people
matters

BIG INTERVIEW
Suresh Prabhu

MILLENNIAL WORKFORCE
What's different about
the Indian Millennial?

REDEFINING
REWARDS

A look at how organizations are rethinking, redefining and
transforming their rewards framework and providing convincing
value proposition to their diverse workforce

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If you are, it's time to pay more attention to their health and wellness

With insurance and medical costs consistently on the rise, we need to rethink employee health benefits. To survive the cut-throat competition, we are under a significant pressure to cut costs and at the same time boost employee engagement. However, to substantially increase employee engagement, we need to show that we sincerely care about our employees. And the best way of showing this is by focusing on their health and wellbeing.

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> " Productivity losses cost 400% more than treating and managing chronic diseases.

Source: People Matters & Quest Diagnostics

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HEALTHY EMPLOYEES MEAN HEALTHY BUSINESS.

Balancing the budget

Checking finances. Budget allocation. Analyzing inventory. Payables. Receivables. Reconciling accounts. Whether the Indian government or corporate businesses, the last quarter of the financial year is typically alike everywhere. It is chaotic, time consuming and open to analysis. It's that time of the year when all are busy in computing and organizing finances, making appropriations and closing many aspects of business that need to be closed before the new fiscal year begins.

The fag end of February 2016 saw the Union Budget by the Modi government and the entire March was spent on deliberating what the budget held for everyone – whether the common man, youth, business doers, and various public or private sector organizations.

But for the Modi government, it was a huge hit! From lending a big boost to the rural & infrastructure sector, which in turn is predicted to propel Indian economic maturation and growth, the promise shown to skill development and the young entrepreneurs was another smasher. Start-ups getting tax exemptions on profits for three years straight and a five-fold hike in the funding to the Start-ups – from Rs 40 crores to a whopping Rs 200 crores – was the highlight. The budget was indeed a great show of financial prudence on behalf of the Finance Minister, Mr. Arun Jaitley.

For our cover story this time, we have 'Redefining Rewards', which looks at how organizations are rethinking, redefining and transforming their rewards framework and providing convincing value proposition to its employees. For this feature, we have organizations like Airtel, PwC, Aon Hewitt, Towers Watson etc. telling us as to what they think about total rewards and how they have realigned their rewards strategies to the evolving demands and expectations of their employees.

For the Big Interview, we did a candid conversation with Mr. Suresh Prabhu, the current Railway Minister of India, and asked him about the state of the Indian Railways, the launch of new initiatives and the indispensable element of the human capital.

In memory of Dr. Udai Pareek, we also talked to Dr. T.V. Rao and Dr. Anil K. Khandelwal about their book, "HRD, OD and Institution Building: Essays in Memory of Udai Pareek", on the legacy of Dr. Pareek, his work principles and their relevance in the contemporary world.

As always, we would be happy to hear your views, comments and suggestions regarding our stories.

Happy Reading!
Esther Martinez Hernandez EDITOR-IN-CHIEF

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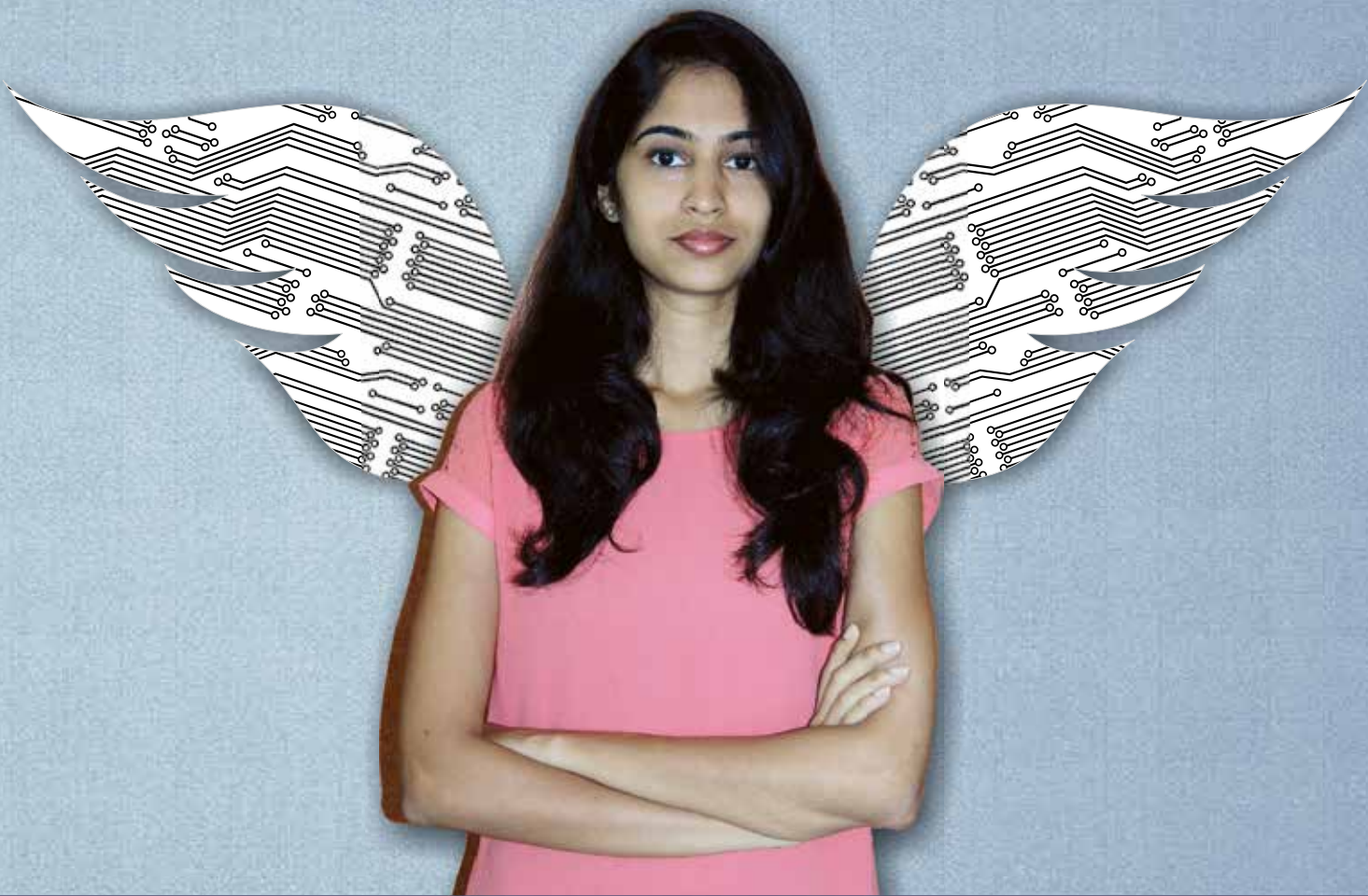
THE COVER STORY (BEHIND THE SCENE)

Nice! maybe they should all be together.

Awesome! Unity in diversity. It works.

pheww

Leading Experts need 'Expert Leadership'

In today's economy, competitive advantage is no longer secured purely through access to capital or information, but by having employees come up with creative and novel ways of problem solving. To achieve this, organizations are increasingly dependent on the passion, creativity and engagement of its employees and in particular expert employees in fields such as finance, engineering, research, design and technology. These smart and independent – minded employees largely form the Gen Y cohort too. BlessingWhite's research for over two decades show that they have unique workplace needs like **achievement, autonomy, professional identification, participation in mission and goals, collegial support and sharing, and keeping current.** When these needs are consistently met by leaders, employees are more satisfied and contribute at high levels.

Therefore, leadership training needs to ensure that these technical, Gen Y experts thrive in their new leadership role and provide maximum value – to their teams, organization and customers. **Leading Today's Professional** is a workshop designed for leaders of today's expert professionals. It is based on BlessingWhite's decades of research and helps new Leaders to lead through influence and inspiration rather than authority. It teaches leaders how to balance their team's coaching needs with their own work responsibilities, how to delegate and optimize performance.

Leading Today's Professional helps organisations accelerate time-to-market new products, reduce friction, increase productivity, retain talent, facilitate smooth and fast transitions of people to leadership roles and nurture a culture where technical experts thrive and build a reputation that attracts the best in the business.

Leading Today's People Research 2013

Addressing the needs of technical, Gen Y experts to drive retention, engagement and innovation

BLESSINGWHITE

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MAGDALENA N. MOOK

PRABIR JHA
ROHIT THAKUR
SURESH PRABHU
DR. T.V. RAO

CONTRIBUTORS IN THIS ISSUE

DR. ALFREDO BEHRENS
DR. ARVIND N. AGRAWAL
ABHIJIT BHADURI
ABHISHEK SEN

ANANDORUP GHOSE
BHAVNA SUD
KULIN PATEL
MOHIT SETHI

MURAD SALMAN MIRZA
NEETA MOHLA
PADMAJA ALAGANANDAN
REETU RAINA

SAMBHAV RAKYAN
DR. SANDEEP K. KRISHNAN
SONU IYER
SRIKANTH BALACHANDRAN

Management Development Programmes

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Title of the Programme	Programme Coordinator(s)	Dates	Venue
		2016	
Basic Leadership Skills	Fr. S George, SJ & Sunil Sarangi	July 11 – 15, 2016	XLRI
Execution Excellence	Abhishek Chakraborty, Dipankar Bose, Trishit Bandyopadhyay	July 20 – 22, 2016	XLRI
Strategic Industrial Relations	Pranabesh Ray	July 25 – 29, 2016	XLRI
Professional Sales Management	Pingali Venugopal	Aug. 8 – 12, 2016	XLRI
Labour Laws for Corporate Managers	PK Padhi & Tina Stephen	Aug. 11–13, 2016	XLRI
People Analytics	Gloryson R B Chalil	Aug. 16 –19, 2016	XLRI
Business Analytics for Managers	PC Padhan	Aug. 22 – 26, 2016	XLRI
Responsible Leadership with Passion and Purpose	Ram Kumar Kakani & ISF Irudayaraj	Aug. 29 – Sept 2, 2016	Mumbai
Business Partnering Competency for HR Managers	Gloryson RB Chalil	Sept. 5 – 8, 2016	XLRI
Finance for Non-Finance Executives	Santosh Sangem	Sept. 12 – 16, 2016	XLRI
Basic Leadership Skills	Fr. S George, SJ & Sunil Sarangi	Sept. 12 – 16, 2016	XLRI
Emotional Intelligence and Interpersonal Skills	ES Srinivas	Sept. 19–21, 2016	Mumbai
Resolving Management Dilemma: Ethical and Moral Approaches	Fr. Ozzie Mascarenhas, SJ and Sr. Doris D'Souza, AC	Sept. 19 – 23, 2016	XLRI
Managing Training: Design, Delivery and Impact Assessment	M Srimannarayana	Sept. 19 – 23, 2016	XLRI
Teamwork Competency for High Performance	MG Jomon	Sept. 21 – 24, 2016	XLRI
Communication Skills for Effective Managing	Fr. Francis Peter, SJ	Sept. 26 – 29, 2016	XLRI
Assessor Certification Programme on Assessment Centre Approach to Competency Mapping	RK Premarajan	Sept. 26 – 30, 2016	Mumbai
Leading Teams for Synergy	Manish Singhal	Oct. 10 – 13, 2016	XLRI
Merger, Acquisition and Corporate Restructuring	A Kanagaraj	Oct. 17 – 20, 2016	Mumbai
Sales & Marketing Strategies for Publishing Professionals	Fr. Francis Peter, SJ	Oct. 17 – 21, 2016	XLRI
Managerial Effectiveness Through Self-Awareness	ES Srinivas	Oct. 25 – 27, 2016	Bangalore
Influencing Through the Power of Communication	Sunil Sarangi	Nov. 7 – 10, 2016	XLRI
Human Resource Development	M Srimannarayana & ISF Irudayaraj	Nov. 14 – 18, 2016	XLRI
Basic Leadership Skills	Fr. S George, SJ & Sunil Sarangi	Nov. 14 – 18, 2016	XLRI
Leadership Competency for Star Performance	MG Jomon	Nov. 16 – 19, 2016	XLRI
Interpersonal Effectiveness Through Communication Skills	Manish Singhal	Nov. 21 – 24, 2016	XLRI
Project Management	Rajiv Misra	Nov. 21 – 25, 2016	XLRI

Title of the Programme	Programme Coordinator(s)	Dates	Venue
Certification Programme on The Art and Science of Competency Based Interviewing	RK Premarajan	Nov. 24 – 25, 2016	Bangalore
Financial Inclusion, Social Banking & Microfinance	Prabal K Sen	Nov. 28 – Dec 1, 2016	XLRI
Team Building and Conflict Management	ISF Irudayaraj	Dec. 5 – 9, 2016	XLRI
Data Analytics and Visualization	SK De	Dec. 5 – 9, 2016	XLRI
Transformational Leadership	ES Srinivas & J Singh	Dec. 6 – 9, 2016	XLRI
Out-Think!- How to Use Game Theory to Outsmart Competition	Sumit Sarkar	Dec. 12 – 13, 2016	Bangalore
Managing Diversity in Workplace	Anita Sarkar	Dec. 12 – 16, 2016	XLRI
Mentoring, Coaching & Counselling for Personal and Managerial Effectiveness	ISF Irudayaraj	Dec. 12 – 16, 2016	XLRI
		2017	
Beyond Coping: Thriving Under Stress in the Workplace	Manish Singhal	Jan. 16 - 18, 2017	Bangalore
Empowerment & Leadership for Women Executives	Anita Sarkar	Jan. 16 – 20, 2017	XLRI
Creativity, Problem Solving & Decision Making	Tamonas Gangopadhyay	Jan. 16 – 20, 2017	XLRI
Powering Executive Leadership with Ethics and Morals	Fr. Ozzie Mascarenhas, SJ and Sr. Doris D'Souza, AC	Jan. 16 – 20, 2017	XLRI
Finance for Non-Finance Executives	Santosh Sangem	Jan. 16 – 20, 2017	XLRI
Financial Statement Analysis	A Kanagaraj	Jan. 23 – 25, 2017	Mumbai
Leading and Managing Organizational Change	Rahul Sheel	Jan. 30- Feb. 1, 2017	Bangalore
HR Audit-Leading to Internal Auditor Certification	MG Jomon	Jan. 31- Feb. 3 , 2017	XLRI
Leading Mindfully	ES Srinivas & Satya Chaitanya	Feb. 1 – 3, 2017	Bangalore
Lean Thinking & Management	Ajith Kumar J	Feb. 2 – 4, 2017	XLRI
The Amazing Market Makers of India: Insights and Inspirations	Sharad Sarin	Feb. 6 – 8, 2017	Mumbai
Leadership Excellence through Self-Discovery	Manish Singhal	Feb. 6 – 9, 2017	XLRI
HRM for Line Managers	M Srimannarayana	Feb. 6 – 10, 2017	XLRI
Basic Leadership Skills	Fr. S George, SJ & Sunil Sarangi	Feb. 6 – 10, 2017	XLRI
Advanced Corporate Finance	A Kanagaraj	Feb. 13 – 15, 2017	Mumbai
Effective Performance Management	Pranabesh Ray	Feb. 20 – 24, 2017	XLRI
Supply Chain Analytics	TAS Vijayaraghavan	Feb. 20 – 24, 2017	XLRI
Assessor Certification Programme on Assessment Centre Approach to Competency Mapping	RK Premarajan	Feb. 20 – 24, 2017	New Delhi

MDP OFFICER, XLRI, Circuit House Area (East), Jamshedpur - 831 035
Phone : 0657-6653330, 6653329, Mobile : +91-9835115262
E-Mail : mdp@xlri.ac.in, mdpoffice@xlri.ac.in, Website : http://www.xlri.ac.in/mdp

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HIGHER PURPOSE, HIGHER CULTURE: LEARNINGS FROM KPMG

An ongoing culture building campaign at KPMG India is a unique study in its approach and scale | BY **NANDINI RATHI**

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Letters of the month

MAIL

MARCH 2016 ISSUE

Cover Story: HR Audit Study

HR audits need to be perceived as an improvement exercise, and not a control and compliance exercise. Audits certainly are very important for organizations, and they are often maligned, overlooked, and considered as one of those unpopular functions associated with HR. However, the fact remains that they can be instrumental in helping organizations improve their processes and eliminate business risks, as pointed out by the various examples of companies interviewed, and also by the survey.

– Neeraj Radhakrishnan

Cover Story: HR Audits - Key to Organizational Effectiveness

It was great to read Dr. T.V. Rao's perspective on HR audits. I also feel it is very important for HR professionals to be HRD auditors as specific domain expertise is needed while analyzing the effectiveness of HR policies in place. It can save the audit team a lot of time, and also make the process effective, and not just a tick-in-the-box. What was startling was that 96 percent companies do not have dedicated HR resources as a part of audit teams. This calls for immediate attention of companies.

– Shweta Narang

Big Interview: Ron Garrow

It was useful to know Ron Garrow's approach to connect with millennials. It is important for leaders to keep their pulse to the ground if they are to connect with their workforce and meet their ever-evolving expectations. Strategies such as reverse mentorship can be instrumental in creating that culture, and the MasterCard CHRO is an example to follow.

– Anil Shrivastava

Special Story: New face of HR in PSUs

It is important for PSUs to transform their HR practices and create an environment that empowers existing people and also attract talent. One example of an area that PSUs could transform would be their approach to performance management. All of the PSUs still use the bell curve for performance management – they need to move to a constructive feedback driven approach to performance management to enable employees, rather than use a forced ranking system.

– Sourav Ray
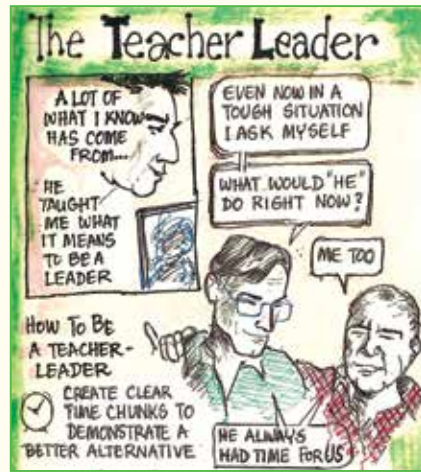
The Teacher Leader

Teachers have always played an important part in shaping one's life. They are responsible for increasing awareness levels of their students to help them understand life better. Abhijit Bhaduri very correctly points out - judge a leader by the number of leaders (s)he creates, not by the followers (s)he has.

– Amaira Gulati

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EXECUTIVE COMPENSATION

LinkedIn CEO forgoes $14 million stock bonus, gives it to staff

Following reports of dismal earnings, LinkedIn's CEO, Jeff Weiner has decided to forego his $14 million in stock bonus and has decided to give it back to his employees. In February, the company's market value had plummeted by about 43 percent in just one day. Weiner is however not the only top executive to give away his own earnings as a means to appease anxious employees, Jack Dorsey, Twitter's CEO made a similar announcement in October last year – saying that he would give a third of his worth $200 million to employees.

LEARNING & DEVELOPMENT

MOOC leader Coursera partners with Axis Bank

The world's largest open online education portal, Coursera is tying up with the third largest private bank in the country, Axis Bank. The portal will design tailor-made curriculums for the Bank's employees in tune with the changing industry demands. Topics such as leadership, data analytics, innovative thinking will form a part of the course curricula. In a statement to the press, Nikhil Sinha, Senior Advisor, Coursera, stated that, "This unique and highly scalable program will give Axis Bank employees access to industry relevant, flexible online courses and certification from top universities around the world. Axis Bank is the first Indian company to use Coursera courses in this way, and we will be working with a select number of other companies in India to develop and attract the country's top talent."

BENEFITS

BhartiAirtel increases maternity leave for women employees to 22 weeks
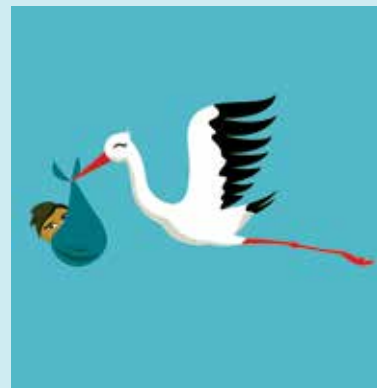
In addition to flexible working hours and modern day care facilities for children, Bharti Airtel has increased its maternity leave for women employees to 22 weeks from the current 12 weeks. "We are fully committed to promoting gender diversity across all levels of the organization. With this new policy, our aim is to offer adequate work-life balance to women employees and ensure they continue to contribute to the Airtel growth story," Gopal Vittal, MD and CEO (India & South Asia), Bharti Airtel, said.

JOBS

Payscale rates SpaceX and Tesla low on salary, high on meaningfulness

According to Seattle based Payscale, employees who work at two companies led by billionaire Elon Musk suggest that while they don't draw the highest salaries in the tech world, they see their jobs as being extraordinarily meaningful (92 percent for spaceX, 89 percent for Tesla) and stressful (88 percent for SpaceX and 70 percent for Tesla). The survey that was based on user submitted information also revealed that Facebook employees report among the highest median early career salary while they are also the least stressed (only 44 percent of Facebook employees say their job is stressful).

Automation reduces hiring of TCS, Infosys, Wipro, HCL and Cognizant by 24%: Report

A report by Centrum Broking has found that "hiring at the big five software exporters - TCS, Infosys, Wipro, HCL and Cognizant, together, added net 24 percent fewer employees in 2015" because of the automation drive. The biggest plunge in net additions was led by US listed Cognizant Technologies (down 74.6 percent from 2014) and HCL Technologies (down 71 percent), both of which have been focused on improving their utilization rates through automation. The report also noted that the FY16 would be the year of transition in the sector towards automation."With automation enabling improved delivery efficiency and productivity, the IT sector could be facing a scenario of lower net additions in FY17/FY18," it said.

India needs 115 million non-farm jobs over next decade

Addressing a gathering for the "global roundtable on inclusive innovation" at the Rashtrapati Bhavan, India's President Pranab Mukerjee stated that the economy will need to generate 115 million non-farm jobs over the next decade. While pointing out that the major policy challenge was to make growth inclusive, he noted that the launch of Startup India program indicated the country's commitment towards harnessing the creativity and brilliance of youngsters for the benefit of the country. "India will have to encourage creation of new SMEs (Small and Medium-Sized Enterprises) focused on manufacturing, while spurring grassroots innovation and growth. Putting entrepreneurship at the forefront of the economic agenda is, thus the need of the hour," the President said.

Demand for international mobility among women at an all-time high: PwC study

According to a study by PwC on "Modern mobility: Moving women with purpose" – a report that surveyed 3,937 professionals from 40 countries, aimed to capture international mobility experiences and aspirations of women revealed that 64 percent women stated that employers who offer mobility opportunities are more attractive. This is despite the fact that women are 19 percent less likely to believe that opportunities for international mobility with their current employer are equal for men and women. The report challenges conventional assumptions and gender stereotypes such as women with children don't want to work overseas or that women don't want to move because it will put their partner's higher income at risk.

Indian employers expect to add manpower in April-June quarter

The Manpower Employment Outlook Survey states that about 48 percent of Indian employers are expected to recruit in the first quarter of 2016-17. According to the survey, the government's sustained focus on Make in India program and Start-Up India has kept the employer confidence high in the country. While workforce trends are set to spike in all the seven industry sectors during Aril - June, the strongest labor market is anticipated to be in the manufacturing sector, whose net employment outlook at 43 percent is higher than 40 percent for services and 38 percent in the mining and construction sector.

People Matters Asks

What is the most preferred recruitment channel today for entry level employees?

1.9%	Corporate Career Website
7.4%	Referrals
9.3%	Social Media
22.2%	Job Portals
59.3%	Campus Recruitment
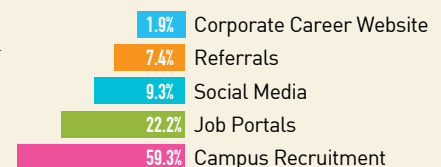
Based on the poll results on www.peoplematters.in

WHAT DO 'TOP EMPLOYERS' DO?

Top Employers Institute conducted a comprehensive analysis of over 600 HR practices based on its top employers' certification program. This research not only examines HR practices but also enables participating organizations to improve employee conditions. This infographic presents findings based on data on Indian companies from their 2016 program.

HERE'S WHAT TOP EMPLOYERS DO FOR THEIR EMPLOYEES

COMPENSATION AND BENEFITS

The objective of the benefits framework for most Indian employers is to provide financial security and enable the well-being of the employees and their families. A handful of companies are moving toward enabling employees to have access to flexible working arrangements

FINANCIAL BENEFITS

- **98%** Employee referral bonus
- **83%** Meal Subsidies/canteen services
- **89%** Subsidy Medical Insurance

SECONDARY BENEFITS
(Facilities and Equipment)

- **77%** Telephone allowance
- **75%** Car/travel allowance
- **67%** On-site parking

FLEXIBLE WORKING BENEFITS

- **59%** Flexible time working
- **44%** Telecommuting / working from home
- **44%** Reduction in company travel

BENEFITS - FAMILY/ FRIENDS

- **67%** Special leave for parents
- **56%** Take your family/child to work day
- **40%** Bringing a child to work

LEARNING AND DEVELOPMENT

Indian employers focus on training programs – graduate development, coaching and soft skills training. Mentor programs (78%) and peer support programs (56%), job rotation and Internship programs (78%) are other popular methods of encouraging learning.

- **100%** Graduate development programs/traineeships
- **100%** Competency based training programs
- **89%** Coaching programs
- **89%** Soft Skills training programs

CONTINUOUS LEARNING INITIATIVES

- **100%** On the job training
- **100%** Internal and External workshops
- **100%** Online training programs

WELL-BEING

Indian employers' well-being initiatives focus on providing health checkups and screening programs, provision of in-house health officer/doctor and helping employees tackle stress.

- **100%** Health screening programs
- **89%** Safety Programs
- **78%** In-house doctor
- **78%** Stress management
- **78%** Health and Safety officer

Source: The Top Employers Institute, founded in 1991, distinguishes companies around the world that reinforce the positive role of the HR environment in the business. www.top-employers.com.

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NEWSMAKER OF THE MONTH

Vijay Mallya – King of bad times?

The maverick Indian businessman and politician Vijay Mallya stepped down as the Chairman of United Spirits Limited as part of a settlement with Diageo Plc, the majority stakeholder in USL, which agreed to drop all charges of irregularities under his watch and pay him $75 million over the next five years as severance payment. The resignation came at a time when Mallya was declared as a "willful defaulter" by State Bank of India and Punjab National bank, because of his inability to pay dues to as many as 17 banks amounting to Rs. 7000 crores that were taken by the now grounded Kingfisher Airlines.

Even as the story continues to unravel - with the Enforcement Directorate now investigating allegations of money laundering to an offshore trust, the Labour Ministry has given a clean chit to Mallya's defunct company Kingfisher Airlines. It has however instituted a squad of officers to verify compliance in all respects regarding payments to be made out to employees. The whole episode has opened up an array of conversations, right from the state of the Indian banking sector to reiterating important leadership traits that business leaders must pay attention to: the ability to take calculated risks if and when required, the need for continued focus and agility to grow a thriving business and also the need to retain the distinction between personal and professional fortunes. Pm

People Matters Eclectic Reading List 2016

People Matters brings to you a reading list of the 'must read' books for HR that inspire, educate and offer unique perspectives

Give and Take
Why helping others drives our success
Author: **Adam Grant**

While hard-work, luck and talent remain the core tenets of successful individuals, in his book, Adam Grant introduces a fourth tenet – helping others. Focusing on bringing others with you, according to Adam, is the best way to get to the top. By brining to attention research and success stories, Give and Take challenges the fundamental understanding on why people succeed and how helping others can lead to greater personal success.

Rework
Author(s): **Jason Fried** & **David Hasson**

In this New York Times bestselling book, the authors bring to attention the problems of a culture that glorifies workaholics. "The new reality" – according to them is the age of technology that enables anyone to run a business. By taking on traditional emphasis on planning, failure, workaholism, the authors make the case for welcoming obscurity, embracing constraints and keeping alive a culture of well-being which includes healthy lifestyles that nurture great work and creativity.

The Ultimate Competitive Advantage
Author(s): **Shawn D.Moon, Sue Dathe-Douglass** and **Lavleen Raheja**

The key differentiator in this day and age of competition is not just about new facilities, improved processes, product innovations and market place innovations. But while each of these are instrumental in driving the business value proposition, people with exceptional skills are capable of truly unlocking an organizations' potential. This book looks at six practices that engage employees to drive marketplace differentiation.

You can send us your picks on twitter tagging @peoplematters2 #bookswelove

APPOINTMENTS

SHINJINI KUMAR APPOINTED AS THE CEO OF PAYTM'S PAYMENTS BANK

Shinjini Kumar, a former central banker and Senior Executive at consultancy PwC, has been hired as the CEO of the payments bank being launched by Paytm's founder Vijay Shekhar Sharma.

AERIS APPOINTS DR. RISHI BHATNAGAR TO LEAD INDIA OPERATIONS

Aeris, the internet-of-solutions company has appointed Rishi Bhatnagar as the President of Operations for Aeris India. He was previously the Global Head of Digital Enterprise Services at Tech Mahindra.

FORMER SPICEJET COO SANJIV KAPOOR JOINS VISTARA

Vistara appointed the former SpiceJet Chief Operating Officer, Sanjiv Kapoor as its new Chief of Strategy and Commercial Officer. Kapoor will be responsible for managing a wide portfolio for Vistara's commercial and planning functions.

SHOPPERS STOP APPOINTS DEBASISH GUPTA AS HEAD OF MARKETING

Shoppers Stop, India's largest department store chain, has roped in Debasish Gupta as the Head of Marketing, Loyalty and Analytics division. Gupta was earlier with Marks & Spencer as the Marketing Head.

JABONG APPOINTS MURALIKRISHNAN B AS COO

Online fashion store Jabong has appointed Muralikrishnan B, former eBay India Country Manager, and Senior E-commerce and Consumer Internet Executive, as the company's Chief Operating Officer.

ASHOK CHAWLA APPOINTED ON YES BANK BOARD AS CHAIRMAN ELECT

Yes Bank has appointed former Finance Secretary and Competition Commission of India (CCI) Chairman Ashok Chawla as Additional Non-executive Director on the bank's board.

YU TELEVENTURES APPOINTS SHUBHODIP PAL AS COO

Smartphone maker YU Televentures has appointed Shubhodip Pal as Chief Operating Officer. This is Pal's second stint with Micromax, which is the parent company of YU Televentures.

OLA APPOINTS FORMER GOLDMAN SACHS EXECUTIVE AS VP-ENGINEERING

Taxi aggregator Ola has appointed Sunil Shirguppi as Vice President for Engineering. Before this, Shirguppihe was the former Vice-President at Goldman Sachs.Shirguppi will primarily work on enhancing capabilities in data science and machine learning, the company said.

JET AIRWAYS APPOINTS RAHUL TANEJA AS CHIEF PEOPLE OFFICER

Jet Airways has appointed Rahul Taneja as the company's Chief People Officer. He will join the Executive Management Committee that has been tasked by the Board of Directors of Jet Airways to drive the company's growth and future strategy.

UDAYAN DUTT OF UNILEVER JOINS RECKITT BENCKISER AS HR DIRECTOR FOR SOUTH ASIA

Udayan Dutt, Human Resource Director, Marketing for South Asia for Unilever has joined competitor Reckitt Benckiser (RB) as the Regional HR Director for South Asia. Dutt is a 1999 batch alumna of XLRI.

BOEING APPOINTS AVINASH KOHLI AS HEAD OF HR INDIA

Boeing has appointed Avinash Kohli as the Head of HR in India. He is currently serving his notice as Vice President-HR at Citi Technology Centre in Pune and has been with Citi for almost three years.

HERMES APPOINTS JILL MAPLES AS HR DIRECTOR

Hermes, the logistics and supply chain company, has hired Jill Maples as its new HR Director. Jill previously worked for Morrison Supermarkets as HR Director - Central Functions.

VIVEK MEHROTRA APPOINTED AS THE DEAN AT FLIPKART UNIVERSITY

Flipkart has appointed Vivek Mehrotra as the Dean of Flipkart University. He was in his previous capacity the Director HR & Head Academy for Supply Chain at Flipkart.

SHETH CREATORS APPOINTS BHARAT DHUPPAR AS NEW CEO

Realty developer Sheth Creators has appointed Bharat Dhuppar as the new Chief Executive Officer of the company. Dhuppar was previously with Omkar Realtors & Developers, where his last role was that of CMO.

ANSHU JAIN JOINS SOFI BOARD IN ADVISORY ROLE

Anshu Jain is going to be the first top ex-banker who is set to join a lending startup, SoFi in an advisory role. The former Co-chief Executive Officer of Deutsche Bank AG, Anshu Jain will help SoFI develop its strategy around securing long-term capital.

VINOD RAI APPOINTED FIRST CHAIRMAN OF BANKS BOARD BUREAU

Former Comptroller & Auditor General of India,Vinod Rai, has been named the first Chairman of Banks Board Bureau, which will help the government appoint the heads of Public Sector Banks and advice on banking reforms.

DSK SHIVAJIANS APPOINTS NEEL SHAH AS CEO

DSK Shivajians Football Club, the first division I-League side owned and operated by the diversified business conglomerate DSK Group, has appointed Neel Shah as its CEO.

QUICK READS

Radically simplifying recruitment – By HR for HR

Richard Cowley

A few years ago, I set about hiring a marketing director for my company. Six months later, after doing everything I could have possibly done, I was still struggling to fill the position, and not even close to finding the right person for the role.

You probably know this feeling all too well.

Hiring has never been easy, and in today's competitive world it has become increasingly complex, agonisingly slow and, more often than not, doles out short-lived success.

We can spend weeks, sometimes months in our attempt to find the right candidate, often depending on a range of channels that come with their own set of pros and cons. Some of these channels can be fairly expensive, but it doesn't look like we have much choice.

To top it off, after all the time and money we invest in the process, we're often left with candidates who leave soon after starting, who don't fit our needs as well as we'd hoped, or sometimes, don't even turn up for the interview! Add to this the fact that we're battling it out with others for the same, limited talent pool — and we've got ourselves a very, very frustrating process on our hands.

For every good hire we make, there are numerous hard fought battle scars.

I've spent all my professional life in HR and it's one of the things I'm most passionate about. However, nothing has drained and frustrated me quite like the hiring process has.

THE HR PRACTITIONERS WE POLLED SAY 60-70% OF THEIR TIME IS SPENT ON EXTERNAL RECRUITING PROCESSES.

PIAMMO SOLVES

- ☑ TIME AND RESOURCES WASTED ON FILTERING CANDIDATES
- ☑ QUALITY OF CANDIDATE POOL
- ☑ PROFILE – CANDIDATE MISMATCH
- ☑ LAPSES IN CANDIDATE COMMUNICATION

PiAmmo™

So much so that, after a while, I decided that enough was enough and, with a team of like-minded HR leaders and technologists, set out to build my dream – a practical solution for HR, that looks at antiquated processes with a new lens.

I'm thrilled to be introducing PiAmmo – the world's first, end-to-end people management and organisational performance platform – built by HR, for HR.

With our first module, we have worked to radically simplify hiring. Our team was keen on retaining the 'human' in 'human resources', so we blended technology with the human aspects of hiring – automating all the frustrating, complex parts such as sourcing and filtering, while retaining the 'human' aspects like interviewing and negotiation.

Calling on our collective experiences in hiring and HR, we have worked to simplify – make that radically simplify – the hiring process from start to finish, targeting all the key metrics like time, cost, and quality of hire.

Key benefits of PiAmmo

- **Effective** – radically cut the amount of time spent on recruitment and improve the probability of hiring the best candidate for the job.

- **Easy to use** – streamline the complex and disparate hiring process with one secure platform - complete with tools, templates, and expert support.

- **Seamless** – collaborate with colleagues and communicate with candidates throughout the hiring process.

- **Scalable** – choose a pricing plan suited to your business that delivers single and volume hiring, across all levels, industries and organisation sizes.

To learn more about your free trial

Contact Sudharsan Narayanan on sudharsan.narayanan@workammo.com +91 7022180101

A show of fiscal sagacity

The Union Budget 2016-17 saw some great hits, a few misses and a big rollback. But under the Modi government, the budget seemed to touch all developmental goals for India

By **Suparna Chawla Bhasin**

Boosting economy. Shrinking deficit. Meeting revenue targets. Policy & taxation reforms. Social development. Job creation. Start-ups. And pleasing the 'Aam Aadmi'.

It all seems a task. But Arun Jaitely, the Finance Minister of India, addressed it all in the Union Budget 2016-17. Mostly hits, a few misses and a major rollback. Mr. Jaitley has tried to lay a path that has the potential to deliver high growth. The budget was practical and straight-forward. And as PM Narendra Modi stated, "the Budget is close to your dreams. This government has presented its commitment along with programs," he said.

The 9 pillars that Jaitley outlined for transforming the Indian economic scenario comprised the following core elements – Agriculture and farmer welfare, rural sector, social sector including healthcare, educational skills and job creation, infrastructure investment to enhance quality of life, financial sector reforms, governance reforms and ease of doing business, management of government finances and tax reforms.

The key points of the Union Budget revolved around at creating a facilitative environment for businesses to operate – boost to start-ups, fiscal consolidation, increasing retail access to government securities, skilling, education, healthcare and many more such elements. India Inc. also gave a nod of approval to the budget that was laid down in view of the economic growth that will be instigated by budget boost to the rural and infrastructure sector. However, the corporate taxation got a thumbs-down from the corporate sector as the industry expected a reduction in the corporate tax rate in a phased manner.

Commenting on the key aspects of the budget, Pankaj Bansal, Co-Founder and CEO, PeopleStrong HR Services Pvt. Ltd., in a post-budget comment stated that "the government's nine pillars of budget are very interesting. The government has hit the nail in the head by providing 8.33% employee provident fund (EPF) contribution towards new employees for three years and INR 1000 cr have been allocated towards it. This will not only promote employer to generate more jobs, but will also encourage employers to move towards professional employment."

EPF proposal roll back

One of the biggest revisions that Mr. Jaitley had to make was on his proposed taxing of the 60 per cent of EPF. Although this was done with an aim to promote a pensioned society and to balance the tax treatment of the National Pension Scheme (NPS) and Employees' Provident Fund (EPF) schemes, the proposal that that 60 per cent of the investor's EPF corpus was to be taxed at withdrawal and only 40 per cent to be exempted received a huge

Overall the union budget emphasizes and encourages Modi government's much discussed initiatives like Digital India, Skill India and Start-up India

backlash from people and unions. The reason for this criticism was that this kind of a proposal forced employees to invest in pension annuity schemes. With Jaitely announcing the roll back of the proposed tax on withdrawals from employees' provident fund, in a suo motu statement, he stated that "the purpose to tax EPF withdrawals was to encourage a pensioned society. However, in view of representations received, the government would like to do a comprehensive review of this proposal and therefore I withdraw the proposal. Employees should have the choice of where to invest. Theoretically such freedom is desirable, but it is important the government to achieve policy objective by instrumentality of taxation. In the present form, the policy objective is not to get more revenue but to encourage people to join the pension scheme."

Integration with other government's initiatives

Overall, the union budget emphasizes and encourages Modi government's much confabulated initiatives like Digital India, Skill India and Start-up India. Along with a greater emphasis on improving the economy of the nation, the budget specifically aims to provide the young entrepreneurs operational ease of doing business. With a five-fold hike in the budget for funding start-ups, the government is all set to increase the overall funding to start-ups from Rs.40 crore to Rs. 200 crores. And start-ups are all set to receive 100% tax exemption on profits made in any of the three years out of their first five years. "The budget from a startup owners' point of view is very pro startups. Having freed startups from paying tax on their profits for three years out of the first five years of existence. Capital gains won't have to be paid if the proceeds are invested in government-approved fund-of-funds or if an investor is a majority shareholder. This is bound to encourage angel investment and startup activity, thereby also creating more jobs" states Ms. Sairee Chahal, Co-Founder of SHEROES.in.

With job creation and skill development as the two core agendas of the government, the skilling sector has also received the budget with positivity. Shri Rajiv Pratap Rudy, MoS for Skill Development and Entrepreneurship (Independent Charge) and Parliamentary Affairs stated that "The budget for skill development is highly encouraging for us. As announced, we will be creating 1500 Multi Skill Training Institutes (MSTIs) which will basically be the new generation ITIs set up in PPP mode. So far we have just had standalone government or private ITIs. These will be set up in those blocks and districts of the country which are yet to focus on skill development. We are also certain and committed to achieve our target of skilling 1 crore youth over the next 3 years under PMKVY. In line with this, we are already setting up model skill centres across more than 500 districts in the country. The formation of the National Skill Certification Board is another big step in further strengthening the skill ecosystem. It will see representation from both government and industry, which will collectively enable a joint framework for quality skill

> Along with a greater emphasis on improving the economy of the nation, the budget specifically aims to provide the young entrepreneurs operational ease of doing business

assessment. The focus of the budget on creation of jobs and entrepreneurship opportunities through initiatives like Start-Up India and others, spells out the clear vision of government, to link the skilled workforce with employment opportunities."

In a nutshell, the Union Budget aims to strengthen and accelerate economic and social growth and also seems to give a promise to the Indian people whether in skill development, education, research outcomes, job creation or in promoting entrepreneurship. 🄿🅜

Bridging the break

In recent years, many organizations have been revamping their policies around maternity. Airtel is the latest to join the bandwagon. But do such policy changes really help women to retain their jobs?

By **Shalini Sengupta**

Out of 100 working women, 48 leave their jobs once they become mothers. This is not a decade old statistic, but it was revealed recently in November 2015 at the "Women in the World Summit" in Delhi.

India's GDP could rise by up to 2 percent if these women are retained at the workplace. Thus, it becomes an economic imperative and a social necessity.

And corporates are trying to leverage the power of this gender dividend, and taking measures to revamp their policies related to maternity. The latest corporate in the list of companies offering increased maternity benefits is Airtel, extending the maternity leave from 12 to 22 weeks. This list also includes Flipkart, Deloitte, Microsoft, Nestle and Sapient among many others.

However, adjusting to the work environment after a hiatus, salary discrepancies, skewed promotion opportunities, balancing work and family commitments including societal expectations – women consider 'quitting jobs' as the most feasible option – since quitting motherhood is not an option. But in the wake of organizations vehemently altering their policies for the benefit of women, do these policy changes help women to retain their jobs? A company might offer a 6-month of maternity leave but how does it facilitate a work-life balance thereafter?

India's Maternity Benefits Act of 1961

According to the Indian Maternity Benefits Act, 1961, female workers in the private sector are entitled to a maximum of 12 weeks (84 days) of mater-

> ## Supporting women during times when they are balancing out dual roles of work and family is something that organizations are waking up to

nity leave. Out of these 12 weeks, six weeks leave is post-natal leave. In case of miscarriage or medical termination of pregnancy, a worker is entitled to six weeks of paid maternity leave. Employees are also entitled to one additional month of paid leave in case of complications arising due to pregnancy, delivery, premature birth, miscarriage, medical termination or a tubectomy operation (two weeks in this case).

However, recently, the Ministry of Labour has accepted the Women and Child Development Ministry recommendation to extend the maternity leave in the private sector from 12 to 26 weeks and is all set to amend the Maternity Benefits Act, 1961.

A brave move

Much before Government's recommendation, a lot of corporates in India have been tweaking the maximum leaves a woman can take before and after delivery. Prabir Jha, the Global Chief People

Officer of Cipla, is probably one of the very few HR Heads who thought about the challenge much before anyone else could. Almost a decade back, in Dr Reddy's Laboratories, he had changed it to 6 months. He followed the same thing when he joined Tata Motors. "Both my wife and I work. And we have seen (in our lives), it's not easy for a woman to come back to work 3 months after delivering a baby. She needs more time. If you don't give these women at least 6 months, it won't be easy for you to retain them. You need to be sensitive to matters like this," Jha said.

In recent years, companies like Reliance Industries, Microsoft India, PepsiCo, Nestle, HCL, Star India, Standard Chartered, Flipkart have fully paid 6 months of maternity leaves. The salary is credited in the accounts every month till the end of six months. For a start-up like Zopper, although their official maternity leaves are for 6 months, they however, pay for three. There are other companies which follow the Maternity Benefits Act, 1961. TCS, Genpact, MakeMyTrip, British Telecom, Concentrix, Appster follow the law of the land and allow women to take 3 months of fully paid maternity leaves. However, almost all organizations allow women to extend their maternity leaves depending on their medical conditions and needs but such leaves are without pay.

Going the extra mile

To help cope up with the challenges of mother-hood alongside work, most of the companies have also structured their policies around it. The need to retain talent is one of the reasons why corporates have started giving importance to facilities which will help women balance work and life at ease. Work from home options, flexi-time arrangements or choosing the shift time, in-house day-care/crèche or tie-up with other day-care, Life coach support by HCL or Returning Moms Program by Genpact, Transport benefit, dedicated parking spots, onsite mothers' room for lactation by Flipkart – these are few of the assistances that most of the other companies are also offering to women. Microsoft offers flexible work arrangement for up to 2 years, Reliance Industries, Flipkart, Zopper also favour flexi-timings once a new mom joins work. While HCL, Genpact and Flipkart offer day-care facilities (HCL has 7 in-house day care centres taking care of 200 kids), Flipkart provides crèche facilities for child up to 4 years of age and if enrolled in the company's crèche, Flipkart bears 50% of the cost. While most companies are drafting their policies around it, Flipkart seems to have mastered its policies with dedicated parking spots, onsite mothers' room for lactation and also they pay Rs 600 per day transport benefit as reimbursement for 2 months before going on maternity break. The idea has clicked with many women who are mothers and are working—"Over past few years we have seen a healthy increase in the return ratio and today we have 98% of women going on Maternity Leaves resuming career," said an HCL spokesperson.

Getting on track after the hiatus

Companies are not reluctant to appraise and give variables to women on maternity leaves. But this is one area where organizations have differed with regard to appraisals. Few have very straight forward policies – companies like Star India, Standard Chartered, Zopper take into account the previous performance ratings/last year ratings to calculate appraisals. However, British Telecom, Nestle, Microsoft, Flipkart and PepsiCo follow the amount of work any woman professional has done in that year. For Flipkart, if the work is less than 3 months, then they straight-away rate with 'Meets Expectations', while Reliance Industries calculates those 3 months which is then extrapolated in 12 months to arrive at a rating. Genpact has done away with formal appraisal system for women going on maternity break. For if the employee has been on leave for less than four months in the last year, the performance rating is based on the employee's performance without the leave-period affecting her rating in any way. If the leave has

> With women forming a considerable part of talent, it has become an economic and business imperative for organizations to adapt to such needs and expectations of women and adopt policies that are conducive to them

been for more than four months, the last cycle's rating is considered for increment. Variable pay is where the companies mostly agree. Most of the organizations pay full variables – like MakeMy-trip, Star India, Flipkart, Genpact. For Microsoft, "variable pay is based on business impact created over an entire fiscal year. Employees on maternity leave set their core priorities for the time they are at work in a fiscal year. They are assessed based on the business impact created against those priorities agreed upon with their managers." Reliance Industries pays bonus on the performance rating. The employee avails the bonus for the period of presence and Maternity Leave during the performance year. For Zopper, "performance bonus will be paid keeping overall performance as parameter in working days."

Supporting women during times when they are balancing out dual roles of work and family is something that organizations are waking up to. But still the framework of maternity benefits in India has a long way to go. With women forming a considerable part of talent, it has become an economic and business imperative for organizations to adapt to women's needs and expectations and adopt policies that are conducive to them. ⬤ⁿ

Bringing quality of life in journeys

Q & A

A candid conversation with **Mr. Suresh Prabhu,** the current Railway Minister of India, on the state of the Indian Railways, the launch of new initiatives and the indispensable element of the human capital

By **Dr. Arvind N. Agrawal** & **Ester Martinez**

Suresh Prabhakar Prabhu is the current Railway Minister of India, under the Narendra Modi government. An adept parliamentarian, a qualified Chartered Accountant, Banker, Educationist, Social Worker and a Politician, Mr. Prabhu has juggled multiple portfolios during the first NDA regime's stint at the center from 1998 to 2004 where he held positions as the Minister for Industry, Environment and Forests, Fertilizers & Chemicals, and Power. Mr. Prabhu is also the chairperson of Manav Sadhan Vikas Sanstha, an NGO that works towards empowering people.

Q You have mentioned in your White Paper on Indian Railways that "In an earlier era, the Indian Railways have been described as "imperium in imperio" – an empire within an empire. The size and scale is gigantic." Railways to an extent is still like that. How are you dealing with this gargantuan task of managing the most difficult portfolio?

A Railways has always been fortunate to have a team of professionals and the commitment of railway workers to their job is remarkable. There is no dearth of knowledge in the system. We have diagnosed early on that the main problem of Railways is

cumulative disinvestment. This is an area which we are tackling on priority. Given the excellent operational protocol that Railways has, the professional managers of the Railways can take care of the rest.

Q Indian Railways is fulfilling a social purpose (for the common man) as well as a commercial purpose. And it is a huge responsibility both ways. How is the Railways balancing this act?

A Railways is serving the social objective s in a major way by connecting the remote regions of the country even if these are not profitable and running the passenger services at affordable fares, which are the cheapest in the world. We are recovering only around60 per cent of the cost of running the passenger services on an average and this has been traditionally subsidized by charging higher freight rates. This balancing act has become difficult with competition hotting up in the freight sector. However, correction of the distortion in one go is not possible. A gradual rebalancing of freight and fare is

as well as certain personal requirements in matters of postings and transfers. There is no concept of hire and fire, being a government organization. The employment is life-long. Hence another challenge is to utilize the potential of the employees for higher level of technology through training. Technology brings in productivity so long as the person at the work spot is adequately trained. Retraining becomes necessary when one particular kind of job ceases to exist and the employee has to be redeployed in another job requiring a different set of skills. Motivation of staff is maintained through prompt payments. Pay Commissions established every 10 years review the wage levels. This imposes one more financial burden. Industrial relations also acquire an important role in our HR efforts. In this, our Unions and the management maintain constant dialogue at all levels which has led to peaceful industrial relations in such a big system.

Q How are you looking at building scale for planned expansion and at the same

Railways have system of transparency in its working with requisite checks and balances to strike a proper balance between operational efficiency and accountability

required. Meanwhile the social purpose served by Railways and the economic losses suffered on this count need to be recognized and compensated. Within the government, we are trying to find a mechanism how to do that.

Q What has been the biggest HR challenge for you in relation to people management, productivity and performance?

A Indian Railways is not only diversified in area but also in the mix of employees. It is the largest civilian employer in the country with over 1.3 million employees. Synergizing the workforce in tune with the existing objectives as well as future challenges is a huge HR challenge. The employees are highly motivated and disciplined. They have a strong commitment to the organization which is reflected in the use of Railway Family by all. Yet they have legitimate aspirations for career growth

time improve productivity and customer experience from the human resource angle?

A Expansions in Railways assets are primarily taking place in laying of new lines/ gauge conversion/doubling, electrification of busy routes, new electric locomotives sheds and maintenance depots and new production units or expansion in the capacity of existing production units. Considering this, expansion in staff requirement also arises due the introduction of new trains or enhancement of coaches in existing trains and new railway stations and yards that are set up. All these require additional staff and we follow a cost neutral system if generating our own resources for meeting staff requirement for the new activities and assets by way of surrender of posts which are genuinely needed. This requires a lot of ingenuity and initiative especially at the Divisional level. Customer experience is sought to be enhanced by way of provid-

Suresh Prabhakar Prabhu
Minister of Railways

Date of Birth:
11th July, 1953, Mumbai, Maharashtra

Assumed office:
9 November 2014

Education
- FCA, The Institute of Chartered Accountants of India, Delhi(Rank holder at the Inter CA examination)
- LLB, New Law College, Mumbai
- B.Com (Hons), M.L. Dahanukar Collage, Vile Parle, Mumbai
- SSC, Sharadashram Vidya Mandir, Dadar, Mumbai

Professional Career
- Practiced Chartered Accountancy before joining politics in 1996
- Banker, Politician, Social Worker and Educationist

Political Career
- Joined politics in March 1996 - contested for the first time for Rajapur Lok Sabha Constituency on the Shiv Sena ticket
- Returned to Parliament from the same constituency Fourth Time on Shiv Sena ticket
- Has been Union Minister for Industries in 1996, Union Minister for Environment and Forests in 1998, Union Minister for Fertilizers & Chemicals in 1999, Union Minister of power, Union Minister of Heavy Industry and Public Enterprises & Chairman Task Force for Interlinking of Rivers (Union Cabinet Minister rank and status)

Published Works
- "Students' Unrest" at Bajaj Institute of Management, Mumbai
- "Causes and Consequences of Mass Unemployment of Youths" at the Central Committee for International Voluntary Services (CCIVS), UNESCO, Paris
- "Problems of Youth in Third World Countries" at CCIVS, Monrovia (Liberia)
- "North-South Co-operation", paper read at a seminar at New Delhi on behalf of Bharat Sevak Samaj
- "Contribution of NGO's Towards Peace" - Asian Youth Seminar, New Delhi

BIG INTERVIEW

ing training in soft skills to all categories of frontline staff i.e. staff who come in contact with the general public. Introduction of modern tools especially computers in offices and in other parts of working have also increased productivity of the organization from HR point of view.

Q **You strongly believe in the mantra 'Less government and more governance'. How have you managed to decentralize decision-making and granting more authority to the people down the line? With decentralization comes huge challenge of building 'ecosystem of trust' in such a colossal organization – how are you dealing with this challenge?**

A For quick decision making at field levels, the General Managers have been given full powers for sanctioning of estimates and acceptance of tenders. It is helping Indian Railways in execution and completion of works at a much faster pace and the organization is on the path of becoming self-sustaining organization. Railways have system of transparency in its working with requisite checks and balances. It has been done with due caution to strike a proper balance between operational efficiency and accountability.

Q **The Indian Railways has mandated consulting firm Deloitte to study and rationalize manpower for Group A services. This will undoubtedly cause huge upheaval. What was the intention behind this? What are you anticipating at this moment?**

A The terms of reference given to Deloitte are to prepare a rational manpower policy for Indian Railways in the context of Group A services. The study was commissioned on the basis of the Report submitted by the one man Committee chaired by Shri Vinod Rai to look into rationalization of man power. The study will be completed and submitted by 31st of March, 2016. It is not correct to assume at this stage that it will cause huge upheaval, one reason being that it is related to Group A services only. A rational man power policy for Group A which is the crux of the management on the Indian Railways at all levels should normally be expected to bring in a more satisfied order cadre if their legitimate career aspirations are addressed. The experience of the study may help us decide the future interventions in human resources practices for the future of railway employees. It is to be mentioned here that due to its geographical spread varied employee profile, diversified nature of work, introduction of any major intervention in human resource practices would have to be well thought of.

Q **Every now and then, Railway recruitments keep coming under much criticism in the media. What efforts are you making to streamline the recruitment process and make them more objective and transparent?**

A Indian Railways has taken a number of initiatives towards speed, efficiency, transparency and credibility. The key initiatives comprise new system of handling over the Question Booklets to the candidates, a pilot project of uploading of Answer Keys and Cut-off marks initiated, uploading of Question Booklet and Answer Keys on RRB's website, online application and examinations, a five-fold increase in the number of exam cities from 60 to 351 that has facilitated the candidates by reducing their travel costs and hassles, and enhanced objectivity, transparency, security, integrity and credibility of Railway Recruitment Board exams. Such initiatives have led to a rise in the number of applicants by about 5 times and also in actual attendance in the

Decentralization of power instills a sense of responsibility in the officers and the employees and speeds up decision making

exam. It has also demonstrated that these changes have been widely welcomed by lakhs of aspirants.

Q **We understand that you have started phenomenal effort of reaching out to all the railway 1.3 million employees and convey birthday wishes directly – how did you get this idea of doing so in such a vast organization? What do you intend to accomplish from this effort?**

A For any organization, the most important resource is the human resource. But for the Railways, it is far more important resource because it is customer centric, people centric, people intensive. The only resource that has no installed capacity is human resource and its potential is unlimited. But how do you tap that potential and how do you

motivate them? For this, one needs to have an organization culture which will ensure that each and every individual is motivated to do better. In view of this, we took many initiatives. One of this is sending personalized birthday greeting which has turned out to be the best example of reaching out and motivating employees. The mechanism of conveying Minister's Birthday greetings to employees on their birthday is one such shining example of efforts of all personal officers on the Indian Railways which was achieved with utmost alacrity and without spending any resource.

Q **Overall you have embarked upon a massive transformation in Indian railways, which is commendable. From change management perspective, how are you rallying the railway leadership and the ranks and file towards this change agenda. How are you getting them on board?**

A Constant interaction and dialogue at all levels with clarity will help in involving the rank and file towards the change agenda. Decentralization of power instills a sense of responsibility in the officers and the employees and speeds up decision making. Railway officers coming to the helm are those who have spent a life time in Railways. So they know the system and ensure continuity and they have also been a part of the change that is being brought about.

Q **This interview will be read by thousands of HR professionals. Do you have any message for them? How do you think they can contribute towards nation building?**

A The challenges before the Indian railways are of modernization, adapting to technology and enhancing skills at all levels. HR professionals by bringing to notice cases of successful transformation in huge organizations can help Indian Railways to get ideas for implementation in its own sphere. Nation-building is a collective effort and it is not necessary that one should be the part of the organization to contribute in this regard. Ideas are always welcome but they need to be examined from the viability and need point of view. Nation building requires most of all efforts from human beings in which the role of HR professionals become paramount. **m**

(We express our gratitude to Dr. Arvind N. Agrawal, Partner, Global HR Lead Partners LLP, for providing his expertise and facilitating this interaction)

BIG INTERVIEW

HOW CAN INDIAN ORGANIZATIONS
NURTURE AN ETHICAL WORK CULTURE?

The growth and success of an organisation depends on the core values and principles which form its code of ethics. Let's find out the five steps to building an ethical organizational culture

In light of recent corporate scandals in India, organisations are concerned about the corruption and unethical behaviour that can down-rail a company's reputation and cause direct losses. The economy of India is largely dependent on the corporate sector, and the increasing number of corporate scams has more ethical implications than ever.

With the growing economy and evolving global demand from India, the proactive transformation into an ethical organisation has become desirable. But what exactly is an ethical organisational culture and how do you build one?

What is an ethical organisational culture?
An ethical organisational culture is one where employees speak up about any wrongdoing, leaders model integrity, there is open and honest communication, and business is conducted with high ethical standards. Employees and clients are increasingly choosing ethical companies to work with and do business with, as per the 'Ethics in the Workplace' survey in 2010.

Read on to know the fundamentals for building an ethical work culture:

Determine your principles and values and set a code of ethics
A code of ethics reflects an organisation's principles and values and provide guidelines for employees to follow. It is set of a formalised rules and standards describing what an organisation expects of its employees. A few things that needs to be considered while developing a code

of ethics include support and assistance from the management and ensuring that all employees are aware of and understand the code of ethics. A work ethics assessment will help you in identifying those individuals whose principles and values are aligned with those of your organisation.

Managers' and leaders' role
The National Business Ethics Survey (NBES) 2013 found that senior managers are more likely to break the rules than middle managers or subordinate staff. An organisation cannot be ethical unless its leaders and managers model ethical behaviour and set the standards. They have to demonstrate values in actions as well as in words.

Human Resources role
Human Resources professionals play an important role in building an organisational ethos, designing and implementing best practice policy, fostering trust, and advocating and guarding ethics. Human Resources have to ensure a transparent and fair recruitment process, prompt selection and promotion processes, and performance appraisal processes with compliance and honesty.

Training and mentoring
Organisations can give ethics training, which can include group discussions, case studies, and one-to-one meetings with senior managers, to emphasise the importance of ethics. A work ethics assessment is also an effective tool as

it helps you understand a candidate's likelihood of engaging in counterproductive work behaviour. Ethics assessments provide the necessary framework for conducting training and mentoring session that can help the attitude of employees to improve.

Implement work ethics assessments
A work ethic assessment is a scientific tool designed to assess the honesty, dependability, trustworthiness, conscientiousness, and reliability of candidates. An ethics assessment empowers organisations to protect themselves from the risk of hiring unsuitable candidates, build constructive development programmes, and create a positive company culture.

The recent work ethics assessment designed by Central Test, ETIX, helps companies evaluate the risks of counterproductive work behaviour and implement preventive measures. The assessments offers insight into an individual's attitudes towards self and towards others, thereby revealing not only if a person might participate in counterproductive work behaviour but also if they might enable it in others.

Organisations don't have to remain passive about damaging behaviour. By pro-actively implementing these five steps, you will encourage your employees to recognise ethical issues, voice concerns, and act ap-propriately in the face of ethical dilemmas.

Simply put an ethical work culture will lead to high performance, leading to high profitability.

REETU RAINA

What's different about the Indian millennial?

One cannot generalize the characteristics of Gen Y across the globe. A look at the influencing factors that determine the characteristics of generations!

Characteristics in individuals develop by way of experiences. And the influencing factors that nurture these characteristics become crucial in deciphering the behavior and bring to light the various motivations that help employees connect with their work and be more driven to do better.

We cannot generalize the characteristics of Gen Y (Millennials) across the globe as the influencing factors in each geographical location are different. Most of the research available today is based on the Gen Y (Millennials) in developed economies like the US and Europe which can be misleading at times as we cannot build the engagement model for developing economies like India as per the Gen Y characteristics of the US. If context becomes so important in definition of everything in today's world, we cannot ignore the influencing factors in determining the characteristics of generations.

One of the most important reasons why we need to have a clear understanding of the characteristics of Gen Y in India is the notion of the 'demographic dividend'. India is now at an inflection point with a population of 1.2 billion, of which about 0.8 billion is in the working age. By the year 2026, 64.8 percent of India's population would be in the working age of 15-64 years. The strength of this large pool of employable talent will not only power India's economic progress, but it should be able to supply enough human capital to the developed nations.

Therefore, irrespective of the location where this generation will be working in, their characteristics would be common since the place of origin that helped in developing these traits were the same. The study on Indian Gen Y thus becomes more relevant, becoming an important guideline across functions, units, and organizations across the globe.

> If context becomes so important in definition of everything in today's world, we cannot ignore the influencing factors in determining the characteristics of generations

Influencing Factors of a Generation

What determines dominant characteristics in individuals? While some traits are inherent, a real majority is formed by experiences each individual has undergone during their formative years. The same holds true for generations as well. At the end of the day, a generation is also a set of individuals who chronologically share a same location in the history.

The key influencing factors in any generation are:
- Economics
- Politics
- Culture/Social Lifestyle

Influencing Factors leading to characteristics

Economics
The factors that seemed to have affected

TALENT GAPS EXPECTED BY 2020 AND BEYOND

The exhibit shows the talent gaps expected by 2020 and beyond. However, in case of India, which has low or no talent shortage, the challenges related to employability will be prominent

■ Strong talent shortage trend
■ Talent shortage trend
■ Lowering shortage trend

⚡⚡ Strong employability challenge
⚡ Medium employability challenge

Talent gap trend
〉2010-20〉〉2010-30〉

Note: Colour codes based on compound annual growth rates of talent supply and demand by 2020 and 2030.
Source: The Boston Consuting Group analysis

India most intensely were the opening up of markets post-liberalization in the 1990s and the establishment of MNCs and BPOs. However, this new found abundance was not comparable to the ones seen in the US, and only a small percentage of the population enjoyed this affluence. There was still a large population living in villages and Tier II and Tier III cities where a large segment belonged to the lower income group and was not able to afford a good education–which brings us to delve deeper into perhaps the most important influencing factor which is economic growth.

What does this economic difference mean if we look at a level classification of Indian population? The National Council of Applied Economic Research (NCAER) report 2012 describes this as the stratification of the population into deprived, aspirer, middle and upper-middle and high-income household in India. The report highlights only 31 million homes which can be compared to the US. The larger population is still in Aspirer and Deprived class. With economic development, the population in Aspirer category is moving to Middle Class, however, the fundamental experience of this Aspirer class cannot be compared to Gen Y of developed nations by way of their access to disposable income. But it can be compared to Gen X of developed nations because of critical experience encountered by the Gen X of developed nations and Gen Y of developing countries like India is usually the same.

INDIAN INCOME PYRAMID
Entire country stratified by NCAER-CMCR 2010 annual income data

3 MILLION HH
16 M POP
RICH (Above Rs 17 lakh)

31 MILLION HH
160 M POP
MIDDLE CLASS (Rs 3.4 - 17 lakh)

71 MILLION HH
359 M POP
ASPIRERS (Rs 1.5 - 3.4 lakh)

135 MILLION HH
684 M POP
DEPRIVED (below Rs 1.5 lakh)
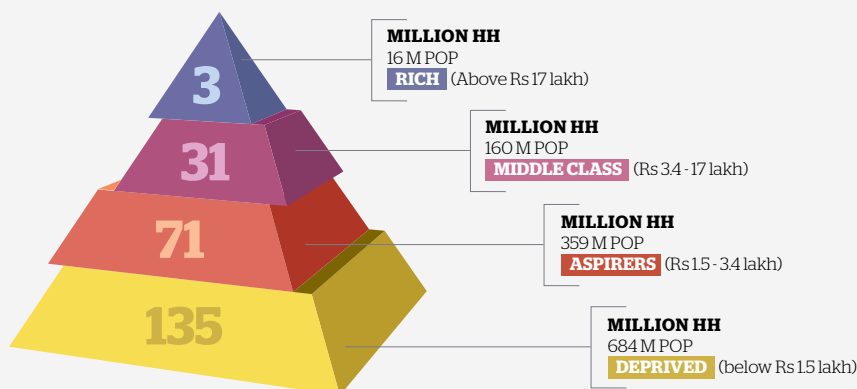
Notes:- HH- Households; POP- Population. Figures in Million except Annual Income. Strata (in Rs Lakh); Total Household: 240 Million. *Source:* NCAER-CMCR-DOOR-TO-DOOR Survey

Characteristics
Ambitious & Risk takers
- Looking for growth (Still in formative years if compared to their global cohorts as majority is in Aspirer Category so growth becomes Important)
- Key experiences and challenging work
- Growth opportunities engage them rather than job stability as was true for earlier generation
- Keen on higher education(Since majority are in Aspirer category, education is still way to do well in life. More focused on education than their global cohorts)

Politics

India has come a long way since 1980.Major political events which impacted our society like Indira Gandhi's assassination, Mandal Commission, from single party rule to coalition regime, regional parties started major deciding factors for Government at center, increase in terrorist attacks, Bombay blasts, 26/11 to mention a few. All these political factors culminated characteristics in generation which had seen political turmoil but was firming their ground by asking questions and rationale for decision and the same got affirmed more with passing of RTI (Right to Information) Act in India. For the first time in decades, there is a high public demand for accountability in the running of Government.

Characteristics

More transparent and less bureaucratic
- Readiness to comply with fair reasoning
- Desire/drive to make a difference
- Keen sense of competition both regional and global
- Eager to prove they are not less than their global counterparts

Culture/Social system

The sudden westernization of lifestyles and values with the IT boom propelled India towards a path that was more aggressive in financial growth and homogeneity of culture. This subsequently led to more jobs and more economic independence, and there was exposure to global culture, in a way, not seen after independence of the nation. In India, women who worked and actively pursued a career increased significantly. This shift in social trend began as a result of high influx of population from rural to urban cities which led to nuclear families. The need to support increasing household expenditure and a new sense of freedom and identity, previously uncommon in the social structure led to a number of women joining the workforce in new cities. This led to breaking of social structure connected to family, region and clan. Role modeling which was majorly from large family setups was broken and this generation started identifying itself with workplace and looking for role models and mentors from the professional world.

Characteristics

Need for identity & role model
- Unlike the earlier generation who had a strong social system to anchor, this generation identifies with work and looks for role model in workplace. This need for identity and role model is peculiar to Indian Gen Y as their global cohorts had not experienced the social and joint family structure from the past as well, so the gap was never felt.

INDIAN GEN Y vs. DEVELOPED NATIONS' GEN Y

The Indian Gen Y if compared to the Gen Y of the developed nations seem connected but they are not alike

SIMILARITIES
- Technological Savvy
- Work Life Balance
- Ambitious

DIFFERENTIATORS
- Still in formative years
- Lower in emotional maturity
- Hard working and work focused
- Strong in academic and technical know-how

Indian Gen Y still in formative years with younger entry age to workforce and moving even at younger age from their home for technical and higher education

- The starting working age for Indians is much younger when compared globally, so emotional maturity is not at par with their global cohorts.

Title conscious and peer pressure – Creating a role-based organization structure with quick progression

Indian Gen Y employees are aware of their designation and prefer to have elaborate designations for an enhanced identity. Partly peer pressure and partly ambitions, these designations are important to them and define who they want to be. Hence, organizations should clearly define the role and designation and state the path to a rewarding role for quick progression. This is connected with the culture where hierarchy is expected coupled with the need for growth. The influencing factors of culture and economics here make Indian Gen Y different from global cohorts.

Create a platform for high awareness and give priority to ethics and moral value system

Indian Gen Y is still in formative years with a younger entry age to workforce and moving away at an even at younger age from their home for technical and higher education. Ethics and moral values start becoming blurred with social peer pressure determining the way of understanding things. Thus the need to create awareness on ethics and values becomes very important for organizations. While their global cohort's majority of them are independent since younger age and have seen abundance, their personalities are formed by their independent view points and less by social peer pressure.

Establish mentor programs with senior staff

There has been a huge population influx to urban cities and nuclear families are fast replacing the traditional family systems. The desire of belonging to a larger institution is prompting a need to identify socially with work and organization. Mentors from the extended family are now missing and employees are now looking for mentors within organizations to fulfill their need for recognition and development and help them navigate the corporate structure deftly with refinement, often helping in softer issues of grooming and coaching. In the long run, this helps Gen Y develop a stronger connect with the organization.

While as for their global cohorts in developed economies, the social structure was never strong. As per Geert Hofstede's model, these cultures are individualistic and lesser tied with the society. So the gap was never felt but for Indian context with the migration to major cities and loosening of societal ties, the need for mentoring is strongly felt by Indian Gen Y.

In conclusion

Majority of Indian millennials are still in formative years vis-a-vis their global cohorts. Education and growth still continue to be the focus of the Indian millennial. Since they identify themselves with workplace vis-a-vis their global cohorts, robust mentoring plans will help in leveraging a lot from them. Organizations should be aware of the potential conflict of Gen X with Gen Y. Millennials are not different but come with extra exposure and confidence which needs to leveraged by organizations by building managerial capability.

ABOUT THE AUTHOR

REETU RAINA is Global OD Practice Lead at Amdocs

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Q & A

Decision Analysis can be a determinant of business success

Professor Kenneth Casey Lichtendahl Jr., Associate Professor of Business Administration at University of Virginia's Darden School of Business, talks about the potential of Decision Analysis in business, incentivizing for forecasting and more

By **Vikas Arora**

Professor Kenneth Casey Lichtendahl Jr. is an expert in probability forecasting and combining forecast – the art of helping management cope with the uncertainty of the future. His expertise and research reaches into decision analysis, dynamic programming and Bayesian statistics and focuses on assessing, evaluating and combining probability forecasts and modeling consumption preferences of individuals.

In this interaction with People Matters, Prof. Lichtendahl discusses Decision Analysis and how organizations can leverage Decision Analysis for outperformance.

Q **You were earlier involved with your family business but you came back to academics. What brought you back to Darden and to the field of Decision Analysis?**
A I got enthusiastic about the field of Decision Analysis during my tenure as a student in Darden Business School in 1996. I became curious about the subject; and realized its potential when I was able to apply it formally while working with my family business after graduating from Darden in 1998. So, I wanted to pursue it academically, and hence, I did.

Q **What exactly is Decision Analysis? How is it done?**
A Decision Analysis is a scientific way to make decisions. It is a formal classification

of decisions and uncertainties you face, rolled out chronologically twice. You assess all the probabilities of a course of action and assign values to all of the possible consequences of a decision. That helps you decide the best decision there is.

The most common example to explain it is whether to take an umbrella or not based on the weather forecast. Overall, there can be four consequences – you take the umbrella and it rains; you take the umbrella and it doesn't rain; you don't take the umbrella and it rains; and neither you take the umbrella nor does it rain. The best scenario will be when you do not have the umbrella and it doesn't rain, and the worst of all will be when it rains and you do not even have the umbrella.

This decision-making process can actually be done scientifically and empirically by using the decision tree method, which is one of the primary tools in Decision Analysis. In simple terms, decision tree is a visualization of a decision. You assign numerical values to each consequence and based on the methodology, you can ascertain the best course of action given the circumstances.

Q Is there a trend of applying Decision Analysis by organizations in their everyday working? What are the potential positive outcomes of adopting this?
A Decision Analysis happens often, atleast informally, in corporate board rooms. For instance, in case of a new product launch, the board members share the likely sales figures of that product and the average of those estimates becomes the group's combined forecast.

But these predictions can be substituted by formal model-based forecasts as well, which are potentially based on science. One of the leading models of Decision Analysis is the 'Boosted trees model', and it is gaining a lot of traction on the crowd-sourcing platform Kaggle in the US. In India, Ola Cabs, Flipkart and Amazon India are all using this model, and it reflects in their performance – they are beyond the status of unicorns and now have multi-billion dollar valuations.

The frequency of usage of a decision tree in an organization is a great indicator of the proximity of organizations to best practices in Decision Analysis. It is important to embed Decision Analysis tools in businesses as they can be determinants of business success.

Chevron, for example, is one of the world's most advanced Decision Analysis corporate culture, and the US-based company has been found to outperform many of its peers because of its capability in Decision Analysis.

Q How can organizations facilitate Decision Analysis? What practices help?
A The uncommon practice of incentivizing for forecasting can be used to create a culture of Decision Analysis. In this system, managers are incentivized for forecasting correctly. To give an example, consider me as the CEO of a company and I intend to know the success prediction of a proposed new product. I want to know the perspectives of my product manager, operations manager and sales manager and how they predict it will perform. If these individual managers are not incentivized to tell me what their true

way. Eli Lilly is one example. In the company, scientists issue the success probabilities of drugs passing through FDA regulations. Their probabilities are then calibrated against the actual success percentage of drugs. Organizations can follow suit and study how well calibrated people are.

Q How can leaders leverage data sciences to make complex decisions?
A To begin with, leaders need to have a strong data science team in place, and that should be followed up with effective communication with the team to leverage the large amount of data available at their disposal. Currently, the problem is that there is a huge communication gap between business leaders and their data science teams. In order to establish a common language and understanding, it is important for business leaders to spend

beliefs are, then there is a high probability they might give inflated numbers to maintain the enthusiasm and evade disappointing the CEO. But if they have an incentive for correct forecasting, then in most likelihood, they will say the truth. So the idea is to set an incentive that gets them to tell the truth and give the forecast that they really believe in.

There is a mechanism known as the proper scoring board that gives people monetary incentives to tell the truth. In a proper scoring board, the realization is compared with the forecast given by the manager, and the manager is rewarded based on the gap between the forecast and the realization. If the gap is small, the reward is higher; if the gap is large, the reward is less.

The incentives can be non-monetary and cultural as well. Today there are a few companies that are incenting for forecasting, but in a less formal

more time with their data scientists and the same applies to the latter. The Silicon Valley giants, Google, Facebook, Amazon and Microsoft are actually indulging in this best practice. Flipkart and Ola Cabs are the Indian examples. The technical know-how of business leaders enables this, and that bridges the gap between the technical-minded and the business-minded. Legacy companies can take cue from them and leaders can self-develop their technological competency. They can resort to MOOCs, distance learning programs offered by top schools, or even take regular classes in machine learning and big data. That's one way they can move a step closer to their data science team. **pm**

REDEFINING REWARDS

A look at how organizations are rethinking, redefining and transforming their rewards framework and providing convincing value proposition to its employees | **By People Matters Editorial Team**

Rewards are essentially about the employee-employer relation and how external and internal factors play on motivation and engagement of the employees. From aspects like compensation, benefits, professional & personal development, flexibility and achieving work-life balance, organizations are leaving no stone unturned in trying to achieve workforce engagement and motivation. From knowing what is meaningful to the talent to developing sophisticated reward approaches in tune with employee expectations, employers are rethinking their strategies to align rewards with business objectives and employee requirements. Increasing planned investments on wellness, coaching/mentoring, culture and recognition, organizations have started to calibrate and realize the importance of implementing and communicating rewards policies to the employees.

The total rewards landscape has been transformed and disrupted by changes within the business and economic ecosystem. Rewards are now looked at holistically and are integrated with key elements of business functioning. Also, although companies agree that compensation still remains an important factor, other aspects like health and wellness and flexible benefits are rising as important components of the total rewards structure. The trend of associating rewards programs and employee value proposition with the employer brand is gaining momentum. Today, along with the tangible awards, organizations are also realizing the importance of intangible rewards like recognition, appreciation and empowerment. Organizations are increasingly allowing employees to innovate and collaborate. "Make sure that your intangible rewards speak the same language of performance and success as your tangible rewards" according to Bhavna Sud, Director, Hay Group India. Lipika Verma, Director Rewards, India and Pacific, Schneider states that "Our main challenge has been on the recognition side were we found that not enough was being done by the managers to recognize the efforts of the employees. We came up with a social recognition platform."

Rewards and benefits are now treated as more of strategic options for the HR and the organizations. The idea is to enable and ensure that the employee is able to achieve their potential. Combining compensation and benefits with performance is a key factor to motivate and retain talent, especially millennials. Along with this, enabling employees to leverage what the organization offers forms an important aspect that assures long-term benefits. According to SV Nathan, Chief Talent Officer, Deloitte, "With more millennials coming in, they require a different set of benefits from what has been traditionally offered. This also needs an investment in the required tools to make the system transparent and accessible. Our young employees also look for ways to have access to money that they can spend on their own learning. So my aim is to see whether we can facilitate such efforts. Looking at our older partners, the focus is more on the long term benefits. The way to look at these initiatives is to make them customizable rather than brushing the entire segment with one kind of compensation or benefits plan."

Rewards system has now become an extension of the human capital management framework that seeks to increase organizational development along with providing employees with a conducive social environment. This feature looks at how organizations are revisiting their total rewards framework. **pm**

A BOARD'S EYE VIEW OF TOTAL REWARDS

Srikanth Balachandran, CHRO, Bharti Airtel on how a company's Board and HR committee views the company's rewards

HR Committees (in some companies, Compensation Committees) are the norm as per law today. They are expected to formulate and mandate HR strategies for the company and ensure that compensation works in harmony with other practices to implement the organization's overall people agenda. Collectively, the HR Committee is responsible to oversee all HR aspects including Rewards. From the top, the eagles on the Committee have a "Board's eye view" of the Company.

So when it comes to Rewards, what do they look at?

From my experience, the Board and the HR Committee looks at nine aspects which are also symbolically presented for easy recall. Let us examine each one of them.

> The best part of ESOP as a compensation strategy is that it offers freedom to link employee reward with individual performance and company's performance

1. The big picture, the trends... "Omega"

A major revolution is occurring in the way organizations are being managed. This is driven by technologies as well as social, economic and political changes. The Internet, e-commerce as well as mobile platforms are posing grave risks to traditional set-ups, but they are also offering huge opportunities to innovative start-ups. Lowering of barriers to capital flows has increased the power of institutional shareholders who have a huge influence on companies. Economic challenges are leading to enormous performance pressures that have never been seen before. People are now referred to as human capital. This is valued as high as physical assets, and brands. Boards have the responsibility to invest in human capital, raiseits economic value and manage efficiencies. In today's brutal VUCA world, the quality of top and senior management has never been socritical to business success as we perceive today. Start-ups have not only redefined business models, they have also redefined reward models!

If you link all these variables to the reward systems, you are probably looking at three powerful drivers - rewards

- For success
- For excellence including knowledge and skills
- For innovation

In a way, these three outcomes also represent the past, present and future.That is the nature and composition of Rewards today. If you are wondering why the "Omega"symbol, this Greek alphabet stands for "mega", which is the big picture of the market.

2. Beating performance expectations vs. market ... "Alpha"

The Boards of today are primarily concerned with developing a deep understanding of the company's performance management systems. The HR Committee approves the performance targets of the top executives, guided by the expected marketmovements. Every Board wants the company to perform ahead of its competitionand beat the market. Typical market related measures are – volume market shares,value market share, share of high value segments, share of high growth segments,share of industry profit pool, and so on. Many Boards also insist on Relative Total Shareholder Returns, benchmarked with bellwether stocks or indices. Commodity companies are usually benchmarked with the sectoral indices. Boards spend a lot of their quality time understanding

the company's differentialperformance versus market. They fundamentally believe that this kind of performance management comparison infuses a spirit of competition and ambition without which complacence could set in.For this, I use the Greek alphabet "Alpha". In the financial markets,analysts use the term "alpha" to measure the excess returns of a fundrelative to the performance of a benchmark! I do think Alpha is a very appropriate angle for a Board's eye view!

3. Managing volatility …. "Beta"

VUCA – volatility, uncertainty, complexity and ambiguity is the new normal today. But in this environment,what then is the way forward? How do Boards look at rewards in the context of wildswings in performance? In such challenging situations, Boards have a difficult job tounderstand the extent of volatility and its impact on company's performance. Over the years, Boards have gotten used to dealing with this subject and most of them resort to measuring relative performance with the rest of the market. This is not straight forward. It does require a lot of delayering to understand underlying performance. This can be quite intensive for the Boards. Here, I use the second Greek alphabet "Beta". In financial parlance, beta is a measure of the volatility or systemic risk of a security or portfolio in comparison to themarket as a whole! And indeed very relevant for the Board's eye view as well!

4. Growth, growth and growth…"Delta"

Growth is the only thing which is constant today. Boards and HR Committees seek to understand what and how much growth will occur in the company's performance, both absolute and relative. You rarely witness discussions in Boards and Committees of managements going in to sustain current levels of performance.Instead, the debate is all about how much growth and how many parameters ofgrowth. The usual questions asked at the Board and Committees are – what are the CEO's growth targets? What about the next line? And, is there a robust and transparent process of cascading these growth targets? The Greek alphabet "delta" is now very English. Made popular by mathematicians and statisticians, delta stands for the measure of change either in absolute numbers or percentages. Needless to say, this is an angle Boards want to examine in depth!

5. Hedge the risks since there are several probabilities of outcomes…"Gamma"

In this volatile world, every stakeholder seeks to hedge risks. HR Committees have the onerous task of hedging the risks for both the company and employees. From a company view point, it is important to minimize the risks by fixing floors for performance, below which incentives do not apply. From the executive's perspective,the risks are mitigated by ensuring they are "in the money" through fixed components of rewards. How many components to "be in the money" or "out of the money" is a constant balancing challenge for
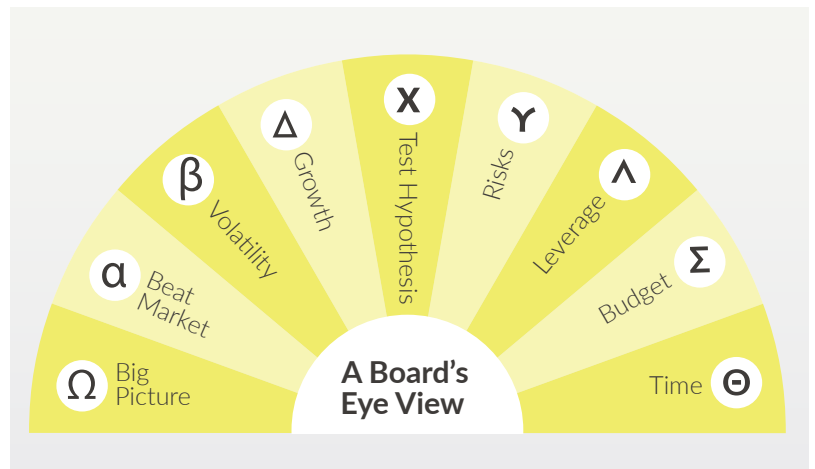
When cash is scarce and stock is readily available, ESOPs are a popular choice as seen by start-ups who use them as their primary tool to reward their strategic and key talent

HR Committees. How many fortune stories of millionaires has one heard over the years! At one time, these were headlines. Today, they are perceived as common and mere disclosures to investors. Incentives and options are only on paper, the listing is quite far away, there is no visibility of monetization, and so on.When we hire from start-ups, we are constantly faced with valuation challenges especially when they produce option letters with several zeroes. Below water today, but there is a probability of going above water in a few years, so they believe. That is the 'big promise' shown to them. But, what is the probability? These are the same questions asked and discussed in Boards and Committees. And, finally, what matters in all such discussions is management conviction in businessplans, visibility of profits and positive cash flows, and in some cases, well-established benchmarks of valuations supported by pricing and IPOs. I use the Greek alphabet "Gamma" to number this point. In the financial world, gamma is a measure of the option's price in relation to how in or out of the money the option is! Whenever we face "in money" or "out of money" situations in Rewards, it is nothing but a Gamma problem!

6. Leverage for superior performance … "Lambda"

The mirror side of risk is opportunity. Boards and HR Committees are predominantly looking for ways to incentivize superior performance. HR Committees are expected to approve reward plans with upsides for employees, who expect disproportionate multipliers for superior performance. How steep can the incentive curve

go and at which level can it capped is for the HR Committee to deliberate and approve. There is a view point which says there should not be any cap for upside. Why should anyone be given an impression that there is a limit to superior performance and the rewards accompanying it? The contrary view is that without caps on upsides, volatility sets in, and the period-to-period variations become very pronounced. Boards are conscious of such behaviors, and they have sought to balance the equation through the stock options route. By definition, share prices tend to follow performance, and hence the price discovery mechanism of the share market is the best way to provide the reward leverage. Financial wizards use the Greek alphabet "Lambda" to represent leverage! Lambda is defined as the percentage change in option price divided by the percentage change in the underlying price. Given my finance leanings, I have always applied the Lambda to analyze upsides and downsides!

7. Aggregation or disaggregation ... "Sigma"

This is a new debate which is raising its head in recent times. Traditionally, reward policies are

> Boards have to apply the objectivity of performance management and scientific reward mechanisms, and get comfortable with the dynamics injected by the VUCA world and the web of human aspirations and motivation

applied to derive actual quantum of rewards for individuals and the aggregation of the individual rewards is the budget required. As performance pressures increase, Boards are asking company managements to turn the arithmetic upside down. They would rather have management first decide the actual amount of the reward pool based on principles such as performance multipliers, market benchmark, percentage of revenues or profits, minimum and maximum, etc. Once the total reward budget is decided, then distribution principles are applied to disaggregate the budget into individual rewards. Boards and HR Committees are toggling between aggregation and disaggregation approaches. Finally, what helps them decide on the final approach is the Board's reward philosophy of bottom-up or top-down. The Greek alphabet "sigma" is very popular. It simply denotes the summation of individual scores. The question for Boards is – sigma or de-sigma! Personally, I find this metric very fascinating in the way it can be applied in Rewards – should we Sigma or, should we de-Sigma?

8. Time value of money .... "Theta"

Time is an important criterion for rewards.

Boards and HR Committees want to increasingly link rewards with sustained, long term performance.Hence, they push for long term incentive plans. Deferred bonuses, longer periods of vesting for stock options, retirement plans, etc. are all indicators of the Board's desire to ringfence the key executives and reward over a period of time. In a hot talentmarket, companies deploy several retention tools, and deferred payouts are one such tool. However, for the employee, time value of money is a very important factor. The more you defer the benefits, the employee tends to discount the value. In addition to time discounting, with deferred amounts at risk, employees find it tricky to navigate through pay discussions with a new employer if they want to switch jobs. In finance lingo, "theta" is a measure of the rate of decline in the value of an option due to passage of time! And how relevant for Rewards strategy as well!

9. Keep testing your reward hypothesis... "Chi"

Finally, Boards keep asking managements for their hypothesis on what is working and what is not. Different reward schemes are designed and deployed to achieve multiple objectives, such as motivation, retention, employee satisfaction, wealth creation and so on. Boards and HR Committees do ask for regular testing of such hypotheses, to decide what is better for the times ahead. But, establishing correlations between rewards and outcomes are not always easy. Companies use empirical data along with employee feedback surveys to test effectiveness of rewards. Another litmus test is – how effective or difficult is it to attract new talent? Are there aspects of the company's reward mechanism which are making it uncompetitive to attract the right talent? A smart Rewards team is always alert to all these signals, and is able to conduct testing of hypotheses much better than a team which is out of sync with internal and external realities. The Greek alphabet "chi" is used in the "chi squared test for independence" which is performed to test hypothesis! Some call it the test of "goodness of fit", and to my mind, there is no other angle more appropriate for Rewards!

In conclusion

In conclusion, what are the expectations of the Board? What are their frustrations? Boards have to blend two aspects – on one hand, they want to apply the objectivity of performance management and scientific reward mechanisms. On the other, the Board has to get comfortable with the dynamics injected by the VUCA world and the web of human aspirations and motivation. What then is the way forward? The answer is – the Board's eye view! This top down view however needs to be complemented by a bottom-up view of what the pros and cons are of the various Reward approaches. pm

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THINKING ON REWARDS FOR 2016

Rewards decisions are not short term and organizations need to stick to a long run plan when thinking about compensation rewards | By **Anandorup Ghose**
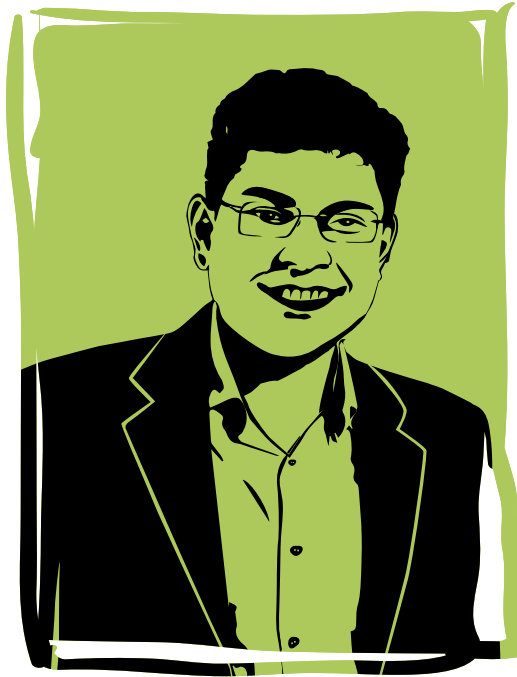
Every year brings some hectic discussions and parleying on how things will look different in that year and how HR should start reinventing itself to get things right and how to face the whole new world. Everyone appears concerned about the ability of their programs to manage expectations of Millennials and the Gen Y population or how the rapid disappearance of bell curves and ratings would impact pay programs etc. In the midst of this hectic worrying and debates, this column talks about some facts that we have realized through our 20+ years of experience in observing pay programs in India.

The point of view expressed in this piece is based on two dimensions – firstly, a discussion on what we believe are some immutable facts about compensation management globally; and then a reflection of such facts against what we see are the realities of 2016 that HR and compensation managers can expect to face.

There are five fundamental factors for pay programs that reflect a somewhat long-term transition in thinking about compensation rewards. These are:

A) **Pay programs are as much about the content as about the communication:** Annually we analyze compensation programs and data from over 1200 companies and one of the stark realities is that none of them are hugely different from each other – some people pay more than others, some focus more on benefits, some have more incentives and so on. But finding fundamentally different approaches towards pay is rare, and what really differentiates an organization with the other is in the ability to implement and communicate the objectives that their program is trying to achieve. The most successful programs are the ones where employees are not just aware, but more importantly understand the logic for how they are paid and how much.

B) **Differentiation is a wonderful thing, as long as it is perceived to be fair:** Almost every pay program wants to drive differentiation based on either performance or potential or skill criticality or some combination of the three. Strategically, such differentiation is the best way to ensure that pay follows principles, but it is important for the entire agenda to be perceived as entirely fair by employees. Driving hard differentiation exposes the organization to significant risks if employees do not perceive fairness in the process.

C) **Same strokes for different folks is a black car from 1910:** Over the last decade, there has been an increasing realization of the fact that uniform compensation programs across different employee groups, demographics and life stages can create very little value for companies. Organizations that are able to ensure that programs are more targeted towards different employee requirements are able to get far greater value for money. It is surely not easy to understand the creation of such bespoke programs, but the effort needs to be to make the transition over a period of time.

D) **Pay programs need to reflect responsibility:** Pay programs over the last decade have reached a point where they need to reflect responsibility in not just towards the employee group that it serves but also towards different stakeholders. Boards and investor advisory organizations

> The most successful programs are the ones where employees are not just aware but more importantly understand the logic for how they are paid and how much

want to see responsible thinking on the alignment of pay with organizational realities and objectives, government and regulators want to ensure pay practices don't create imbalances in objectives and outcomes and the broader society goes against organizations that reflect inequity. The long term trend has been to ensure that any new pay programs are analyzed through all these lenses before being implemented.

E) Force is mass multiplied by acceleration: Finally, Newton's Second Law of Motion is true for compensation programs as much as it is in nature. No program, however well designed can actually meet its mark unless organizations stick to it over a period of time. The ability of a pay program to communicate and create value comes from the level of sustained communication, focus and organizational muscle that a company can bring in to make it work. The positive or negative effects of employee programs are rarely visible in a short while and need sustained focus before it actually starts to have effect.

With these fundamental tenets in mind, the year will see volatility in the market and therefore there is a need for organizations to be hawk-eyed on costs and margins; more visible action from the government to boost economic activity and therefore a clear imperative for organizations to ensure capacity and capability when the economy revs up; Consumer Price Inflation might see fluctuations and in all possibility an increase, thereby putting pressure on pay revisions; attrition levels will not dramatically move up in the short run and will broadly remain within a ±1% range and disruptive organizations will keep impacting business models and organization structures requiring HR to remain vigilant

The key actions for compensation and HR managers intuitively present themselves when we club the long run fundamental dynamics from an HR perspective along with the immediate macro business environment.

A) There will be pressures on compensation budgets: Fixed compensation increases are being scrutinized with far more care and caution and the Aon Hewitt Salary Increase Survey for the year shows a drop in growth budgets over last year. Compensation managers will be pushed to go a longer distance with a smaller pay budget and therefore the need to focus more strongly on communicating the objective, rationale and quantum of pay in a more holistic manner. This is a year for organizations to actually focus more on defining what their whole Total Rewards offer represents and effective communication of rewards will be critical.

B) Boards and shareholders will demand more differentiation: An immediate outcome of smaller budgets is the need to ensure that the allocation of pay budgets is sharply done to reward those who deserve or hold potential vis-à-vis doing a blanket increase. Companies will need to ensure that whichever form of performance differentiation philosophy they approach, it will be important for ensuring that there is the least amount of perceived biases in the system.

C) The impact of multiple generations on the workforce will be more profound: Any changes to pay programs will need to ensure that they are evaluated from the lenses of how different generations in the organization would respond to that change. The focus of all new or modified programs will need to be structured to ensure that they are relevant for this workforce that is constantly evaluating these programs against what these disruptive businesses are building.

> The ability of a pay program to communicate and create value comes from the level of sustained communication, focus and organizational muscle that a company can bring in to making it work

D) Organizations will need to think more aggressively on health and wellness to drive longer term value: Companies will need to invest into health and wellness programs with a long term return timeframe in mind. The long term positive effects both from employee wellbeing and engagement as well as lower insurance costs and productivity will be significant for companies.

These changes, however significant or not, will be the ones that will be top most in the minds of most HR and compensation managers. Rewards decisions are not short term. Organizations that stick to a long run plan towards doing things are always more successful than ones that respond to market pressures. Ⓟⓜ

ABOUT THE AUTHOR

ANANDORUP GHOSE is Partner, Talent and Rewards at Aon Hewitt

REWARDS IN THE CONTEXT OF WORKPLACE OF THE FUTURE

Architecting appropriate engagement models with the relevant reward structures will be key to attracting the right workforce and skills | By **Padmaja Alaganandan**

Global megatrends have been driving changes in our workplaces and our workforce. The very concept of a workplace is one that is difficult to define, as the concept of 'work' has spread to include aspects such as networking, ideating, re-building a damaged business relationship, proxy-thinking for a client's action or simply staying abreast of trends. At the same time, the workforce has also been impacted by different factors. Technology advancements have enabled distributed workforces, remote working and made jobs redundant. The double digit wage inflation that our economy has seen year-on-year will lead to more thoughtful approaches to headcount increase. Companies are likely to look at how to access necessary skill sets and capabilities without committing to a fixed base of high cost – not just in terms of wage cost but also the necessary infrastructure

and associated complexity to manage. Approaches are likely to include working with talent in suppliers and distributors, building an ecosystem of specialists and hyper-specialists to tap, and looking at ways to bring in alternate career paths that encourage far more flexibility than available today. The concept of career progression as an upward linear slope is one that is going to be challenged. Other megatrends such as resource scarcity and urbanization are also having an impact.

So what does all this mean for the future of work?

The workforce and workplace are likely to polarize into three distinct worlds of work – one where the workforce values long term and structured careers with well-known brands and are willing to trade some freedom for that; second where workforce values flexibility, variety and learning and wants to operate at the fringes of an organizational ecosystem; and the third where workforce is driven primarily by environment and sustainability issues. We call these the blue, orange and green worlds of work.

In some sense, these three worlds already exist. We see large technology organizations begin to look at ways to engage with flexible and specialist workforce, while retaining a 'core' of leadership skills to steer the company within. Consumer goods companies and automotive players are engaging with external product development and industrial design capabilities rather than try to build them in-house. Talent marketplaces which allow organizations to access on-demand talent and let the individual pick an assignment, have found business backing, and we see a young workforce around us driven by issues of purpose and sustainability, wanting to associate with organizations working in these areas, as well as those who seek continuous learning, freedom and challenge and opt for flexible arrangements – with the risk of no income security. At the same time, large employers are able to find talent that value association with a strong corporate brand and the resultant assurance of income, predictability and progression (at least to some measure) that it confers. These worlds co-exist around us.

Implications on Reward systems
Reward systems need to evolve to cater to these three worlds of work and their workforce.
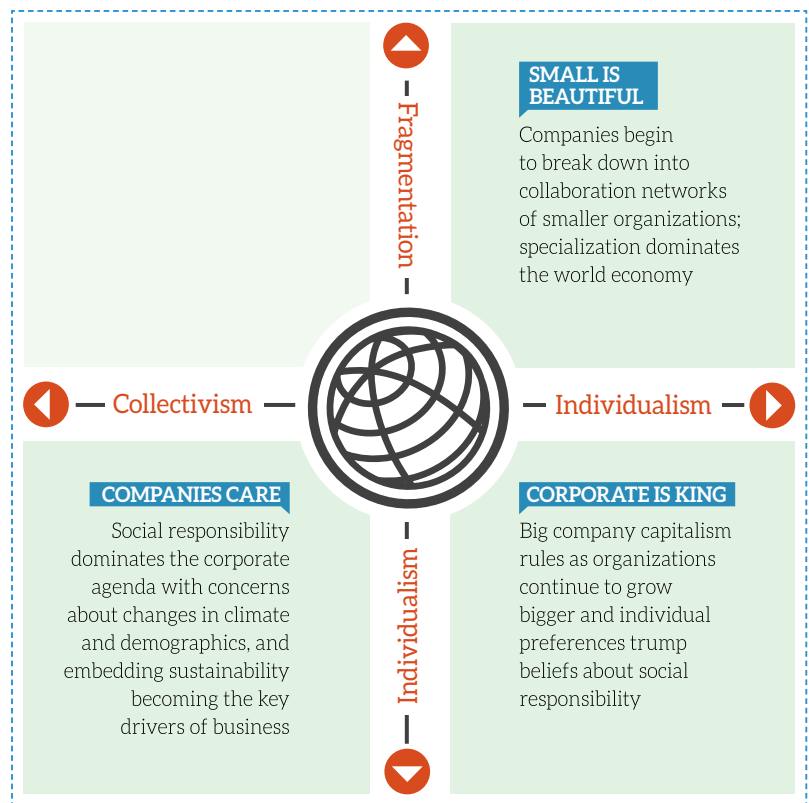
Blue world: In this world, stability and internal equity are likely to be defining features. In addition,

> Companies are likely to look at how to access necessary skill sets and capabilities without committing to a fixed base of high cost

some degree of entrepreneurship and performance accountability will be driven through variable pay and perhaps prevalence of long term incentive. The degree to which this is emphasized can vary, and we sometimes see organizations that drive 'intrapreneurship' through cultures that incentivize moderate degree of risk-taking with associated reward trade-offs. However, this requires many other systems including recruitment and leadership development, to be aligned to build this culture and is likely to prevail predominantly at senior levels. At most other levels, fixed pay will be in a defined band with clearly stated targets for variable rewards based on predefined performance outcomes. Reward structures in the blue world are also likely to be benefits heavy, given that they comprise an integral and visible part of the overall proposition. Volatility of earning will have to be managed in a minimal band, and internal differentiation will also have to be within defined parameters.

Orange world: Reward structures in the orange world will see much greater degrees of differentiation and flexibility. Typically, the engagement between organization and workforce here will be contractual in nature and bargaining power of workforce will be determined by the area of specialization and organizational need. High degree of 'role' or 'skill' premium will prevail, and it is likely to develop a strong marketplace for these skills with transparency in compensation levels. Organizations will be able to manage affordability issues here through restricting compensation to only periods of time when the particular skills are required. Where skill sets are crucial for an organization, retainer arrangements could evolve with some minimal degree of assured compensation. Performance pay is likely for lower end skill sets where incentives linked to productivity or output could be designed; for higher end skills, the reputational risk of unmet performance goals is likely to be a stronger driver. Benefits and long term incentives have no place in the orange world, though models of shared risk or outcome-based models (including equity sharing) could evolve. A recent example we came across is where a young organization engaged with their Head of Technology in a contractual arrangement with equity grants in a model reminding us of the orange world. Large companies could see such models emerge too, including where they are trying to incubate new businesses.

Green world: This world is where monetary rewards will have the least role to play in the overall workforce value proposition. 'Purpose' will be the plank on which workforce associates with organizations in this world, and rewards will need to be at levels that allow for living needs to be met. Performance pay is unlikely to play a role here though surplus sharing plans could exist. Differentiation of performance or reward will not be a strong feature of this world. Workforce in the green world is likely to be driven by the difference they make in their sphere of play, and will look for opportunities to collaborate rather than compete on performance

SMALL IS BEAUTIFUL
Companies begin to break down into collaboration networks of smaller organizations; specialization dominates the world economy

CORPORATE IS KING
Big company capitalism rules as organizations continue to grow bigger and individual preferences trump beliefs about social responsibility

COMPANIES CARE
Social responsibility dominates the corporate agenda with concerns about changes in climate and demographics, and embedding sustainability becoming the key drivers of business

Fragmentation — Collectivism — Individualism — Individualism

Workforce in the green world is likely to be driven by the difference they make in their sphere of play, and will look for opportunities to collaborate

and reward. Benefits may exist only to the extent they help compensate for low pay, and to help attract talent at different life stages.

In summary, the blue, orange and green worlds provide a helpful construct to look at approaches to managing workforce and rewards. However, it is important to realize that organizations could be part of all three worlds concurrently, and also that workforce could pass through different worlds at different stages in their working careers. Architecting appropriate engagement models with the relevant reward structures will be key to attracting the right workforce and skills that can make a competitive difference. Organizations will have no choice but to do this, given economic structures and continuing pressure on getting the right skills. Whatever philosophy your organization currently follows, it's going to look very different, a decade from now. 🄿🅼

ABOUT THE AUTHOR

PADMAJA ALAGANANDAN is Partner and Leader - People & Organisation Consulting at PwC

ESOPs AS A REWARD STRATEGY

ESOPs remain a popular reward tool and are successfully used by companies to attract, retain and reward talent | By **Sonu Iyer**

Employee Stock Options (ESOPs in common parlance) and its variants (Stock grants, stock purchase plans, restricted stock) as an employee reward measure have been used off and on by organizations over the years. We hear and read about the successful use of ESOPs to attract, retain and reward talent by companies like Google, Apple, Facebook and predominantly by Indian companies such as Flipkart, Paytm, Snapdeal, Infosys, L&T and ICICI. Information technology companies pioneered the adoption of stock-based incentive plans in India and continue to lead but companies in other sectors such as manufacturing and consumer goods are also actively using ESOPs as part of their talent management and reward strategy.

The inspiration for an employee to seek participation in an ESOP is the potential to earn wealth many more times the current compensation; and

> The best part of ESOP as a compensation strategy is that it offers freedom to link employee reward with individual performance and company's performance

for the employer, it serves the purpose of golden cuffs – keeping the employee in the organization in anticipation of the wealth that ESOPs promise.

What is an ESOP and how does it work?

The market is abuzz with different varieties of stock-based incentives like ESOPs, stock appreciation rights, restricted stock units, stock purchase plan. Stock appreciation rights give employees the monetary equivalent of increase in share price over a specified time. In a scheme of restricted stock units, instead of awarding an option to the employee to buy the shares, the employer awards him shares upfront, subject to certain conditions to be fulfilled over the vesting period before the recipient becomes an outright owner. Stock purchase plans give the employees an opportunity to buy shares at a discounted price. Restricted stock and stock purchase plans are popular in the US and UK and in India, ESOP and stock appreciation rights still find favour.

An ESOP in its simplest form is a promise to an employee to get a share of the company at a pre-determined price over a specified period of time and typically consists of three stages – grant, vesting and exercise. Two or more of these stages may take place simultaneously depending on the type of plan. At the grant stage, an employee is provided with an option to receive shares of the company upon satisfying specified performance or other criteria over the vesting period and does not receive actual shares at this stage. If the employee satisfies the prescribed parameters during the vesting period, (s)he can exercise the ESOP and opt to receive the shares. On exercise of ESOP, the employee receives shares of the company on payment of a pre-agreed exercise price (which is generally discounted to the market price of the shares on the date of exercise). When the shares are sold by the employee at a later date, (s)he can make gains on sale of shares.

Why ESOPs find favour –key factors at play

In recent times, the talent market is experiencing increasing levels of employee mobility and competition for talent. As a result, it becomes imperative for organizations to adopt a rewards framework which is able to retain and motivate key talent, focuses on paying employees for their performance, ensures business growth, finds favour with shareholders and is also competitive with market practices.

The best part of ESOP as a compensation strategy is that it offers freedom to link employee

reward with individual performance and company performance. Some of the other advantages of an ESOP are its self-funding capability and deductibility of ESOP costs while computing taxable profits of the company.

When cash is scarce and stock is readily available, ESOPs make a lot of sense, thus it is not surprising that startups which are desperate to attract the best talent opt for ESOPs as their primary tool to reward their strategic and key talent.

For employees, where on the one hand ESOP is a tangible monetary reward, on the other the ability to split tax over two stages becomes an added advantage. The ability of ESOP plans to meet the needs of most stakeholders has brought the spotlight back on them. But as ESOPs become the favourite compensation mechanism among companies, companies should also watch out for the increased public sensitivity around offering stock based rewards and the evolving regulation around ESOPs, as non-compliance with regulations is the worst nightmare for any company.

ESOPs under spotlight of the regulators

The landscape around regulations governing ESOPs has evolved in recent times in lieu of media stories on options backdating by Apple and the fiasco of the Redbus ESOP, and thus, regulators have shifted focus to corporate governance and transparency in disclosures.

With the new ESOP Regulations, SEBI has re-looked at the use of trusts for issue of ESOPs, permitted acquisition of shares from secondary market subject to limits and conditions. SEBI also brought in contra trade provisions i.e. purchase and sale of a share within six months for employees and directors under the SEBI (Prohibition of Insider Trading Regulation), 2015.

A smart strategy to implement ESOPs

A problem with ESOPs often has been their inability to demonstrate a connection between employee's own performance and the company's performance. Often, employees below the executive level cannot see the connection and hence do not value ESOPs. Also, ESOPs do not have an immediate spendable value because of vesting restrictions and therefore may not appeal the larger set of employees. Proper choice of employees and proper communication of the value the ESOP plans uphold is the key to a winning ESOP plan. Thus, the communication strategy should clearly show the employee how the ESOP plan will translate into a tangible benefit over a finite number of years for him.

Pricing of ESOP can act as a deal breaker if not planned strategically. An excessively high exercise price may reduce the perceived gain for the employee and will lose out on its motivational value for the employee. A low exercise price may increase tax cost for the employee and thus render the plan unattractive. An appropriate pricing strategy would also impact cost booked in financial statements and earnings per share which is an important consideration for shareholders besides dilution.

When cash is scarce and stock is readily available, ESOPs are a popular choice, as seen in case of startups that use ESOPs as their primary tool to reward their strategic and key talent

A robust exit strategy is necessary for the success of an ESOP since an employee should be able to encash his/her wealth, while ESOP plans of listed companies provide a seamless exit, in unlisted companies, ESOP exit will work best when funded by company getting listed or through a new investors coming in. In case these events are stalled for some reason, a good ESOP plan must always provide for an exit which could be by way of company arranging a buy back at the current market value. Well-planned exit from an ESOP ensures employee confidence and trust in the success of the ESOP plan as a reward and retention strategy.

There is no one-size-fits all approach while designing a long term incentive strategy for the company and every company has to keep the needs of its stakeholders in mind while designing the right ESOP strategy. ESOPs definitely work in favor but need a well thought out feasibility planning and roadmap for successful implementation. 🅿🅜

ABOUT THE AUTHOR

SONU IYER is Partner & Leader - India Region, People Advisory Services (PAS) at Ernst & Young

A GUIDE TO A TOTAL REWARDS STRATEGY

A holistically viewed and well-communicated rewards portfolio can benefit both the employees and the employers | By **Kulin Patel & Sambhav Rakyan**
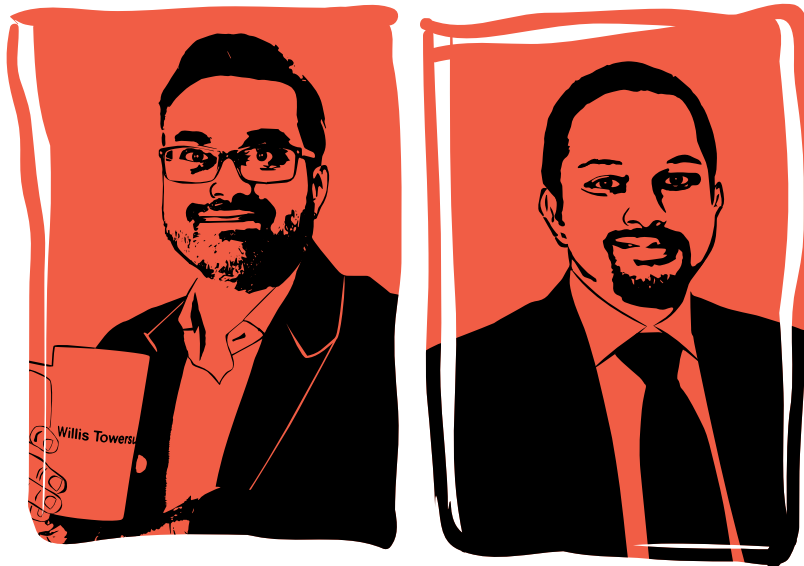
To become an employer of choice, companies have to take a holistic view of their Total Rewards, which comprises of not just the foundational rewards but also performance-based, and career and environmental rewards. Often, benefits outside the base salary do not get enough focus in Total Rewards. Yet, any of the factors can be the differentiator.

Foundational rewards include the base salary, healthcare, retirement and insurance; performance-based rewards add up as short term and long term incentives, any profit sharing plans and recognition, and finally career & environmental rewards include career development programs, mentoring programs, talent mobility opportunities, wellbeing programs and flexibility in working arrangements. Companies cannot provide everything as budgets are getting tighter every year and HR has to increasingly justify their financial choices to the business heads in terms of returns.

Total Rewards thus have to be designed keeping in mind the big picture. It has to be in tune with what goes with the company's business and HR strategy, and with clarity on what aspect an organization wants to differentiate as an Employer of Choice.

While the number one challenge for a good Total Rewards policy is cost, the number two challenge is to get the effective value out of that cost. The reward must be valuable to the employee and perceived as such by them, in order for the employer to be able to leverage their Total Rewards program towards enhanced productivity.

Developing a rewards strategy

When thinking about Total Rewards design, most companies use the phrase "Total Rewards" to describe the full combination of monetary and non-monetary investments they make in their workforce to attract, retain and engage the people they need to operate its business successfully.

We define Total Rewards components as having two critical identifying characteristics:

1. **Program:** To be considered part of Total Rewards, the component must consist of a specific program that the company makes an investment in and manages.

2. **Value:** To be considered part of Total Rewards, the component must have some specific ascribed value in the eyes of employees.

Companies need to have individual employees decide for themselves what the scheme of rewards means to them as an individual and what they derive maximum value from at that point in time. One can think of this like managing a portfolio of assets and finding the most effective and efficient combined value for employees and employer. The organization's Total Rewards program must link the value it holds for the employee as well as the value it holds for the employer, who is going to make the investment.

Segmentation and differentiation: One size no longer fits all. If there is a high performer and an average performer and the difference between their bonus payouts is just around 10-20 percent, it is likely to not be enough to keep the high performer sufficiently motivated. Segmentation is not only at the amount level but also as per the life and career stage. Companies need to bring in newer things which match the needs of the workplace demographics. For e.g. high performing millennials tend to look for career advancement, greater exposure and a good performance incentive plan to motivate them. It is possible that such needs and priorities shift due to life events such as marriage and family planning. Employers should develop a set of metrics through which employees are able to establish and ascribe a batch to what they value

To enhance productivity through a Total Rewards program, the reward must be valuable to the employee and perceived as such by them

the most from the various options being given by the employer.

Flexibility is going to be important: Companies are starting to experiment with the component of flexibility where they are performing a conjoint analysis to find out what elements or components of pay do employees want. For example, when introducing an incentive plan, they need to approach the workforce and ask questions such as how much it should be, what will motivate them, what should the elements be and how their compensation bit should look like is important. This move towards flexibility with various aspects of working is increasing. For example, policies are getting more relaxed with traffic rules like Odd-Even coming in the Delhi-NCR region and that is making the companies think about how they can reduce inconvenience to the employees and cause minimum disruption to their work. Flexibility will be an attractive differentiator with respect to becoming an employer of choice.

Technology for facilitation and Analytics for decision making: The use of technology has been very effective from a HR, and especially a Total Rewards perspective – whether it is in having software for compensation or talent management or a broader HCM platform, which can help HR become much more strategic and allow it to make more interventions efficiently. Technology can help facilitate platforms where the employee can get information about the rewards portfolios, type of rewards and benefits, the workplace and its environment and accordingly make the choices that he or she wants to make as an informed person. Technology can be leveraged for Total Rewards for dissemination of information and empowering employees to make their choices.

Coming to analytics, that time has obviously passed when the gut feelings of senior HR managers could become the basis of policy formations. Key stakeholders in the organization expect HR to provide the necessary data driven insights to identify workplace issues and even provide solutions to help solve them. Big Data and Analytics enable decision-making regarding wages and benefits, flexibility or health & well-being and to find out what employees feel, what the market trends are or what returns the employers can expect on their rewards policy innovations.

Increasingly, it is critical to support Total Rewards programs with technology – whether this is to support effective decision making, e.g. the pay review process, or to enable analysis and reporting of the cost and value of programs or to enhance the employee experience of Total Rewards. Willis Towers Watson research shows that companies with the most evolved EVPs focus on creating a consumer-like experience when it comes to how they communicate and how they seek to engage their employees in their Total Rewards programs.

Communication is as important as innovation: If the innovations and the investment made by the employers into their Total Rewards programs are not communicated well to the employees, it will

have very little impact on the employer's EVP or returns on business. Employees are often unaware of the benefits they are entitled to. Unless they go through an extreme circumstance that calls forth that assistance of such a benefit, that value proposition is simply text on paper.

Except for benefits like maternity leaves, which lately receive a lot of limelight, critical benefits like health and retirement that companies spend a fortune on, do not get communicated or valued proportionally. Companies need to have conversations with employees and improve awareness so that they understand that a fair and square process determines the reward they are receiving.

COMPANIES WITH A HIGHLY EVOLVED EMPLOYMENT DEAL ARE

3x as likely to report their employees are **highly engaged** > **1.5x** as likely to report **achieving financial significantly** above their peers > **Less likely to report having difficulty attracting and retaining employees** particularly in key employee segments

Source: 2014 Willis Towers Watson Global Talent Management and Rewards Study

Research shows that many Total Rewards programs do not achieve their objectives, not because they are badly designed, but because they are poorly delivered

There is also a concurrent need to continuously push towards a culture that promotes openness and transparency about the pay and benefits system. The role of a HR leader is increasingly of a marketeer and employing effective communication across the spectrum of employer branding, features and benefits for employees and providing context of the value employees can derive for themselves. With technology available, targeting messages and having communication contextual for the recipient will go a long way to bridging the perceived value gap.

Willis Towers Watson research shows that many Total Rewards programs do not achieve their objectives, not because they are badly designed, but because they are poorly delivered. For example, pay for performance programs that employees do not understand; or career development programs that are not supported by efficient technology.

Employers have to begin with developing a mindset of optimizing their portfolio of Total Rewards. They need to look at what they are doing currently in rewards and assess the value that it brings to employees and whether that matches with the amount of money that they are spending to provide those rewards. 🔴

ABOUT THE AUTHOR

KULIN PATEL is Director – Client Account Management at Willis Towers Watson and **SAMBHAV RAKYAN** is Global Data Services Practice Leader – Asia Pacific at Willis Towers Watson

COVER STORY

SHRINKING MARGINS AND RISING EMPLOYEE COSTS

It is essential to align your rewards structure with the business strategy
By **Bhavna Sud**

So you've done a market study on compensation, and you are pegged pretty much at where you want to be against the market. You've designed a cutting edge Pay-for-Performance program and even have some exciting stock options for your top management. And of course, you know better than to ignore the millennials – you have a flexible salary structure, complete with gym memberships and other such benefits. All you need to do now is wait for the motivation to kick in and reap the benefits right? Then why is your business not growing every year as you had planned? Or perhaps your margins are shrinking with every passing year, while your employee costs keep rising due to the war for talent?

> Reward programs work, if they are strongly linked to business objectives and the employees know what is expected of them in their jobs – employees need to see the connection between their own work and the overall goals of the company

Why is your rewards strategy not delivering results?

One critical aspect that companies tend to overlook is alignment of rewards with business strategy. Reward programs work, if they are strongly linked to business objectives and the employees know what is expected of them in their jobs. Employees must see the connection between their own work and the overall goals of the company. But, how do you ensure that your rewards and business strategy are aligned?

Identifying measurable business goals: The first step towards bringing this alignment is by breaking down the company's vision into clear measurable goals. Identify your goals for the next three years and think about how you will achieve those goals – identify the levers you must pull, to create value for your company. Let's say that lever is new products, then you must have metrics related to new product development on your company's scorecard and also distributed across the scorecards of your CXOs – it could mean adding a new production line over the next three quarters, augmenting the R&D unit or hiring new technical specialists. This implies that you must add metrics to the scorecards of your Head of Production, Head of R&D and CHRO.

Driving alignment through all levels in the organization: The next step would be to align the larger employee population to these company goals. Stop and consider what are you are currently rewarding for vs. what you should be rewarding for? If it is planned sustained growth that you are after, instead of small incremental year-on-year growth, make sure your employees understand how you plan to make that shift. Employees need to understand what they should be doing differently. It's most likely that you won't grow faster by just working harder and putting in more hours. You will have to innovate, and create more value from the same resources at your disposal. Hence, the KPIs should reflect this change in your thinking and approach.

Equity in target setting: Given the business strategy and goals, what is the acceptable level of performance now that your goals have defined? This definition must be the same for everyone in the organization. All too often, different departments rate their people differently, depending on their own perceptions of acceptable performance. Another reason for this is the perceived difference in the achievability of targets. Incorporating a structured, data-based system for setting targets starting from the top will go a long

way to establish equity in target setting. Equity in targets is an important factor for maintaining the optimum degree of stretch across the organization and keeping everyone focused on the goals.

Don't underestimate the intangibles: Goals and metrics is only one aspect of executing a business strategy. Another equally important aspect is 'employee will' to execute the strategy. Reward has a key role to play in demonstrating an organization's values, commitment to employees and the value it places on performance. The intangible, emotional part of rewards is far heavier than the tangible, monetary part. This is why it's important to view rewards as Total Rewards rather than just a monetary pay-out at the end of the year. Total Rewards includes tangible rewards like basic salary, allowances, benefits, bonuses, stock options, retirals etc. and also intangible rewards like career development, work-life balance, safety and security, quality of work and an enabling environment. Make sure that your intangible rewards speak the same language of performance and success as your tangible rewards. For example, if monetary rewards in your company are linked to metrics that can be achieved through innovation and collaboration, you cannot cultivate an environment that promotes bureaucracy and competition. You may need to make changes to your structure, systems and processes in order to create an enabling environment. Perhaps reduce the number of layers in the organization to increase speed of decision making, or create cross functional teams to encourage creativity and collaboration?

Robustness of supporting environment and processes: Sometimes the factors that get in the way of alignment are the very processes that support and help deliver the reward strategy. Some factors to watch out for are:

1. The Performance Management System – Is it fair, transparent and objective?
2. Organization Structure – Is it geared to deliver business strategy and performance?
3. Role definitions – Do people know what is expected of them in their job?
4. Behaviours – Are we encouraging the right behaviours needed to achieve our business goals?

Top management Involvement: Creating alignment is hard work and demands a lot of time and attention from the top management. Some of the ways in which the top management can support the alignment process are:

1. **Communication:** Reinforce the company's business goals through on-going, public communication. This would ensure that all employees are aware of the future direction of the company. Be vocal about the reward strategy and how it links with business goals. Emphasize on the company's commitment to high performance.
2. **Role modelling:** Every leader in the organization must be a role model for behaviours desired for business success. They

> Reward has a key role to play in demonstrating an organization's values, commitment to employees and the value it places on performance

should demonstrate company values through their actions on a day to day basis.

3. **Drive the process:** Aligning reward strategy with business strategy should not be seen as a purely 'HR' activity. It is critical for business success and should be positioned in the same manner. The top management should drive the process with support from HR.
4. **Gatekeepers to the process:** Top management must ensure that the process is followed as intended. They must appropriately and visibly address any deviations or exceptions to the process.

It goes without saying that the top management's inputs are crucial for articulating the business strategy, ensuring its buy-in and also serving as gatekeepers to the process. Moreover, the effort has to be a consistent one, till the time it becomes a part of the organization's culture.
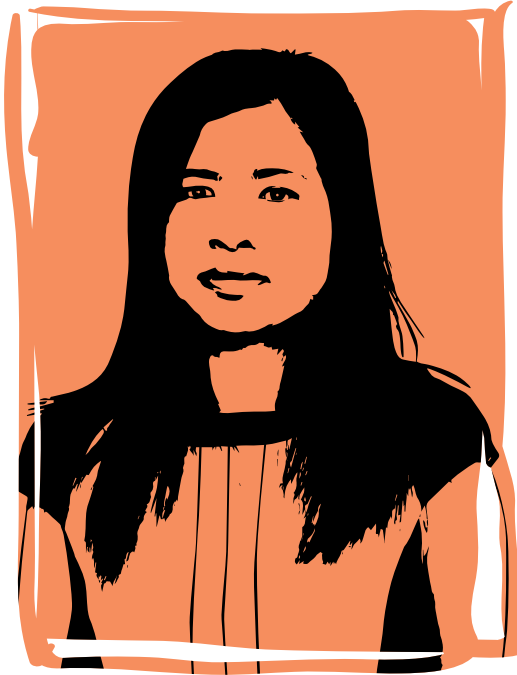
Lastly, I would not recommend trying to fix everything all at once. Take the time to study the data, listen to your employees and then address the aspects that matter the most. Know where to start to get maximum impact. **Pm**

ABOUT THE AUTHOR

BHAVNA SUD is Director at Hay Group India

PEOPLE-FOCUSED & MISSION-DRIVEN – FACEBOOK'S REWARDS STRATEGY

Facebook's goal is to make the world more open and connected. And by focusing on people is how it aligns its total rewards practices. **J Jerry Moses** talks to **Genevieve Lim,** APAC Head of Total Rewards at Facebook

It is the most popular. And the numbers say it all.

Facebook leads social networking platforms and the latest scores on its user community reveal a staggering truth – 1.59 billion use Facebook each month, and these numbers are growing every day. The only question that comes to the minds of most people is – How did a twelve year old company with an ambitious goal to 'connect everyone in the world' achieve so much in such a short span of time? What is the USP of this organization?

'Putting people first' – a strategic approach adopted by Facebook is the answer according to Genevieve Lim, APAC Head of Total Rewards, Facebook. Whether that has to do with the business, culture or even with its rewards philosophy, the focus is on people. A key differentiator lies in the company's mission-driven culture, where every employee is not only able to articulate what the mission of the company is but is able to translate and relate it to their work. And the same holds true for the company's total rewards program. Lim points out that "while the success of a business lies in the strategy of the company for a benefits program, culture is the strategy and not knowing your culture, whatever you do, will not work." If HR does not understand the role of culture, they will not be able to implement the right total rewards strategy because in the end, a good benefits program re-enforces the culture of the company.

Impact-focused culture

Facebook's cultural orientation is one that is focused on impact, where employees are encouraged to focus on the biggest problem that is important to their career. Lim says that "although it may sound easy, we try to ensure that we do not set boundaries to them". To make sure that employees feel empowered, the company has two mantras:

1. **No problem is someone else's problem:** and although there are no rules, the company's core values are central to the employees' work.

2. **Courage:** Employees are encouraged to think about what they would do if they were not afraid. The emphasis is on making bold decisions – in a world that is risk averse, "not taking risk is the biggest risk, which also means accepting failures along the way" says Lim.

The core values of the company are built on focus, speed and prioritization based on impact. The core values of Facebook are:
- Move fast and break things
- Stay focused and keep shipping
- Done is better than perfect
- Ruthless prioritization

In keeping with the mission of the company, which is to make the world 'more open and connected', the company's leadership encourages a culture of sharing information and they also regularly ask for feedback. This is led by the company's CEO, Mark Zuckerberg, who conducts a weekly Q&A, where employees curious about the CEO's work or the future of the business, can ask questions directly to him. "It is the kind of openness that leaders across the region practice", says Lim. Apart from that, there are one-to-one discussions and employee focus groups within the Facebook platform designed to identify how engaged employees are. Lim notes that creating the right environment where employees feel safe and comfortable enables the company to understand the RoI of their programs - what's working and what isn't.

> Not knowing your culture, whatever you do in total rewards, does not work

The company also has what it calls "Facebook tribes", which is similar to a Facebook group. It's like creating a WhatsApp group with your friends which works on the same philosophy. Employees have an option to choose whether or not they want to join a specific Facebook tribe. "There are a few tribes that employees will join that impacts them the most – basis their job and these aspects have been instrumental in shaping our benefits programs" adds Lim. Quoting a recent example of the importance of social media impacting the benefits strategy, Lim notes that when the company rolled out their paternity program, there were concerns that were voiced on their platform about how this will impact business. Whether there would be a replacement for someone who is going to be away for four months of paternity leave? - "So it then links back to the Facebook philosophy of being open and transparent, and we share information about why and how decisions are taken" adds Lim.

Total Rewards framework

How does a company with 'no-rules' environment, an emphasis on staying 'open and connected' and also growing at scale conduct its total rewards program?

While most people assume that organizations growing at the pace of Facebook focus excessively on compensation, Lim argues that this is not the case. The company focuses equally on non-monetary rewards. At the end of the day, the value added to the company and the impact plays a key role. In order to reward employees positively, the company employs Analytics right from the hiring stage throughout the employee life cycle with the goal to incentivize the right behaviors. "So, we ask questions that are relevant to it, whether that has to do with optimizing our benefits spend or assessing the impact "says Lim.

Apart from Analytics that is based on measuring the success of the business in terms of year-on-year growth and retention rate, the company also conducts subjective surveys twice a year to understand the employee needs. Along with market benchmarking, the company looks at performance data across various levels in the organization for the purposes of its compensation strategy. The emphasis is however on breaking away from norms – which means not being focused on matching benefits and rewards based on competitors but focusing on employee needs. So it involves asking questions such as: "Is it really relevant to my employees? What resonates better?"

When it comes to benefits, the organization strives for global consistency, but they also look at areas where they can work on local relevance.

The pillars of Benefits@Facebook

Facebook benefits deck is based on seven pillars:
1. Health – including insurance and wellness
2. Community – encouraging causes and hobbies
3. Family – focusing on providing care and support
4. Growth – providing opportunities to learn and grow

Creating the right environment where employees feel safe and comfortable enables the company to understand the ROI of their programs – what's working and what isn't

5. Finance – focusing on rewarding performance and impact
6. Convenience – supporting daily needs of employees
7. Time away – including career break and parental leave

Some unique benefits that Facebook offers include access to doctors around the world, hobby clubs, food, snacks, on-campus health clinics, laundry services, transportation and much more. The community pillar includes a Global Causes Day, where employees rally for causes that they care about. It also provides survival benefits which is an extended support to families of employees who pass away during the tenure with the company.

Unlike other major competitors in the internet space, Facebook remains a tight knit company with about 12,691 employees across the world. The company's emphasis on impact and performance has enabled it to attract the best talent to drive innovation – whether that's in its oculus business or artificial intelligence. Facebook's clarity of purpose, in the form of its mission, its culture of open engagement hold key lessons for organizations that are facing the new frontiers of business amidst a new generation of employees. Pm

THE HEALTH OF WELLNESS PROGRAMS

The People Matters and Truworth Wellness study, "The length and breadth of wellness" decodes the landscape of workplace health and wellness programs in Indian corporations. The survey accumulated responses from 91 organizations during December '15 and January '16 and it gives an insight into the current state of workplace wellness in India and the health benefits organizations offer to their employees.

Here are the key findings of the report

TOTAL Rewards

91% companies have some kind of wellness benefits as a part of their rewards programs

The wellness **offerings** of companies are very **diverse** but at the same time, **health benefits are incoherent** and the employees themselves have to find and get access to resources to treat or prevent any health risks

71% offer regular health checks

69% offer education and awareness on healthy lifestyle

But only

25% offer dedicated health risk assessment

25% offer access to health experts such as nutritionists and fitness experts

12% offer disease management programs

Other offerings

62% provide access to doctor advice and consultation

39% provide in-house gym or discounts for external gyms

58% organize sports/physical activities

37% offer EAP or stress management programs

47% send out daily health tips and information

22% offer 24x7 health and wellness hotline

Indispensability of wellness benefits

The worth of wellness programs is being valued by organizations. More than 90% companies agree that wellness programs increase an organization's productivity as well as help it attract and retain the best talent.

The **#1** Metric that companies are trying to influence

These also are the top metrics companies are trying to influence.

45% companies are trying to increase engagement scores
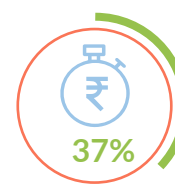
37% companies are trying to increase productivity

Challenges along the way

Showing the RoI of wellness programs is the biggest challenge for organizations, among others.

54% find it difficult to link wellness investments to RoI of business

51% are unable to get access to funds from management team

51% face the challenge of wellness programs

50% face challenges in getting employees to participate in such initiatives

38% lack the bandwidth from the HR team to design and manage wellness programs

25% For 25% businesses, wellness programs aren't a priority

Hazards of no proof of RoI

The inability of organizations to show RoI of wellness has thwarted their investments on wellness programs

Projected investments in wellness over the next 6 months:

Only **30%** will increase

70% will remain the same

Currently, the annual investment average of wellness per employee is

7% more than **Rs. 15,000**

28% between **Rs. 5,000** and **Rs. 10,000**

65% less than **Rs. 5,000**

The now and the next

India is at an early stage of the wellness culture. Wellness programs are yet to become outcome-oriented. Organizations need to incorporate offerings of risk assessment and health improvements to reach maturity.

Organizations are waking up to the importance of wellness programs

98% employers agree that there is an opportunity to enhance their wellness offerings

(With inputs from the presentation given by Rajesh Mundra, Founder & CEO, Truworth Wellness during the People Matters Total Rewards Conclave held on February 5, 2016)

DR. ALFREDO BEHRENS

Even the Lone Ranger was not alone

A look at how fair team compensation practices generate trust, affability and collaboration

The Lone Ranger is a fictional character who fought outlaws in the American Old West. He first appeared in 1933 in a radio show, where there was no need for him wearing his iconic black mask. The mask was brought in later as the radio series hit success and spawned successful comic books, films and a television series lasting from 1949 to 1957. To individualists, it does not surprise that only the Lone Ranger became an enduring icon of American culture. But the Lone Ranger was part of a two-man team, the other one being a native by the name of Tonto. Had the Lone Ranger play been a business and not entertainment, Tonto would have left early, because the Lone Ranger got all the credit.

The trouble is that most businesses are run the same way even today; because the culture that created large audiences for the Lone Ranger is the same one which offers much of the managerial compensation philosophy.

From people-oriented to collaborative groups, the winner-takes-all reward system breeds frustration and disengagement. The social dilemma approach to teamwork explains this by stressing that there is an inherent tension between self-interest and collective interest; because self-interest may lead people to withdraw time and effort from collective interests they believe they will not reap the benefits from.

For all to win, all must choose to collaborate, but if some are perceived to be untrustworthy, some of the rest might choose not to collaborate to the necessary extent, diminishing the overall disposition to take part in the collective endeavor. This means that there must be mutual trust for a system to succeed, which requires individual and collective incentives to coincide. Obviously, the Lone Ranger case offers a poor example of a long-standing voluntary successful association.

Trust cannot arise in systems which perpetuate unfair rewards, like bonuses

People may withdraw time and effort from collective interests they believe aren't rewarding

only for star performers. The challenge lies in designing reward systems for satisfactory collective performance which also recognizes some desire for protagonist roles. Protagonist roles are easily perceived. It is more difficult to perceive the contribution to success of good citizenship roles within effective teams.

The team's contribution to the whole is more readily ascertained than individual contributions within the team. This happens because effective teams require and build recognizable team boundaries, and these are likely to preempt accurate individualized performance appraisals by outsiders. For instance, Nucor, a steel company headquartered in Charlotte, N.C. operates in a shrinking industry. To survive, it must stress productivity, and it distributes team bonuses following that premise. The bonuses are allotted equally to all team members. It is a step forward but it still relies in performance appraisals

external to the group, i.e. production; and is unable to discern who deserved most within a team, choosing the apparently fair equal-pay bonus distribution.

Team-based incentives should not be a religion. Fairness should be. When the team's contribution is above expectations, a reward is due; but fairness for the distribution of the exceptional reward is best left to the team's interpretation. Only the team really knows who deserves what and due to what circumstances. Some team members may be grieving to a family situation – their performance may be temporarily suffering, but not for the lack of effort. Only team members know what is going on within a team. Outside payments equal for all do not reflect realities within the team.

Should team members systematically receive an unsatisfactory reward, they will want to leave the team and that should be, to higher placed managers, sufficient indication of poor team management, possibly poor judgment on the distribution of benefits. And it is not all about money. Compensation has many dimensions and may take many guise, including time-off. Learn from David Marquet's recommendation on deciding who can take holidays; it is rarely the nuclear submarine captain who is the best person to decide who or when, but it's the team leader who knows best.

Fair team compensation practices generate trust, affability and collaboration. These induce people to stay on the job to preserve their workplace relationships, despite poor relationships with the group's outside supervisors. Time on the job fosters the sense of community, facilitating collaboration within teams and lowering turnover. In the real world Tonto would have dropped the Lone Ranger early. **pm**

ABOUT THE AUTHOR

ALFREDO BEHRENS is Lecturer at Harvard Business School Publishing and is a Professor of Cross-Cultural Leadership at FIA Business School, São Paulo.

Think differently

about your talent strategy

Consider the mounting challenges your organization faces in accessing critical talent.

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ABHIJIT BHADURI

Total Rewards move to intangibles

The enterprise and talent have a symbiotic relationship which results in the evolution of the spectrum from compensation and benefits to total rewards

He lay in his bed and wondered if his employer would ever take him back. His father was a good worker and earned 75p a week. His mother used to be paid 35p for a week. They were poor but happy. After his parents had died, he had to move to an orphanage.

The employer had been kind enough to take orphans like him and made them apprentices who would learn the textile trade and paid him 15p per week. The 12-hour shifts were dangerous especially when children like him would be made to go inside machines to clean them while they were still moving and jump out in time before they were injured.

The children were scared of the supervisor. He carried a leather strap with which he would punish the children who were caught talking or whistling during the meals. The supervisor was mean. He routinely altered the time on the clocks and claimed that the children were late to work and imposed a fine.

But being in the hospital was much better than sleeping in the barracks attached to the factory. The hospital had given him a bed all to himself. He loved the feeling that the bed was his and he did not have to vacate it for another exhausted child returning from the previous shift. He had difficulty hearing the doctor when he told the nurse, "This wretch caught pneumonia when he went out into the cold night air led after being in the warm and damp factory for 14 hours at a stretch. His hearing has been damaged because of the noisy machines in the factory…" The medicine made him sleepy.

We have come a long way since the scene from 18th century England described above when factories and mine owners sought to control and discipline their workforce through a system of long working hours, fines and low wages. Today, the investors want to know how you treat your employees. The CHROs use analytics and other tools to explain to the Board and C-Suite how they intend to answer the questions about Total Rewards.

Signaling Mechanism

Total Rewards refers to six basic elements all employers use:

1. Compensation
2. Benefits
3. Work-Life Integration
4. Rewards and Recognition
5. Performance Management
6. Talent Development

The word compensation describes something, typically money, that is paid out in recognition of loss, suffering, or injury incurred – recompense. It

> Total Rewards is a signaling mechanism. It tells the individual that they are valued and announces that to the rest of the world
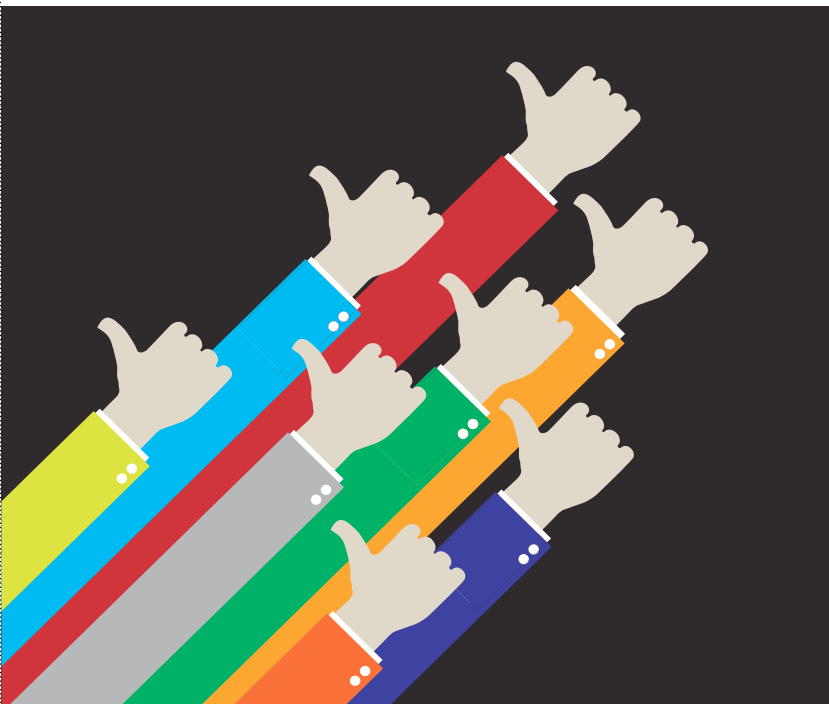
is interesting that we use the word compensation and benefits to describe what we get in return for our participation in the talent market.

If you map the six elements to Maslow's hierarchy, compensation and benefits would address physiological needs and safety needs. The rest are truly aimed at addressing the higher order needs of belonging, esteem and self-actualization. Looked at from that lens, Total Rewards is a signaling mechanism. It tells the individual that they are valued and announces that to the rest of the world.

Are signals effective

Netflix rehires its top talent every year during its performance reviews. That pegs the top employees' pay to going labor market rates and addresses the gripe that laterals are always paid more than those who stay on in the organization. Companies in the Silicon Valley try to outdo each other (at least during boom times) to provide everything from concierge services to slides in the office to attract talent. But talent still seems to get wooed by competition any way.

Addressing the lower rungs of Maslow's hierarchy seems passé. Are employees willing to work in a stressful workplace if their mission seems lofty enough? Evidently yes. Recently, Tesla and SpaceX – both run by Elon Musk were in the news for being stressful places to work. Elon Musk responded by saying, "SpaceX and Tesla rated most meaningful work in high tech. Also, most stressful, but that goes with the territory." Musk has really made engineering and manufacturing interesting again.

Intangibles are the differentiators

The evolution of the digital economy is being driven by the customer and the employee in equal

> The differentiation lies in the user experience and for that, HR professionals have to think like designers and obsess about the employee experience

measure. Employees have evolved from being yet another factor of production to being viewed as talent where each individual's contribution is unique and critical. The individual's personal brand matters as much as the organization's. The enterprise and talent have a symbiotic relationship which results in the evolution of the spectrum from compensation and benefits to total rewards.

The tangible elements of total rewards like compensation and benefits are easy to benchmark and copy. But that is like trying sell a smartphone based on its hardware and software. Every phone allows the user to do exactly the same thing. The differentiation really lies in the user experience. This can be done only when HR professionals think like designers and obsess about the employee experience. Designers address the unspoken needs of users. Total rewards is no longer about the articulated needs. It is on intangibles. **Ⓟⓜ**

ABOUT THE AUTHOR

ABHIJIT BHADURI is Chief Learning Officer at Wipro Group

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MOHIT SETHI

Performance Management Selling (not System)

If Performance Management was a product, how would the HR create an environment which enabled its consumers to see the power of this product?
Mohit Sethi, Director – HR, Nielsen on selling 'performance management'!

I recently attended a panel discussion on the topic of Performance Management System and its ability to take care of the needs of any organization today. We spoke about VUCA environment and the constantly changing priorities of today's organizations. We questioned whether traditional systems or the new approaches (of ditching the bell curve) are the answer to the problem.

I was hoping to get some direct answers to the questions however; our panellists engaged the audience and encouraged them to challenge the notion and debate amongst the crowd! It was fascinating to see that when HR folks are not amongst their own organization, they can express their own disbelief or incapability with so much comfort. The panellists did a wonderful job of stirring up the minds of all who were present.

Everything said, one question that remained was – what is that HR can still do 'BETTER' in order to get more and more people to buy in the strength of this system. Below are some points and arguments that were discussed. *(My inner voice is also presented (in italics) which counter argues and pushes me to think of some even more basic solutions):*

#1

Whose baby is PMS anyway – HR or Line?

ARGUMENT

For long, we have debated and finally agreed that Performance Management is not HR's baby alone. HR is merely the facilitator. The real owners are people in the line function and they should own the system.

DEBATE: *I wonder if it were so clear and easy, then why we wouldn't win the battle already. And then why would our lives in HR never change during the last quarter of year when ratings of all associates have* to be keyed into the system just before the system goes for a close. Why would HR have to chase people down to the last day?

#2

What was the objective of having a Performance Appraisal in the first place? Who did it first? And what is the difference between Performance Appraisal and Performance Management?

ARGUMENT

Performance Appraisal was a system started by GE where this organization paved way for all the others to be able to differentiate between associates in order to reward them well. Many have called this science; some have called it as a mix of science and art. Whether, you give numeric rating (such as 1,2,3,4) or give a title (Excellent, Good, Fair & Bad), many in HR fraternity argue that Performance Appraisal system has lost its core essence of providing feedback. Most employees don't receive their feedback but are handed over a rating which gets keyed into the system for the kitty to be distributed. Additionally, while Performance Management is the whole lifecycle of performance identification, development and assessment + feedback, Performance Appraisal is that one moment

Performance Management is not HR's baby alone. HR is merely the facilitator. The real owners are people in the line function and they should own the system

where that feedback culminates into a discussion and then eventually a rating. Performance Management is continuous and thus a flow concept. Whereas Performance Appraisal is more of a stock concept as it happens during a specific month in a year.

DEBATE: *If we know all of this, then why does line forget to follow the key objective of the Performance Management/Appraisal system and not provide regular feedback which becomes the vehicle to drive better productivity or output in the subsequent years? We have for long conducted enough number of overview sessions for businesses to know about the importance of Performance Management and have done several role plays in our training programs – but then why do our associates on the ground not know why they got a rating of ¾ this year and what could they do to remain on the top rating of 4/4 next year. They are communicated a rating, a supporting dialogue such as "this is what has come from the top" and then a delayed objective setting for the next year. And, by then the associate's confidence in the system of PM has already shattered. S/he doesn't feel the need to commit since they haven't seen any benefit of it.*

#3

HR has failed to convince the business to believe in the power of this system. If business tweaks the system of Performance Management to their advantage, then this system wouldn't work for anyone. And then, you would be compelled to give up some key attributes of this system such as the 'Bell Curve'.

ARGUMENT

Performance Appraisal is a system that helps distinguish top performers, medium performers and bottom performers. Thus it is a vital tool to distribute the kitty in such a way that everyone feels rewarded in comparison to the contribution that they have made to the company. This is one best method of achieving 'Meritocracy' in the system and differentiating chalk from cheese.

DEBATE: *If this is how simple the result of using this system was, then why would there be any reason for organizations to challenge the traditional Bell Curve one after the other. Certainly, somewhere we have failed to let people appreciate the outcomes of meritocracy and differentiation, which enable a rightful distribution of reward and proper feedback for all.*

What can we learn from Sales?

The purpose of this article is not just to illustrate the problem that we are facing

While the HR invariably knows a lot about the business, it doesn't often use knowledge to convey the messages about the PMS's benefits or its impact using the client's situation

today and leave everyone with some obvious questions like – so what? The key reason is to present a very interesting spin on what we can learn from our Sales people in order to better the game of Performance Management. Let's consider Performance Management as an awesome product which was built with a lot of thought and hard work. Now, the challenge at the hands of HR people is to create an environment which enables its consumers to see the power of this product.

1. TREAT IT LIKE A PRODUCT – Get trained for selling this product first – Just like when you don't know the features, advantages and benefits of a product you would find it difficult to sell, the same way is Performance Management. *The key feature of this product is that it helps solve the problem of 'feedback'. However, we have been underutilizing it to use it for only 'rating' people.* Our clients would undertake repetitive purchases only if they were satisfied the first time. Since they are using the product for ½ of its benefits, the chances that our clients may not like our product are high.

2. THE HERO WITHOUT A STORY – When sales people market their product, they

choose the brand icon that represents the ethos of the brand. Now, sales people do a great job of marrying the brand icon and his/her story with the brand. When we (HR folks) have to market the adoption of PMS, we first do a hurried job of choosing the brand icon (take anyone from the top management – how does it matter). To make matters worse, we don't elicit the story of our hero and build a connection. Next time, try having your top leader share a personal story of how an incidence of feedback and evaluation changed their life and then sell the product.

3. NOT SHAMELESS CONFIDENT – Sales people keep knocking at your doors till the time either they are thrown out or their client is convinced. They are shamelessly confident and do not get perturbed by the first few rejections. In HR, when we pitch the product for the first time and our people don't either get it right or don't appreciate the value, we try once, twice, but then we easily curl up in the corner of the room and start blaming, "these guys would never get it! They are not even interested". Succeeding at selling to our internal customers is not linked to getting the pay cheque every month. Convincing
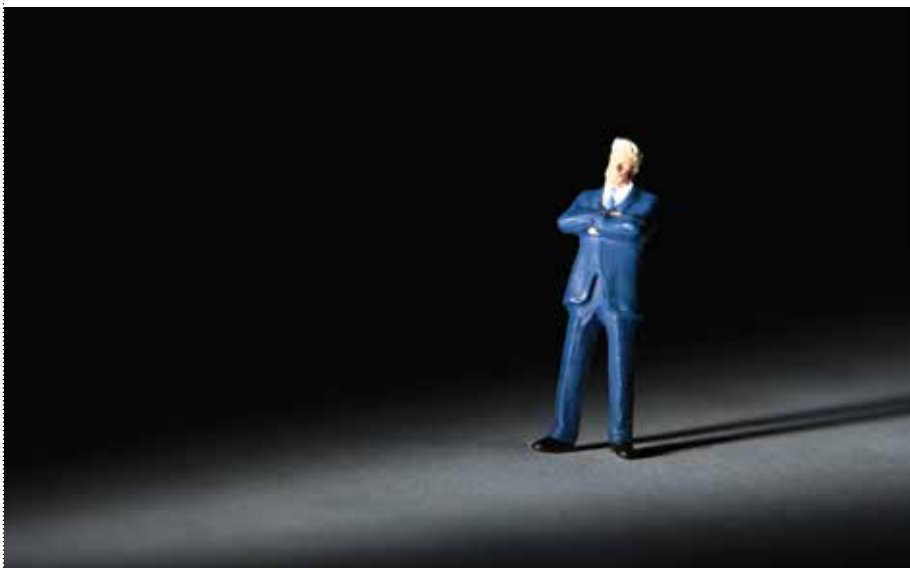
> Performance Management is continuous and is a flow concept, whereas Performance Appraisal is more of a stock concept as it happens during a specific month in a year

our clients to buy the full package in its entirety is not a compulsion. Sometimes, even successful selling of an idea is not a compulsion. Therefore, we don't try too hard to be shamelessly confident. We need to know that success at sales is only when either your client throws you away or buys your product. Anything else, is emotions. Thus HR needs to accept 2-3 rejections before the internal customers even begin to see value!!

4. SALES HAPPEN WITH A BEAT PLAN – Sales people go to average 40 stores in a week. They are constantly creating schemes, bundled offers, organizing for ATL and BTL activities. The HR conducts trainings and awareness sessions to educate people about the PMS System. However, the number of times we conduct these, or the variety of ways with which we capture our audiences' attention is very limited. And then we start complaining "after many attempts to train the business, we have failed to establish the importance and the right way of adopting the product". Let's accept. It is one product which not many people get clearly. Also, if they get the product well, most of them can't sell its features to each other… so, at the end you are dealing with a client base that has to be *"entertained"* well and in as many ways as possible. *Go for a stricter beat plan.* Ensure variety and quantity; both. Just check your

feedback score from the last training on Performance Management and the number of times you conducted this education session. Now, compare this to the number of Communication Skills or Effective Presentation Skills programs and scores. You would know the difference. *Repetition is the mother of all learning.*

5. KNOW YOUR CLIENT'S BUSINESS– Sales people do a lot of research about their clients before walking into a meeting. This is done simply to make sense to the client in the business meeting and look credible to him/her when you are proposing the benefits of your products. So, in the famous SCQA model, you present your client's Situation, Complication, Question and Answer in such a manner that the client feels compelled to believe you and listen to what you have as solutions. What is noteworthy here is that they always know that no amount of research about the client from secondary sources or asking your colleagues/network will ever be enough. The client would know about his business better than the sales person any day! Still, they use this technique every time before the business meeting.

While we as HR folks invariably know a lot about the business, we don't often use our knowledge to convey the messages about the PMS's benefits or its impact using our client's situation. *If we are not*

researching about our clients' biggest pain areas and taking the risk of connecting their Situation & Complication to a question that they should think about and the answer that we have (PMS), then we can never convince them to convince their own teams about it.

6. THE SALES LOOP – Sell, service, get feedback and repeat – the Sales loop clearly instructs sales people to continue the whole Sales loop. Whenever a sales person neglects any of the stages in the Sales loop, (s)he sees repercussions immediately. Either there will be more sales than they can service or there will be more feedback than new sales. If Sales loop's equilibrium is broken, you see the side effects immediately.

PMS is HR's baby. They have to own the product. And, *the Sales Loop is necessary to remind us about the steps such as sales pitch, service, gain feedback and repeat!* It is the discipline of sales that gets sales people their credibility in the organization. It's the same way that HR folks have to come through.

Everyone at HR has been working in the area of Performance Management through one or the other way – whether it were the Comp & Ben people who kept yelling at the HRBPs to keep the distribution in control or whether it were the HRBPs who kept pushing their own BU Leads; whether it was the Head of HR who presented the most meritocratic outcome to the stakeholders in the business or whether it were the L&D team which drove successful role play led sessions to make our managers learn more about the application.

If we invest so much in the system of Performance Management, then we also need to listen to the environment and for a minute investigate like a Marketing Head who not only looks at just one of the 'Ps' of the marketing - Product. S/he looks at other Ps too - Packaging, Promotion, Positioning. They all are critical and that's what we need to bring into our scope of work if we wish to succeed at ensuring this product works well for our organizations in today's environment.

To conclude, here is what I suggest you do – do a very basic and a quick analysis of human-hours spent by your HR team on all the 4 Ps of marketing of this product. You would soon realize where the investment needs to go up. And that's when you can go back to the suggestions given in points 1 to 6 to turn around your story of Performance Management Sales!!!

Happy selling Performance Management! pm

ABOUT THE AUTHOR

MOHIT SETHI is Director – HR, Talent Engagement and Development, Nielsen

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Redefining Rewards

A look at how organizations are rethinking their rewards framework and providing a convincing value proposition to their employees

13th

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Ideas from thought leaders and best practices from the industry

30th

Learning & Development Awards -

L&D LEADERSHIP LEAGUE

30th May - Applications Open
22nd July - Applications Close

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15th

Are You In The List? Awards -

15th May - Applications Open
15th Aug - Applications Close

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JUNE

COVER STORY

Partnership for Transformation

The best practices of successful partnerships across the HR Industry

9th June — MUMBAI | TAJ LANDS END

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NOVEMBER & DECEMBER

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A lowdown of the major developments in HR across Talent Acquisition, L&D, Total Rewards and HR Technology

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JANUARY

COVER STORY | Trends 2017

This story will feature leading national and international leaders. They will predict the talent trends for the year 2017, and give a perspective on what has changed, and what to watch out for.

30th

Talent Acquisition Awards 2017

30th Jan - Applications Open
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COVER STORY

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An expert view on total rewards framework and strategy for the upcoming year

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MARCH

COVER STORY

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Coaching is helping others to catalyze their thinking

Magdalena N. Mook, CEO & Executive Director, ICF, on the role and attributes of a good coach, transformation of the perception of coaching and more

By **People Matters Editorial Team**

> Coaching is partnering with an individual in a thought-provoking process that helps bring his/her best potential personally and professionally

Magdalena N. Mook is the Executive Director and CEO of the International Coach Federation (ICF) and is actively involved in ICF's leadership as a strategic partner. Her expertise lies in strategic planning, cultural competence, ethics, international affairs and board governance. Magdalena is a trained Coach and holds a certificate in the Fundamentals of Systemic Coaching.

Q Is there a change in the way companies are approaching leadership development that validates the need for a coach?

A Recently, we conducted a research with Human Capital Institute on coaching organizations. One question was, "why companies hire coaches?" And the no. 1 reason organizations engaged coaches was for leadership development. Right now it seems to be on top of the agenda as the approach to leadership development has seen a shift. When you look into the research which identifies core traits of a modern leader, self-awareness and empathy are prominent skills that emerge, and coaching seems a beautiful modality to illuminate such skills which also comes handy in areas of self-awareness, empathy, listening, more of a decision-making than telling, and asking for inputs.

Nowadays , organizations understand that coaching is more of a professional development and leadership development exercise – something that helps people grow, define their goals and move towards them. I think that is a very positive mindset shift, because right now you see people proud of talking about working with the coach instead of keeping it to themselves.

Q How does the process of coaching help leaders to develop the skills you are referring to?

A The definition of coaching according to ICF is, "Partnering with an individual in a thought-provoking process that helps bring the best potential personally and professionally out of the individual and maximize that potential". Thus, it is not about telling others what to do. It is not mentoring as well. It is helping others to catalyze their own thinking, finding answers to their issues and helping them in identifying the root cause of barriers and obstacles. Active listening, coaching presence and partnering with the individual helps a person to be in a safe space where he can explore the self. And that exploration not only helps in knowing the true cause of a concern but also helps in probing and going deeper until there is an 'AHA' moment. So when one defines what the real issue - concern or opportunity alike - might be, it becomes easier to design specific goals and actions for getting from a place you are into a place you would like to be in.

Q How do you decide what are the right kind of interventions that a leader needs to have to be fully productive?

A It is very much on a case-by-case basis and depends on the experience of the individual. It is not age maturity, it is professional maturity and what the goal might be. Often, having a mentor is really productive. Coaching should never be mistaken for managerial responsibility, yet coaching approach may support it very strongly. We see this trend as well – many organizations offer coach skills training to their managers and leaders. It doesn't make them coaches. It means they have a different approach to working with others, more collaborative and involved process and that is more about professional development. Managers and leaders should never neglect their responsibilities as managers - there are days when they have to tell people that they are boss and make a decision. However, how they engage their teams, how they lead decision-making process and how they relate to their colleagues and peers can be significantly influenced by their ability in using coaching skills. **Pm**
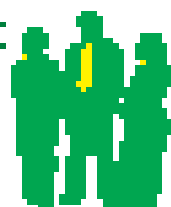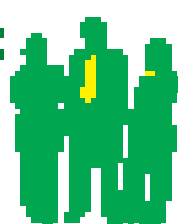
MURAD SALMAN MIRZA

Engagement uninterrupted
– Achieving sustainable employee engagement

Can there be an enduring approach for employee engagement for progressive organizations in a digital world? Let's find out!

Majority of the global businesses are going through significant changes in order to stay relevant in a digital world that thrives on disruptive innovations and is mulishly unwilling to bond with the conventional notions of management. This has profound implications for progressive organizations that are adamantly focused on retaining desired talent. The respective task is made harder by the presence of a diverse and multi-generational workforce with different aspirations and motivations. Generally, in their desperation, majority of corporate entities resort to 'sweetening' the Employee Value Proposition (EVP) by offering a 'one-size-fits-all' package without reaching out to employees for including their 'voice' in framing the policies/procedures/processes that are more conducive to a healthy working relationship.

Interestingly, technology seems to be a key protagonist of such 'isolationism' since it provides a relationship buffer in maintaining the mirage of organizational harmony by ensuring prime focus on efficiency, rather than, delving deeply into the intricacies of sound employee relationships. This is buoyed by a psychological contract that has shifted from being blindly based on solemn faith to being watchfully propped up on validated trust. Additionally, Employee Engagement is also gravitating towards a more 'purpose-driven' display of altruistic professionalism from the more recognizable affective manifestation of organizational citizenship behavior due to most progressive organizations requiring Employee Engagement, rather than, expecting it as a natural offshoot of an enterprising culture based upon robust values. Following are two main paths to achieving 'Sustainable Employee Engagement' to overcome such challenges:

> Employee Engagement is gravitating towards a more 'purpose-driven' display of altruistic professionalism from the more recognizable affective manifestation of organizational citizenship behavior
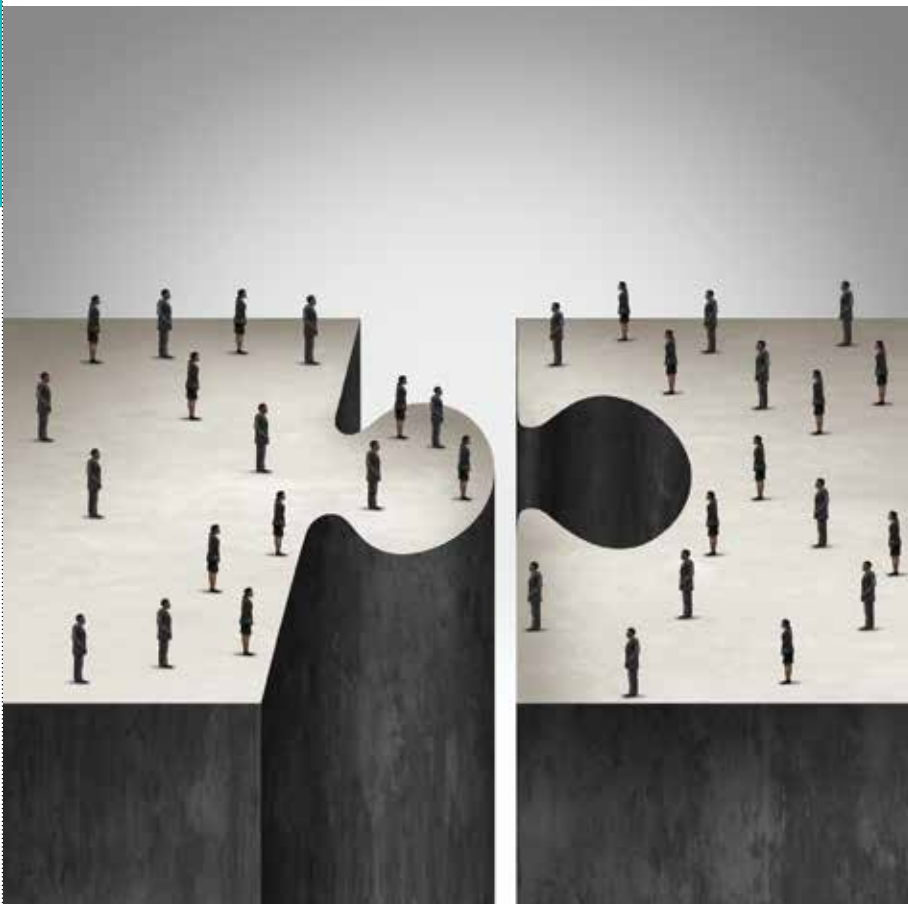
Two main paths to achieve 'Sustainable Employee Engagement'

The two paths to sustainable employee engagement can be either 'aspiration-focused' or 'inspiration-focused'

Path I (Aspiration-Focused)

- Recruitment & Selection (Merit-Based)
- Employee Orientation (Relevance-Based)
- Performance Management (Competency-Based)
- Reward & Recognition (Requirement-Based)
- Focused Training & Progressive Development
- High-Potential Recognition (Criteria-Based)
- Employee Entitlement (Status-Based)
- Augmented Activities (Gain-Based)
- Employee Engagement (Attitude-Based)
- Leadership Development (Need-Based)
- Succession Management (Position-Based)
- Sustainable Employee Engagement (Foreseeable Future)

Path II (Inspiration-Focused)

- Recruitment & Selection (Culture-Based)
- Employee Orientation (Value-Based)
- Performance Management (Alignment-Based)
- Reward & Recognition (Influence-Based)
- Dynamic Training & Impactful Development
- Distinct Talent Recognition (Initiative-Based)
- Employee Empowerment (Enrichment-Based)
- Ebullient Activities (Passion-Based)
- Employee Engagement (Purpose-Based)
- Leadership Development (Want-Based)
- Succession Management (Promise-Based)
- Sustainable Employee Engagement (Beyond Horizon)

Performance Management (Competency-based)

This type of Performance Management is rooted in identifying, monitoring, improving and sustaining the desired competencies within the workforce. It ensures that the organization is never starved of the necessary behaviors, skills and knowledge needed to compete in an unforgiving market.

Reward & Recognition (Requirement-based)

This type of Reward & Recognition is derived from the fulfillment of certain requirements that are laid out in advance to all the key stakeholders. This can range from a conventional salary package to the integrated application of 'total rewards' that runs concurrently with the employee lifecycle.

Focused training & progressive development

This refers to readying and grooming of the budding talent through a targeted regimen of skills and knowledge that are deemed necessary as a result of shortcomings realized after performance appraisals or in management reviews due toany changes in the organizational functionality.

High-potential recognition (Criteria-based)

This refers to identifying the talent who have excelled in their current roles in accordance with explicitly defined

PATH I (ASPIRATION-FOCUSED)

This is dutifully adopted by corporate entities that feel 'burdened' with the expectations of the key stakeholders and want to ensure smooth running of all operations to assure the 'going concern' status of their organization.

Recruitment & selection (Merit-based)

This refers to the normative practice of hiring desired talent according to clearly defined criteria that are designed to preclude any form of exclusion/discrimination and meet applicable legal regulations and corporate mandates.

Employee orientation (Relevance-based)

This refers to all the activities that are undertaken to ensure that the inducted employees are fully cognizant of key policies/procedures/processes applicable to them. It also sets the foundation for the relevant functional heads to guide their assigned staff in becoming valuable members of the team with clear understanding of the job expectations.

Finding the drivers for intrinsic motivation can provide the 'jovial anchor' for employees to align their interests with the organization and dismiss any lurking thoughts of attrition

parameters and are deemed suitable for leadership positions in future. They are considered the 'prized assets' and garner prime attention of the senior management.

Employee entitlement (Status-based)

This refers to the psychological mindset of High-Potentials as they are made aware formally or pick up hints from their supervisor/functional head of their 'special status' within the workforce. On one hand, it can engender positive feelings of accomplishment, gratitude, motivation, etc., while on the other, increase narcissism, class warfare with peers, privilege claims, etc.

Augmented activities (Gain-based)

This refers to the type of extrinsic motivation tools that are deployed by the senior management to tighten the 'golden handcuffs' on High-Potentials in order to ensure retention while negating any attempts by opportunistic competitors to wrestle them away. These can include; higher bonuses, surprise holiday privileges, free memberships, socialization with senior leaders, etc.

Employee engagement (Attitude-based)

This type of employee engagement is driven by intrinsic motivation and hard to paint as an organizational norm. Generally, it is a reflection of an individual's inherent attributes and, quite possibly, a result of his/her own success in overcoming serious challenges and achieving significant success, for example, becoming a High-Potential, that incentivizes them to pay it forward.

Leadership development (Need-based)

This type of leadership development is initiated in accordance to the apparent demand for capable leaders to take the mantle from those exiting the organization. It is reactive in nature since the number of leaders leaving is largely known and within predictable limits.

Succession management (Position-based)

This type of succession management is done by focusing on critical leadership positions within the organizational hierarchy. Care is taken to ensure that

there are no ambiguities in qualifications that need to be met to ensure a timely and suitable successor for the departing leaders.

Sustainable employee engagement (Foreseeable future)

This refers to ensuring sustainable employee engagement within the predictable business cycle by keeping the High-Potentials motivated through timely and relevant leadership development and succession management initiatives. It involves keeping a close watch over their wellbeing and being reasonably accommodative to any fluctuation in professional expectations.

PATH II (INSPIRATION-FOCUSED)

This is gladly embraced by corporate entities that are 'invigorated' with the expectations of the key stakeholders and strive to excel innovatively in producing the 'delight factors' as a distinguishing feature of their organization's effectiveness in being a formidable competitor.

Recruitment & selection (Culture-based)

This refers to the unconventional practice of giving top priority to hiring desired talent for being a good 'cultural fit' with the organization, rather than, prowess in a particular function. Such an approach is contingent upon the organization's ability to provide high quality of necessary training and development.

Employee orientation (Value-based)

This refers to exposing the inducted employees to all the core aspects that are not only relevant to them, but also, deemed to be of value for future career possibilities, cultural assimilation and professional interactions within the organization, e.g., insightful learning about aligned functional areas, meeting distinguished previous employees, etc.

Performance Management (Alignment-based)

This type of performance management is focused on the congruence between the employee, the assigned role(s) and the work environment. It is concerned with the 'underlying' personality in addition to the 'observable' person. Consequently, this requires close collaboration of the relevant supervisor(s) with the HR/Talent Management function and an in-house/retained psychologist.

Reward & Recognition (Influence-based)

This type of Reward & Recognition is focused on the level of positive influence

that an employee exercises on all the determinants relating to his/her career progression, e.g., peer relationships, supervisor interactions, customer interfaces, networking prowess, etc. It goes beyond the visible confines of the KPIs and can be ascertained by using suitable analytical tools, for example, 360 degree feedback, critical incident reports, activity logs, etc.

Dynamic training & impactful development

This refers to modeling the training & development according to the individual needs and moving beyond the 'mass model' application of a yearly schedule. It also liberates the Training & Development function to explore viable options outside the classroom, for example, eLearning, virtual reality, mentor-guided projects, free-time for innovative experimentation, etc.

Distinct talent recognition (Initiative-based)

This refers to appreciating the distinguishing value that each employee enterprisingly demonstrates and creating an overall unrestricted 'Knowledge, Skill, Behavior & Competency Map' for the whole organization. It requires astute discernment from the supervisor(s) and is geared towards alleviating the simmering resentments that may arise among peers who see 'identified' High-Potentials as a 'privileged class'.

Employee empowerment (Enrichment-based)

This refers to licensing the employees in taking more real-time decisions that are in congruence with the organizational values. It elevates employees from being 'loyal abiders' to 'model citizens' in the execution of their job responsibilities and creates a rich hybrid of confidence and humility while learning from successes and failures.

Ebullient activities (Passion-based)

This refers to finding the drivers for intrinsic motivation that can provide the 'jovial anchor' for employees to align their interests with the organization and dismiss any lurking thoughts of attrition. It requires lucid communication and insightful understanding of what galvanizes employees into productive actions, for instance, office-time allocation for personal projects, participating in social entrepreneurship, adventure retreats with senior management, etc.

Employee engagement (Purpose-based)

This type of employee engagement is a hybrid of intrinsic and extrinsic motivation and unites the employees under a core set of organizational values. It is both expected and nurtured as a key trait of being a team member. It is characterized by an unflinching focus on providing superior service with a healthy dose of 'delight' factors.

Leadership development (Want-based)

This type of leadership development focuses on preparing current/future leaders with the qualities that go beyond the requirements of the foreseeable future and have a high probability of being in demand in the long term with respect to the changing business landscape, for example, the ability to leverage big data to make critical business decisions, ability to integrate different mediums of technology to stay ahead of disruptive innovations, ability to interface with artificial intelligence as part of the diverse workforce, etc.

Succession management (Promise-based)

This type of succession management goes beyond the present hierarchical setup within the organization and focuses on anticipating what kind of organization needs to exist beyond the foreseeable future. Such a measure ensures that the potential successors are prepared to take on not only the conventional leadership positions, but also, embrace roles that are either nonexistent or in their infancy at the present moment with high probability of becoming the norm in the long term, e.g., Chief Innovation Officer, Chief Integration Officer, Chief Virtual Reality Officer, Chief Human & Artificial Intelligence Workforce Officer, etc.

Sustainable employee engagement (Beyond horizon)

This refers to ensuring sustainable employee engagement beyond the foreseeable future by institutionalizing insightful leadership development and succession management practices that focus on retaining the commitment of desired talent by soliciting their unquenchable zeal and unflinching imagination in achieving seamless and ceaseless innovation. Such an undertaking

Employees are considered valuable assets; however, their usefulness is contingent upon the rate of associated depreciation, especially, in view of technological advances

requires that the humanistic elements are irrevocably combined with the judicious use of technology to ensure 'peaceful' coexistence in order to meet unforeseen challenges without trepidation/misgivings regarding the respective alliance.

Both of the aforementioned paths lead to sustainable employee engagement, however, the second path is generally preferable as the more enduring approach for progressive organizations since it provides a stronger impetus for maintaining their competitive edge through a more refined and durable way of leveraging the synergies between luminous foresight, astute decisiveness, coalescing culture, invigorating work environment, unambiguous empowerment, seamless compliance, timely execution, impartial self-reflection and the undeterred resilience to ensure effective remedial measures. **Pm**

ABOUT THE AUTHOR

MURAD SALMAN MIRZA is an innovative thinker and an astute practitioner in areas within and associated with the fields of Organizational Development, Talent Management and Business Transformation

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ABHISHEK SEN

Dynamic talent fitment – The new differentiator

Enterprises are being compelled to reimagine not only business fundamentals, but also talent management principles. A look at talent fitment as the new norm in human capital strategy going forward!

"Hire for attitude, train for skill…" – this has been a core strategy for several talent management think tanks of late. Is it asking too much to hire for both…what's stopping us from making this a reality? Can we augment skill and attitude with compensation fitment? These are questions that have started emerging in select HR circles and point towards a need to change in the way we view talent availability.

To understand this better, one must first retrace the evolution of the skills. Early days saw "Skill" as nomenclature for expertise in a certain area that may or may not have been quantified. It denoted a rarity which came at a price primarily due to a demand-supply incongruity. With time, the concept of trainability of skills also evolved. This broke some serious barriers in the evolution of the people function and led to the institutionalization of the learning departments in organizations. As businesses and economies evolved, demand for talent grew at a geometric pace. Cost & profitability tenets dictated that a healthy balance had to be attained between hiring skilled manpower from the market and training manpower internally to avoid internal labor cost spirals. This, over time led to the famous "build vs. buy" debate and traditional wisdom in most cases prescribed that building was a better and a more sustainable option than buying from the market. However, in today's VUCA scenario, does this still hold good…?

With rapid evolution of technology, the only undeniable reality that exists today is disruption. Traditional ways of doing business are fast being replaced by digital fundamentals of Social, Mobility, Analytics and Cloud that ensure fast adoption, maximization of reach and re-imagination of how we pay for goods and services. Given this landscape, enterprises are being compelled to reimagine not only business fundamentals, but also talent management principles. In a burgeoning startup environment, talent strategy is no longer driven by long-term value drivers, but by the need to ensure a more immediate view to business growth and in turn assist in rapid capital acquisition. The demand-supply mismatch of talent in the country will exacerbate over the next couple of years especially with the startup boom and due to a large number of skilled individuals dropping out of active employment to become entrepreneurs. Some might term this as a more transient state of affairs in the corporate world today, yet with business sustainability in question; do we really have the luxury of waiting this out? Trends in industry show that traditional enterprises are being pushed to rethink their talent fitment & deployment strategies in the face of rapidly changing business needs.

The concept of "fitment" is no longer just a compensation concept but a

55   70   85   100   115   130   145   170

IQ SCALE

The concept of "fitment" is no longer just a compensation concept but a comprehensive compatibility measure for an individual's fit into an organization
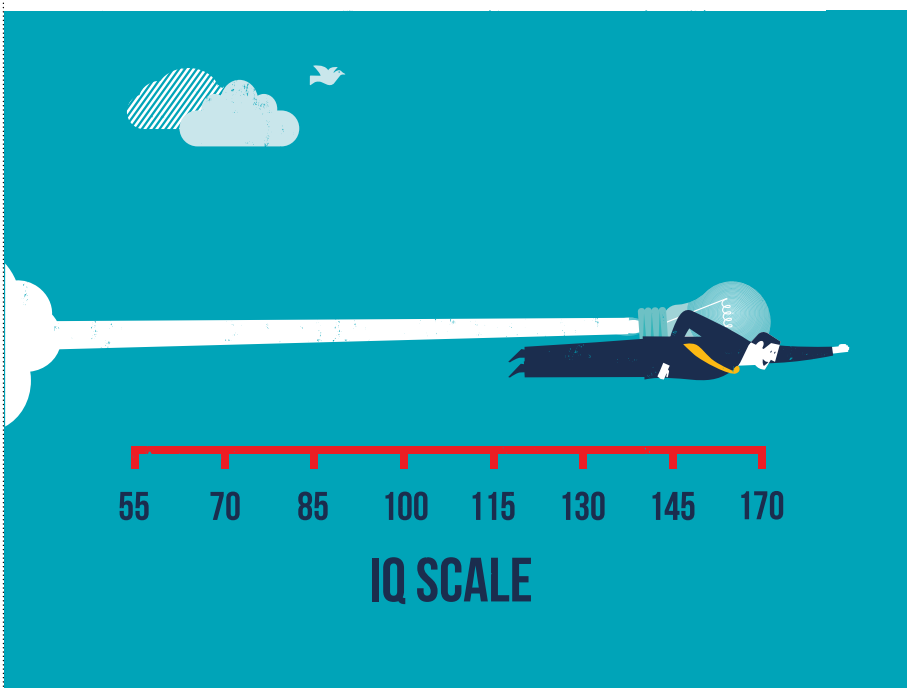
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comprehensive compatibility measure for an individual's fit into an organization. Traditional assumptions need to be dispelled witha realization that this concept is not restricted to external talent. The crux of this change would be to look at fast changing business needs in a VUCA environment and commensurate talent availability and fitment from any source (Build/Buy/Borrow). What's essential in all this is 'timing' and deployment of the right kinds of tools to ascertain fitment. With dynamic talent fitment firmly at its center, an overarching talent strategy can lend significant competitive advantage to a firm. However, alignment of enabling talent infrastructure like Learning, Performance Management, Career Management and programs & policies is essential to the success of this model. Each cog in the talent wheel needs to constantly re-evaluate its value impact on the talent fitment process in order to remain relevant.

deployment cost standpoint. This means, behavioral and technical platforms need to be augmented with skill or function-based fitment solutions to help manage talent cost better through the employee life cycle.

3. Equip workforce: From an internal talent management standpoint, career platforms and succession plans have always precluded technical and behavioral evaluation in most progressive firms. This environment will compel managers of all organizations to adopt a combined platform to ensure speed of talent identification to tackle rapid change.

4. Rapid training & reskilling: With rapid entry and exit of skills & functions in the Indian industry today, skill gestation and learning are no longer heavily time invested processes. In order to develop competitive advantage with talent fitment at the core of business strategy, firms need to adopt technology enabled, fast upgrading, gamified learning platforms.

environment using a strong technology backbone. Example
a. Hiring – Cloud-based technical, behavioral and comp fitment platforms to improve hiring efficiency and ensure better talent fit & retention.
b. On-boarding & Learning – Cloud-based LMS with internal social network capability that would break barriers in terms of location, language and cost. This will completely redefine the way learning is imparted and accepted across employees especially with Gen Y and Z entering the workforce.
c. Performance Management – Gamified performance roadmaps created through intuitive platforms that help track and manage performance on a real-time basis and seamlessly link back to other aspects of talent management like Total Rewards and Careers.
d. Career Management – Gamified career management systems that help individuals chart out their own careers at their own pace without compromising on the larger business objective through seamless integration with LMS.
e. Total Rewards – Fully integrated workforce analytics and rewards systems that not only help manage fitment and current rewards outlays, but also manage non-linear people cost metrics.
f. Development – Intelligent assessment and development platforms to identify potential and customize programs to build the next generation of leaders.

Some would claim all these tenets are a thing of the future, while some others would claim that they have already started using them…however, one truth stands out…these tenets are necessary in the future we're staring into.

Some might argue that hi-tech industry is the only industry that would find these tenets relevant. Hi-Tech industry is no doubt at the helm of this change, however it won't be long before all other industries being impacted by rapid evolution of technology start adopting these tenets to survive & sustain. Talent fitment will therefore steadily become the new norm in human capital strategy going forward…thus reinforcing the phrase – "Hire for Skill, Attitude and Cost". 🅿ⓜ

ABOUT THE AUTHOR

ABHISHEK SEN is a Director with Aon Hewitt. He leads Aon Hewitt's Performance, Rewards and Talent Consulting Practice in South India and Sri Lanka and is the Industry Leader for Technology & Outsourcing for South Asia

The dynamic talent fitment model

Cognitive Fit → Talent Fit
Functional/Technical Fit → Compensation Fit
Behavioral Fit → Talent Fit ← Compensation Fit

Dynamic Workforce Plan
Business Needs
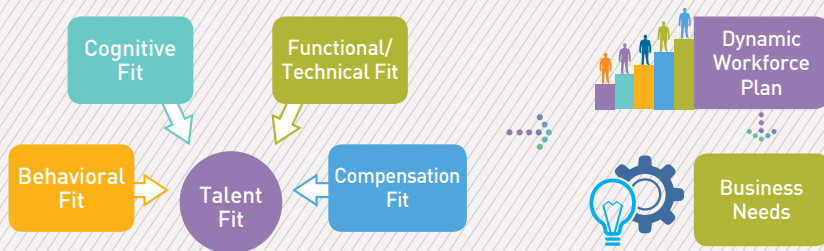
Alignment of enabling talent infrastructure like Learning, Performance Management and Career Management is essential to the success of this model

For this model to be a success, HR outfits need to adopt the following tenets:

1. Hire Smart: From a Talent Acquisition standpoint, firms would need to deploy unified technical and behavior assessment platforms to evaluate suitable candidates faster and to improve hit rates. This would mean firms would need to filter through active profiles and lock on to prospects faster than competition in order to retain a healthy talent pipeline from the market.

2. Skill-based pay: With the proliferation of skills, firms can no longer follow grade based approaches to compensation. Skill cost understanding is imperative both from a market as well as a people

Progressive organizations have already started pre-empting the need of such platforms and are investing in developing full blown learning universities providing coverage across the addressable universe of relevant skills and competencies.

5. Use of Technology: The central theme being rapid disruption and re-fabrication of business fundamentals, leveraging technology seems to have become more of a necessity than a mere productivity tool. Technology today not only lends competitive business advantage to a firm but also provides significant advantage from a talent perspective. Every aspect of an employee lifecycle today can be enhanced and optimized for the current

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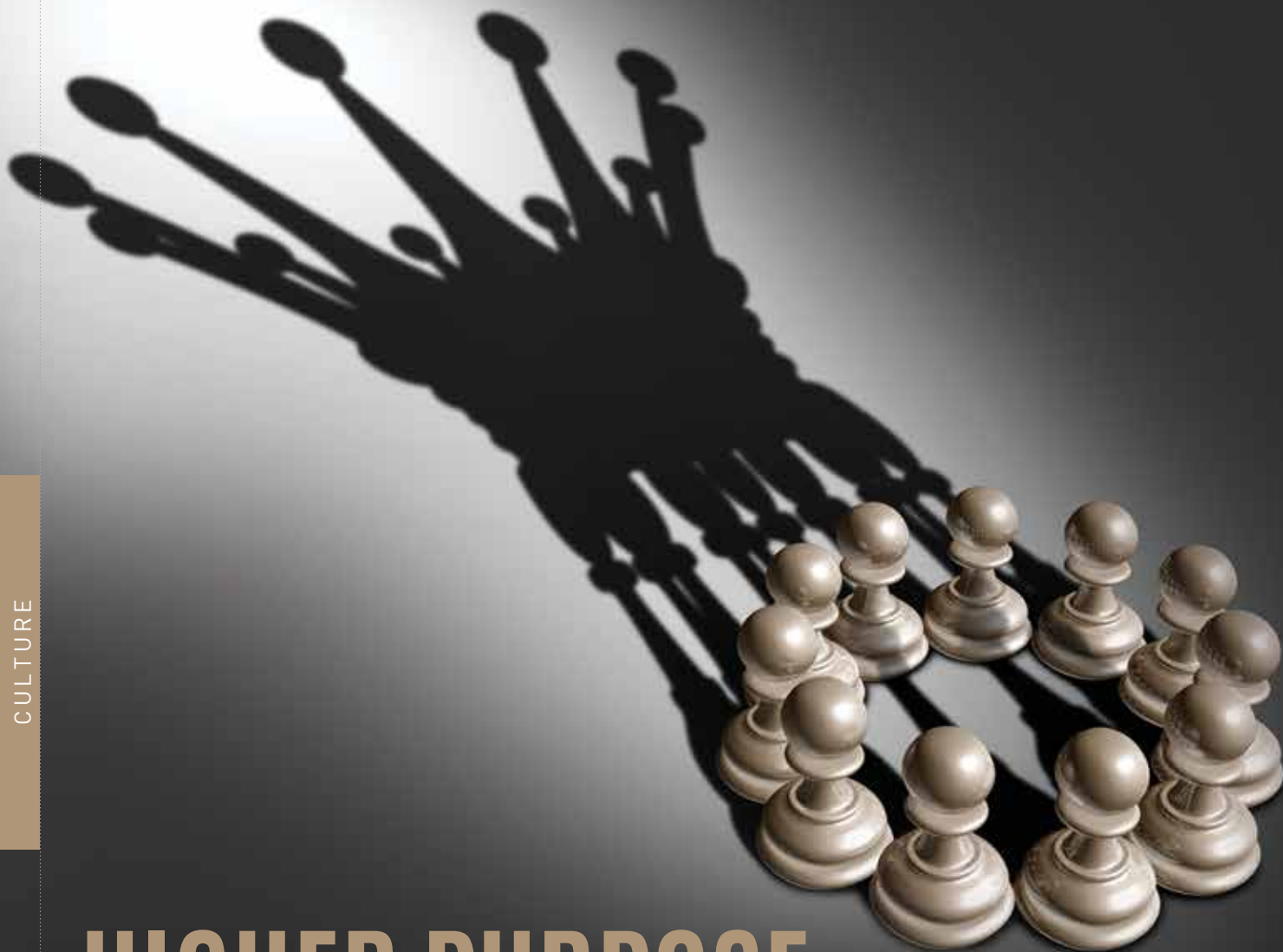
HIGHER PURPOSE, HIGHER CULTURE: LEARNINGS FROM KPMG

An ongoing culture building campaign at KPMG India
is a unique study in its approach and scale
By **Nandini Rathi**

For businesses today, 'Purpose' drives engagement.

It is not a secret that in a world impaired by economic, social and political fluctuations and uncertainties, purpose-driven organizations are more likely to sustain, scale and become successful. And it is important for organizations to define and percolate this 'purpose' to its workforce and inspire its employees towards being a part of a purpose-driven culture – a purpose that makes work meaningful and produces a positive social impact on the community.

Once such organization that epitomizes this thinking and practice is KPMG. KPMG launched its global campaign 'Higher Purpose' that was aimed at reframing the meaning of 'work' and giving a sense of empowerment to its employees. While integrity in work and the desire to positively impact communities was already enshrined in its Global Code of Conduct, KPMG decided to involve its employees more closely by helping them mine and connect their own purpose with the work that they do in the firm – something that was beyond paychecks.

For a firm as big as KPMG to try and build a culture such that its 165,000 plus employees would adopt was no less than a herculean undertaking at the execution level. This is a snapshot of the KPMG India's case, which illuminates how People leaders in different countries partner firms are delivering the goal of creating a sustainable firm-wide cultural ecosystem that genuinely inspires employees to contribute towards a larger purpose. The 'Higher Purpose' campaign has been yielding signs of positive developments with their engagement scores rising and attrition rates plummeting globally. Along the way, KPMG is realizing that this could also be a big differentiator for them in the market.

A 'Higher Purpose'

An increasingly unpredictable economic environment triggered the timing for the launch of this campaign put together by a huge team of executives at KPMG International and shared with all partners in a global meet. For KPMG, employees are brand differentiators. The idea behind Higher Purpose was to keep employees motivated by reframing the meaning of their work in light of the KPMG values of a strong work ethic aimed towards helping communities and harnessing motivation towards delivering good results. "Inspiring Confidence, Empowering Change" were the four words chosen to articulate the Higher Purpose as KPMG wanted its employees to think of themselves as change-makers, over and above

being just executing professionals. "We wanted to create a pool that would bind the firm and its people together, make our clients want to work for us and serve as that forum on which people could find their anchor in an ever changing world," says Richard Rekhy, CEO, KPMG India.

Partner firms all over the world revisited their roots to reconnect with the values of Founders Klynveld, Peat, Marwick and Goerdler, who built KPMG on inclusive, trusted relationships and achieved positive, sustainable change in the world around them. While the purpose statement remained the same globally, KPMG partner firms had complete flexibility to choose the most effective way to launch the campaign. KPMG India is the second largest of the global partner firms with an average workforce age of 27-28. The HR team at KPMG India faced the question of

IF THE EMPLOYEES CAN CONNECT WITH THE ORGANIZATION THROUGH A COMMON PURPOSE, THEN THE CHANCES OF ENGAGING AND RETAINING THEM INCREASES BY SEVERAL FOLDS

executing this Higher Purpose in a manner that did not make it a mere tagline or an initiative that employees forget about. When the goal was to make people 'feel' than 'behave' differently, it had to involve the employees first.

Clarity on the value

In order to undertake a culture building initiative, the stakeholder organization has to be clear about what they are trying to drive and build. And the launching team needs to have the conviction to answer confidently, "Why are we doing this and why is this important?". "From an HR perspective, a culture building exercise such as this subsumes any other initiative", says Shalini Pillay, Head of People, Performance and Culture at KPMG India. "HR leaders review compensation cycles, tweak salaries and bonuses, and constantly implement new policies. But the effect of that usually tends to be short because within a few months, close competitors will match that or some employees will still get better deals elsewhere" she explains. However, if the employees can connect with the organization through a common purpose, then the

chances of engaging and retaining them increases by many folds.

Making it relatable

The other piece of culture building is that the ideas and values have to be relatable for the individuals. With initial concerns and skepticism around the Higher Purpose initiative, regarding it becoming just another esoteric blend of vision, mission and values that organizations try to impart to the employees, "we needed the individuals to internalize the idea and think about purpose from their context," stated Shalini. Thus, employees at KPMG were asked the question: "What brings you to work every morning?" This open-ended question meant to get the individuals thinking that since they had opted to spend at least a part of their careers with KPMG, that decision was hopefully taking them a step closer to their larger purpose. The purpose was ultimately just a terminology for the aim that motivated employees to invest their capacities, which did not have to be limited to the objectives of compensation, recognition or the technical capabilities that they were acquiring at work.

A full-fledged organization-wide story contest titled "Do you live your purpose at KPMG?" was launched, which built momentum around the

IN THE RECRUITMENT PROCESS, THE CANDIDATES NOW ANSWER A QUESTION, "WHAT'S YOUR INDIVIDUAL PURPOSE AND WHAT IS DRIVING YOU TOWARDS IT?" IN WRITING

campaign. The stories could be about any person, event or incident that inspired employees. This contest served as a trigger to get people to take a step back from regular work and think about what their individual purpose was. The HR team also found other ways to prompt employees, such as by having senior leaders like CEO Richard Rekhy talk about how they were living their purpose, which was fascinating and inspiring for the younger employees, who formed the bulk of KPMG workforce in India. These talks were captured in a TED talk style video capsules for future references. There were also informal sessions with office simulations of a camp-fire setup to get people to casually share their personal stories. "Normally people don't get into personal and emotional aspects at work, but we wanted to encourage them to feel more comfortable sharing those sides," says Shalini. Motivating employees to live their purpose entailed providing them with an environment where they felt secure and confident sharing their real selves.

Thus, along the way, employees started to know about the unknown achievements of many of their colleagues and the struggles that others had to overcome in personal and professional lives. An immensely popular poster contest got the employees to write one powerful line answering the question, "What's your purpose?" Walls were set up in visible locations within the workplace where these posters were displayed and changed periodically. Parallely, there were weekly stories that were sent out about an engaging project, assignment or a solution that KPMG was working on. Because of the firm's large size, it served as the first opportunity for many employees to find out about breadth of interesting projects that teams were working on in the nook and cranny of KPMG India's several offices. Finding out about KPMG's role in the policy formation and implementation of large contemporary government initiatives like Swachh Bharat, Make in India and Startup India got many youngsters excited and eager to contribute to such causes.

Purpose-driven employees want to do meaningful work. Once employees started to think about their own purpose, the HR team began to connect that with KPMG's purpose as an organization. The firm's purpose was introduced with the help of project stories that showed the real contributions that KPMG had been making on significant issues – whether to an individual, a corporate or the government or a region. These stories embodied the idea of inspiring confidence and empowering change by showcasing KPMG India's role in large and small projects such as in reconstruction of a school after a natural disaster or in empowering a teenager to achieve her aspirations. "We wanted to send out the message that if they have a purpose that they are focused on, we wanted to help them get there in every way," says Shalini. Thus, the employees' individual personal stories began to run in parallel with the client and community impact stories that enabled them to see the connections between the two.

Walk the talk

Culture is little about what is said, and very much about what is done. There has to be conviction and confidence that the organization is doing what it is doing because people embrace the values of a culture only when they can feel the difference those elements are making in their work. "After Higher Purpose, we have put purpose into everything. If we are working on a government project which is going to change the lives of people, we are going to say that we are there helping change the lives of X number of people. Or if we are working with a client who is going to do something different and unique, we are saying that we are involved in that activity or helping the client reach that goal," says Richard. The leaders especially need to reflect such aspired values in their functions to provide confidence to others. Speaking about her own role in HR at KPMG India, Shalini Pillay explains, "I need to ask myself if I am creating enough confidence in my employees to make them feel that we are running a fair, meritocratic process and taking the necessary learning and development steps to get them ready to drive the change that they wish to drive." Higher Purpose has to be a sustained initiative if it has to define KPMG's DNA and spirit in the long run as a true purpose-led organization.

Sustaining the purpose

As long as there is a progressive improvement in the engagement scores and attrition numbers, Shalini feels that these progressive developments could be indirectly attributed to this campaign, along with various other policy improvements. Sustaining such an initiative consistently is the most important thing. "I would not be honest to myself if I believe change will take place overnight. We are growing rapidly and run a reasonably high attrition rate of 20 percent. So there have to be constant refreshers all the time," she says. While the first 6 months qualified as a super success, it is important to keep planning how this would be sustained and the only way to do that is to embed a sense of purpose in every aspect of the work life.

On average, 10-15 people join KPMG India every day. Therefore, the greatest challenge for a firm that big is to constantly communicate and reinstate it to all its people. KPMG is therefore constantly looking to weave elements of the campaign into everything in order to induct and remind new employee batches of this purpose. For example, the winning collection from a photo contest from 2015 that asked employees to capture an image that inspired them was used to design the 2016 KPMG yearly calendar.

Most importantly, attracting purpose-driven talent who could identify with KPMG's strong values was important as this could go a long way in inspiring confidence in clients, reducing attrition and building a culture of high performance. In the recruitment process, the candidates now answer the question, "What's your individual purpose and what is driving you towards it?" The reason for

ATTRACTING PURPOSE-DRIVEN TALENT, WHO COULD IDENTIFY WITH KPMG'S STRONG VALUES, WAS IMPORTANT AS THIS COULD GO A LONG WAY IN INSPIRING CONFIDENCE IN CLIENTS, REDUCING ATTRITION AND BUILDING A CULTURE OF HIGH PERFORMANCE

asking this is to ensure that people are joining KPMG for the right reasons, after understanding what the firm is about and giving a thought to whether it would be meaningful for them to be a part of this journey. The HR continually sends new triggers to encourage people to share their experiences, which in turn enables others to get inspired and keep reconnecting with their motivation. Most recently, Women's Day in March was an occasion from the senior women employees to share their experiences with their younger counterparts, how the several years they had spent at KPMG has brought them closer to their purpose.

'Inspire confidence, empower confidence' is a way of life at KPMG which allows the firm to invest in the individual purposes of the employees and also encourages the sharing process and openness that allows people to be motivated and inspired. ●m

DR. SANDEEP K. KRISHNAN

The 'Social' Employer Branding

Employer branding is a crucial tool for organizations as it enables them to extend their image as an employer and a desired 'place to work'

EVP is clearly defined in terms of the opportunities, innovation, challenges, and impact that an organization can create

In this era of war for talent, the need to attract and retain top performers remains critical to the success of businesses. It is imperative that organizations distinguish themselves from their competition by promoting their strengths, and publishing their values and promises to the prospective employees. Employer branding is a crucial tool for organizations as it enables them to extend their image as an employer and a 'place to work' as perceived internally and externally. An organization's Employer Value Proposition (EVP) communicates that image to their target audience and reinforces why talented people would want to join and stay with an organization.

The benefits of a strong employer brand are many with a few critical ones like improved and impressive employer brand identity in line with the customer brand, better attraction and retention of talent, reduced cost of employee engagement, and for most organizations, it also helps to have

concentrated efforts to align HR practices and leadership/managerial behaviors to the employment promise or the value proposition. According to Economist, an effective EVP management can bring tangible benefits, including a 20 percent increase in the pool of potential workers, a four-fold increase in commitment among employees and a 10 percent decrease in payroll costs. While the journey of employer branding starts with defining an EVP and then providing an experience from hire to retire in alignment with the EVP, the communication of the EVP and how the employees experience the same is also a critical element of making the organization an attractive employer.

A prospective or a current employee can experience the employer brand/value proposition from various sources on the social media or the Internet. For many especially the millennials, this is a key source of information that affects their decision making. The social media pre-

sence can be articulated through various touch points that an employee can have.

Today, various avenues on the Internet and social media become the anchors for the employer brand in terms of external communication. The obvious one is the career website. It is important that prospective candidates are able to navigate and understand the employment experience with the organization through the career site. The next critical aspect here is defining the promise. Many organizations are unable to convey why somebody should join them. This becomes the crux of defining the EVP along with determining how distinct or unique the organization is from others.

People Business conducted a research on Employer Brand Perceptions based on Social Media and covered companies ranging from IT, BPOs, Retail, E-Commerce, FMCG, Pharmaceuticals, Insurance, Captive Services and Conglomerates. The study focused on the Employee Value Proposition of the target companies and how effectively they communicated this to their employees and job seekers along with examining employer branding practices of the leading companies in each industry segment. 320 organizations across the sectors were covered as a part of the study.

Industry-wise Participation

The study conducted by People Business on Employer Brand Perceptions examined the employer brand practices of 320 target companies

- 16%
- 13%
- 11%
- 11%
- 10%
- 10%
- 10%
- 9%
- 6%
- 5%

- ■ Captive Services
- ■ Conglomerates
- ■ E-Commerce
- ■ Insurance
- ■ Pharmaceuticals
- ■ Medium IT
- ■ FMCG
- ■ BPO
- ■ Top IT
- ■ Retail
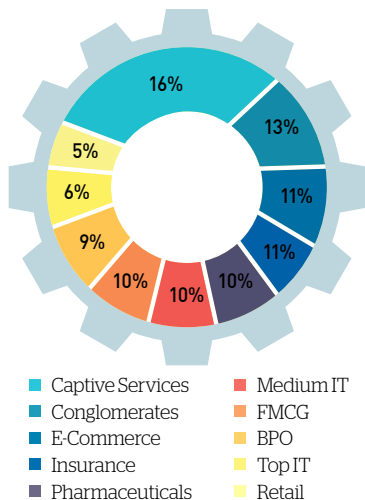
Measuring Employer Brand Quotient

The 7 essential parameters to judge the companies when measuring employer brand effectiveness

Parameter	Description	Score
Career Website Design	Visual appeal of the career website with the target audience; Contemporary presentation of information and easy interface	10
EVP: Defined Brand Promise	The central theme through which the EVP is explicitly stated to its prospective employees	20
Distinctiveness of the EVP	Distinctiveness of the EVP from the competitors for its uniqueness and differentiation in terms of the core proposition	15
EVP: Everyday Experience	EVP is clearly laid out through the stories and visuals of the everyday experiences of employees at work	15
Glassdoor Rating	Good to great view of the organization by both the existing and alumni of the organization with the Glassdoor rating	20
EVP on Social Media	Consistent and active communication of the EVP on various social media platforms	10
Recruitment Communication	Recruitment communication through online and offline mediums communicate the EVP to the target audiences	10

The research revealed that the most striking concern for all these companies seemed to be Recruitment Communication and a minimal effort was seen on recruitment communication to the job seekers

To measure the employer brand effectiveness, the model used in the report defines 7 essentials parameters to judge the companies. These parameters are:

- Career Website Design
- EVP Definition
- Distinctiveness of the EVP
- Everyday EVP Experience
- Social Media Rating
- EVP on Social Media
- Recruitment Communication

The ratings were done based on available data on the Internet through a moderation process with a group of prospective candidates for each of the sectors.

From the extensive research performed on the chosen companies, it was found out that companies scoring more than 70 points had a differentiating impact compared to their peer group. Only 12 percent of the participating companies scored more than 70 out of 100 and a major

section, close to 56 percent, performed average with scores between 40 and 70. These were the companies which performed average on at least 4 to 5 of the 7 judging criteria. Around 32 percent of the studied companies were not able to make a great impact on their prospective employees and thus scored less than 40 according to the study. It was also found from an industry wise segregation of the companies that Insurance companies had the lowest average score of 35.55 with almost 83 percent of the companies scoring below 50. And although most of these organizations had at least an average rating on Glassdoor, they lacked in more than 4 criteria out of 7. The research revealed that the most striking concern for all these companies seemed

Building a social employer brand by leveraging various media can result in better brand recall, quicker conversions, reduced cost of hiring, and a more informed hire

An effective EVP management can bring tangible benefits, including a 20% increase in the pool of potential workers, a four-fold increase in commitment among employees and a 10% decrease in payroll costs – The Economist

to be Recruitment Communication and a minimal effort was seen on recruitment communication to the job seekers.

Thus, for communicating EVP in a better way, organizations need to be proactive in designing and executing better recruitment communication plans. Also, only a handful of them have an engaging presence on social media sites like Facebook and LinkedIn. Coming to Website Design and Interface, more than half of the organizations need to create a career website or revamp the existing ones. More than 70 percent of them also need to work on defining and sharing their EVP in a better way. It was seen that medium sized IT companies had a good average score of 63 with only one-fourth of them scoring less than 60 out 100; and close to 60 percent of these organizations had a good presence on social media sites and are focusing on effective recruitment communication through advertisements on the Internet. Three-fourth of them believed in sharing firsthand experience of their employees through images, videos and testimonials. Almost 60 percent of them have their

brand promise defined clearly for the target population. For example, Johnson and Johnson's career website appearance is very simple yet has a sense of class that come through the way information is displayed. EVP is clearly defined in terms of the opportunities, innovation, challenges, and impact that one can create being part of the J&J family. Employer testimonials are shared across their core categories and EVP messaging has been consistent through their social media recruitment communications. Similarly, ITC Group scores high in terms of employer brand presence not only because of its clear EVP communication but also because of the way they have connected customer brand to employer brand.

It is important that experience is conveyed in terms of testimonials to a prospect. Many organizations are now putting efforts to ensure that real experiences are conveyed through videos and written stories on the website and social media. The presence on social media through LinkedIn, Facebook, and also availability of recruitment

campaigns online influences the image of an organization. Many new organizations and startups especially in the e-commerce space are leveraging the power of articulating the EVP and communicating effectively. For example, Flipkart hooks the visitors to the career site with the visual design that is exciting and highly creative. Tabs such as "Why" "What" "Who" "What" address every question that a job seeker at Flipkart might be looking for. Discover "I" in Flipkart is their EVP where they promise High growth, Impact and Technology to its employees. Their strong promotion of Fun, Problem solving and Innovation in their culture through "Fliptionary", "Awesome First days", "Awesome Everydays", "Interview Humour" "Problem Solvers" gives a comprehensive understanding of life @ Flipkart.

It is critical that organizations build communication with the support of the experiences that employees undergo. Sites like Glassdoor.com provide employees an opportunity to convey the positives and negatives of working in an organization through ratings and experience sharing on multiple fronts. While organizations can do little to manage such platforms, providing an experience that is consistent with the promise they offer is critical to generate credibility.

An effective employer brand is built by defining a value proposition that is rooted in reality and is important that an organization promises to its employees what it is delivering and what it can deliver in the near future with the ongoing efforts. Defining the brand promise in line with the existing experience or unique strengths along with the stretch that is required to attract and retain the talent for business success becomes the first step. The next step is to align the various HR practices and employee touch points including leadership and managerial behaviors to the brand promise. Such an inside-out approach aims at building the first step of a credible value proposition and with the increasing importance of the social media, the key here is to have consistent messaging across and bringing credibility through testimonials and experience sharing. Building a social employer brand by leveraging various media can bring results in terms of better brand recall, quicker conversions, reduced cost of hiring, and a more informed hire. 🄿🄼

ABOUT THE AUTHOR

DR. SANDEEP K. KRISHNAN is Director at the Human Resource and Leadership consulting firm, People Business

HR is not a product to be sold, but a process to be lived

People Matters talks to **Dr. T.V. Rao** and **Dr. Anil K. Khandelwal** about their book, *'HRD, OD and Institution Building: Essays in Memory of Udai Pareek,'* the legacy of Dr. Pareek, his work principles and their relevance in the contemporary world

By **Vikas Arora**

Dr. T.V. Rao, present Chairman of TVRLS, Founder President of NHRDN, the First Honorary Director of the Academy of HRD, has his consulting work in the domains of designing and managing HRD systems of corporations in India and other Asian countries. A compatriot of Udai Pareek, he and Dr. Pareek are credi-

ted with the establishment of the first dedicated HRD department at Larsen & Toubro. They have also co-authored multiple books on HRD, OD. Entrepreneurship, OB and Institution Building.

Dr. Anil K. Khandelwal, former CMD of Bank of Baroda and Dena Bank, was the architect of the turnaround story of Bank of Baroda in 2005. He transformed the bank by focusing on the intangibles – he demonstrated that it is the intangibles that drive long term tangible results. He has been on various government committees. Currently, he is a member of the Bank Board Bureau, set up by the Government of India for reforms in PSBs.

Q Tell us about the nature of the book. What was the idea behind it?

A Dr. Khandelwal: Udai Pareek did a lot of work for HRD, providing seminal ideas. He was rightly called the 'father of HRD' in India. We wanted to reignite his legacy, and believed a book is the best way to do it.

Udai Pareek stood for much bigger values in HR, something he called OCTA-PAC – 'Openness', 'Confrontation', 'Trust', 'Autonomy', 'Proaction', 'Authenticity' and 'Collaboration'. He talked of institution building, higher purpose and values, things that we have forgotten in this commotion of business and commoditization of HR.

A Dr. Rao: HR may have become a product to be sold, when it is a process to be lived. This book describes the current state of HRD (both positives and negatives) through the writings of contributors and also highlights their journey into HRD by another few HR Leaders.

A Dr. Khandelwal: So that makes the book very relevant. The purpose of the book is to revive Udai Pareek's legacy and the principles he stood for. I always felt that Udai Pareek should continue to guide the modern corporate through his work. This is not one of those academic books – the

relevance of this book lies with the current India growth story. In an output-driven world, where the human factor is getting submerged in our quest to create numbers, the book carries much more meaning in terms of creating a balance in our economic achievement with a human face.

A **Dr. Rao:** Once we decided to compile the book, we looked at the areas where Udai contributed. We identified three core areas – institution building, HRD and OD. And then we invited contributors to give their perspectives in these particular domains. So the book is a congregation of original viewpoints of contributors, building further on Dr. Pareek's work.

Q **Who are the contributors to the book? What were the criteria of their selection?**
A **Dr. Khandelwal:** Eminent people have contributed to the book. Some names which come to mind are Pradip Khandwalla, Rolph Linton, Roland Sullivan, Vijay Vyas, Abad Ahmad and Somnath Chattopadhyay. All of them are leading scholars and practitioners – the one thing common is

but from when I invited someone for the book launch. He replied to my invite saying, "You were Udai's student; but Udai treated everyone as a friend, never as a student. You walked along with him. And the beauty of Udai Pareek is people grow without realizing they have grown."

One example from my life which relates to this is from the time when I was doing my Ph.D under his guidance. After I submitted my thesis for review, he kept it for five days and gave it back with only a couple language corrections. I felt I have a guide who doesn't even bother to look at my thesis. It took me some time to understand that this is the way to empower people. You should give people independence and make them self-reliant. He could have rewritten it, but chose not to. It made me feel I was the one who owned my thesis.

Q **Dr. Udai Pareek was also an instrumental figure in the turn-around story of Bank of Baroda. Dr. Khandelwal, how did he influence you?**
A **Dr. Khandelwal:** I first met Udai Pareek in his program on role efficacy in 1981. He

THE BEST WORKS OF DR. UDAI PAREEK

Handpicked by Dr. T.V. Rao

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- Pareek, Udai (1981). Beyond Management: Essays on the process of institution building. New Delhi: Oxford & IBH, 175p.

- Pareek, Udai (1993). Making organisational roles effective. New Delhi:Tata McGraw-Hill, 258p.

- Chattopadhyay, Somnath & Pareek, Udai (Eds.) (1982). Managing organisational change. New Delhi: Oxford & IBH, 362 p.

- Pareek, Udai (1997). Training instruments for human resource development. New Delhi: Tata McGraw-Hill, 636p.

The book is a congregation of original viewpoints of contributors, building further on Dr. Pareek's work

that all of them had known Udai Pareek in some way or the other. That was the one criterion we followed while selecting contributors – every single contributor was taught by, influenced by, worked with or partnered with Udai Pareek. They might be co-workers, students, partners, associates or even people who he consulted.

A **Dr. Rao:** We invited around 100 selected contributors on the basis of that criterion, and 33 authors contributed. They have penned down their original thoughts, based on their own experiences and knowledge in the areas of institution building, OD and HRD. For example, Abad Ahmad has written about how he built the South Delhi Campus and Vijay Vyas has written the way he managed IIM Ahmedabad.

What is important to note is that their work may or may not have been entirely influenced by Dr. Pareek. He sowed the seeds of learning in some of them; and some were just admirers of Udai.

Q **Tell us one excerpt from the book that really touched you.**
A **Dr. Rao:** The excerpt that touched me the most was not really from the book,

later invited me to complete my professional membership with 'Indian Society for Applied Behavioral Science' (ISABS). I often interacted with Dr. Pareek and he took immense interest in my development. Later when I was the CMD of BoB, he was engaged as a process consultant with us and helped us design HR and OD interventions for the bank's transformation.

Q **Dr. Pareek has left a legacy behind. If there was one thing that you could highlight as the most significant contribution of late Dr. Pareek, what would it be?**
A **Dr. Rao:** Dr. Pareek proposed that it is 'extension motivation' that causes any society to develop. That was one of his many great works. The concept 'extension motivation' simply means having the motivation to help others, working for larger goals that benefit the society. It also means the ability to sacrifice one's own comforts and desires for the sake of others. In his article on 'Motivational paradigm for development', Dr. Pareek gives a simple formula: "*Development = (Achievement Motivation x Extension Motivation) – Dependence Motivation.*" If you want socio-economic development to take place,

increase achievement motivation and extension motivation and decrease dependence motivation.

Q **What would Dr. Pareek say about the state of HR in India if he were with us today?**
A **Dr. Rao:** He would always see the positive side first. He wouldn't have been very critical. He would have agreed with our viewpoint that HR has been commercialized, but he would have urged us to look at it differently, to look at the brighter side. Even if he was pained, he would never express it.

One of the things I regret, which I think he would too, is that the original thought has gone amiss. We are far away from realizing and achieving that thought – which entails that everyone is a HR manager and everyone looks after their own human resource. The HR department's job was expected to become redundant, because the department was supposed to take charge of their HR. It is happening, but by accident. We see people read the available e-learning material which interests them. The original thought was that HR should facilitate this, but that did not really happen. Maybe, we could have done better.

Taking stock of HR analytics in India

EVENT NAME: Workforce Analytics Conclave 2016
EVENT THEME: From Descriptive to Predictive
ORGANIZED BY: People Matters

The 2016 Workforce Analytics Conclave, which took place on the 3rd of March, was a first of its kind HR analytics conference in India. Facebook's Head of Strategic Workforce Planning, Ross Sparkman kicked off the conference with a power-packed keynote session on the fundamentals of building an analytics function in HR. This in-depth session delved into how to plan and operationalize a people analytics function. It was followed by a presentation by Ester Martinez, CEO and Editor-in-Chief, People Matters, on some of the key findings of the first ever comprehensive People Matters Study on the trends of analytics in India. She highlighted the gap between expectation and delivery, difficulties with un-integrated technologies and unstructured budgets as some of the areas where HR needs to focus on in order to tackle the upcoming analytics curve. An expert panel moderated by Ester deliberated on how to make a business case for analytics within HR. Pointing out the necessity of a strong leadership buy-in, the session also covered the need to optimize analytics strategies to impact businesses. The panelists included Subhankar Roy, Global Head HR - Strategy, M&A and Analytics, Lenovo; Sandhya Chaudhary, CoE Head, Human Capital

Reporting & Analytics, Citi Bank; Premlesh Machama, Managing Director, CareerBuilder and Bibek Banerjee, Bridge School of Management.

While the panel discussion and keynote were instrumental in setting the context for the conference, the masterclass sessions and roundtable discussions were instrumental in distilling deeper insights and reflections on topical themes surrounding analytics. Shankara Rajan, Vice President - Operations Solutions and Analytics (HR) of Reliance led a full-house of participants through stage-by-stage approach to a successful workforce analytics implementation in the first 100 days of any business.

The Q&A sessions were instrumental in clarifying how to handle issues of data integrity and implementation issues. Sudipta Ghosh, Partner and analytics leader at PwC presented a session on managing dilemmas and other practical problems – that covered issues pertaining to defining business objectives, identifying relevant metrics and planning analytics projects. Nipun Sharma, Senior Manager, Adobe eLearning business spoke about why understanding the learner's needs is as important as focusing on reports and data. Monojit Mazumdar, Senior Director at Deloitte presented a session on 'Leapfrogging the Analytics Maturity Curve' – with a focus on how companies can accelerate the business impact of their analytics efforts by influencing decisions with talent data. Sandhya Chaudhary from Citi group shared her own experience of implementing an analytics program throughout the employee lifecycle in the form of a case study. Subhankar Roy of Lenovo conducted a masterclass session on involving all stakeholders, gaining leadership buy-in, building in-house capabilities and other crucial value additions.

The conference also had interactive brainstorming sessions that focused on tackling business goals. The conference also hosted two roundtable discussions that were geared at gleaning insights and best practices from within HR practitioners. The theme of the Adobe roundtable discussion was "Learning analytics as the answer to RoI of learning" and the theme of the Kronos Roundtable was "Increasing employee engagement through Workforce analytics". The conference also provided participants an opportunity to network with their peers and explore the exhibition area, where live demonstrations of analytics tools were showcased. ⓟⓜ

people matters

Learning programs and business outcomes

EVENT NAME: Adobe Roundtable - Learning Analytics: The answer to RoI in learning
ORGANIZED BY: People Matters
PARTNERS: Adobe

The Adobe Roundtable on the topic "Learning Analytics: The answer to RoI in learning" was held at the Workforce Analytics Conclave 2016 at the Taj Lands End, Mumbai on the 3rd of March. This session of the roundtable commenced with insights from Ross Sparkman, the Head of Strategic Workforce Planning at Facebook. The session focused on distilling insights on "how to use analytics to enhance RoI in learning". Participants in the discussion reflected on how their organizations set their own individual and teams' learning objectives and how they managed key stakeholders in the process.

The discussion centered on the role of analytics during the different stages of learning and one area that organizations need to focus on is the need for identification. Often, companies cluster their learning initiatives for a specific level or designation without carrying an assessment of whether a particular individual is actually in need of the said training. Using pre-assessment data enables companies to optimize their learning programs in the most effective manner. The second area where analytics enhances learning effectiveness is in identifying the right training and the right channels to learn a specific topic. When different employees use different channels to learn about a certain topic, analytics enables L&D practitioners to identify the most effective channel of learning. For example: when training on presentation skills is delivered using multiple channels like e-learning module, classroom training or practice based methodology, HR personnel will be able to identify the most effective method by measuring the outcome following the training. This information also helps companies allocate the right training for the individual.

The discussion also delved into the three dimensions of learning: 1) functional or skill-based, 2) behavioral learning, and 3) leadership development. Analytics is most effective in establishing the link between functional or skill-based learning with business outcomes, for example, sales training programs. While the scope of analytics to directly establish the link between behavioral training initiatives and leadership initiatives to business outcomes is still in a nascent stage, the future of learning analytics is evolving to identify different metrics and channels to allow L&D professionals to identify "successful" learning interventions.

Rewarding practices driving HR excellence

EVENT NAME: 6th CII National HR Excellence Award Confluence
ORGANIZED BY: Confederation of Indian Industry (CII)
PARTNERS: KPMG

The 6th CII HR Excellence Award Confluence was organized by the Confederation of Indian Industry (CII) on 19 February, 2016 at the Shangri La in New Delhi. The conference was aimed at recognizing and rewarding companies who have pushed the bar for excellence in HR management. Saint Gobain India Private Limited was chosen as the winner of the HR Excellence Award 2015 for demonstrating a robust and sustained system of HR practices and Essar Steel India Limited was awarded with the recognition of Leadership in HR Excellence. The Confluence also saw other organizations being recognized for their significant achievements and strong commitment in HR Excellence. Additionally, companies were also awarded under the special categories of Learning & Development and Employee Engagement. The awards were presented by V.S. Oberoi, Secretary, Department of Higher Education, Ministry of Human Resource Development, Govt. of India. The Awards program was followed by a conclave on 'HR Game Changers' on the theme of understanding innovations within HR Practices that are proving to be game changers. The conclave had dedicated sessions based on the themes such as L&D, talent management and employee engagement. The session on Learning and Development focused on understanding strategies to tailor L&D programs to impact the bottom line and the session on 'Talent Management Dilemmas' brought forward opinions from seasoned HR leaders on pressing talent management dilemmas. The session on 'Leaders Speak' provided a peak into a CEO's perspective on what can be the potential HR game changers. Finally, a session on the game changers in Employee Engagement attempted to uncover practical and best-in-class approaches and perspectives on engagement through discussions amongst HR heads of prominent organizations. Other sessions were geared towards HR strategies and included themes associated with business alignment of people strategies, integrated development of HR strategies and strategic HR budgeting.

Creating an accessible world for all

EVENT NAME: Antarchakshu - The Eye Within

EVENT THEME: A two day event dedicated to raising awareness on lives of the visually impaired

ORGANIZED BY: The Xavier's Resource Centre for the Visually Challenged (XRCVC)

The Xavier's Resource Centre for the Visually Challenged (XRCVC) recently organized a sensitization and awareness process at Epicentre, Gurgaon. Over 1260 participants, including senior and mid-level corporate staff, service sector employees, students, media persons, academicians, homemakers, security personnel, NGOs and volunteers from all parts of the country went through an eye-opening experience at "Antarchakshu® - The Eye Within" on the 25th and 26th of February, 2016. XRCVC is a support and advocacy center that aims to work towards the holistic development of visually challenged people as there is a dire need to spread awareness and sensitize the sighted to the lives of people with visual impairment.

The participants at this unique event were blindfolded and asked to engage in basic activities like using a touch-screen device, walking along a tactile path, unraveling a maze with their fingers, and choosing items from an accessible menu, the way visually impaired people do. They then had the opportunity to go through a detailed exhibition area, where they were exposed to various emerging technologies like Beacons (a low-end Bluetooth device that is used as a system for location indoor tagging) which can be harnessed to create an accessible world, educational aids, daily living aids, and some exhibits showcased by teams from Microsoft India and Assistech, IIT Delhi. The event saw participation from over 50 corporates including TCS, IBM, Ericsson, Deloitte, Oracle, Dell, MDI, UST Global, KPMG, Oracle, Accenture, Microsoft, NCR, Zomato, Som Pro Security, Whirlpool, V Mart.

"The central idea of this event was to create awareness about the lives of the visually challenged, which is why Antarchakshu primarily focused on the theme of 'Creating an Accessible World'. Providing accessibility should not be seen as the responsibility of just one sector. Universal design should be a universal obligation. Through the Antarchakshu experience, our aim was to demystify accessibility and make sure that its basic principles are easily understood and made practical to one and all," said Dr. Sam Taraporeval Director, XRCVC. 🅟ⓜ

Cyient Limited
Senior Executive HR
Location: Noida
Job ID: 18343822
Description: Involve in the end to end recruitment life cycle, Identify the recruitment mix in order fulfill requirements based on the volume.

People Logic
Recruitment Professionals
Location: Bengaluru / Bangalore, Chennai,
Job ID: 18343614
Description: Looking for Recruitment Professionals with experience in IT/NON IT Recruitment for multiple Verticals at PeopleLogic.

Future Focus Infotech Limited
Industrial Relations / Personnel Manager
Location: Cochin / Kochi / Ernakulam
Job ID: 18343241
Description: Research and Contact the potential clients via email or phone to establish rapport and set up meetings.

Sofomation Energy
Analyst Human Resources MI
Location: Mumbai
Job ID: 18341319
Description: Excellent data crunching along with cutting and splicing techniques, Trending and forecasting abilities.

Concentrix Daksh Services India Private Limited
Assistant Manager HR
Location: Gurgaon
Job ID: 18337833
Description: Responsible for driving and maintaining various processes facilitating employee engagement motivation, communication.

Orion Systems Integrators Inc
IT Recruiter - US Staffing, Senior and mid level positions
Location: Hyderabad / Secunderabad
Job ID: 17506296
Description: Looking for IT Recruiters with 4+ years of experience in US staffing.

Black & White Business Solutions
Team Lead / Recruitment / HR Recruitment Lead
Location: Bengaluru / Bangalore
Job ID: 18337368
Description: Passionate about recruitment & having relevant experience into ITES Recruitment with an Individual contribution, target oriented & handling multiple clients.

Black Turtle
Pay Roll/compensation Manager
Location: Hyderabad / Secunderabad
Job ID: 18154909
Description: Provide rewards expertise for business, Build and provide technical expertise around Reward processes.

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Jobs of the week

2COMS Consulting Private Limited
HR Business partner - MM
Location: Kolkata
Job ID: 18332527
Description: Person will be responsible for leading the internal employee referral program.

New Era India Consultancy Private Ltd
Sr Manager HR Compensation
Location: Mumbai
Job ID: 18262596
Description: Candidate should have good knowledge of Compensation and Benefits, Candidate should have extensively worked on Compensation Management for New and Existing Employees.

Talent Corner Hr Services Private Limited
HR Manager
Location: Mumbai
Job ID: 18328849
Description: Candidate Must have done Recruitment in their Career therefore Must have Working Exp in Using Job Portals.

Roljobs Technology Services Private Limited
Senior Talent Officer
Location: Bengaluru / Bangalore, Hyderabad / Secunderabad
Job ID: 17417006
Description: Identify, source and screen engineering candidates, Source candidates using resume databases, etc.

Vitasta Consulting Private Limited
Sr. Manager HR
Location: Mumbai
Job ID: 18322932
Description: Should have at least 20+ years of relevant experience in managing HR functions of a service oriented organization such as a consulting firm, not-for-profit, KPO etc.

Janya It Technologies Private Limited
Team Lead - Recruitment
Location: Bengaluru / Bangalore
Job ID: 18246625
Description: Identify the potential candidates through various sources like references, head hunting, advertisements, job portals, existing database etc.

Jobseekers - To apply for above jobs

1. Logon to www.monster.com
2. Type the Job ID in the Search Jobs box
3. Click the "Go" button

Employers - To buy Monsterproducts and services

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or
email us at sales@monsterindia.com

Login & access your Monster account through your GPRS - enabled mobile.   Log on to www.monsterindia.com

It is equally important to understand feelings as we understand facts and explore this new dimension of decision making – the fact that feelings matter!

The facts of feelings

"Give me the facts of the case" , "What were the specific numbers?", "Who is saying this policy will not work?" "Where is the data?" etc etc.

We are now living in times that are embodied with variables and complex dynamics which have to be managed for effective decision making. And if in this environment we try and deploy unidimensional methods of decision making, the type that only relies on "Facts of the case", we may be in the danger of oversimplifying matters and ignoring key decision making variables.

It is of course, an imperative to look at all facts in situations that demand decision making, critical thinking etc. Holding back the urge to jump to quick decisions and unearthing data to make better sense of a situation at hand is not an easy skill. And when this is ignored, it is invariably to the detriment of the solution or judgement.

My point simply is that this may not be enough anymore. Not long back, I know of an organization that was considering moving its office from location A to location B. There was every plausible reason and rationale for that change. Everyone agreed with it, including the employees. Effective communication was done over months and activities were planned to include each member of the team. Yet a week before the move, the HR Manager began to hear murmurings of discontent. As these murmurings grew consistently, she realised that this change was triggering discontent *which was bringing to surface issues other than the move of office location!!*

The *feeling* of how a lot of things needed to be looked into - including how they felt about the leave policy, growth prospects in the organization etc. She

Our actions are driven not just by logic, but also by our feelings. Ignoring the latter will not address the all the facts of the case

reported this immediately, to her boss – the HR director. Her view was that open discussions need to happen to understand & deal with these feelings. The director, known for his maturity, remarked – "Who are the people saying this? Give me facts." "Have we not taken everyone along? We are doing everything correct." "Why talk about feelings? Everyone here is an adult and can deal with their feelings."

Months later, a growing trend of poor productivity and high attrition was observed. The Engagement Survey reported much lower levels of engagement. Something had happened because something had been disregarded in favour of the "facts".

The fact is: Organizations are made up of people who respond to situations logically and emotionally. While most leaders are comfortable exploring facts to get a better sense of a situation – feelings are dismissed and disregarded. This is just one situation; organisations are facing many such situations and not being able to adapt to the new dimension of decision making – *the fact that feelings matter!*

Would it be a better idea to understand feelings as we understand facts, explore where and why they surface when they do and enable others to deal with them. Maybe ask others what would help them to cope with their feelings, what actions would they like to take etc. - after unearthing & understanding the *feeling?*

So much of what we do is driven by our feelings and not only our logical mind. By ignoring or glossing over feelings, we are certainly not addressing all the facts of the case. **Pm**

(Part 2 of the article will be published in the forthcoming issue)

(SCAN HERE TO READ AN INTERVIEW WITH NEETA MOHLA)

ABOUT THE AUTHOR

NEETA MOHLA is Director and Head of Leadership Practice at TMI India