certain behaviors. Technology is often an important part of the processes that impact the culture
- **People programs**: People programs and areas of Total Rewards such as performance management goals, incentives, recognition, pay & benefits levels, communication, etc. will send messages and reinforce short and long-term behaviors that become normative

Based on our extensive research across the above drivers, we have identified various attributes that define “culture” for an organization. Using Aon Hewitt’s Culture Audit Tool, we measure relevant attributes on bi-polar scales to demonstrate an organization’s current position as well as distance from ideal or desired culture (see Exhibit 1).

Outcomes from the Culture Audit Tool are supplemented with intense leadership interviews on the organization’s business priorities that enable the definition of desired culture transformation priorities.

**Plan for Culture Transformation**

As mentioned before, every organization has a unique culture, created by its leaders in line with the relevant business realities. Leaders desirous of transformation need to accept and leverage current strengths as much as build and invest in future culture traits. The Culture Priority Matrix (CPM) helps with the identification and ranking of such critical areas of change while balancing the path to least resistance. Current and desired culture traits are mapped on a low to high scale to create a 2*2 matrix, with each quadrant signifying different priorities for the organization (see Exhibit 2).

**Culture Priority Matrix**

![Sample Culture Priority Matrix](image_url)
above, this organization should further empower its leaders and managers to own their decisions and maintain practices of an open culture.

- **Leverage** – Leaders should walk quadrant B with caution since this contains traits that have made the organization successful in the past, and therefore are valued immensely across various groups of employees. The individualistic, entrepreneurial style should be leveraged for this organization while building processes and practices that enable collaboration and enterprise-level thinking. Some structural changes may also be required.

- **Retain** – Quadrant C lists culture traits that should be kept under close watch. Validation of their position is also important during leadership discussions.

- **Invest** – Quadrant D highlights skills/practices that are widely perceived as critical to future success but can be difficult to build or acquire. Hence, this organization needs to invest in building leaders and managerial capability, in areas such as strategic thinking. Individual personality understanding in the context of desired culture can be another action area.

Being aware of the culture change priorities is the first step on this road to transformation. Making a new culture stick is significantly more complex than defining the priorities. Our clients frequently overlook a systemic view of the organization and the impact of people programs, leadership and enabling infrastructure (such as organizational structure) in promoting the desired culture.

High performing organizations go beyond culture assessment and gap analysis (see Exhibit 3). They execute the action plan from all aspects of change. High performing organizations “manage” culture more successfully than the under-achievers. Which one would you like to be?

**Exhibit 3: High Performing Organizations vs. Under-Achievers**

<table>
<thead>
<tr>
<th>Culture Change Priority</th>
<th>Under-Achievers</th>
<th>High Performers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess Current State Culture</td>
<td>75%</td>
<td>89%</td>
</tr>
<tr>
<td>Define Future State Culture</td>
<td>70%</td>
<td>89%</td>
</tr>
<tr>
<td>Analyze Current/Future Culture Gaps</td>
<td>75%</td>
<td>89%</td>
</tr>
<tr>
<td>Make Organizational Structure Changes</td>
<td>78%</td>
<td>100%</td>
</tr>
<tr>
<td>Re-design HR Programs</td>
<td>67%</td>
<td>90%</td>
</tr>
<tr>
<td>Conduct Team Building Interventions</td>
<td>90%</td>
<td>78%</td>
</tr>
<tr>
<td>Communicate Regarding Culture</td>
<td>85%</td>
<td>78%</td>
</tr>
</tbody>
</table>

Under-Achievers spend more time assessing culture.

High performers spend more time managing culture.

**Source:** Aon Hewitt’s Culture Integration in M&A Study

**Part II of this article will contain deeper insights on levers to execute culture change and creating formal mechanism to measure impact of such transformation.**

**Data Source:**

3. Aon Hewitt Research, Managing Engagement during Times of Change, 2013

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**Tarandeep Singh**
Partner, Talent & Performance
Aon Hewitt

For more information, please write to us at talentscapes@aonhewitt.com

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From 2001 to 2015 the number of women CEOs in Fortune 500 companies went up by 300% #AonInsights

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“To win a battle, you need a winning team. Winning teams are what movies are made on” – Arvind Uppal, MD, @whirlpoolindia AonBE15

“People work together if there is a goal” – Sarthak Raychaudhuri, VP HR, Whirlpool AonBE15 @whirlpoolindia

“Millennials are the majority now and they’ll figure out how to deal with the Gen X & Gen Y leaders” – Anand Shankar AonBE15

“Take care of your people because they will take care of your customer and customers will come back” – @SaeidHeidari, GM, @MarriottAonBE15

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Anand Mahindra on Leadership Practices

Mahindra Group is in Aon Hewitt's Top Companies for Leaders Global List
Q. Congratulations on being recognized as a Top Company for Leaders, both in India and globally. What does this achievement mean to you personally?
A. Thank you for this recognition. I have always seen my role as a sort of a gardener whose job is to prepare the soil by creating a culture where people can blossom and grow. So for me personally, this accolade perhaps signifies that we are succeeding in growing that ideal garden.

A lot of the credit goes to the strong talent management process developed by our HR.

Q. When was your personal ‘penny drop’ moment, at which you decided to begin the journey towards being a Top Company for Leaders?
A. The first penny drop moment was a no brainer. To survive in the liberalized economy of the 90’s, it was obvious that we had to change, and we had to have the right people leading that change. But a second penny drop moment came when we articulated our first Core Purpose (which has now been replaced by Rise) that Indians are second to none and saw how it galvanized people to take on seemingly impossible odds. That was when it became obvious that we were sitting on top of a mountain of talent, and levering that talent would be the booster rocket to success.

Q. What advice would you give to family-owned enterprises?
A. Build on heritage and use it to inspire. But always hire the best people, simply because they are the best, and give them the empowerment and space to deliver and to grow. Bring in professionals, empower them, and make them co-creators of the company’s fortunes. And then, share the wealth.

Q. What were the sensitivities and dynamics that you had to face internally?
A. No change effort is ever easy. There is always reluctance to move away from the way things were being done. Also, it is not always easy for a new person to fit into the culture. Some new hires succeeded, some did not. But ultimately, it was the marketplace that compelled the organization successfully to achieve a major transformation of mind sets, business models, and a new paradigm of working as a federation of empowered businesses.

Q. How did this impact power structures, governance and decision-making?
A. A lot of the change was brought about by restructuring the way our business was organized. This automatically created new roles and did away with the older power structures. Decision-making became more decentralized and more empowered but also more accountable. When we restructured into six business sectors, each having both authority and responsibility for their bottom line, management perspectives naturally became more holistic. There were no major issues of governance, because ethics and good governance had long been established as core values by which we lived.

Q. What is unique in Mahindra’s DNA that enables it to become a leadership powerhouse?
A. I hope it doesn’t sound immodest, but I feel we might well be the sort of 21st century company for which the world is looking. This was brought home to us in an unusual way by an advertising company from the US called Strawberry Frog. They came here on an assignment to understand the group as a background to designing a small advertising campaign for us in the US. At the end of it, after talking to our employees, they candidly told us that the ad campaign was less important than understanding and publicizing the unique DNA that they felt we had. They said that people in our company thought innovatively, were willing to take on any challenge, and most importantly, felt impelled to work not only for profits, but also to make a wider impact on...
the world. In their view, this was the kind of company for which disillusioned consumers the world over were looking. That was when we understood that Rise was not just a nice slogan – it was who we are, it was our DNA. And that’s what aligns our leadership and makes it effective.

Q. How does the “Mahindra Rise” vision align with and enable your leadership practices?

A. Rise is the touchstone with which we align everything from thinking to strategy to implementation. For example, our choice of which new businesses to enter would be dictated not just by potential profitability, but by whether it is a Rise business. In the leadership context, at the recruiting stage we would look for people who fit our values and display the Rise competencies of innovation, out-of-the-box thinking and in-depth engagement. These leadership traits would be further developed through training and would be important criteria for promotion and career progression.

Q. Mahindra’s innovation story is talked about globally. What has been the approach, from a leadership perspective, to enable this innovation?

A. Enabling innovation is a critical factor for any business. In India, we excel at frugal innovation, but so far we are known only for ‘jugaad’. I would like the Mahindra Group to excel at ‘jhakaas’ – a word that roughly translates as wow! Can we leverage frugal innovation to create products that are not cheap or tacky but that provide unbelievable value for the price? From a leadership perspective, we implement this in many ways:

a) Through training and initiatives like Centers of Excellence and the Mahindra University
b) Through encouragement. We have innovation awards including awards for failed innovations
c) Through hands on experience and unusual business models. We developed the Scorpio at one-fifth the price it would have taken to develop it in Detroit, because of innovation

Our finance business is largely rural and so has innovated in how it appraises borrowers, many of whom are uneducated and poor. It has also had to calibrate methods of repayment for people whose ability to repay depends on the seasons. So many of our businesses are pioneers and therefore, innovation is what makes them succeed.

We also encourage innovation across the country through the million dollar Rise Prize.

Q. Finally, what’s your personal mantra on leadership that you pass on to your leaders?

A. At the Group Chairman level, I believe my role is to keep looking at global trends and opportunities externally and provoke ideas and be a curator of conversations across people and businesses internally. For business leaders, I believe their role should be to act strategically in their businesses after deep reflection, and they can do this best by trusting, training and empowering the people who work for them so that they are free to deal with vital, wider issues. So the mantra would be trust, train, delegate.
Idle conversations are for the living room

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Upcoming Programs

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Reach out to Virat Vaid at aonahlc@aonhewitt.com or +91 9650944899 to participate, nominate or know more about Aon Hewitt Learning Center.
Building Technical Capability the Right Way
In the competitive business landscape in which organizations across industries are finding themselves, building and systematically sustaining an edge in the market is one of the biggest challenges facing leadership teams across the world. This, combined with the pace at which technological developments are being introduced, has made it plainly clear that it is critical for organizations intentionally and systematically to build their organizational capability – their intangible assets like technical excellence, leadership capability and innovation.

A recent survey conducted by McKinsey and Company unsurprisingly showed that of the ~1,500 respondents globally, half say that capability building falls on the organization’s strategic agenda. Closer to home, in India, the survey found that this is true for about 53% of the respondents, while more than 11% of the responding organizations actually consider ‘capability building’ as their top strategic priority.

While organizations clearly understand and value the importance of organizational capability building, the grey spot in the minds of CEOs and CHROs pertains to introducing the intervention with an approach that yields measurable business outcomes and tangible results. Centers of Excellence (COEs) and design/project teams of these interventions often begin execution without identifying the critical drivers that are key to the intervention’s success. Thus, these interventions end at merely reorganizing the existing training and development infrastructure without having a tangible impact on either the capability of an individual employee or that of the organization.

Further Complexity: The Changing Promise of Careers

With a gamut of opportunities available externally, a changing landscape of social interactions, and the progressive movement towards finding work about which one is passionate, the workforce is increasingly demanding a more dynamic approach to how an organization offers its employees career paths to grow. The traditional view of building competence and specialization in a domain area to achieve vertical growth is being challenged and in many cases being rejected by the employees. Instead, employees are seeking careers where they have the opportunity to move not only vertically, but also horizontally and diagonally (across functions, regions, and businesses) across the organization. This adds another layer of complexity in building an organization’s technical capability – one that requires finding the right balance between the renewed career promise to employees and the sustained task of building technical capability in the organization.

What Needs to Change: Identifying the Critical Drivers

Business Becomes the Owner

Traditionally, the responsibility of organizational capability building has been shouldered by the human resource function. The first radical change that has become imperative for organizations to make is to build greater
Most organizations fail to appreciate how fundamental it is to articulate the required knowledge expectations in the larger approach to building technical capability.

Ownership from the business, especially from technical functions like R&D, operations and sales and marketing. While the HR function is strongly suited to determine, design and deploy leadership development interventions required by the organization, building technical capability must be spearheaded by technical functions and in turn facilitated by HR. Making this radical shift in thought and subsequent action not only emphasizes the commitment that the business has to technical excellence and capability building, but it also drives alignment with the on-ground technical knowledge and skill requirements of the various business divisions/functions.

Exhibit 2: The Role of HR and Business in Capability Development

Start with Step 1 Not with Step 2

Before an organization decides to introduce learning aid in the form of trainings, projects, literature, etc., it is critical that the initial building block of articulating the required knowledge expectations is laid down with a strong foundation. Most organizations fail to appreciate how fundamental this step is in the larger approach to building technical capability and move abruptly towards reviewing their training modules and modes of delivery. Without explicitly, intentionally and unequivocally articulating knowledge and skill requirements through collaborative sessions within each technical function, the true identification of learning gaps can hardly be achieved.

Build a Case for Innovation

While accommodating employee aspirations to move vertically, horizontally and diagonally is a hard challenge to surpass, on the bright side, it yields an impactful concomitant benefit. By facilitating cross-domain upskilling of talent, an organization effectively enables its employees to leverage their multi-disciplinary knowledge to:

- Collaborate more effectively by understanding functional processes and hand-offs
- Identify possible synergies existing across businesses, functions and regions
- Drive process innovation by having a broader perspective on the business and operations
- Drive product innovation by understanding the needs of the customer through multiple lenses (across multiple brands, various product offerings, different markets, etc.)

This proposition to business leaders is bound to bring a healthy stakeholder alignment. This strategic alignment becomes particularly important for global multinational diversified conglomerates, giving them the opportunity to cross-leverage talent across all their entities, thus building a high performing knowledge enterprise.

Key Components of a Technical Career Framework

Career Philosophy: Offering employees dynamic careers goes beyond designing an internal job posting policy and process. The leadership team needs to rethink the organization’s fundamental philosophy on ‘careers.’ similar to how a rewards philosophy helps an organization align its Total Rewards Strategy to the broader business and HR strategy, a career philosophy defines the key tenets of what careers mean in the context of the nature
of business and operating model. There are three key benefits to developing a career philosophy:

- It helps the leadership team articulate a distinctive value proposition that enables the attraction and retention of talent with the desired capabilities
- It helps current and prospective employees understand what to expect from their career journey at the organization
- It provides a framework within which the HR function designs, administers and evaluates effective career management programs

Career Tracks: Due to the existing archetype that career growth in the organization is offered to those who display the potential to lead larger teams and manage bigger budgets, organizations are sustaining a loss of technical depth as high performing technical talent is opting to move towards the traditional managerial tracks, in order to gain access to the career growth opportunities available to managerial talent. The second step in designing the technical career framework is to identify the possible technical career paths (across job families), detail expectations from various career levels on each track and communicate to employees that both paths are equally important to the fabric of the organization and thus, success on either path will be rewarded with parity.

Technical Competencies: Once the career tracks across various job families have been identified and expectations from various levels on each track have been articulated, the next step is to develop technical/functional competencies for each job family. A technical competency framework serves as the bedrock of the technical career framework as it articulates how knowledge and skill requirements progress through different levels of proficiency in the organization. This articulation becomes critical in measuring where the organization’s technical capability stands currently and paves the way for the identification of true learning gaps. Similar to how a leadership/behavioral competency framework provides a consistent language for an individual and his/her manager while having a discussion focused on vertical movements/promotions, the technical competency framework provides the language for movement of talent from one technical domain to another.

Integrated Role Profiles: The fourth step in designing the career framework is to bring all of the elements mentioned above (career tracks, career level expectations, existing behavioral competencies and the technical competencies) together into integrated role profiles. A role profile provides succinct information about a role, integrating expectations that are common for the organization (at a particular career level) as well as those that are unique for the job family. These role profiles provide a framework for building job descriptions that are more customized to particular job roles.

Where the Rubber Meets the Road: Embedding the Technical Career Framework

A well-developed, clearly articulated technical career framework serves as an anchor for many other HR programs and processes. In fact, the technical career framework by and of itself remains to be a collection of spreadsheets and presentations; the success of the framework is determined by the strength of the linkages to other HR processes and likewise the success of other HR processes is enhanced by a clear linkage to the technical career framework.

Performance Management: Aside from evaluating employees on assigned performance parameters, organizations must also focus on assessing employees’ competencies during the annual performance review cycle. This ensures that performance conversations also focus on the HOW (technical and behavioral competencies) of an employee’s job, over and above the WHAT (KRAs and related KPIs), paving the way for capability building at an individual level.

Long-term Career Development: Because technical career frameworks help employees visualize multiple career journeys that they could undertake in the organization, the institution of a long-term career development process – different from the short-term focused performance management process – becomes imperative. Managers and HR partners should be able to help an employee navigate his/her career by designing customized development roadmaps that will enable the employee to move from his/her current role to target destination role(s) elsewhere in the organization.
**Training and Development:** With the concept of blended learning steadily gaining strength in current T&D practices, the development of a structured learning academy that aggregates learning infrastructure (e.g. classroom trainings, eLearning modules, content literature, etc.) helps organizations streamline (and, more importantly, uncomplicate) the development process for employees. A robust dashboard tracking individual and organizational metrics helps gauge the efficacy of the learning ecosystem.

**Rewards:** Similar to how incentive-based pay mechanisms are designed for managerial talent (with metrics around organization performance, function performance, team performance, etc.), organizations need to deploy mechanisms that reward superior technical contributions and capability suitably. These could be in the form of salary premiums for unique technical skills, lump-sum awards for business impact due to technical excellence/innovation or financial support for advanced degree programs.

**Recognition:** Aside from financial incentives, organizations can also appreciate technical contributions and capability through a plethora of non-financial incentives. These include mechanisms most relevant for technical talent like sabbatical periods for research/education, “off-time” for thought leadership creation, stars/belts/stripes recognizing technical prowess, etc.

**In Conclusion**
Technical functions of organizations across industries are struggling with this challenge, and some have shown the commitment needed to achieve an equilibrium that positively impacts both an employee’s career and the organization’s capability. All elements of designing and implementing an intervention of this kind require organizations to have a clear line of sight of the experience an employee will have as he/she charts out his/her career journey. While the task of building organizational capability rests on the shoulders of the business/HR, the employee must feel empowered to take charge of his/her own career journey, truly bringing the technical career framework alive in the everyday workings of the organization.

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**Akshay Sharma**
Consultant, Aon Hewitt

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- Do they have high perceived value amongst the employees?

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Bridging the Gap for Sustainable Growth: Family Enterprises

Business enterprises that were started by the first generation entrepreneurs over 30-40 years ago have consistently seen the next generation entering at a managerial level. The second and third generation family members are entering business after studying at renowned business and technology institutions around the world and getting direct experience as apprentices. The area of focus has shifted from having an enterprising attitude to handle the license raj to a growth focus and building a sustainable organization.

When five-year-old companies are beating the market valuations of almost 50-year-old organizations, and the next generation is acutely aware of this phenomenon, it is only logical that the focus would be on unlocking the potential of their own business.

Sustainable Growth

Given that less than 20% of businesses survive into the third generation of family members, it is worthwhile to understand what makes organizations sustainable and what makes them work. The crux of sustainable growth is innovation and talent.

Very often one hears that “professionalization” is the path to sustainability, but reality could be different from what is commonly perceived – external professional talent may not be the panacea to the survival or growth aspirations of a family-led enterprise. Additionally, the core values and culture of the organization would definitely mean a differentiated experience for a larger employee population.
A few of the challenges are as follows:

- Capital required for expansion and growth, private equity and fund raising through market
- External professional talent at senior levels for capability
- Family members need for direct operational control due to lack of robust management systems
- Aspirations of family members to be involved in the running of the company

**Implications**

Investors or potential investors with a view towards unlocking long-term value are nudging family enterprises to develop a high performance culture and build a future-ready organization, which could mean questioning the capability of family members to run the business or a business unit.

Very few family enterprises have been successful at infusing external professional talent at senior levels. Professionally qualified talent requires an environment that offers career opportunities, provides empowerment to take decisions in the interest of the business and organization, and most of all, is devoid of cross-wires of aligning with multiple family members in running the business.

One of the biggest challenges in a family-led business is to ensure that the right family member is handling the right role. It is critical to have a defined role and performance accountability. If a family member is in an operational or management role, the external professionals need to be reassured that their career growth will not be disadvantaged. At the same time, multiple members of the family in the business can cause unspoken competition and difficulty with holding a family member accountable in case of non-performance. One of the biggest challenges is the sense of ‘entitlement’ by virtue of being a scion or heir. Absence of fundamental rules and an appropriate family forum to manage conflicts that may rise can lead to disastrous litigations and business split.

Not many Indian businesses are ready to give a chance to an external professional over a family member. One particular study found that over 75% of family enterprises say that the next generation will enter the business in operational capacity. Although a few organizations have tried to segregate shareholder responsibility and management responsibility by having a shareholder director overseeing a few functions and businesses, this segregation is a thin line. This is not to say that family members should not be managing the day-to-day affairs of an organization – they absolutely should and should prove their capability. After all, who can manage a business better than someone who is emotionally attached to business, embodies the values and has the capability to manage the business?

The right balance and approach can depend on the readiness of the enterprise and family members. Pidilite Industries has just announced that they will be bringing in a professional CEO from a global FMCG company to drive global expansion. Wipro has long been run by an external professional CEO. Organizations like Aditya Birla Group, Mahindra Group, Fortis, and Hero MotoCorp Ltd., are being run by family members along with professionals from the industry, which is critical for the sustainability of management capability and infusion of best talent.

**How to overcome the challenges and build a future-ready sustainable organization:**

- **Building a future-ready organizational structure, with more than one next generation family member to share the controls**
  It’s important to have a clear segregation of business portfolios. It is crucial to build skills and experience over a period of time in order to handle portfolios successfully.

- **Transition of business controls**
  Typically, the next generation has moved into the organization in executive roles. Shareholding alone has not been the primary lever for keeping the control intact through the transition. A few family organizations have family members only play board roles, while the majority have family members with a direct role in running the organization. Planning and agreement on the transition of control are crucial...
Succession and grooming
As most family businesses have family members joining the business and operations of the organization, an immersion plan is critical. What should be the role of the successor/next generation? How long should the learning and shadowing phase be? Who should coach and mentor the next generation? This process can perhaps be more mature and can be made robust by a well thought out orientation and having clear accountability for chosen areas, as well as by giving family members opportunities to learn, build credibility and prove themselves. Based on education and aptitude, certain strategic management areas should be identified for the successor.

Family and professionals or family vs professionals
Many family businesses have not been able to give equal status to family members in executive roles and to professionals who join from outside. Indian family businesses have a long way to go in this direction. External senior professional executives have typically been kept on a short leash and find it hard to overcome the family dynamics. Despite the intent towards empowerment and towards the delineation of powers and accountabilities, this has not been successful in many organizations. Multiple lines of command and overlap in roles with family members would lead to obvious conflicts.

Family success framework
In order to make the success sustainable and to avoid family dynamics jeopardizing the business and organization, many family-led organizations like Murugappa, Mahindra Group and GMR have already created super structures. This allows them to ensure that the values and philosophy are aligned, the performance management of family members in business roles is transparent and equitable (sometimes through an independent team of eminent professionals), family decisions and business decisions are clear and demarcated, and differentiated performance is rewarded justly and equitably. All of these need to be done very carefully and transparently, and the principles and conflict resolution mechanisms need to be established in advance and accepted by all family members.

Organizations may have to understand this need earlier in their evolution curve and start working on building a family success framework for sustainability of the enterprise.

*Aon Hewitt offers solutions for family-led organizations and advises clients around vision, values and culture, organization structure and roles, leadership development and succession management, performance and rewards, leadership capabilities, and human resources process and systems. Aon Hewitt offers a deep diagnostic-based solution that creates impact for diverse needs of family-led organizations.

External senior professional executives have typically been kept on a short leash and find it hard to overcome the family dynamics. Multiple lines of command and overlap in roles with family members would lead to obvious conflicts.

Anurag Aman
Director, Family-Led Businesses
Aon Hewitt

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Decoding Hiring Trends in India: Aon Hewitt Hiring Study

2015 will be a year of growth, but employers must match the pace

Industry Insights on Hiring

Hiring strategies can have a big impact on a company’s performance, so management must stay abreast of new industry trends to be used to the advantage of the corporation.

At Aon Hewitt, we surveyed 95 organizations across 14 industries to identify emerging hiring trends for 2015.

Our survey shows 30% to 64% of companies across industries will hire more people, and almost half will have a higher budget compared to previous years.

While the bulk of hiring will be at junior levels, senior level recruitment is also likely to increase in talent and knowledge-based industries. With job satisfaction and intra-company growth being prime recruiting tools, it has never been more important to match the right man to the correct job.

Well-informed employers will be better placed to make discerning hiring decisions. With hundreds of candidates across the country, a lack of knowledge of efficient hiring methods and options can have implications on effectiveness. Tracking the Rate of Investment (ROI) on sourcing channels and by levels is imperative to determine hiring effectiveness.

We divided our research into four core industries – Automotive, hi-Tech/IT, FMCG/FMCD, manufacturing and pharmaceuticals.

1. **Automotive and Auto-components Industry**
   Junior level hiring is set to accelerate in 2015, comprising 56% of open positions. We also found that while two-third of companies in the automotive and auto-components industry plan to fill their entry level positions by recruiting from campuses, they lack a skilled team dedicated to active recruitment.

   While senior level recruiting would be as low as 10%, filling those specialist positions has been a problem across all levels of hiring. Vendor and recruitment team costs are the two most prevalent factors accounting for Cost per Hire. Companies have been increasingly filling positions internally across all levels.

   By our assessment, structuring talent acquisition teams across levels is key. This will increase effectiveness, including adapting skill assessment tools to cater to diverse talent pools.

2. **Manufacturing**
   Over 64% of the manufacturing companies we polled said they expected a higher influx of new employees than the year before. Many of the open positions are found in the mid level posts, followed by junior hires.

   They want employees who will produce top quality work in minimal turnaround time, but at present, manufacturing companies lack objective and standard measures to track effectiveness of their hires.
One way to achieve this would be to streamline methods to gauge hiring effectiveness. Using multiple sources for a data-driven approach to track performance will lead to desired business outcomes.

3. FMCG/FMCD
The FMCG industry may not expect to see a significant spurt in new hiring this year, with the focus largely being on revamping current sales methods. Nevertheless, companies are showing an increasing preference for online talent acquisition, while maintaining special hiring teams.

We found that while employers are broadening their hiring methods, they are not seeing a return in terms of actual employee selection. Only 11% of organizations report more than 90% selection ratio across channels.

Going forward, structuring hiring teams is the way for greater effectiveness, leading to predictive hiring and enabling talent selection. We also foresee filling open senior and mid level positions internally for this industry. This will increase both talent retention and employer brand value.

4. Hi-Tech/IT
IT companies have taken a hit this year and are expected to cut hiring by half, focusing instead on obtaining and keeping efficient employees.

We found that once talent is hired, 70% of the companies polled lack objective methods to track efficiency of new hires to report ROI back to the business.

Tracking ROI will have a positive impact on talent sourcing strategies and increased spending in Recruitment Process Outsourcing (RPO) this year also means that companies will adopt advanced technology across HRMS and ATS to optimize efficiencies.

Overall, 2015 will be an exciting year for India Inc. However, for companies to maximize their Gains per Hire, they must be willing to change with the times. The key theme is centered on attracting and retaining the best employees. It may cost a little extra in the moment, but investing in acquiring the right person for the job can be the extra edge a company needs in these increasingly competitive times.

**Budget Allocation**

- Social media, online assessments and branding – Top priorities for the coming year

**Top Priorities for Budget Allocation: Across Levels**
While India’s talent pool has evolved substantially in the recent times, this has not necessarily translated into employable talent. Industry has reached a stage where it has become essential to shift from traditional hiring strategies to more innovative methods backed by fresh measures to track the effectiveness of hiring. The aim, of course, is to leverage prospective talent emerging from diverse backgrounds.

With a positive political outlook bringing stability to the economy, industry in India indicates a 70% increase in hiring volume this year. This reveals the potential for new jobs and requirements of diversified skill sets.

**The Shift in India’s Recruitment Strategy**

The demand for talent is abundant. The supply of diverse talent is available. However, the strategy for assessing and selecting the right person for the right job to optimize results is undergoing a massive transformation.

While India’s talent pool has evolved substantially in the recent times, this has not necessarily translated into employable talent. Industry has reached a stage where it has become essential to shift from traditional hiring strategies to more innovative methods backed by fresh measures to track the effectiveness of hiring. The aim, of course, is to leverage prospective talent emerging from diverse backgrounds.

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**Talent Sourcing**

Average of four sourcing channels used at every level; with the mix differing across levels

**Effectiveness of Most Prevalent Hiring Channels at Each Level**
Employing efficient methods to acquire such talent is one of the top five challenges of most organizations today. Adapting to change, business leaders are increasingly engaging with recruitment teams for sourcing, selection, employer branding, onboarding, compensation package design and positioning. Synergy of critical skills and talent supply are key areas where recruitment leaders are helping to fuel businesses. These leaders collaborate with business units to structure hiring teams, identify skill requirements, improve hiring effectiveness and provide robust talent supply. While some large organizations are indulging in specialized teams for campus recruitments, a smaller niche, specifically in the IT industry, is spending on adopting hybrid team structures such as RPO methods.

On the employee side, with a social media outbreak, companies are deploying more resources towards employer branding to attract and engage active and passive talent. Employers are scaling up budgets to stand out as employers of choice. Their top priorities for the coming year have been chalked out in four major areas:

- Social media engagement
- Online assessments
- Building the employer brand
- Technology

More than 60% of organizations plan to increase their budget allocation for employer branding to gain a competitive advantage in the crucial “war for talent.” To track their return on investment and measure the success of these branding strategies, organizations are relying on outcomes such as “candidates applied” and “candidates hired.”

A leader in the pharmaceutical industry has been leveraging the brand pull of the organization to drive hiring, maintaining talent supply, and increasing direct applications. This company has expanded its branding at a junior level through campus connect programs and uses social media platforms such as Facebook and Twitter to engage with active and passive talent. On the other hand, a leading FMCG giant believes in leveraging social professional networks and direct mailers to increase outreach and visibility in the talent pool. This company showcases female leaders in the organization via employee testimonials and social ads that help attract female talent.

On the employer side, organizations are reconsidering the use of simplistic screening methods. Hiring teams feel the need to deploy multiple assessments at each level, including a mix of aptitude and competency tools to assess candidates on role fitment as well as culture fitment in the organization.

**Talent Selection**

- More than 60% organizations rely on perception-based measures (e.g. manager feedback, 180-day performance) to track effectiveness of selection process

**Prevalence of Selection Tools**

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**RESEARCH INSIGHTS**

Volume 1 Issue 2 | 35
Employer Branding

• More than 60% are going to increase hiring budgets for employer branding

Hiring Forecast India 2015

At present, functional interviews and background checks are most prevalent across levels, whereas more than 50% of organizations use aptitude and skill-based assessments for entry level hiring. More than 55% of organizations assess for competency and culture fitment for mid and senior level hiring. Further, more than 60% of organizations rely on perception-based measures (e.g. manager feedback, 180-day performance) to track effectiveness of the selection process. Organizations increasingly feel the need to buffer aptitude tests with competency and culture fitment assessments to select suitable candidates who are a good fit for the role at hand.

One of the leading firms in the technology industry believes in deploying multiple selection rounds that assess candidates on key functional skills and leadership behaviors. This organization also suggests that technical assessments are needed at junior levels and psychometric assessments at senior levels. These identify the competence of candidates and predict their value-add to the organization’s culture. To improve this process, competency-based interviews conducted by trained hiring managers can be added to the mix.

While there is a visible gap in the availability of support for talent development, this is the next step for the industry. Overall, employer attitudes and employment tactics are shifting form as skill and knowledge of potential employees find further definition. As the war for talent continues to heat up, 2015 promises to bring transformations in the way India Inc. stabilizes the attraction and selection of key talent and how businesses partner with talent acquisition leaders to attract key talent.
Hiring Outlook for 2015

This year promises an increase in hiring with a focus on filling gaps in existing recruitment practices.

The second quarter of the year will soon come to an end, but not before setting the scene for hiring trends in the coming months. So what can we expect to see in the world of talent acquisition?

If we begin with the bigger picture, the overall trend is largely optimistic. Most organizations – about 70% – are gung-ho about hiring. Stable political and macro-economic conditions are helping fuel this sentiment.

More than 70% of open positions will be filled at entry levels. This is essentially good news. It means that new jobs are being created, plus organizations are opening up to diverse skill requirements. 66% of open positions have been marked out for growth hiring. Unfortunately, the mid and senior levels won’t get to see much fresh blood, with less than 40% of open positions available.

But not every organization is going all out. Almost 51% of companies are only “somewhat increasing” hiring in 2015. Nevertheless, with the overall hiring graph moving up, attracting and retaining talent is going to get a lot of attention. Filling in gaps in current recruitment seems to be the obvious first step.

A majority of CEOs now recognize that “people issues” are the biggest hurdle in an organization’s path to success. It’s no surprise that pulling in the right talent, at the right time, is emerging as one of the top 5 challenges in Indian organizations. There is a strong desire to hire. But how is India Inc. planning to entice meatier talent?

Recruitment teams are increasingly being roped in to function as hiring lifelines. But there is a roadmap!

First up, expect to see organizations exploring a mix of sourcing channels. Currently, online job portals are still considered the most effective for frontline, junior and mid level hiring, whereas recruitment firms help fill in senior positions. As of now, less than 15%

Efficiency vs. Effectiveness Metrics

- Speed and cost emerge as most critical hiring metrics
- Best Employers track ‘Quality of Hire’ rigorously (90% organizations) at mid and senior levels
- ‘Others’ track speed primarily

Criticality of Hiring Metrics
of organizations source more than 50% of their talent through social media. Companies everywhere are upscaling budgets to mark their presence on social media platforms and stand out as “employers of choice”. In the same vein, organizations are also expected to work more on overall branding strategies.

Along with the struggle to identify the right sourcing channel mix, companies are also realizing that they need to be able to measure ROI on sourcing channels beyond just the selection ratio. This means measuring the “quality of hire” too.

Ernst & Young GSS suggests, “Reduce turnaround time of lead time in hiring. Measure quality of incoming talent and track by sourcing channels to optimize Cost per Hire. Source mix has a direct impact on talent acquisition cost.”

To do so, employers are getting creative. Part of the hiring revamp will include experimenting with a wide variety of assessment tools while selecting candidates.

Also, the move from measuring pure efficiency to creating a good balance between measuring efficiency and the quality of hire requires joining forces with recruitment leaders. Recruitment specialists are being pulled in to improve the operational metrics of optimizing speed and cost per hire.

Following the same vein, organizations are relooking at what are the required skills for mid to senior level leaders. Technical know-how and analytical skills seem to be the key, while people management seems to lag behind as a critical skill requirement.

This has also revealed a gap between what recruitment teams identify as critical skills and what talent development teams feel are priority skills. It would probably be in everyone’s best interests for recruitment teams to partner with the business to identify emerging skill requirements for new roles and benchmark those against new skills in the industry in the coming times.

To sum up, talent development and retention remains the top priority for business leaders in India Inc. As Lawrence Bossidy, former COO of General Electronics once said, “I am convinced that nothing we do is more important than hiring and developing people. At the end of the day you bet on people, not on strategies.”

Hiring Outlook

- More than 70% organizations propose to ‘Increase Hiring’ across levels

Hiring Forecast India 2015

- 1% Somewhat Decrease
- 27% Neutral
- 51% Somewhat Increase
- 21% Significant Increase

Hirin

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Vikas Verma
Director, Talent & Performance
Aon Hewitt

Nitin Sethi
Partner, Talent & Performance
Aon Hewitt

Arpita Chakraborty
Consultant,
Aon Hewitt

For more information, please write to us at talentscapes@aonhewitt.com
Follow us on LinkedIn at Aon India & Twitter @Aon_India
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For further details and queries, please write to us at millennials.research@aon.com

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www.BestEmployersIndia.com