



# Talent Management for INDUSTRY 4.0

Leveraging & Unlocking Tech Talent in India

SHRM Report  
in Partnership with Pragyan Advisory on  
Leading Talent Management Practices  
Redefining the Industry 4.0



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# FOREWORD

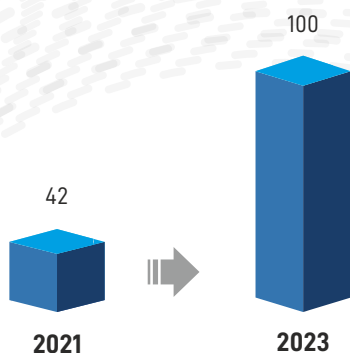
Talent landscape in India in the technology sector is code that a lot of Business and HR leaders want to crack. It's a holy grail where every passing year adds a new layer of complexity. The causal linkage of talent's contribution to the value of the organization is perhaps the strongest in the technology space. The disruption that tech can cause in the new age economy coupled with changing consumer preferences and the confidence generated by the past success of some of the tech unicorns, creates a space where ability to acquire, retain and engage tech talent has shifted from being an HR issue to a strategic business imperative.

"One of our brightest AI persons with overall 12 years of experience has joined an Indian Unicorn at double the package and an elevated role, I didn't know what to do", "We were willing to increase the salary but not a 70% hike" such statements frequently echo in the cabins and now virtual meeting rooms of Tech and HR leaders based out of India. Despite such a gargantuan challenges, there are a few companies that have somehow not only been able to crack the talent code but are also able to create new paradigms in the areas of consistently acquiring, retaining and engaging the best of technology talent.

**This report attempts to answer the BIG question-  
What constitutes the Talent Management ecosystem  
of the most renowned and successful  
technology companies operating out of India?**







**This study becomes extremely important if we consider the backdrop where in 2021, 42 Indian startups have gained the status of Unicorns and some studies suggest that going at this rate India will manage to get more than 100 unicorns by 2022.**

**Recent IPOs of some of the tech product companies in India have set a new precedent.**

The campus placements in some of the best technology institutes in India broke all records despite of the Pandemic. If money is one of the strong indicators to gauge how aggressive the Indian tech talent market is, then salaries offered at some of the top technology institutes will reveal a slice of this reality. There are reports which share CTC of INR 1 crore per annum, with domestic salaries of upwards of INR 60 lakhs per annum offered at the campuses. There is an upbeat sentiment of investors across the spectrum to fund new tech startups founded by smart enthusiastic engineers who have ideas and stories that have the potential of disrupting the business world. Recent IPOs of some of the product companies in India have set a new precedent. This definitely builds a case to study and learn from the organizations that seem to have mastered this field, while being cognizant of the fact that best practices usually don't work in isolation and therefore the findings of this study should not be used as a simple copy paste function.


**The report however could be used as a guiding document that helps re-examine the Talent Management practices of organizations which are looking to reimagine their Talent strategy in the new reality of work.**



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# THE 'BIG TECH' LANDSCAPE IN INDIA

Big Tech companies are a force to reckon with. They provide digital infrastructure for other businesses; promote R&D and innovation; and have the capacity to represent industry perspectives in policy discussions.

In 2013, CNBC's Jim Cramer coined an acronym FAANG, which has become a household term not only in the US but across the world, also in India.

For the uninitiated, FAANG stands for Facebook (now Meta), Apple, Amazon, Netflix, and Google, the technology behemoths that are reshaping our world. These companies have a combined market capitalization of \$4.1 trillion. These companies have their strategic centers in India with a sizeable presence.

Another term that is used to refer to the FAANG clan is called the **'Big Tech'**. The term is sometimes also used to refer to other large technology companies, such as Microsoft, IBM, Baidu, Tencent and Alibaba.

As one study suggests, Big Tech is better understood as a concept, rather than a static set of companies. New companies may enter this category just as existing ones may drop out of it.



According to a study by Tandem research, three of the global Big Tech companies have a widespread presence in India— Google, Facebook, and Amazon. Google products and services are ubiquitous in India.

- **Google Android is a market leader in the mobile operating system market, with 94.45% market share.** 94.45%
- **Google Pay has also clocked more than 300 million transactions in India as of June 2019.** 300M
- **India constitutes Facebook's largest market, with more than 270 million total users and 400 million monthly average users for Whatsapp.** 270M
- **Amazon also has a large presence, with at least 30% market share in e-commerce and more than 5.5 lakh sellers on its platform.** 30%
- **While Apple is considered to be a Big Tech company globally, it has a significantly smaller market presence in India, with less than a 3% share in the smart-phone market.** 3%

Other foreign companies that display some of the conceptual markers of Big Tech also have a significant presence in India.

For example, Walmart is a leader in the e-commerce space, with reportedly 60% market share through its subsidiary Flipkart.

Other key Big Tech players in India are Chinese counterparts such as TenCent, Alibaba and Baidu have also invested in India, funding some of the biggest unicorn start-ups such as Paytm and Ola Cabs.

Reliance Jio also displays some of the conceptual markers associated with Big Tech. As of May 2020, Jio Platforms was reported to be the fourth largest Indian company by market capitalization. Much of this is on the back of recent global investments—since March 2020, Jio Platforms has attracted more than \$15 billion in investments.

ByteDance-owned TikTok amassed a huge user base averaging 200 million monthly average users in India before getting banned considering the 'civic power' it was able to exert through its 'power to command attention.'

## The study also reported on the following common characteristics of the 'Big Tech' companies

### Data-centric models

The collection, analysis and monetization of data is central to their business models.

### Network effects

Immense scale achieved quickly through network effects. This insulates them from competition, contributes to their size, and often results in market dominance.

### Infrastructural role

Essential market and informational infrastructure for a digital economy and society provided by them.

### Civic Power

Through their consumer-facing products and services, that enable essential services like news, commerce and societal interactions, they increasingly play civic functions in society.

A new buzzword that has emerged is 'Metaverse' – which is the possible future of the Big Tech. Popularized by Mark Zuckerberg, metaverse is a network of 3D virtual worlds focused on social connection. The term also translates to digital economy – a marketplace for creating, buying and selling goods. In its ideal world – metaverse will allow one to take items from one platform to another making it interoperable.

Big Tech companies are transforming India's digital economy and society in multiple ways. This report however tries to take a look at the Talent management landscape of the prominent tech companies in India.



# The report can be leveraged to find answers to the following questions:

- ? How some of the best technology companies operating out of India, create the pull to attract the best talent? (Talent Acquisition)
- ? What's the secret sauce of engaging and developing talent in one of the hottest sectors and geography? (Talent Development)
- ? How to design a performance management system that is true to a company's core identity? (Performance Management)
- ? Build or Buy-How do these companies create and maintain a robust talent pipeline? (Succession Planning)
- ? What are the ingredients of an effective reward strategies in these companies? (Total Rewards)
- ? What is peculiar about the culture of these technology companies? (Culture)
- ? How do these organizations leverage technology in the domain of Talent Management? (Enabling Technologies)





# TALENT ACQUISITION



## How do some of the best technology companies operating out of India, create the pull to attract the best talent?

The demand and supply equation for high quality tech talent in India is precariously lopsided. The rising growth of the big established tech companies as well the growing Indian Tech Unicorns along with the new promising entrants in this space at various stage of funding, keeps the talent market extremely hot. The sudden surge in creating a digital organization because of the pandemic, has also contributed to the increased demand in technology talent across industries and the push to become a cashless economy has created immense opportunities in the space of fin-tech. Then how can we attract talent in such a scenario?

**Established global tech companies create a talent pull leveraging certain ingredients that are tightly interwoven and is not an assembly of independent actions that can be copied in isolation.**

- Our study revealed an interaction of 4 factors - Growth, Culture, Total Rewards, Mobility (GMTC)
- Growth of the overall companies with respect to their market capitalization, entry into new arenas/geographies, some path breaking bold bets or some game changing product (s) etc.
- A culture of autonomy, innovation, learning and high aspirations is the bedrock of all the big tech companies. Each of these factors is distinctly articulated to attract the tech talent
- Total Rewards- A robust reward structure based on meritocracy, a higher focus on ownership in form of equity
- Mobility - The opportunity to move across the globe to different locations at a quick pace along with comfort in moving amongst different tech and even non tech arenas
- Recruitment marketing strategies are designed and developed integrating the above four elements supported by seamless processes that are enabled by technology. The experience created during the hiring process creates or enhances the positive narrative required to augment the EVP

## Highlights

- Tech leaders deeply involved in the acquisition process, For we in one of the FAANG companies operating out of India the senior most leader has been personally involved in hiring key talent to build a world class machine learning team
- The dynamic nature of technology as well high rate of growth makes it imperative for these organizations to hire talent not from the static lens of existing skills but from the perspective of fluid technical intelligence and high learning orientation as well assessing the culture fitment
- A strong focus on creating a seamless hiring experience with the help of tech enabled processes and a strong rigor on key metrics around each stage of acquisition life cycle, allows these companies to maintain a strong offer to join ratio as they realize the double whammy of impatience and opportunity abundance are the defining characteristics of tech talent space
- Capacity and willingness to pay differentiated salaries is one of the hallmarks of attracting top talent, most of the organizations have identified critical capability clusters and display a degree of affiliation towards the rock star principle (A Rockstar, in the software development field is someone who does the work of 10 individuals. Sometimes expressed as 10xer) as they realize the differentiated value add that one can get from a top talent as compared to the next level of tech professionals
- There has been an attempt to introduce advanced technologies in hiring however organizations tread this path with caution considering the ethical and legal ramifications. One of the leading tech companies scrapped the use of AI in recruitment few years back, though most of the organizations have introduced high degree of automation.
- The recruitment strategy is evolved from the workforce plan largely for 3 broad aspects **Build, Buy or Borrow.**

**While 'building' talent is managed by the HRBPs in partnership with CoEs, the TA team is responsible for 'buying' and 'borrowing'.**

Some ways they engage with external talent is highlighted below when using the 'buying' strategy

### External Talent Pool

*An external group with a specific set of skills*

### Talent Community

*Network of candidates, employees, alumni, and others connected social media or other platform. Usually involves regular communication.*

### Talent Network

*Opt-in candidate database used in support of building a talent pool.*

### Talent Pipeline

*A constant flow of candidates filling internal and external talent pool*

The borrow strategy allows organizations to borrow talent as they need it. More and more, organizations are leveraging freelancers, contractors, and consultants to fulfill talent needs in organizations.

**Providing a world class candidate experience, acquisition experience as well as competence to hire unique/rare tech skills, at times results in a moderate to large size of internal talent acquisition teams.**

This is a crucial component of the TA process in these organizations. In fact, it is an important metric that's tracked and reported to showcase the effectiveness of the TA function in the organization. This also serves as competitive advantage as most of these organizations are vying for the same talent. From applying to a job to the time it takes to complete the application form to the recruiter's response to the candidate – are all important attributes of candidate experience. Most of these organizations have tried to simplify and streamline these touch points to ensure a positive experience for the job applicants. Various technology tools have enabled this seamlessness. E.g., using an ATS – Taleo, Workday, SAP SF. Some companies have their own tech infrastructure that helps in the smooth execution of entire TA cycle.

## Pre-hire Engagement

Continued investment in relationships throughout the year with institutions that are considered hotbeds of talent, leveraging alumni strategically and proactively keeping an eye and keeping the relationship warm with lateral, niche/specialist talent.

### Key initiatives rolled out but not limited to

- Setting up incubation labs in engineering campuses that expose students to the future technologies that these companies are working on
- Student scholarships for various projects
- Special initiatives for underrepresented minority – e.g., 'women in tech', 'she codes' to encourage greater participation of women and other minority groups
- Sponsored lab infrastructure
- Carry out Hackathons
- Mentoring start-up ideas
- Sponsoring tech fests and summits
- Rolling out Initiatives where the students get to experience products of these companies

In India, during campus hiring, the 0-day slot is reserved for the highest paymaster. However, some of these companies have moved away from offering very high salaries to reserve the 0-day slot. The philosophy now is to attract students to internships. Most organizations have elaborate internship programs which eventually lead to pre-placement

offers made to the students before their formal placement process begins at campus. For the premium research talent, the conversion rate for interns is close to 90%.

Finally, 'hiring' in different organizations takes place through hiring panels or committees, recruiters partnering with hiring managers. Every company has devised its selection procedure which ranges from technical test, psychometric tests, competency-based interviews etc. There are some robust practices followed by the likes of Google and Amazon that have set standards for others when it comes to recruitment and selection. There is a high focus on reducing bias from the hiring practices in various companies. Google ensures there isn't any bias in hiring decisions by not having managers in the candidates' reporting hierarchy be part of the hiring panels.






*(\*Adobe prides itself in having achieved Gender Pay Parity and uses that to indicate how it is truly an equal opportunity employer.)*

The loop of Talent Acquisition is closed by successful onboarding of the candidates. For university hires – there are elaborate Campus to corporate programs ensuring they integrate well into the system. These are usually followed by technical boot-camps, product training etc. to ensure they are well versed with various technologies and products of the company.

For lateral hires there are induction programs and for Senior Level candidates – bespoke induction plans worked out by HRBPs and executed with the help of CoEs and business leaders.

**Overall, Recruitment Metrics play a crucial role when assessing its effectiveness and the value contribution to overall organizational growth and development.**

Some key metrics tracked and reported by these organizations are as follows:

 EMPLOYMENT BRANDING	 PLANNING	 CANDIDATE EXPERIENCE	 HIRING	 ONBOARDING
Overall Company Rating	Turnover Rate	Application Completion Time	Time-to-Start	Competency Rate
Recommend to a Friend % (Net Promoter Score)	Cost per Hire	Recruiter Response Time	Time-to-Productivity	Orientation Participation Rate
			Yield Ratios	



# A Quick Glance: Talent Acquisition



## Key Observations

- 1 Usually tiered approach to hiring- Tier 1 Engineering colleges and MBA colleges
- 2 Lateral hiring from best of Tech and FMCG companies- Unilever, ITC etc, Start-up founders and leaders
- 3 Unique profiles and backgrounds- doctors, philosophy graduates, psychology background, defence services etc.
- 4 Multiple sourcing channels - Job Portals, Referrals, University hiring
- 5 Recruiters aligned to different businesses to do targeted hiring
- 6 One company has an exclusive in-house team and doesn't use outside channels for hiring
- 7 University hiring done in bulk and resources allocated to different businesses later
- 8 Extensive pre-hire engagement initiatives in partnership with various colleges for campus recruits

### For Passive Talents:

- Usually sustained efforts over a long period of time, in terms of Brand Marketing and PR- Leaders may write articles for well-known publications and dailies and talk about the kind of work is available in the organization, key projects and accomplishments and future roadmaps
- Recruiters do effective candidate reach outs, position jobs as fit or very relevant, job may also reach the person through LinkedIn Ads,
- Specialized recruiting skillset is required to have effective conversation with passive premium talents – could involve a business leader directly having a conversation with the candidate, Leaders are also encouraged to make connections with these candidates on LinkedIn and invite them for a conversation as against an interview



- 9 Specialist recruitment firms for leadership positions are used in certain cases
- 10 Research talents largely at entry level hired as Research Interns. High conversion when offered a pre-placement offer
- 11 Lateral hiring of premium research talents at mid to senior level usually happens through niche networking and research scientists' communities
- 12 Usually, the head of Research Division is part of the close communities of research professionals and may learn about potential talent through these avenues
- 13 Head of Research is usually the one sending out notes to these candidates/have conversations - the recruiters usually partner with them to get this done as the research candidates may only respond to someone of that stature and who can explain the exact intent of the role and opportunity to the candidate
- 14 Temp + Contract + Full time employees (FTEs) - Different combinations basis need
- 15 Decentralised decision making for Strategic Centre
- 16 Firm believer of fresh talent from campus, internships a major source of acquiring talent
- 17 Sr. talent -hiring process- transparent - standard across sites - equal opportunity- Dedicated teams - try to look for various candidates and align with business needs
- 18 High focus on eliminating bias from recruiting
- 19 Demographic data of the candidate is removed at the time of application processing
- 20 For some companies, applications have to compulsorily come through careers website
- 21 Hiring committees responsible for making the final hiring decision does not include people from the prospective employee's reporting hierarchy
- 22 Recruitment process largely managed by an Applicant Tracking System – Taleo, Workday or an in-house tech infrastructure

# TALENT DEVELOPMENT



## What's the secret sauce of engaging and developing talent in one of the hottest sectors and geography?

The organizations understand the need of high-quality tech talent to constantly release a newer and upgraded version of their professional selves in quick succession. Partly it is guided by the intrinsic need for learning of high performing professionals and partly it is also the function of the dynamic nature of industry where technologies evolve and change at a rapid pace and therefore to keep oneself on a path to constant success, the talent demands an infrastructure of learning from their organizations.

Developing talent within the organization is possibly one of the most critical competitive advantage for an employer. If one gets this right, what one creates are employee champions and organizational brand ambassadors.

The key lies in an effective talent development strategy that empowers the employee to learn synchronously and asynchronously with all the resources at their disposal. Timely, relevant and interesting learning inputs help the employee continuously grow and evolve.

While for some companies Talent Development doesn't factor in necessarily in their performance management system as it is more pull based and allows for freedom to choose how and when to learn, for some it is an integral part of performance evaluation so much so 'learning' is second nature to the employees.

In these organizations learning and development is democratized in such a way that a massive peer to peer learning ecosystem ensures that it's a self-sustaining model with minimum dependence on external consultants or CoEs available within the organization.

The performance scorecard has an important aspect of 'building and developing others' which gets tracked basis the number of interventions one delivers and leads the way for others. The talent development agenda is tied to the performance management and growth in the organization in a way that allows for individuals to take the complete onus of developing themselves and others. In these organizations TD is not looked at as an HR agenda but something which is a fundamental part of organization's culture.



## Highlights

- Talent Development is largely a Centre of Excellence for most 'organizations in focus'. More progressive and evolved organizations have founded universities or learning academies to further their development agenda, also tied it to the Performance Management system such that employees own their learning and development.
- Talent Development as a function in most organizations works on a global and a local approach. While there are some mandates for global talent development issued by the HQ, there is a quantum of bespoke work that happens in the regional centers of these organizations based on the dynamic needs of the business verticals on the technical and behavioral capability building.
- In the organizations studied, there is presence of a technical capability building machinery as 'tech' is the most crucial skill employees need to build in the ever-evolving technology landscape. There are separate technology capability functions which do not report into HR but are aligned to business functions.
- It was observed that most organizations have a programmatic approach to Talent Development for the existing levels of employees. For instance, one organization classifies its organization levels into 3 broad categories – Individual Contributors, People Managers, Directors and above. For each of these levels there are standard offerings for building capabilities as illustrated below
  - o Individual Contributors – Instructor Led enterprise-wide programs, New Hire Orientation, Campus to corporate programs (for university hires),
  - o People Managers – New Manager orientation programs for new managers, Managerial Capability Building programs
  - o Directors and Above – Leadership programs for Directors and Sr. Directors – largely run in HQ in the pre pandemic times, women leadership programs for High Po women led by the HQ TD teams
- In addition to the standard offerings there is a host of on-demand learning content available on



the company intranet to be consumed by employees anywhere any time. This learning content is published in partnership with third party service providers e.g., Precipio, Harvard Manage Mentor (HMM), LinkedIn Learning, EBSCO Host, Sage Journals, Aperian Global – Globesmart, Coursera, Udemy, EDX. Technology companies have integrations with vendors to provide Research Journals, and a massive online library of e-books.

- The TD and HRBP regional centers work with local consultants in their countries. Based on the identified needs they have the freedom to conceptualize and execute interventions that best support the emerging skill building needs of various business units.

# A Quick Glance: Talent Development

## Key Observations

- 1 TD set up as a CoE reporting into HQ
- 2 Learning budgets available at 3 levels-Global, Country and Business
- 3 Specific in-house forums like architect forums that meet and share key learnings on a regular interval with others – fortnightly/monthly
- 4 Addressed as Global Talent Development- largely focussed on Leadership capability building
- 5 Bespoke and Standard Solutions usually in 80:20 ratio. Bespoke solutions developed with learning solutions service providers in the wake of dynamic needs from the business – Driven by HRBPs and CoEs together
- 6 Standard Program Offerings for all levels of employees across regions
- 7 Presence of Learning Universities and Academies catering to technical + behavioural skill building
- 8 Presence of Technology Capability Development Function
- 9 Education Reimbursement Policy with allocated funds to the tune of \$5000 per employee per year
- 10 Third Party Integration of Learning Content on company intranet to enable on-demand learning, push on DIY learning
- 11 Blended learning approach based on more pull than push- business stakeholders seeking support from HRBPs
- 12 Budgets available to businesses to approve learning opportunities team members may want to avail – e.g., certification courses, participating in conferences etc.
- 13 Propagation of learning as a culture by enabling a peer-to-peer learning ecosystem tied to the PMS under 'developing others'
- 14 Niche programs for Senior Leaders carried out by the HQ, usually these are linked to business/leadership/culture
- 15 Freedom to choose Mentors and Coaches as per the needs identified at times supported by tech interface
- 16 Learning Evaluation largely restricted to 3 levels of Kirkpatrick Model of evaluation
- 17 Participating/collaborating/funding universities etc. to co-create high end products
- 18 Learning events in form of Tech/Learning Summits, Conclaves and Learning weeks to promote learning as a way of life

# PERFORMANCE MANAGEMENT



## How to design a performance management system that is true to a company's core identity?

Performance management in a competitive environment must provide a sense of fairness and growth, as well manage the dichotomy of individual brilliance along with collaborative miracles. The litmus test of the unique identities that get created and communicated e.g., an Amazonian or a Noogler, being a part of world class technology organizations, is in the way their performance management system works. The abstractness of an organization's culture finds its bodily manifestation in the way its performance management is designed and executed. Some of it can be absolutely new and radical like no ratings, or it can also be a gradual upgradation and enhancement of a tried and tested powerful methodology like MBO getting transformed into OKRs. The uniqueness is about appreciating it across the board and executing it religiously.

**Most 'organizations in focus' have reimaged their performance management systems. Some are slightly ahead in the race as they have been early movers and have shifted the conversation from forced distribution of performance on a bell curve to performance against goals.**

**Leading Tech companies have adopted a more organic approach to managing performance. The focus has shifted from talking about people to talking with people in open conversations. New performance approach is focused on improving discussions, having frequent check-ins, and creating a developmental focus.**

# Given below are the key features of the new age performance management systems adopted by the companies studied

## Goal setting through OKR Objectives and Key Results

OKRs enable aiming at moon-shot goals, implemented by answering two simple questions: "Where do I want to go?" and "How will I pace myself to see if I am getting there? Objectives are company or business unit-specific priorities that drive the organization to invest time and resources where it's most valuable. The "sweet spot" for an OKR (aspirational one) grade is 60% – 70%; if someone consistently fully attains their objectives, their OKRs aren't ambitious enough and they need to think bigger.

For some companies in addition to OKRs flowing from Key Priorities – Diversity and Inclusion is a key objective to be achieved. There is crucial weightage given to the D&I goal which contributes to creating an inclusive workplace culture for all. Any non-adherence is treated seriously, and remedial interventions are planned to ensure each employee is practicing Inclusive behavior in the organization. There is an enormous amount of effort and infrastructure that is dedicated to capability building and measurement of D&I, it is linked to business imperatives e.g., to be known in the market as a creator of inclusive products, requires appreciation and application of D&I called out behaviors within the organization.

## Continuous Feedback through periodic Development Dialogs

In the spirit of keeping feedback more relevant and constructive, most organizations promote regular feedback conversations between managers and their team members.





# In the organizations studied largely 2 different approaches were identified

## 1 One where this conversation is enabled by well laid out automated processes

For we in one company there are 2 performance cycles in a year. Every 6 months each employee is required to complete their performance scorecard on various attributes and choose a set of peers that will review that scorecard which further goes to a PMS committee for final review. At the end of the year ratings are given on a 5-point scale. This is enabled by an internally developed tech infrastructure.

In another comparator company 'Impact' made by an employee is assessed as part of the performance review. There are 3 levers of impact identified for ICs at a broad level – Accomplishments at an individual level, leveraging other people's strengths and Contribution to other people's work.

For managers there are a set of managerial expectations – these are behaviors expected of managers based on Growth Mindset. The Manager's impact is assessed based on these behaviors.

Managers are mandated to have a Development Conversation with their team members individually every 6 months. There are quarterly promotion cycles and an annual Impact Assessment. No rating scale is used however there is calibration in terms of impact made as Low, Medium and High.



# 2

## In certain other companies the PMS isn't driven by very stringent processes

There is a degree of flexibility and empowerment awarded to managers to manage and reward performance of their teams. There are guidelines provided to managers on how to have a performance and a career development conversation. However, there is greater autonomy for managers to steer this conversation based on the needs of their team members.

The performance management system in the organizations we studied currently operates on three essential elements -Expectation, Feedback and Growth and is executed as follows:

- Expectations are set and adjusted based on the organization's key priorities at the beginning of the year. These flow from the goals of the CEO to BU heads to their respective teams. Each employee is expected to work out their KRAs based on the department goals. These have to be measurable hence after writing one's individual KRAs there is a follow up discussion with the manager to align expectations with the larger goals of the company. These can be revisited and adjusted periodically during the course of the year
- Frequent check-ins with the employee to keep a tab of the progress and offer any input for improvement instantaneously
- Having a developmental conversation aimed at career growth of the employee, a minimum of 4 times a year (quarterly) to do a more holistic evaluation of performance at the end of the year

§Working out development plans with individual employees and supporting them in developing skills for the future. The process is solely driven by the manager and the employee with both sharing an equal onus on making these conversations happen.

There are other companies that follow the stack ranking system calling out underperformer percentages that finally lead to exits. The big

distinction seems to be about the degree of comfort with human judgment, subjectivity and empowerment of the managers, where the performance is not reduced to largely a number towards the end of the year.

These organizations are comfortable with a degree of subjectivity and value the importance of the managerial role in ongoing performance management, do not look at it as an event occurring once or twice a year. This has been achieved through a significant investment over the years coupled with top leadership team's firm belief. Also, the HR team plays a big role in partnering with the business to help in regular performance and talent related conversations and discussions. One of the organizations that believes in stack ranking, did an experiment to remove the mandated percentage distribution for a year, however brought it back the next year. The performance in almost all the organizations is a combination of outcomes and leadership/behavioral/culture related elements like competencies or leadership principles.

The HR function, L&D in particular, carries out awareness building training programs on a periodic basis to ensure employees and managers are having these conversations and are recording them as well. There is a redressal mechanism in place, in case employees have any grievances.

While some organizations have left it to the employees to choose how they would want to record these conversations, a few others have a technology enabled system using tools like Workday or SAP SF where the goals are tracked, feedback stored, and progress can be updated. Although the approach has been received well, there are some pitfalls.

Not all managers are well equipped to have frequent check-ins as the new system propagates. It is difficult to keep a tab on progress when a manager has a large number of people reporting to him in the absence of a formal HRIS.

# A Quick Glance: Performance Management

## Key Observations

- 1 While the PMS differs from one company to the other, there is a uniform performance management system for all employees with no differentiation for key talent
- 2 Goal Setting largely based on OKR – Key Results to be quantified flowing from Core Organizational Priorities branded differently in different companies. In 2 companies D&I is a mandatory goal in addition to other objectives at all employee levels – tracked in the performance score card in addition to the leadership competencies

## Two Distinct Approaches to PMS

### 1 Tech Enabled, Process Driven May or may not follow ratings

- Internally developed tech infrastructure to set and track goals, record feedback and document progress
- Largely 2 performance cycles in a year
- Performance Scorecard measures individual impact based on identified parameters
- Yearly Strength based data gathering and feedback for each employee, gathering inputs from all the important stakeholders that the employee has worked for using a tool and feedback by manager, not linked to performance evaluation
- In one company immediate manager is not involved in the final rating calibration exercise
- Performance review committees for different roles in the organization constituted of people who have performed similar roles in the past
- Peer rating is part of the PMS process
- Performance at 3 levels Yearly Unregretted Attrition (employee to be relieved due to performance concerns) target for each business that needs to be monitored monthly to maintain high performance bar.
- Special underperformance management program for by team of program experts (not immediate manager, not HRBPs)
- A 5-point rating scale used basis the performance scorecard – highly data driven process, consistent good ratings warrant promotions. PMS committees can contest ratings awarded and can hold off promotions if an adequate rationale not arrived at for the given rating – More democratised process than most companies but causes delay
- Third party tools like Workday, SAP Success Factors used in organizations that do not have an internal tech product to support PMS
- Some companies do not follow ratings but assess impact based on identified parameters and term them High, Medium, Low – Impact calibration exercise excludes immediate managers
- 3 out of the total companies studied do not use ratings anymore



# 2

## Non tech enabled, loose structure do not follow ratings

- Guidelines, tools and templates are available for the execution of a performance review conversation
- Freedom to record conversations and feedback on a tool of choice – e.g., email, excel sheet, sharepoint etc.
- Ongoing process of feedback and dialogue with no formal written review or documentation
- No formal rating or ranking; manager determines salary and equity annually based on performance.
- Feedback conversations expected quarterly, with ongoing feedback becoming the norm. Consistent employee productivity based on ongoing discussions and feedback throughout the year
- Larger onus on managers to drive the performance conversation with only enablement and support offered by HR
- Employees encouraged to take up the initiative of setting up feedback conversations with managers if the manager isn't proactive – sharing the responsibility between managers and employees
- HR team equips employees and managers to have constructive conversations





# SUCCESSION MANAGEMENT

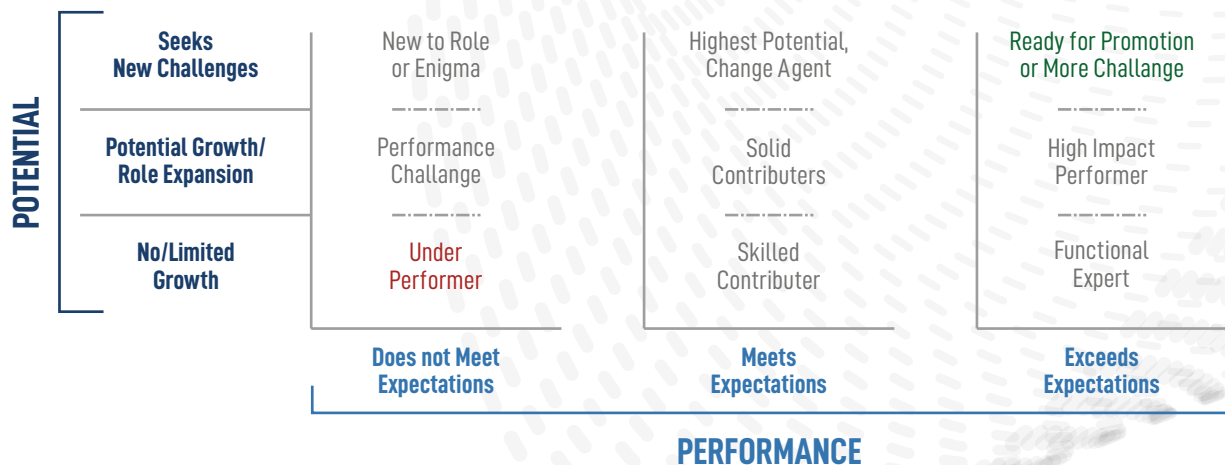


## Build or Buy How do these companies create and maintain a robust talent pipeline?

The rigor in creating and maintaining a robust talent pipeline is no less (if not more) than creating and maintaining a robust product pipeline. Both are considered a strategic priority and value as well the appreciation of human capital is ingrained in the organization's culture, demonstrated by leaders across levels through role modeling and is executed through the succession planning process.

Succession planning in most organizations is the process of identifying high-potential employees, evaluating and honing their skills and abilities, and preparing them for advancement into positions that are key to the success of business operations and objectives.

The process as studied in the identified organizations is not very well-defined barring one tech giant. The identification and development of talent is highly be-spoke for most organizations which takes form of Talent Reviews. HRBPs play a very crucial role in enabling and facilitating succession management and development in most companies.



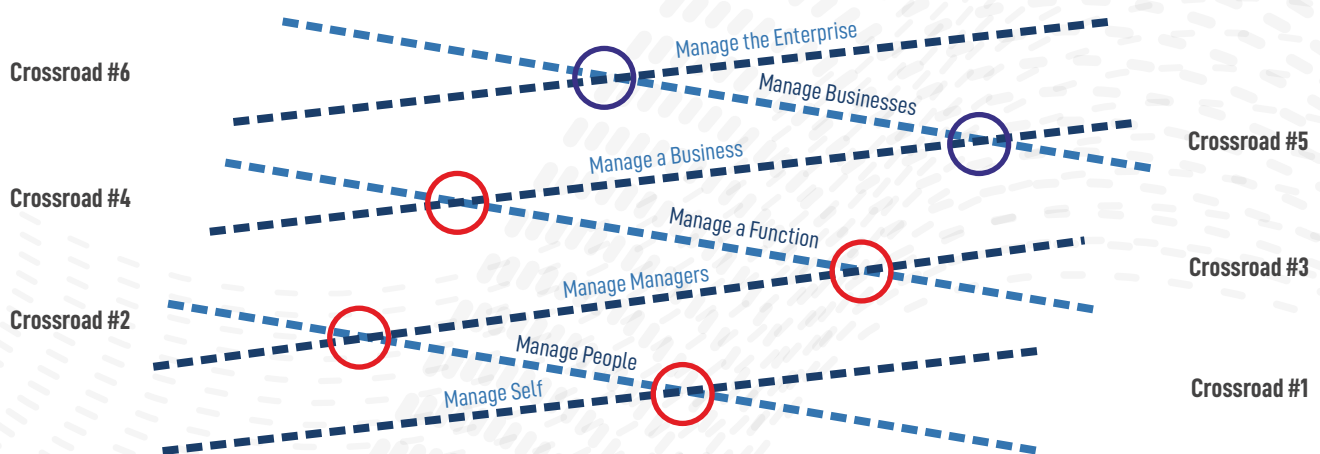
The 9-box grid or matrix was developed for GE in the late 1960s and 1970s to enable them to assess the potential of individuals in its business and prioritize their investment and overall strategy. Most companies use this framework in some shape and form to do the existing talent mapping.

# TALENT REVIEW PROCESS

**Most companies studied, carry out a Talent review process annually basis which a 'Key Talent' list is arrived at.**

- Leaders and HR decide on talent review focus and agenda depending on business need (Note, not all employees are reviewed)
- Leaders meet to discuss business needs and employee competencies, potential and aspirations
- Planning for the future include discussion topics such as:
  - Succession planning for key roles
  - Employee potential for future roles, likely next career moves, and development plans
  - Select employees should complete an "employee profile" where they share their past experiences, skills, career aspirations, and mobility, and should be incorporated into the talent review discussions
  - The employee profile is the "voice of the employee." It is their responsibility to complete

## Talent Review Meeting - Crossroads Leadership Career Path



\*Adopted from The Leadership Pipeline, by Ram Charan, Stephen J. Drotter and Jim Noel, Jossey-Bass Inc., 2001.

## At What Career Stage Is the Employee?

- Each crossroad represents a major shift in capabilities
- Used to identify those who have potential to advance through one or more crossroad "turns"
- Potential can and should be differentiated from current performance
- On each "road," there are opportunities for development and upward career movement (without going to the next crossroad)

## Talent Review Meeting

After considering employee information, the leader is asked to make key decisions...

- Employee potential to take on future roles
- Action plans to actively grow employees for future roles – Use of leadership assessments e.g., DISC profiling, Hogan, Saville Wave and bespoke development journeys for high potential employees

## Key Questions that are asked in Talent Reviews

- What is the employee's likely next move?
- When should it happen?
- What does the employee need to learn/develop before making the move?

## Considerations

- Added responsibilities in current role?
- Move into a lateral role?
- Expanded responsibilities with significant change in scale/scopeImmediate?
- Within the next year?
- Next 1-2 years...?
- Review core competencies list
- Additional experiences

The Talent review meeting is followed by Talent Review Discussion with the employee and Individual Development plans are drafted out.

### Promotions

- In one company there are quarterly promotion cycles – the readiness for the next role is assessed periodically
- In another company promotion is purely based on performance – achievement of goals and have no tenure criteria
- In yet another company there are 4 existing levels with 2 performance cycles- Highly data driven process - Consistent excellent ratings warrants promotion

### Career Management

Usually, the tech companies have two broad career lanes for their engineering talent

# 1

**Tech Ladder** – Grow as an Individual Contributor and develop deep tech expertise in key technologies, at a certain stage the IC might also opt for program management track, where the core competencies of running individual or multiple, simple or complex programs is required. Super specialist IC track has commonly followed designations and hierarchies – MTS, Sr. MTS (Member of Technical Staff), Fellow and Company fellow. There is a rigorous process based on tool, taking inputs on the employee from different stakeholders, presentation of promotion case by the manager in-front of the leadership group

# 2

**Management Ladder**– Grow as a People Manager with employees reporting into a manager, manager of managers, manager of enterprise- as one rises through the ranks (the person may be managing people as part of managing program however would not have people manager responsibility in the purest sense)

# A Quick Glance: Succession Management

## Key Observations

- 1 Succession planning done using a tech tool – SAP SF, or an in-house tool
- 2 Highly bespoke, process differs considerably from one company to the other
- 3 Largely driven by HRBP in partnership with the Business leaders
- 4 Talent reviews can be combined with bespoke assessment solutions designed in partnership with local consultants
- 5 PMS and Talent reviews as sources for arriving at a key talent list
- 6 Quarterly promotion cycles in some companies
- 7 Talent Review Process used to assess performance vs potential - Largely a 9-box framework
- 8 Two Development conversations mandated in a year – at the end of 6 months with the employee
- 9 Promotion process depends on the role junior level roles- no process, largely managerial discretion with some guard rails
- 10 Mid Managerial roles reviewed by a promo council- senior leadership of the business
- 11 Senior level roles - rigorous process based on tool, taking inputs on the employee from different stakeholders, presentation of cases by the manager in-front of leadership group
- 12 HQ led High Po programs – participation invited from regional centres
- 13 Customised learning paths are created as per the needs of the identified key talent
- 14 Dual Career Ladders available – Technical and People Management





# TOTAL REWARDS



## What are the ingredients of effective reward strategies in tech companies?

Forward-thinking employers are treating their rewards strategies as integral to their staffing and performance management efforts—and viewing their rewards as an investment in workers' productivity and engagement. Most progressive organizations have a compensation philosophy usually a formal statement documenting a company's position about employee compensation with the attributes as outlined below.

### Quick Glance : Total Rewards

- Grounded in business strategy
- Is the foundation of an organization's compensation program
- Creates a shared understanding and framework for program design decisions
- Tends to be directed by management

### In most organizations studied, the Pay mix is as follows:

- Fix/Base Pay
- HRA
- LTA
- Retirals - PF+ Gratuity
- Deferred Bonus or Joining Bonus or Relocation Bonus
- **Short term incentives –**
  - Annual Incentive Plan or Annual Bonus - An annual bonus is paid once per year and is usually tied to goals of some kind. An annual bonus works best when employees are involved in the goal setting and have control or influence over the results
- **Long Term Incentives –** Most 'organizations in focus' motivate employees by having them think like owners of the organization and to get

them to care as much about the success of the organization as the owner or the leadership team.

- Companies that offer equity instruments, such as stock options or restricted stock, are usually publicly traded on the stock market, or intend to go public in the future.
- Equity might take the form of stock options
- In addition, there are restricted stock units, which are granted to employees; the restriction is time-based, like vesting. Or performance shares or units, which are also granted to employees. They have a company performance component like net profit, revenue, or EBITA, plus a time component.
- The trend is that companies are moving away from stock options and using performance shares/units more often now
- Some companies offer joining bonus as a part of their offer, for specific period (e.g., 24 months) to offset the RSU (Restricted Stock Units) vesting which is usually a low percentage in these companies in the initial couple of years, others offer joining bonus only in exceptional cases e.g., to offset the impact of stock or bonus that a prospective candidate has to forego



**There are a few other reasons to offer long-term incentives to employees.**

- They can supplement base pay and short-term incentives in order to provide a more competitive compensation package.
- Long-term incentives can also be used as a recognition tool to reward employees for great work.
- They may encourage retention through formal vesting or people will stay because they think the company is going to take off in a few years.
- Employee Stock Ownership Plans are a form of retirement plan. The company makes contributions on behalf of employees toward the purchase of company stock. The contributions vest between three and six years of service.
- ESOP is different from an Employee Stock Purchase Plan, where employees buy company stock through a discount program usually via payroll deduction.

**While elements across organizations remain the same, the competitiveness of the compensation is maintained through various permutations and combinations of the above elements of the Total Direct Compensation. (As illustrated in the table on Page 25)**

## Benefits and Perks

In addition to the pay – benefits and perks make an essential component of the Total Rewards Package in the 'companies studied'. This is also a crucial part of the Employer Value Proposition and helps in attracting talent in competitive landscape.

**Given below are a few benefits 'organizations in focus' offer to its employees**

- Health Insurance – Individual and Group
- Personal Accident Insurance
- Life Insurance Policy
- Education Reimbursement Fund
- Wellness Reimbursement Fund
- Time Off Benefits
- Employee Discounts and Perks
- Employee Stock Purchase Plans
- Health programs – On site doctors and physiotherapists, Annual Health Check-up, Employee Assistance Helplines
- Day Care centres
- Cafeteria – complimentary food
- Transport facilities
- Car Lease
- Medical rooms, Nursing rooms, Prayer rooms, Gyms, Yoga classes, etc.

Progressive companies with differentiated/with enhanced degree of complexity have high base salary as it influences the retiral benefits. Also, a good medical coverage. Short term incentives are moderate to low =<15% of fixed pay or annual guaranteed cash allowances.

Under cafeteria approach- the companies try to leverage the personal tax rules & give flexibility to employees to choose salary elements as per

their need/requirement & also, ensuring compliance. The choice to opt for defined salary elements is given at the beginning of the financial year.

### **Following are considered to be crucial benefits that an employer must offer**

- **Time Off** – Over and above the national holidays, bereavement leaves, paternity leaves of extended duration. This should be aligned locally. In addition, leave encashment is considered as a critical benefit
- **Group term life insurance** - About 85% of companies offer company-paid group life insurance as a benefit. Group life insurance policies are generally written as term insurance and offered to employees who meet eligibility requirements, such as being a permanent employee or 30 days after hire. Group term life insurance coverage can be adjusted for qualifying life events or during an open-enrolment period.
- **Personal Accident Insurance** - Personal accident insurance provides essential coverage against accidental injuries. With it, one can get reimbursements for medical expenses resulting from accidents, hospitalization benefits that help pay for alternative treatments, and (should accidental death occur) a lump sum pay-out. Companies also offer three times of the base pay (up to 3.5 Cr) to employees' family in case of untimely demise.



# Pay for Performance and the New Age Performance Management Systems

The most burning question about distribution of rewards is how modern performance management systems can be linked to pay or “pay for performance,” particularly in cases in which simplified or “rating less” systems are used. Pay for performance works best when organizations can isolate, measure and clearly link employee effort to outcomes.

3 out of the total organizations studied have done away with ratings in their performance conversations.

A few observations about the differentiated reward distribution in these companies are outlined below:

## The Bigger Philosophy

- Performance management is fundamentally about aligning individual effort to support organizational priorities. It includes setting individual expectations tied to organizational goals, providing coaching and feedback that helps employees improve, and measuring and evaluating employee performance to inform talent decisions
- The ultimate goal of many performance management transformation efforts is to **bring about culture change** in the organization. Performance management both reflects and contributes to organizational culture. Culture change takes time and significant effort to achieve. Thus, appropriate governance bodies can help monitor and support the interim steps that organizations can take to influence culture change, such as the phases required in building a feedback culture
- **Improving Coaching and Feedback Starts with Training Managers.** Many organizations already provide extensive training, which can be particularly valuable for new managers who lack experience leading others. Training managers is only the first step, however. Employees must also be trained to provide, ask for and receive feedback, and part of this training should emphasize the responsibility of everyone, regardless of level, for contributing to a positive climate of open communication.

## Linkages with Compensation

- In one company, the budget is given to the managers, and they are expected to distribute rewards amongst their teams based on the team members' performance against the goals, they know the pay range data of their teams and are provided with the market data too. 3 levers are available to the managers to work with – compa ratios – (a compensation metric that compares the salary an employee is paid to the midpoint of the salary range for their position or similar positions at other companies) equity and bonus. Managers can exercise their discretion while making decisions about pay for performance.
- There is a greater empowerment of managers, and it is believed that skilled managers don't need a rating to make decisions about their direct reports' pay and bonus. There is a considerable manager capability building that has gone in to bring them to a level where they can make these decisions fairly and transparently
- There is a greater partnership with their HRBPs and the Total Rewards CoEs for any quandary the manager may find himself or herself in while distributing rewards. Over the years the culture has evolved to do this with ease. It was also observed there aren't too many employee grievances with respect to rewards thus proving testament to the fact that instilling trust and providing autonomy to a set of highly skilled managers can lead to minimized dissonance around performance management as a process.
- In another company while there aren't ratings assigned, there is mapping of the impact made at 3 levels – low, medium, high to the percentage increase permissible.
- There is a considerable effort in manager capability building that has gone in to bring them to a level where they can make these decisions fairly and transparently
- Based on the impact assessment carried out by the manager, the rewards are allocated to the team members enabled by a highly automated process.

## Pay Equity

In today's hot marketplace for technical skills, compensation is an important driver. In a recent technology hiring and retention survey, by Josh Bersin Academy, 37 percent of tech workers said the most common reason for declining an employment offer was receipt of a better compensation package offered elsewhere.

Inadequate pay in a technology-related industry or function costs upward of \$16 billion a year in turnover costs and is one of the most common reasons tech workers give for leaving an organization.

When different compensation practices were measured, two themes emerged:

- **Fairness** - Fair and equitable pay and pay transparency
- **Performance-driven** - Competitive variable compensation, bonuses in real time, and pay adjustments more than once per year

Organizations that manage compensation effectively are 4 percent more likely to be highly innovative and agile. This is a low number, but it is underscored by the fact that only 6 percent of organizations that were high on innovation and agility scored low on fair and equitable pay. Clearly, these compensation practices are stable stakes for organizations aspiring to be highly innovative and agile.

Pay equity, involve paying employees fairly and consistently, without discrimination on the basis of gender, race or other protected categories but taking into account job-related factors such as education, work experience and tenure.

Adobe Systems announced in October 2018 that it achieved global pay parity between employees of both genders. The company has published its initiative on its website to help its peers learn how they achieved it.

(<https://www.adobe.com/diversity/parity/pay.html> )



In 2019, Glassdoor, a website for candidates to search for jobs and research companies, published **How to Analyze Your Gender Pay Gap: An Employer's Guide**. "Perform an internal gender pay audit to understand whether a gap exists at your company," advised Andrew Chamberlain, chief economist at the firm. An audit "involves examining your own payroll data for evidence of a gender pay gap and making recommendations to senior management about ways to lower gender barriers in recruitment, hiring, pay and promotion before they arise as broader organizational concerns. "

# A Quick Glance: Total Rewards

## Key Observations

- 1 Compensation philosophy that talks to EVP – e.g., Build Wealth, Fair pay, Gender pay parity, 'You won't just work, you will thrive'
- 2 Typical pay mix is a combination of Base pay + Variable compensation – Bonus + Equity + Deferred bonus- (12 months or 24 months), joining bonus, relocation bonus
- 3 Pay positioning is determined based on Job families or Job grade pay ranges
- 4 The ratio of fixed to variable (Annual Incentive Plan) compensation in different companies studied is broadly
  - o Entry level – 15:85
  - o Mid to Sr. – 85:15
  - o Top Executives – 90:10
- 5 Every engineering employee gets RSUs– Different companies have different vesting periods – quarterly vesting, 4 years vesting period
- 6 2 out of the total companies that we studied, do not ask historical compensation as they have achieved gender pay parity. This also gives them a competitive advantage
- 7 Some companies make compensation package attractive by adding higher equity and low base pay as against others who may offer higher base and have restrictions on equity vesting
- 8 Many Companies use the common framework on yearly Incentives & stocks as per Corporate/Region level programs
  - Idea is to have fairness, consistency and transparency. Easy to see the visibility, communicate & able to control
- 9 Lucrative benefits – ESPP- Employee Stock Purchase Plan, Education and Wellness Reimbursement
- 10 Bonus is paid basis goal achievement. Most companies use OKR methodology – 50% bonus is performance linked and 50% company performance – percentage split differs from one org to the other
- 11 For a ratings PMS – established pay grades and percentage hikes – distribution basis employee ratings
- 12 In absence of ratings
  - \* Managers divide the budget amongst team members' basis their performance against goals as assessed during the year
  - \* Managers exercise their discretion – partner with HRBPs for any support they may need
  - \* Manager capability built over the years for them to adequately understand and execute performance evaluation
  - \* Availability of team's salary data, market data, pay ranges and associated compa ratios
  - \* 3 important levers for distribution of rewards in a Rating less PMS
    - Pay Ranges –Compa ratios
    - Equity
    - AIP

**In one company, immediate managers only assess performance by assigning a qualitative impact on a gradient scale, the budgets rest with the function head – Post a calibration exercise with managers – rewards distribution takes place. Greater partnership with HR in this process.**

# CULTURE



## What is peculiar about the culture of these technology companies?

Culture eats strategy for breakfast, goes popular adage and time and again it has been proven that no matter how robust your business strategy may be, if the organization culture is not aligned, progress is less likely. The leaders and founders of these organizations wear the badge of culture proudly on their shoulders and communicate it in almost all their appearances and interactions with all types of stakeholders. The famous Jeff Bezos stakeholder letters where he always talks about some or the other leadership principle of Amazon, as well as Satya Nadella emphasis on creating a certain organizational culture being the core of CEOs job, are few examples worth mentioning. The cultural aspects then get embedded in all aspects of organizational working whether it is recruitment, promotion or conducting a team meeting where one may practice a certain ritual linked to the organization's culture. The efforts bear fruition where one can distinctly feel the 'smell of a place'.

Building Inclusive Workplaces is the focus for most progressive organizations, going by the belief that if their customers represent diversity, the organization has to ensure that its employees are diverse, feel included and have a sense of belonging to build product and services that matter to its customers.

The culture trickles down from the top and permeates itself into every aspect of the organization's personality. It's an intentional

effort that the leadership team makes to ensure that the employees feel they are contributing to a higher purpose. There is conscious effort to instill a sense of pride and belonging in each and every employee who is part of this system.

So much so these organizations institute awards for living organization's values which form an intrinsic part of the culture. Employees who demonstrate this best are celebrated by the organization.



## Culture in these organizations is maintained through a number of mechanisms, including:

**Attraction, selection and attrition:** In part, culture helps determine who is attracted to an organization, who is hired and who leaves. For example, someone who values social consciousness may leave an organizational culture focused on competition. There are strict norms around hiring and executing the whole process such that there isn't any unconscious bias creeping in while recruiting candidates.

**New employee onboarding:** Employee orientation and onboarding help set the stage for how an employee is integrated into a culture. This is an area where most 'organizations in focus' have built elaborate induction programs that delight the new joiners. Onboarding is the first window for new employees into the organization hence plays a crucial role in instilling a sense of joy and pride of being associated with the company. A lack of orientation and onboarding can result in a failure to transfer the organization's values, norms and expected behaviors. When this happens, new employees may determine expected behaviors based on learning from those with the strongest personalities (informal leaders).

**Leaders (formal, informal):** Leaders are an essential part of creating an organization's culture. Leaders in these organizations command tremendous respect and adulation in the communities they serve. They have a distinct personality and enjoy a celebrity status in the corporate arena. So much so they have the ability to impact company's stock prices with mere comments they may make on social platforms. Hence, they bear an immense responsibility of the organization's brand and reputation and the growth of its business.

There is a direct link between the behavior of leaders and organizational culture. According to Bauer and Erdogan (2010), "When leaders motivate employees through inspiration, corporate culture tends to be more supportive, and people oriented. When leaders motivate by making rewards contingent on performance, the

corporate culture tends to be more performance-oriented and competitive." Leaders also shape culture based on who they praise, how they react to failure, and what they prioritize.

**Reward systems:** How a company rewards/disciplines employees will also have an impact on culture. Rewards might be determined by performance appraisals, rankings or ratings, or achieving metrics. What the company chooses to measure and reward helps determine how a company culture evolves. In most of these companies, rewards form an essential part of their Employer Value Proposition. The focus is on socializing the rewards as fair and competitive.

Culture should be collectively agreed and translate into actions that create/augment moments of truth for the organization. For example- a high degree of failure tolerance will be needed to encourage a firm wide culture of experimenting with bold ideas. Else employees will entropy towards playing safe, work on guaranteed success models therefore resulting in aiming low or replicating (at times efficiently) what already exists, losing focus on outcomes just to be acknowledged and rewarded.

**Meritocracy and Achievement** are the 2 cornerstones of the culture in the organizations studied. The ability to learn from the environment, experimenting, failing fast, taking corrective actions, being trailblazers- are all characterized by these organizations making them truly Learning Organizations, part of the reason why they have become the invincible Big Tech.

What is getting acknowledged, appreciated and rewarded – largely efficiency building, standardization, predictability or working on new, risky, undefined territories (this will also depend on the nature of work that is agreed upon as a part of larger Innovation center strategy). An honest assessment of these factors indicates where the organization is on its journey of moving from delivery to innovation center.

# ENABLING TECHNOLOGIES



## How do these organizations leverage technology in the domain of Talent Management?

The organizations that we studied consider Talent Management as a complete ecosystem and also have an intrinsic value of scaling up. These two aspects require an integration of all the elements as well as efficiencies to augment the need to scale up. This can be achieved through creating meaningful processes and enabling them through technologies that do not violate any law. The balancing act here is to remember that Talent Management has a strong aspect of human interface and relations that cannot be replaced immediately by existing technologies. The pandemic may have pushed us towards a technology overdrive, these organizations realize the importance of technologies to reduce non-value add work, to integrate processes, to reduce biases at the same time value human judgment and interactions wherever it adds value.

While the companies studied, represent the "Big tech", robust technology infrastructure for their Talent Management is certainly their advantage. Some of these companies use their own solutions to manage many of the employee life cycle activities.

Their solutions employ technologies like- AI, ML, IoT, Digital Twins, Big Data Analytics etc.

Given below is the list of tech solutions discovered being used for different areas of Talent Management.

**Recruitment** – Workday, SAP Success Factors, Oracle Taleo or an in-house solution

**Onboarding/Communication** – Adobe Connect, MS Teams, Zoom, Workplace by Facebook, Slack, Blue Jeans

**Performance Management/ Succession Planning** – SAP Success Factors

Learning Management Systems – Adobe Captivate Prime, Oracle Cloud, SAP Success factors

**Total Rewards** – Payroll usually outsourced to a third-party vendor e.g., Aon Hewitt, Excelity Global,

- LifeDojo -AI-powered and telehealth-enabled, science-backed behavior change platform, Headspace for wellness activities



# CONCLUSION

The world of work changed overnight in March 2020 when we were collectively struck by the global pandemic. While survival was the 'buzzword' in 2020, 2021 brought to the fore the importance of 'adaptation'. 2022 will be about Resilience.

A lot has changed in the last two years in the way we work, manage workers and create an equitable workplace.

The Great Resignation has brought about a pandemic induced epiphany that's making workers evaluate their work choices. While millions are quitting for better opportunities, the idea of life built around work has been toppled over by work built around life.

There is no doubt that the future of work is Hybrid. Talent Management therefore has to undergo tremendous transformation to suit the needs of remote and physically co-located workers alike.

More recently SHRM report on the New Workplace 2025 highlighted that the shift to remote work will be among the biggest business trends in the coming years, though it won't be the only lingering effect from the pandemic.

## **SHRM forecasts the following trends for companies until 2025**

- More employees will work from home
- Companies will invest heavily in health, hygiene and safety.
- Companies will continue striving to increase diversity, equity and inclusion.



- Workers will demand better treatment for themselves and their communities from their employers.
- Organizations will re-examine how they impact the environment.
- Technology's rapid transformation will continue, forcing companies to rethink how to integrate people with machines.

Below are the Key Points of this report summarized, taking a leaf out of the Big Tech's hits when it comes to managing Talent to help a practitioner navigate through the emerging Talent Management practices of the evolving Hybrid work and the Workplace.

**Talent Acquisition** – Creating an Employer Brand goes a long way in attracting quality talent to the organization, the buck however doesn't stop there. A truly world-class employer brand reimagines the talent practices holistically. It's a combination of 4 factors -Growth, Culture, Total Rewards, Mobility (GMTC). Organizations become love marks (high love, high respect) when they live and breathe what they preach, even though they may not be the best paymasters.

**Talent Development** – Democratization of learning is the future of Talent Development. 'Learning in the flow of work' is the new mantra. Give them all the resources and have them own their development, tie it to the performance such that an employee feels responsible to not just learn and grow but influence and develop others too.

**Performance Management** – Whether ratings or rating-less, performance management as a system has to result in continuous improvement. Empowering managers not just by making them responsible for their team's performance but also upskilling them to be coaches,

giving them adequate support to own the team's development would make the process more robust and less painful.

**Succession Management** – Possibly one of the most underrated, the key to successful leadership lies in preparing your leaders well in advance. A well institutionalized process of succession management would look after an easy transition to leadership positions and more homegrown leaders possessing all the tacit knowledge required for that level.

**Total Rewards** – Competitive, equitable, regularly revisited – whether equity forms part of the pay or not- the Total Rewards package should align with the central reward philosophy. It should aim to reward performance and should be seen as fair. Using multiple levers – compa ratios, equity, bonus

The need for HR reinvention is being felt by organizations across industries. As we recover from the pandemic and embark on another wave of digital revolution fueled by Industry 4.0 it's imperative that our Talent Management practices evolve to respond to the needs of the new work reality.

**Human centered design, digitization, resilience and empathy** are going to be the cornerstones of the hybrid workplace. The future of work has arrived!



## Recommended Reading

- [https://www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/cms\\_023007.aspx](https://www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/cms_023007.aspx)
- <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/onboardingandassimilationprocess.aspx>
- <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/employers-adopt-virtual-tools-campus-recruiting.aspx>
- <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/staffinginspecialmarketscollegestudents.aspx>
- <https://www.shrm.org/resourcesandtools/hr-topics/technology/pages/tech-recruiters-walk-diversity-talk.aspx>
- <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/developingemployees.aspx>
- <https://www.shrm.org/resourcesandtools/hr-topics/organizational-and-employee-development/pages/default.aspx>
- <https://www.shrm.org/hr-today/news/all-things-work/pages/performance-management-evolves.aspx>
- <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/managingemployeeperformance.aspx>
- <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/documents/performance%20management.pdf>
- <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/developingemployeecareerpathsandladders.aspx>
- <https://www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/termdualcareer.aspx>
- <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/engaginginsuccessionplanning.aspx>
- <https://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/talent-competition-drives-savvier-total-rewards.aspx>
- <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/total-rewards-can-drive-performance-management.aspx>
- <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/introcompensation.aspx>
- <https://www.shrm.org/ResourcesAndTools/tools-and-samples/toolkits/Pages/designingincentivecompensation.aspx>
- <https://www.shrm.org/hr-today/news/all-things-work/pages/the-workplace-in-2025.aspx>

## End Notes

- [https://tandemresearch.org/assets/Tandem-Research-Big\\_Tech\\_report.pdf](https://tandemresearch.org/assets/Tandem-Research-Big_Tech_report.pdf)
- <https://www.shrm.org/executive/resources/Pages/Effectively-Managing-Tech-Workers---A-New-Imperative-in-the-Digital-Age.aspx>
- <https://www.adobe.com/diversity/parity/pay.html>
- <https://blog.google/inside-google/life-at-google/our-annual-pay-equity-review/>

# ABOUT SHRM

With more than 300,000 members in over 160 countries, SHRM is the leading provider of resources to serve the needs of working professionals and advance the professional practice of human resource management. It is a one-stop shop and the go-to resource for solutions and services to handle all people-management and workplace challenges. SHRM India continuously strives to release the latent potential of worldwide knowledge exchange in the space of business and HR, by constantly expanding and redefining the profession and practice of HR in India and around the world.



## **Global Knowledge Expertise**

Based on the SHRM BoCK and robust research and industry experience (Explicit Knowledge)



## **Professional Expertise**

Prior experience of conceptualizing, designing and executing various Capability Building Interventions across Industries



## **Best in Class Subject Matter Experts**

(Both Global & Local)



## **Tacit Knowledge Sharing**

Achieved through experiences from our seasoned SME's. SHRM can also provide participants with a social platform that will facilitate peer learning and allow senior leaders within the group to share their stories.