

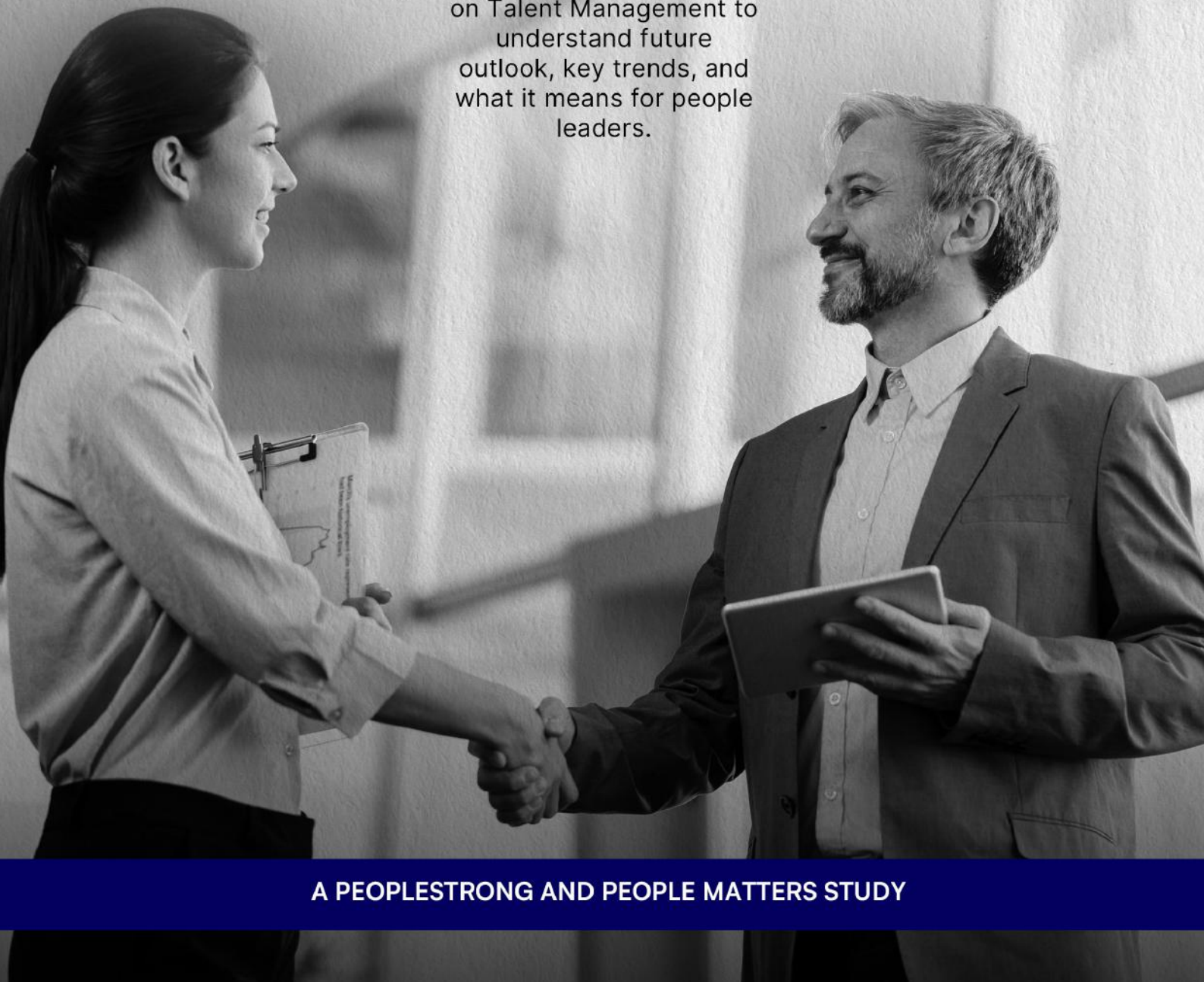


# THE FUTURE OF TALENT MANAGEMENT

CHRO PERSPECTIVES & INSIGHTS

— 2024 —

India's largest research  
on Talent Management to  
understand future  
outlook, key trends, and  
what it means for people  
leaders.



A PEOPLESTRONG AND PEOPLE MATTERS STUDY



# Foreword

The ever-evolving role of talent management took on newer dimensions as we redefine the relationship between employers and employees. In its current form, it represents not isolated functions like recruitment, performance management, etc., but a comprehensive, deeply connected business strategy, reinforcing and accelerating it. Talent leaders who adopt this new mindset and leave the bifurcated approach behind can transform talent management and create business impact.

While the hybrid world of work and an ever-evolving business climate pose a significant threat, talent management practices rooted in the proper use of technology are critical for success - since they allow companies to focus on where and how they compete in the talent ecosystem. There was once a time in 2005 when marketers realised they sat on a valuable treasure trove of data, all from consumer behaviours to spending patterns. Using the right technologies, they were able to drive the correct insights and, in turn, create hyper-relevant marketing campaigns. The rest is history.

Today, talent management stands at the cusp of a similar opportunity. With technology solutions forming the bedrock of effective talent management, HR is poised to grow more strategically and contribute significantly to the business growth story.

To trace how companies across India and South East Asia are transforming talent management, **The Future of Talent Management** research study with PeopleStrong takes a deep dive to find agility and adaptability. With over 200+ participating companies, this comprehensive analysis points to gaps in preparing for the future of talent management.

Happy Reading!



**ESTER MARTINEZ**  
CEO and Editor-in-chief  
People Matters



# Acknowledgement

The world of work is undergoing a profound transformation, resetting the equation for talent value. Compounded by persistent talent shortages, employee attitudes and motivations are reshaping the talent landscape, altering the dynamics of talent power. The question that looms large is whether organizations are prepared to navigate the most significant workplace transformation since the advent of the internet.

This study sought to provide an answer. Surveying over 200 people leaders from top organizations across India and Asia, we aimed to comprehend the implications of this shift on the world of work. The study revealed a notable lack of readiness in addressing workforce changes. **Despite 67% of people leaders** asserting that their talent strategy is integrated with the business strategy, **only one in three businesses has fully digitised talent operations.** CEOs have explicitly defined closing the **Capability Chasm as a priority for CHROs**, yet HR leaders increasingly face challenges in swiftly finding and developing talent. Internal mobility takes centre stage, with **72% of HR leaders identifying critical roles** and succession plans, but only **50% having visibility into successor readiness.**

Technology today is the linchpin driving transformation in the talent management landscape. There is a palpable evolution away from the old, traditional outlook of focusing solely on siloed functions like recruitment, engagement, and retention. Organizations are now adopting a dynamic approach that aligns processes and technology closely with strategic business goals, giving rise to talent management processes that are more comprehensive and impactful.

On behalf of PeopleStrong family, I would like to extend our heartfelt appreciation to the HR leaders and organisations that contributed to our research on **“The Future of Talent Management in 2024.”** along with People Matters. Their insights and participation have been invaluable in shaping this study’s findings.



**SANDEEP CHAUDHARY**  
**CEO**  
PeopleStrong

# TIME TO REDEFINE YOUR TALENT MANAGEMENT PHILOSOPHY

The work landscape is swiftly evolving. By 2025, automation and AI may claim parts of traditional white-collar jobs, and demographic shifts are continuing to add pressure. HR teams grapple with Generation Y's changing work ethos, a decline in full-time roles, and the demand for new skills in a fast-paced and unpredictable business realm.



**WE ARE WITNESSING THE MOST PROFOUND WORKPLACE TRANSFORMATION SINCE THE ARRIVAL OF THE INTERNET!**

## THE BIG 5

**Total cultural revolution**

Talent value equation has been permanently reset

**Shift in Talent Power Dynamic**

A new talent landscape due to changed motivations & attitudes

**Persistent Skills Shortage**

44% of workers' skills will be disrupted in the next five years\*

**Transformative Technology Innovations**

Employees Expect to Use AI but HR involvement remains limited at 22%

**Pressure for Operational Efficiency**

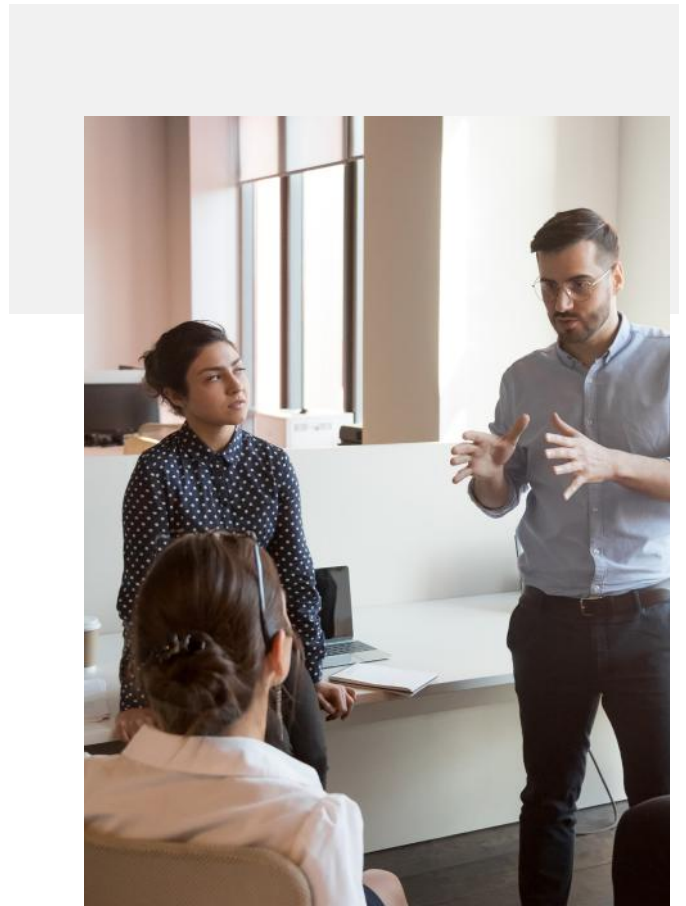
Workforce productivity, will become the dominant success measure

\*Future of Jobs Report 2023

For long, organisations have taken a traditional approach towards talent management, treating it as a series of activities conducted separately. While functions like recruitment, learning, and performance management remain more crucial than ever, companies can no longer afford to look at them in siloes.

This requires companies to look at talent management as a multi-faceted, deeply diverse, and holistic process – in a way that enables HR leaders to drive strategic change.

Taking these steps calls for continuous innovation by the HR function. Companies are pivoting due to this change, from introducing flexible work policies, including diversity, equity, and inclusion measures, to experimenting with workplace setup. Take the example of Mahindra’s ground-breaking 5-year maternity policy for women and Zomato’s pioneering 4-day workweek that set new benchmarks in the world of work.



In the era, where technology is the key driver of societal transformation, managing talent is no longer proactively addressing employee life cycle (ELC) transactions. A comprehensive people strategy, embedded with technology that offers personalized interventions for Gen “Z” and “Millennials” will be the key for organizations to sustain in the coming decades.



**SHIBU UNNITHAN**

**Head People Strategy & Talent Management  
at Cholamandalam Investment & Finance  
Company Limited**



## TOP INSIGHTS FROM THE REPORT



### CLOSE THE CAPABILITY CHASM - CEO MANDATES CHROS

Building Leadership Pipeline and Capability is the number 1 priority for CEOs



### THE RISE OF SKILLS-BASED TALENT MANAGEMENT

Skills are at the centre of HR's strategic business impact



### BREAKING THE MOULD OF 1:100 (HR — EMPLOYEE RATIO) WITH HYPER-PERSONALISED CAREER PATHS

Hyper-personalisation means HR leaders must look beyond traditional approaches.



### GAPS IN DIGITISING TALENT MANAGEMENT WILL POSE A BUSINESS RISK

Map talent management priorities to overall business objectives and it must be digitised



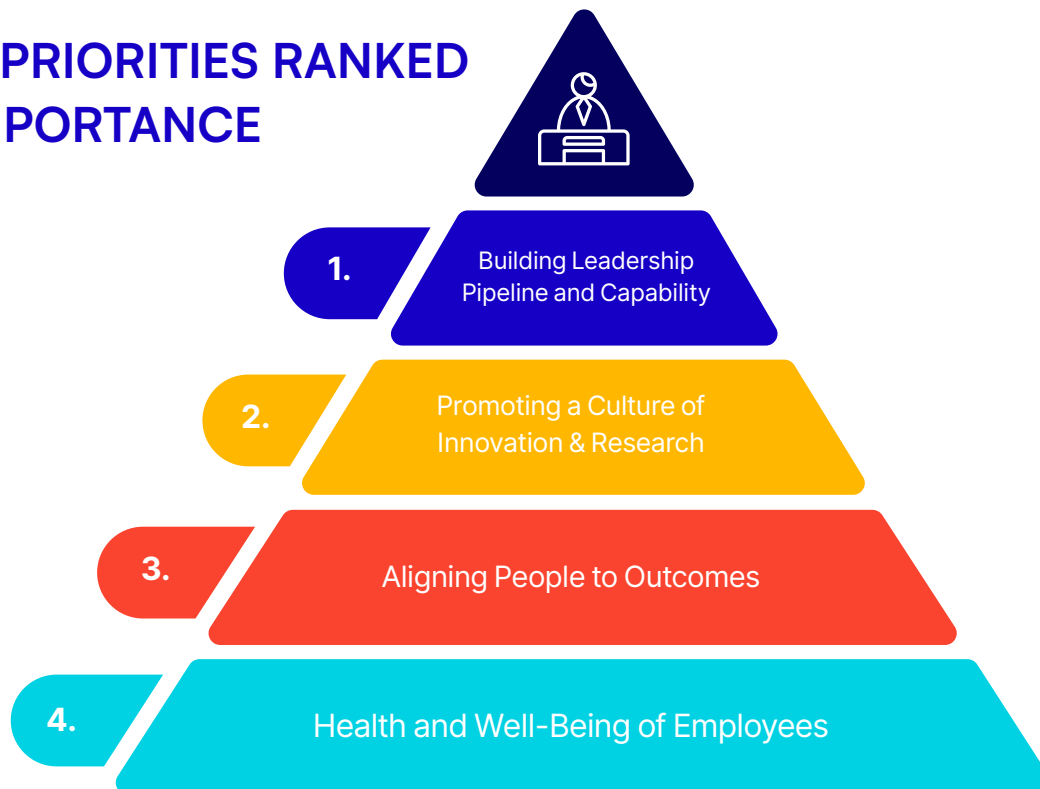
### MAKING WAY FOR APPLIED AI

Generative AI automates previously manual and time-consuming tasks

# “CLOSE THE CAPABILITY CHASM” - CEO MANDATES CHROS

Building a leadership pipeline is one of the most critical priorities for CEOs, followed by promoting a Culture of Innovation & Research and Aligning People to Outcomes.

## CEO PRIORITIES RANKED IN IMPORTANCE



Graph 1: Primary Areas of Emphasis for CHROs as Mandated by CEOs

But CHROs have their work cut out for them. Workforce planning, learning & development, and skills & careers are no longer in sync with the realities of the present day. 58% of the workforce needs new skills to get their jobs done, and HR leaders are finding it increasingly difficult to find and develop talent with the most in-demand skills quickly



**46%** of Gen Z employees said that the pandemic made pursuing their educational or career goals more complex, and **51%** say that their education still needs to prepare them to enter the workforce.

Source : Gartner\*

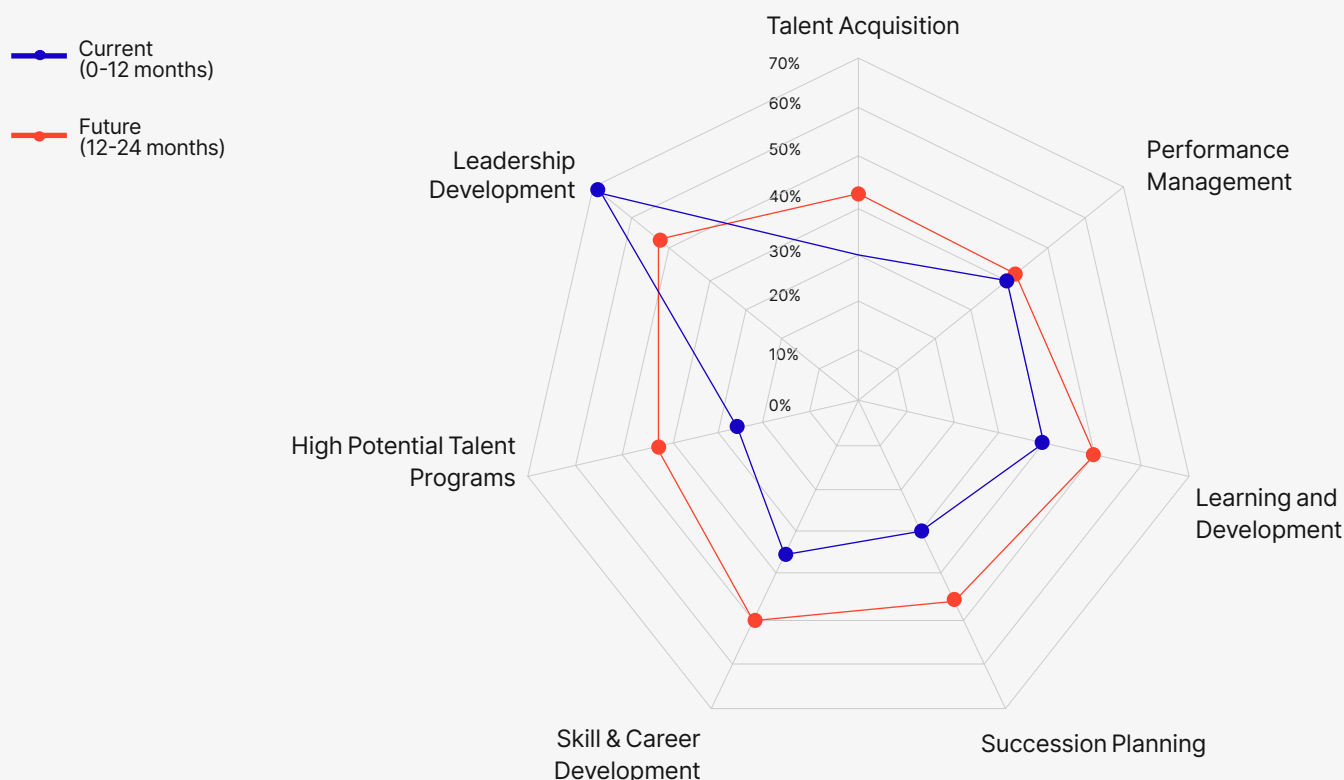
\*<https://www.gartner.com/smarterwithgartner/build-the-workforce-you-need-post-covid-19>

This mismatch with the current landscape is characterised by shifting skill demands, talent scarcity, increased turnover, and a transformation in the employer-employee dynamic.

This underscores the urgent need for fundamentally re-evaluating business priorities in different areas of the HR lifecycle.

When asked about the top priorities, Indian companies have placed Talent Acquisition and Performance Management at the forefront. In contrast, they anticipate a future emphasis on Leadership Development, Skills, and Career Development as key areas of focus.

## AREAS OF FOCUS (CURRENT VS FUTURE)



Graph 2: Future vs current comparator of talent management priorities



**Being future-ready is all about nurturing talent and building an ecosystem for it. Managing talent in the current reality is providing clarity of goals and growth, Alignment of organisational purpose with individual aspirations, and making it available for everyone.**



**S. SURESH KUMAR**  
 Chief Human Resources Officer  
 Muthoot FinCorp Ltd



# WHICH AREAS OF TALENT MANAGEMENT WILL BE CRITICAL FOR ORGANISATIONS IN THE FUTURE?

Current Areas of Focus	Areas of Focus in the Near Future (12-24 months Outlook)
Leadership Development	Learning and Development
Skill & Career Development	Performance Management
Learning and Development	Leadership Development
Succession Planning	Skill & Career Development
High Potential Talent Programs	Succession Planning

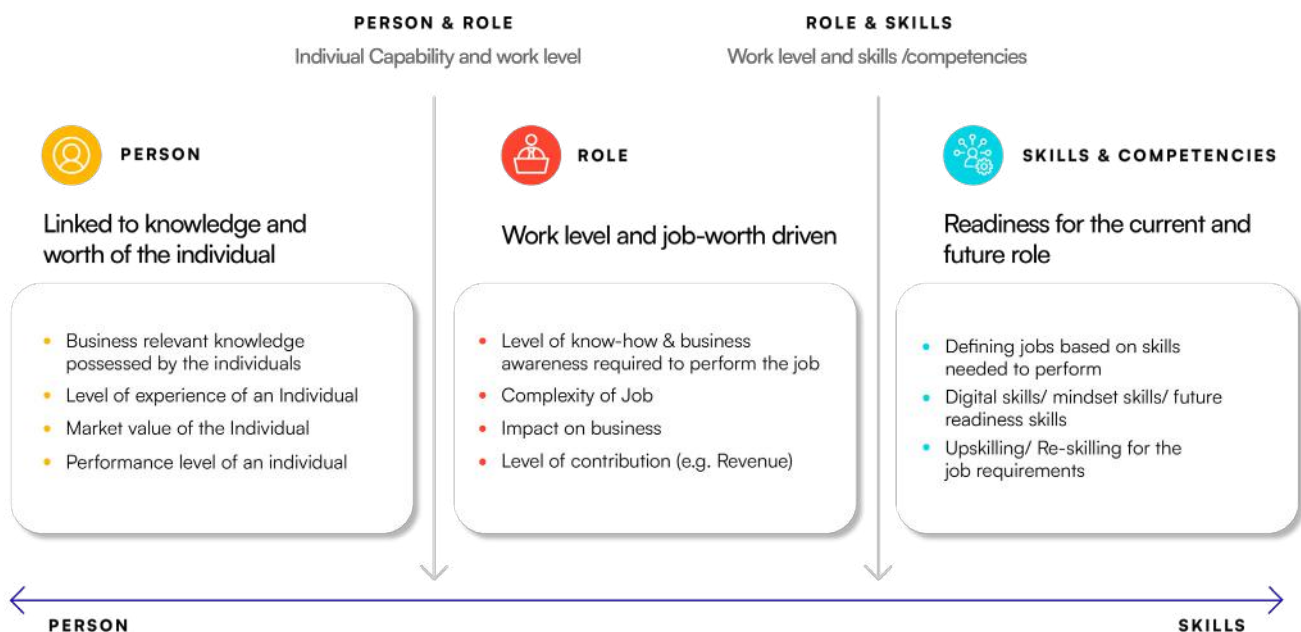


## KEY ACTION STEPS PEOPLE LEADERS NEED TO TAKE TO ADDRESS THIS

- Align HR technology strategy with evolving business priorities and employee needs in a changing technological landscape.
- Plan meticulously to ensure that their technology support and strategy can adapt to shifting business and employee requirements while minimising disruptions to their overall roadmap.
- Institute a dynamic review approach based on macro-triggers and business change, ensure alignment of solutions with employees' professional goals and establish a governance mechanism for assessing HR technology investments collectively rather than as isolated projects.

# The Rise of Skills-Based Talent Management

Three-quarters of jobs had more than 40% of their required skills change between 2016 and 2019 (Gartner). Amidst these shifts, companies are transitioning from a person-based to role-based, and now to a skill-based approach to talent management.



This shift towards skills is unsurprising, as it widens the talent pool for dynamic environments and helps HR teams align talent management initiatives strategically with business goals.

**67% HR leaders** feel their talent strategy is integrated to business strategy, yet only 1 in 3 businesses have fully digitised their talent operations.

It highlights challenges in designing a skills-based talent strategy. Skills serve as the foundational element for any robust talent strategy. However, the challenge lies in the absence of readily available skill taxonomy or skill inventories that comprehensively map each job role to the requisite skills for success.

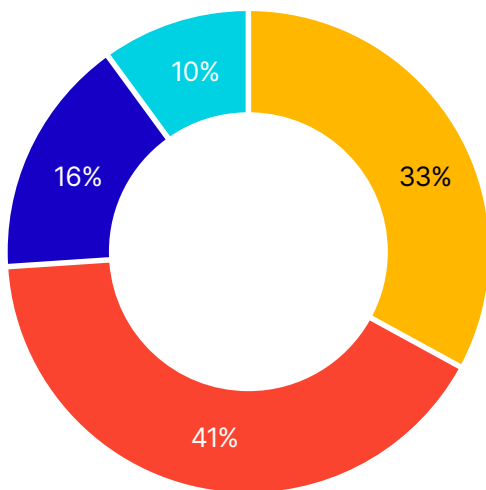


Personalised learning paths are imperative, serving two main purposes. Firstly, optimising individual learning within their current roles. Secondly, preparing talented individuals for their next roles. Essential skills should align with their current responsibilities and performance, while additional development should prepare individuals for future opportunities.



**BAMBANG YAPR**  
Human Capital Director  
Bina Karya Prima

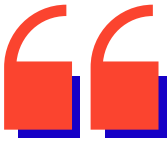
## HOW FREQUENTLY DO YOU RUN A SKILL GAP ANALYSIS AT YOUR ORGANISATION?



- Annually
- No fixed schedule - as needed
- Bi-annually
- Once in every two years

Another major hurdle is integrating skills data from various sources. To get the best analytics and artificial intelligence driven experiences—such as personalised career recommendations—across these applications, data needs to be connected.

The process of integrating skills data is far from simple. It frequently involves intricate complexities, necessitating expensive tailored integrations that don't consistently yield results. Consequently, organisations often fail to extract the maximum value from their skills-based applications.



**Our approach to personalised learning involves skills assessment, tailored learning plans, diverse resources, continuous feedback, and career alignment. To bridge the gap, we map skills to roles, conduct audits, offer skill-based rewards, and involve managers in the process.**



**PANKAJ GULATI**  
**Chief People Officer,**  
**Fincare Small Finance Bank**

Organisations show a growing focus on skills and career development, skilling, and building the right leaders as their important talent priorities.

Making this successful necessitates creating a personal skills profile, aligning skills demands to business needs, and having an HR and learning technology stack that meets your organisation's demands.

## KEY ACTION STEPS PEOPLE LEADERS NEED TO TAKE TO ADDRESS SKILL DEVELOPMENT GAPS

✓ Harness AI-powered skill cloud technology to unleash the latent potential of the workforce. This can help them pinpoint skill deficiencies and implement targeted talent development initiatives through clearly defined competency frameworks, personalised career pathways, and individualised action plans.

✓ Enhance the ability to identify, assess, and develop their workforce more efficiently currently and in the future.

To do this, they need to run skill assessments, empower both employees and managers to recognise and improve skill gaps, enable employees to envision their career progression, and ultimately reduce the attrition of top talent.

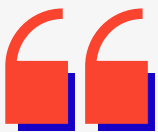
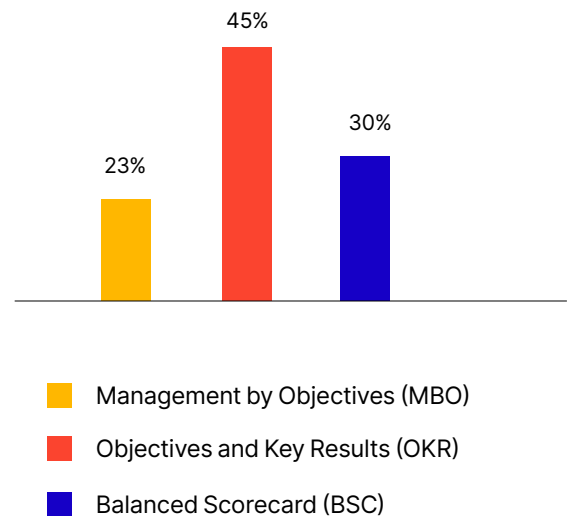
## New Rules of Attraction, Retention, and Attrition

**72% HR leaders** say they have identified critical roles and their succession plans, yet only 50% have visibility of the readiness of identified successors.

Successful companies today are no longer defined by their narrow approach to talent management. **Hyper-personalisation and shifts in employee preferences** today mean HR leaders must look beyond traditional approaches.

From a traditional approach to talent management where succession or skilling efforts were focussed only on the top 20% of talent, the world is now fast moving towards personalisation at scale. This is reflected in how HR leaders hire, engage and retain talent today.

### PERFORMANCE MANAGEMENT FRAMEWORKS TOP BRANDS ARE LEVERAGING



Managing talent is no longer a hit-and-trial game. Skills are the starting point for a comprehensive talent management strategy that personalizes and truly creates an impact on an employee's career and value for the company.



**VIKAS MAHESHWARY**

Head - HR Digital Transformation,  
Biocon Biologics



HR leaders must balance key considerations. Business leaders have long walked a talent tightrope—carefully balancing budgets while retaining key people.

In today's uncertain economic climate, they must focus more on matching top talent to the highest-value roles. McKinsey research shows that, in many organisations, the most appropriate people don't fill between 20 and 30% of critical positions.

The report finds that more than **half of the organisations do have defined core competencies for job roles.**

Surprisingly, only **47%** have reported access to personalised learning paths tailored to their unique developmental journey. This disparity underscores a significant challenge—recognising essential skills versus providing individualised growth avenues.

## KEY ACTION STEPS PEOPLE LEADERS NEED TO TAKE TO ADDRESS THIS

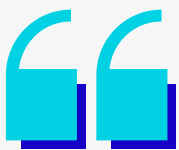
- ✓ The changing landscape of work has created new career imperatives for HR, requiring a shift away from the traditional approach to career growth moments. Businesses need to have an action plan in place to address the shift.
- ✓ Retention hinges on the allure of compelling careers. Employees depart from their current employers at comparable rates in pursuit of enhanced professional development opportunities and improved compensation.
- ✓ Superior compensation, enriched professional growth prospects, and more promising career trajectories are all influential factors in this equation. Companies need to give adequate weightage for all these factors.

## Gaps in Digitising Talent Management Will Pose a Business Risk

The study shows that although businesses have aligned their talent management priorities with their overall business objectives, they have not fully embraced a digitised end-to-end strategy. This gap in digital transformation may pose a potential business risk as companies navigate an uncertain business landscape in the future.

The situation appears dire for India-based organisations.

In India, 67% of businesses have aligned their talent management strategy with their broader business objectives, but only 29% have fully digitised their recruitment and onboarding processes.



**The convergence of operational proficiency with strategic vision will delineate the path forward for HR, ensuring not just efficiency but also synergy with broader organisational goals.**



**NIDHI DHANJU**

**Group Chief Human Resource Officer**  
Praj Industries

# TOP CHALLENGES TO DIGITISATION

1. Unclear Strategy

2. Accountability of Execution

3. Organisation Maturity

4. Budgets

Over **50% of leaders** are manually managing wage bills, relying on spreadsheets without the support of a real-time tool to provide them with actionable insights.



## KEY ACTION STEPS PEOPLE LEADERS NEED TO TAKE TO ADDRESS THIS

- ✓ Adopt an all-encompassing HR Tech platform that covers the entire employee journey, spanning from hire to exit. This platform should include modules spanning Human Capital Management, Payroll, Talent Acquisition and Management, and Collaboration tools.
- ✓ HR leaders should also focus on designing solutions that enhance the employee experience, boost productivity, and promote well-being. This means more end-to-end digitisation.



## Making Way for Applied AI

### 1 in 2 HR Leaders Are Already Exploring How to Leverage Gen-AI in their work

Generative AI is becoming increasingly crucial for businesses today due to its ability to generate new ideas and solutions. It can create new products, services, and even entire industries. By using generative AI, businesses can uncover patterns and insights that were previously hidden, leading to better decision-making and more efficient operations. It is expected that with the right mix of maturity, clearly defined goals, and time, a balanced human and AI strategy could boost HR productivity up to 30% in the near future.

One of the main advantages of generative AI is its ability to automate previously manual and time-consuming tasks. For talent management, it can free up resources and allow HR leaders to focus on more strategic initiatives. Additionally, Generative AI can help improve employee experiences by providing personalised recommendations, making accurate predictions, and proactively enabling HR leaders to create the right talent initiatives.

By analysing vast amounts of data, generative AI can identify patterns and trends that can be used to develop new, more effective talent management initiatives that raise productivity and support growth.

### SANDEEP CHAUDHARY, CEO OF PEOPLESTRONG, DISCUSSES THE TRANSFORMATIVE IMPACT OF AI ON UNLOCKING PRODUCTIVITY FOR HR.



# TOP APPLICATIONS OF AI IN TRANSFORMING TALENT MANAGEMENT INCLUDE:



IDENTIFYING AND HIRING THE RIGHT PEOPLE



SIMPLIFY PEOPLE DATA TO ADDRESS THE SKILLS GAP



CREATING HYPER PERSONALISED CAREER & LEARNING PATHS



LINKING PERFORMANCE WITH BUSINESS GOALS



ENHANCING SUCCESSION PLANNING



CREATING ORGANISATIONAL CONTENT BASED ON CUSTOMER AND EMPLOYEE NEEDS

These applications of AI today pave the way for its sustained use in the coming years.



The approach to talent management has revolutionized through Gen AI, not just refining processes, but redefining the very essence of valuable skills. It's a game-changer, shaping a new narrative for talent acquisition, where the definition of talent itself has evolved in profound ways.



**GOPAL RAO**

**VP,**  
Global Talent Strategy, EXL

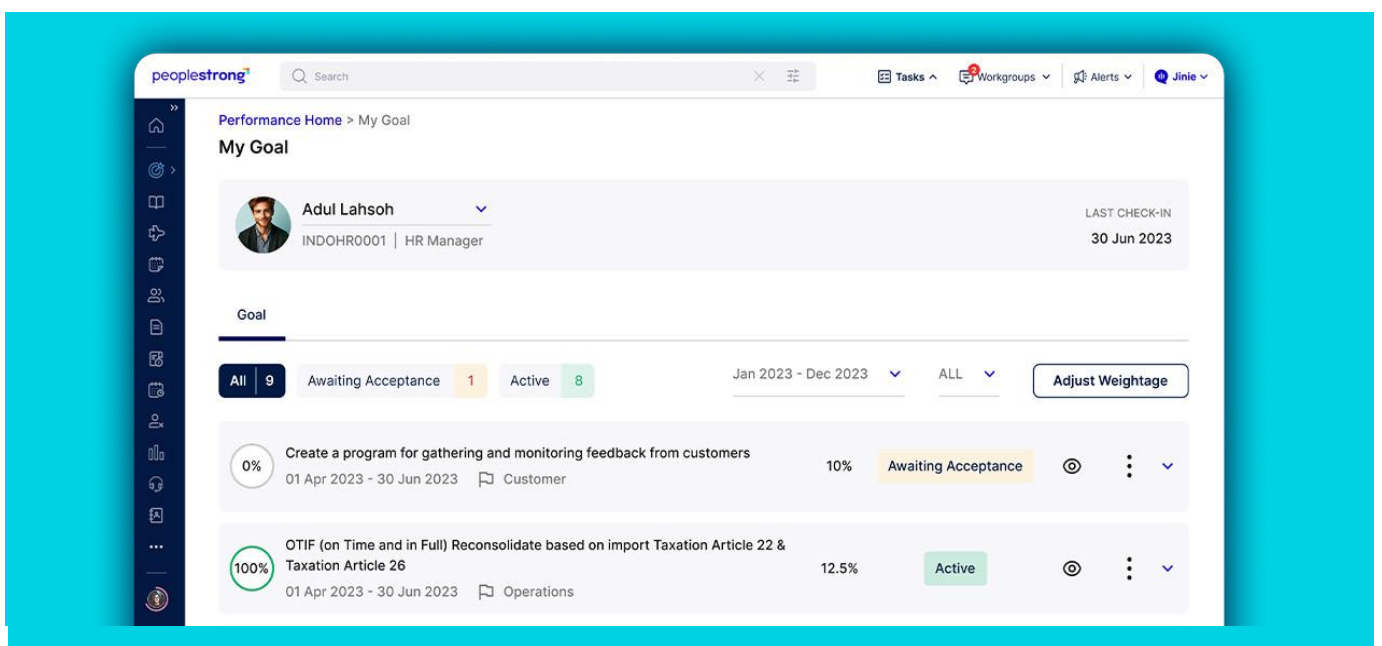
A PeopleStrong study recently stated that 1 in 2 HR leaders are already exploring how to leverage Gen-AI in their work. Additionally, according to Gartner, 76% of HR leaders believe that if their organisation does not adopt AI solutions, such as generative AI, in the next 12 to 24 months, they will lag in organisational success compared to those that do.

## How can CHROs Set Their Generative AI strategy?

- ✓ Create a broad vision on what the company ought to achieve including key milestones, and wins.
- ✓ Identify early adopters and lead by example.
- ✓ Translate broad-level strategy into an actionable checklist.
- ✓ Assign roles and responsibilities to various stakeholders within an organization and execute the plan.
- ✓ Lead the transition of the workplace.
- ✓ Ensure every stakeholder learns from the implementation of AI and fine-tunes the strategy.
- ✓ Establish a framework to protect against bias, cyber-attacks, and ensure employee well-being.
- ✓ Hold the organization accountable by setting goals, measuring milestones, and identifying where support is needed – be it training sessions or workshops or anything else.

Companies at the forefront of transformation across India are taking steps to focus on skills and capabilities. They are moving from a person-based approach to talent management to a skills-based approach – changing how HR efforts support hiring, managing, training development and skills retention.

PeopleStrong’s AI-powered, Integrated Talent Management platform helps you recruit, mentor, retain, and engage a future-ready workforce. The AI-Powered platform creates a trifecta of data, capability, and performance to bring insights into an employee’s journey from recruitment to their growth, and beyond. With this patent-ready technology, PeopleStrong uses data from multiple systems to build a centralised black box of skills and applies a layer of Artificial Intelligence to deliver a Talent Strategy that enables companies to manage their talent better, for today and tomorrow.



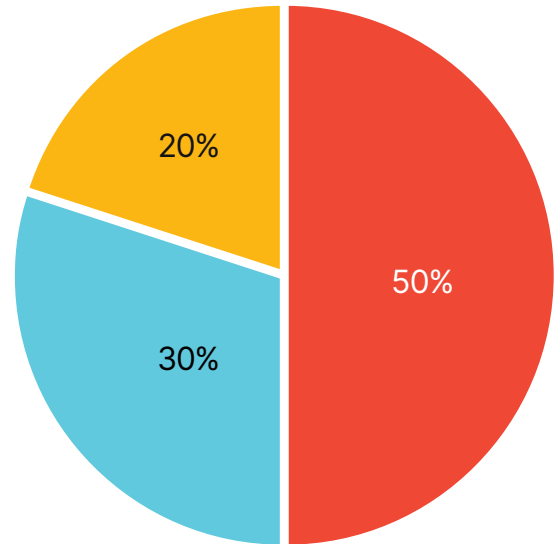
 REQUEST A PRODUCT TOUR

# METHODOLOGY OF THE STUDY

We conducted a dipstick study survey involving more than 200 organisations to identify critical priority areas for current and future business needs.

The survey assessed the level of digital maturity and identified existing skills and career gaps essential for shaping the future. Additionally, expert discussions were held to refine and enhance the research findings.

The survey included CHROs, the Head- HR, the Head - Talent Management, Director -HR, the Head - People & Organisation, Head - Learning & Development, Senior VP - HR and Senior Managers - HR.



- Large enterprises (over 2000 employees)
- Mid-sized companies (500-1000 employees)
- Small size companies (less than 500 employees)



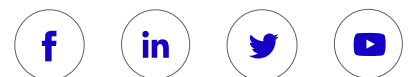
PeopleStrong is Asia Pacific's leading, and the most comprehensive Human Capital Management SaaS platform. Our technology focuses on delivering a unique employee experience, drives data-driven decisions and agility for businesses.

We have simplified worklife for over 500 large enterprises across the emerging economies of Asia Pacific. Today, PeopleStrong empowers the lives of 2M+ employees with a mobile-first, AI and ML-powered talent operating system. Our tech capabilities span across the lifecycle from hire to exit, including Human Capital Management, Payroll, Talent Acquisition & Management, and Collaboration.

**We are rated among the Top 5 in the Asia Pacific on Gartner's Peer Insights and voted as Asia Pacific's Choice of HR Tech in Gartner Voice of Customers Report for 1000+ employee enterprises.**



peoplestrong<sup>®</sup>



[www.peoplestrong.com](http://www.peoplestrong.com)

Trusted by 500+ enterprises and loved by 2M+ users