

India Market Study On Leadership Hiring And Talent Management Trends



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The Emergence Of Future HR And TA Leaders

Prior to the events of early 2020, much of the global conversation surrounding human resources involved the future utilization and opportunities in digital, artificial intelligence, robotics, and machine learning. While many aspects of HR can and will truly benefit from the intricacies of technological advances, the COVID-19 crisis has made it clear that 'human' aspects like empathy, social relationships, emotional intelligence, and trust are crucial for sustainable success in business.

Amid the contagion effect of the pandemic on economies globally, HR leaders have emerged as strategic partners in maintaining stability, reassuring employees, and defining policies and practices in the new normal while actively engaging with key stakeholders in a rapidly changing environment. We have witnessed a monumental shift in the scope of HR during the past six months – an incredibly short period – as companies shift to remote work, hire, onboard and manage talent virtually, interface with customers digitally, and look to preserve employee safety above all. Managing people in changing, unpredictable environments is certain to stretch the limits of any leader.

At Stanton Chase India, we recently conducted a unique survey of HR and talent acquisition (TA) leaders across the country to gauge the shifting trends in leadership hiring and talent management practices. Titled "India Market Study On Leadership Hiring Trends," this e-survey featured several questions formulated to facilitate a discussion on the topics and understand key topics on the minds of HR professionals. This study also uncovers topics that have been rarely studied before and was industry-agnostic.

A majority of our respondents:

— **Around 55%**

were from the technology/computer sciences and pharma, life sciences, and healthcare sectors.

— **While 14%**

of respondents hailed from the industrial, automotive, manufacturing, aerospace, and construction sectors.

— **Around 12%**

of the respondents work in financial services.

— **19%**

of respondents were from other industries.

What's On The Minds Of HR Leaders

In our study, we polled senior HR and TA leaders to learn about what business challenges in the current environment are giving them the greatest concern. From the results of this survey, we have found that HR leaders in India are experiencing the challenges of these unprecedented, uncertain times in their roles as they seek to balance job security, employee wellbeing, crisis management, and business continuity planning – while maintaining engagement with employees working virtually and testing full-scale virtual onboarding and engagement for new hires.

“While business and the markets at large are slowly getting back to speed, the question remains how quickly each one will get back to pre-COVID times and, given this new normal, what additional challenges will be thrown up,” one respondent elaborated. “While every problem comes with an opportunity, the fluid situation does keep one guessing.”

For employees, job and salary security remain at the top of the list of pressing issues. Despite the Indian government urging all public and private companies not to resort to salary cuts or layoffs in response to the crisis, managing costs and survival during difficult times remains a very real

issue for many organizations. This in turn has raised the anxiety level among employees across sectors, creating added emphasis for HR to manage. Since HR professionals are responsible for conveying changes to employees and listening to their concerns, the influx of employee requests and the gravity of those concerns have increased exponentially in recent months.

In an effort to protect workers and ensure as few interruptions to the business cycle as possible, organizations across all sectors in India are seeking to prioritize the health and safety of their employees. Employee mental health and wellbeing have become increasingly supported discussions. While many companies have been able to adopt work-from-home measures and reduce the level of physical contact among employees and clients, many organizations have been categorized under essential services and are obliged to continue operating onsite during the lockdown. Sectors such as manufacturing, retail, and banking are especially at high risk, as people are out in the operations or frontlines. Their HR leaders are striving to find the balance between remaining functional and productive while maintaining a risk-free environment.

“While business and the markets at large are slowly getting back to speed, the question remains how quickly each one will get back to pre-COVID times and, given this new normal, what additional challenges will be thrown up,”

The Changing HR Landscape

After quickly taking steps to mitigate the crisis in initial response, companies are now taking stock of which measures are sustainable, beneficial, and easy to integrate into a new working model – and which ones have proved ineffective. The crisis has proved to be an opportunity for companies to revisit – and in some cases, create anew – strategies for crisis management, succession planning, virtual employee engagement, boosting diversity and inclusion and innovation in the organization.

We observed that companies and leaders rated themselves highly on having managed to navigate uncertainty in a relatively short period by being able to rely on their resilient infrastructure. To face the new reality, companies are adding the list of priorities for HR function which includes managing flexible work arrangements, boosting employee communication to increase engagement, maintaining productivity, addressing employee concerns, and implementing health and preventive measures.

Leadership Hiring Focus Shift

Companies have been revisiting their leadership priorities. Most of the respondents said they feel their organizations should be focusing on the areas of data, AI, and digital to adapt to the current times and be prepared for the future considering the necessity of remote work culture. A sizeable number of respondents also mentioned developing diversity as a priority going forward.

One of the most prominent areas is digital, which in the current environment has become a necessity, not just for IT companies but those in every sector. In our previous survey on COVID-19 [1], we observed that companies were increasingly looking toward digitalizing their businesses to navigate the crisis. A similar trend was observed in this study, as well. This has created a greater need for leaders with relevant skillsets.

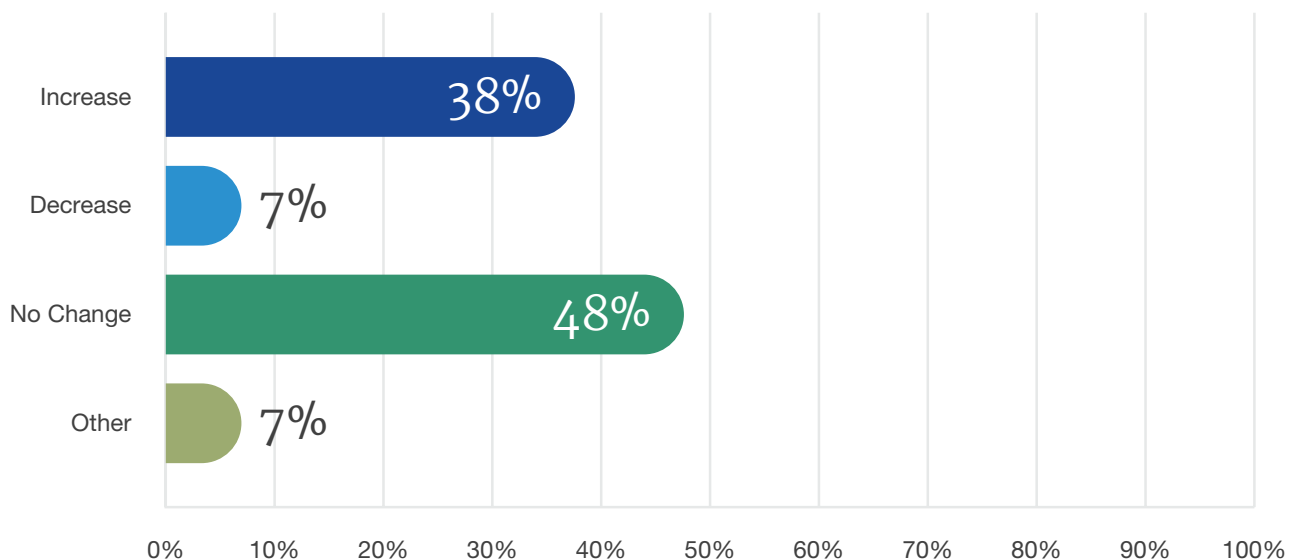
The changes businesses have undergone in the past six months reflect the shift in both the customer experience – as consumers look for remote, secure, accessible, and flexible services – and companies looking to become more agile and ahead of the curve. The latest data from Nasscom, India's largest IT association, shows that the last fiscal year saw more than \$50 billion in revenues for digital areas like artificial intelligence and machine learning and robotics.

Leadership Hiring Trends

HR professionals are also seeing trends that have positive upsides for Indian companies. The COVID-19 crisis has generated a need for the skilled leaders that companies are looking to hire strategically. Ravi Kumar, Global Head, Talent Acquisition at QuEST Global, says, “**Because of the current pandemic and economic situation, many companies have taken cost-cutting measures and paused hiring for some time. But the companies with long-term plans and**

risk-taking natures are actively looking for new growth areas in terms of uncharted domains or geographies. Such companies are actively looking for senior executives to fill in leadership positions to spearhead new initiatives. It has been observed that companies are also looking forward to hiring leaders who have gone through such a crisis previously, and this competency is gaining prominence while screening leadership-level candidates.”

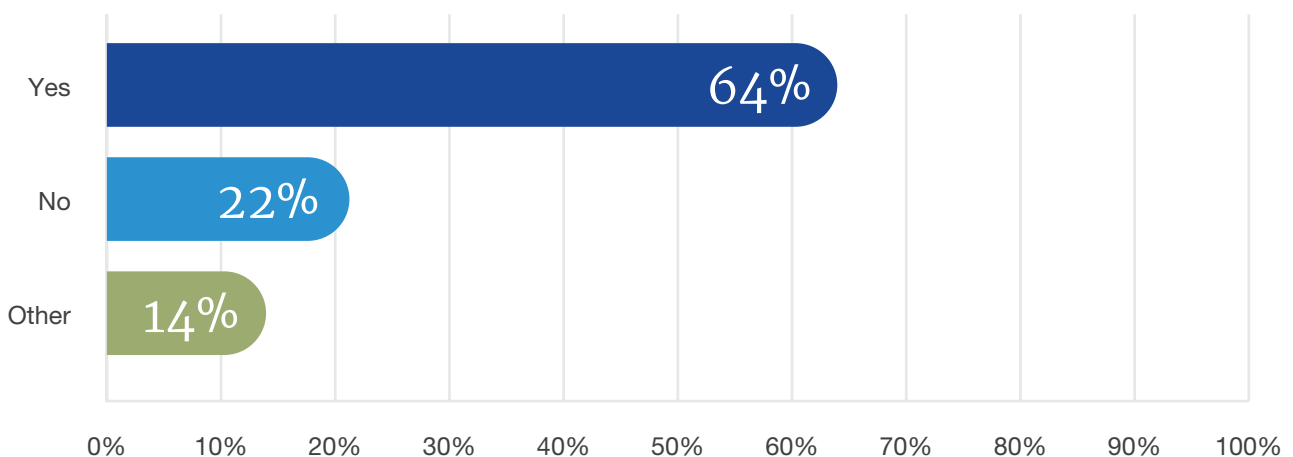
Do you foresee any shift in leadership hiring towards India from other overseas locations?



One such trend is a notable shift in leadership hiring toward India. When asked in our survey whether the leaders foresee any shift in leadership hiring trends toward India, almost half (48%) of the survey's respondents reported seeing no change, but more than a third (38%) said they have seen a "notable increase." A very small segment, around 7%, said they are expecting a decrease in the hiring trend.

This shift is in part due to the increased value offered by global in-house centers, which have taken firm root in India as generators of cost savings, improved productivity, and high-quality services. According to a paper published by the Stanton Chase India office, "The Evolution Of Global In-House Centers [2]," GICs are set to make an even bigger impact in the coming years amid growing digitalization and the augmented role that technology now plays.

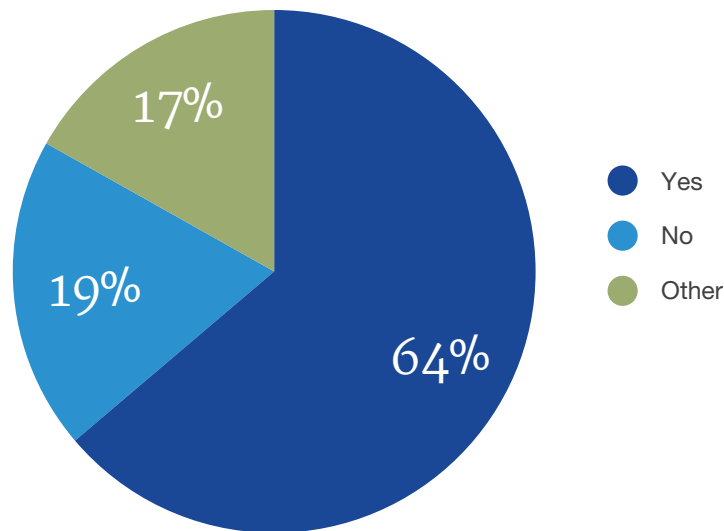
Would you consider hiring leadership talent from other sectors/industries?



Amid the monumental shifts that have taken place in response to the crisis, leaders and HR professionals are starting to think more outside the box. In our survey, we asked them whether they would consider hiring leadership talent from other sectors and industries, to which more than two-thirds (64%) said yes. This may also mean that hiring companies may prioritize a new set of leadership traits with flexible parameters.

A leader's ability to lead virtually, support organizational culture, emotional intelligence, tech-savviness, and agility and resilience are new key qualities in demand.

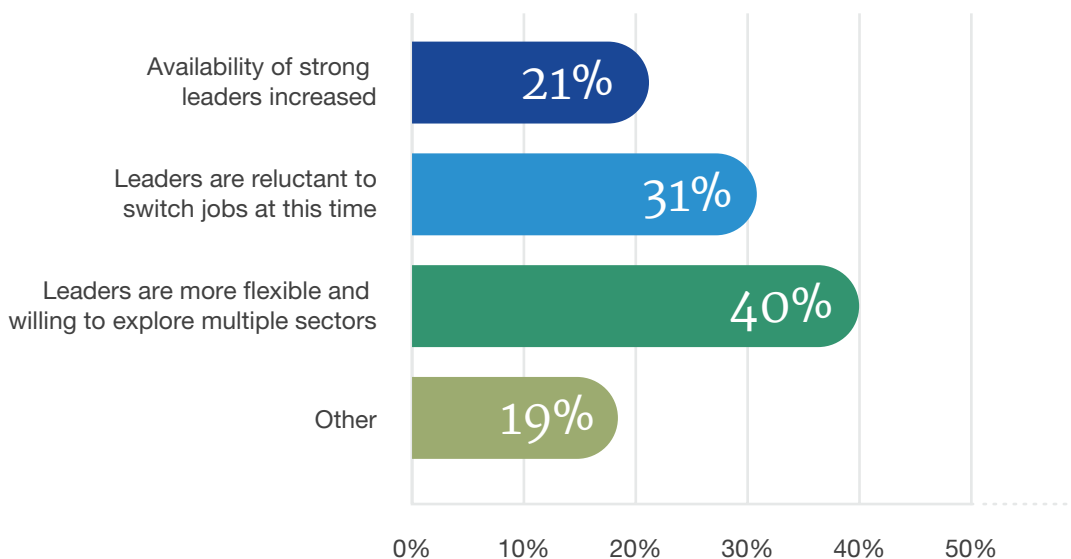
In the post COVID-19 environment, are you open to having 'virtual/location independent' leadership roles?



In light of the necessary shift to remote work in most sectors, 64% of our respondents reported that even after the crisis has passed, they will be open to virtual or location-independent leadership roles. The feasibility of this approach will continue to depend on the sector, as some are less easily disposed to switching operations to online and remote mode. Manufacturing, for example, remains

rooted in the necessity of factories, warehouses, and shipping, and those in service-focused sectors like healthcare may require to provide in-person support. For other sectors like technology, financial services, and even retail, there has been a more fluid progression toward digitalization that precedes the COVID-19 crisis.

How has the availability of competent leadership candidates changed during the COVID-19 environment?



A silver lining in the crisis, as far as many HR professionals in India are concerned, is that the availability of qualified leadership candidates has seen a positive change over the course of the COVID-19 crisis. Two-fifths (40%) of respondents reported finding that leaders were more flexible and willing to explore multiple sectors than they were at the start of 2020. While around one-third (30%) admitted they were encountering leaders who were reluctant to switch jobs at present, one-fifth (21%) of respondents said the availability of strong leaders had increased over the past six months.

“The number of senior executives responding to opportunities in leadership positions has increased drastically. Earlier the success rate used to be 30%, and nowadays it’s over 70%. Among this, there are people who have lost their job and are actively looking for a change, and there are people who are not impacted currently but want to explore the open positions and see what’s out there in the job market if their jobs are impacted because of the ongoing economic slowdown,” said Ravi.

Succession Planning

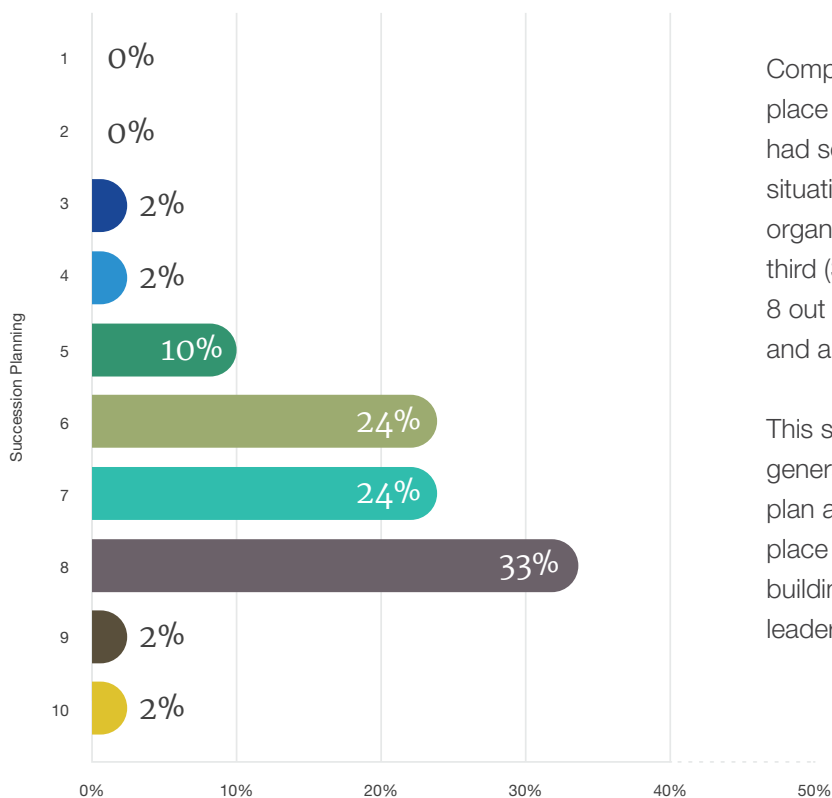
Succession planning has long been a preferred practice for organizations planning to have a pipeline of potential leaders for senior management roles as positions become available. The current crisis, however, has made succession planning even more crucial as companies seek to shore up continuity with internal hires and boards are faced with make-or-break decisions in crisis response and business continuity.

“We have always looked at succession management as leadership investment and not

as an HR focus area. Managing succession is managing enterprise business risk,” said Pradeep Nambiar, Head of Talent Management at Boeing Global Services.

In today’s rapidly changing business environment, organizations are finding and focusing on new capabilities and leaders – often from within the company – to prepare them for key roles in the event that a previous leader leaves the organization. We notice a change in priorities for leadership capabilities linked with evolving business strategies.

On a scale of 1 to 10, how would you rate your company’s succession plan?



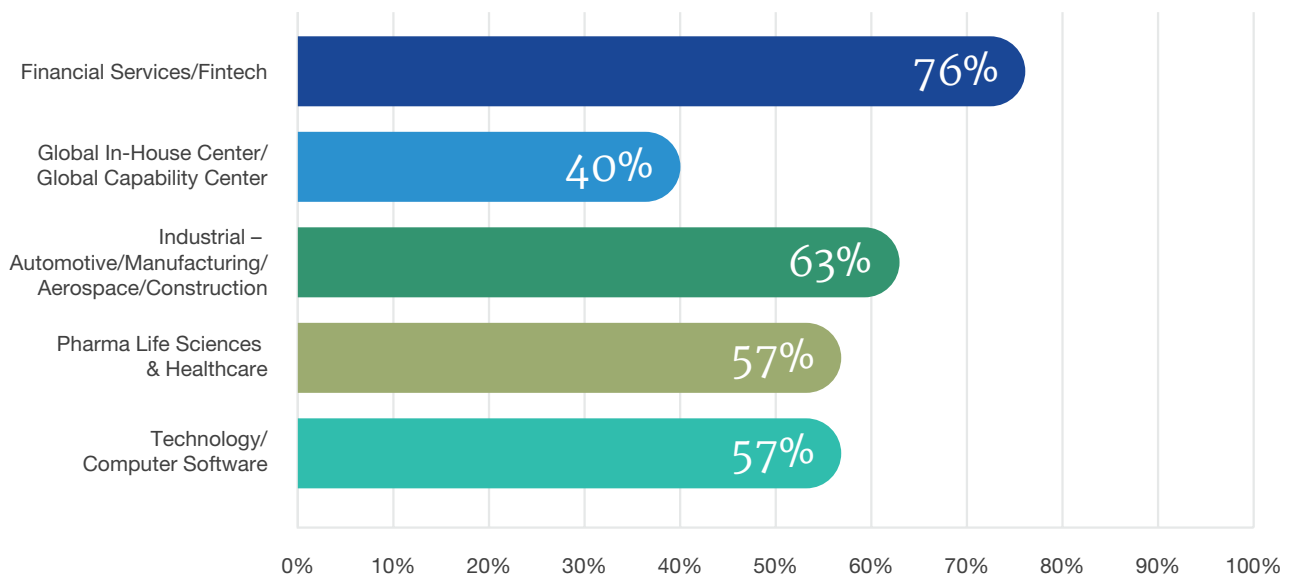
Companies that had a risk management policy in place were more likely to weather the crisis, having had some element of planning in place for such a situation. When asked how they would rate their organization’s emergency succession plan, one-third (33%) of respondents in the survey gave it an 8 out of 10, while a quarter (24%) rated it as a 6 and another 24% gave it a 7.

This shows that overall, organizations had the general foresight to institutionalize a succession plan ahead of the crisis. Having such a plan in place in the event of a crisis is one means of building confidence among stakeholders that leadership continuity is covered.

Internal Talent Pools

As companies look to adjust their operations to reflect changing customer needs and market requirements, they are also encountering new parameters of hiring. Due to decreased hiring budgets and travel restrictions, organizations are looking more toward their internal talent pools to fill leadership positions.

What percentage of your leadership roles are filled successfully with talent from internal talent pool?



One approach that companies are utilizing in filling key leadership roles is internal hiring. The results of our survey demonstrate that companies generally prefer to fill positions internally without having to look beyond the organization for an open role. 40% of the respondents said that 51-75% of the roles are filled by internal talent before they start looking out to the wider talent pool. Almost 35% reported filling almost 50% of vacant positions with internal talent. One-fourth of respondents (24%) said that they now prioritize internal hiring for seven out of 10 open positions.

For those in HR, the leadership decisions they make now and the steps that follow could have a huge impact on the recovery of their organization. Thorough, well-planned, and carefully executed leadership hiring decisions through internal talent and external leadership hiring are linked to organizational success.

Increasing Diversity

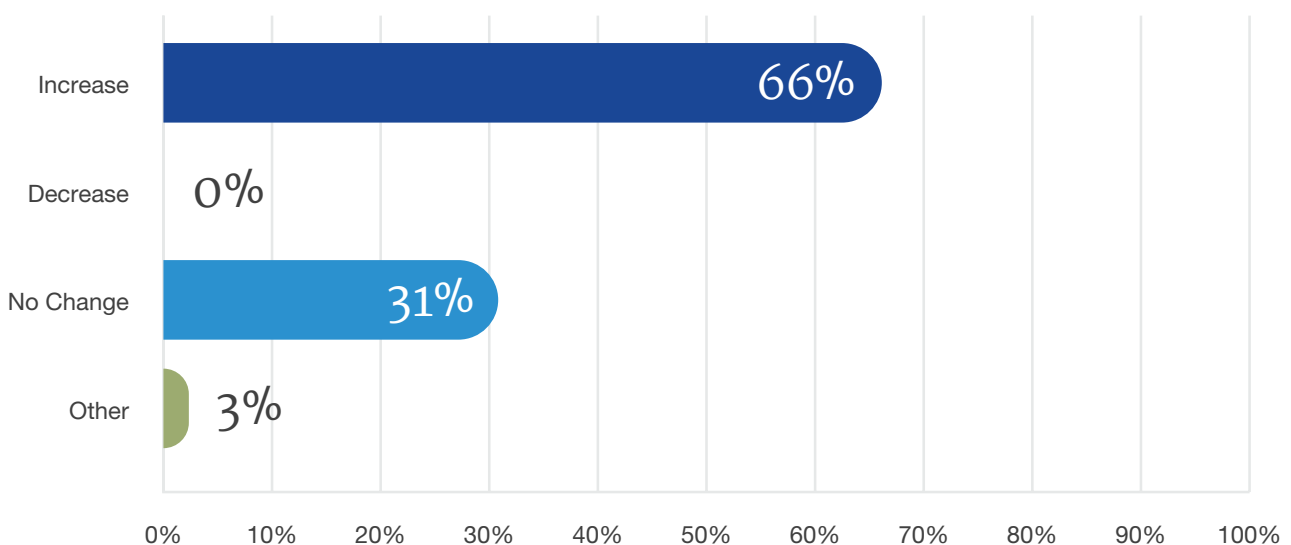
In today's business world, diversity has become crucial as the current situation demands variation in approach and thought process of the leaders who can go out and beyond conventional methods. Even before the crisis, many organizations were looking to boost their diversity and inclusion initiatives and diversify all levels of management.

Dr. Sanika Kerkar, Talent Management, South Asia at Sanofi says, **“To retain a gender-diverse work force which is also productive, organizations would have to prioritize options/ policies which would not only support but also catapult careers and wellbeing of women in this new normal.”** According to PwC research from last year, 87% of global businesses reported that diversity and inclusion are an organizational priority.

For the respondents in our survey, increasing diversity is one of their biggest priorities going forward.

Research has also shown that increasing levels of diversity are associated with improved financial performance for organizations. Harvard Business Review cites research by McKinsey [3] which found that “companies in the top quartile for gender diversity on executive teams were 25% more likely to have above-average profitability than companies in the fourth quartile. Moreover, companies now pulling back on diversity and inclusion may be placing themselves at a disadvantage by limiting their access to talent, skills, ideas, leadership styles, and perspectives that may also reflect their customer base.”

How do you foresee changes in diversity hiring at the leadership level for the upcoming financial year?



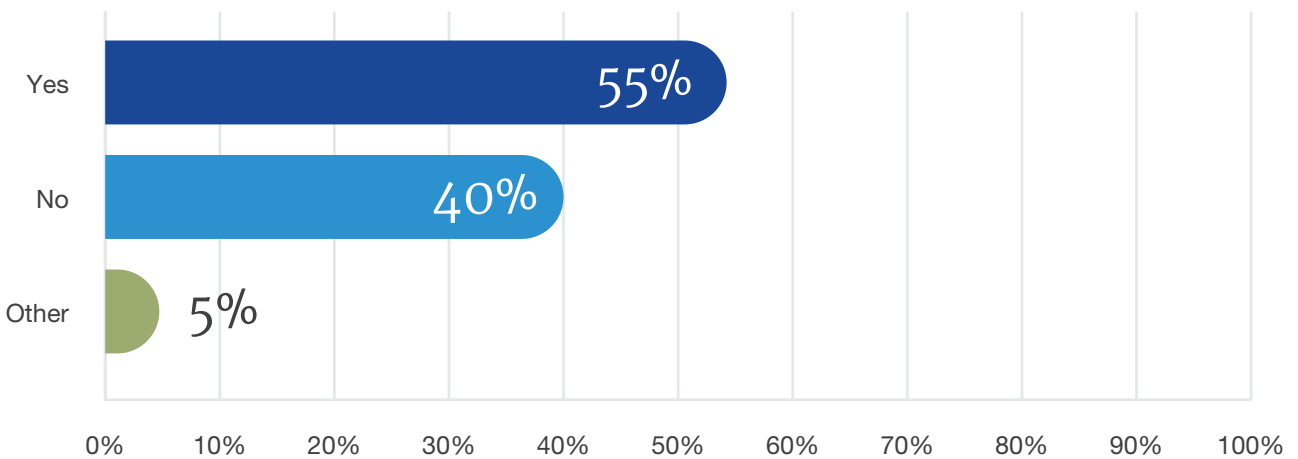
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In our study, two-thirds (67%) of respondents said they plan to increase the level of diversity hiring at their organization, while a third (30%) reported that no such change is being planned at the moment.

One place of particular importance for increasing diversity is in the boardroom. The pandemic has further driven home the need for a diverse range of leaders at the top who can offer a broad spectrum of perspectives in handling a crisis and rethinking business paradigms as they look to steer the company out of the crisis.

In a recent article [4] published by Stanton Chase India on gender equality in the boardroom, Managing Partner Ashwini Prakash says organizations that choose to look beyond discriminating factors like gender will be able to recruit from a larger talent pool. “When a diverse, talented group of people work together, there is a better exchange of ideas, viewpoints, market insights, and problem-solving skills. This results in a high level of employee engagement and improved financial performance. A diverse organization not only signals an attractive working environment for talent but also a promising opportunity for investors.”

Do you have diversity hiring targets for your boardroom?



55% revealed that they have diversity targets for their boardroom, while 40% said they do not.

“Diversity, equity, and inclusion are critically important at this moment in time. For getting clarity around our own unconscious biases and removing barriers that may be blocking a company’s success to progress, the conversation is critically important. This means having organizational goals that you can actually monitor and measure whether you are making any progress [is] essential. Ensuring that diversity candidates exist on candidate slates, for example. We know diverse perspectives contribute to high-performing teams, and that is no different for boards or the C-suite. It’s a win-win outcome and helps to

drive innovation, breakthrough thinking and eliminate group think,” says Mitel CHRO Billie Hartless.

In 2015, the Securities and Exchange Board of India (SEBI) mandated that the boards of companies must include at least one woman, and put in place fines for companies found to be noncompliant. The Economic Times of India reported earlier this year [5] that, five years later, the SEBI regulations were paying off, and a higher number of companies now can boast of having diverse boards.

Looking For Ways To Improve

As one of the open-ended questions in our survey intended to start a discussion of the subject, we asked the respondents which key aspect of their organization’s leadership hiring process they would improve. The responses covered a lot of ground, ranging from increasing diversity, boosting transparency in hiring, and utilizing internal hiring schemes to – most frequently mentioned – shortening the interview process and speeding up the entire hiring process.

“Shorten the number of interview rounds and the process needs to be fast,” wrote one respondent, echoing what others felt by mentioning elements like “speed” and having the ability to vet candidates virtually and hire remotely.

Respondents also voiced the desire for their hiring process to better focus on cultural alignment, especially in these times of crisis. Finding leaders who are able to think on their feet and have the organization’s best interests at heart is a priority for many HR professionals.

In another topic of discussion that we raised in our survey, we asked respondents to talk about the steps that their organization has taken in order to have the highest visibility and impact on employer branding. One-third (31%) of responses included mentions of the value of the company’s social media presence, including ramping up their presence on social media (which one respondent described as an “aggressive social media strategy”) and creating new campaigns to highlight the way the crisis has been handled and employees have been taken care of.

One respondent opined, “Leveraging the social media to communicate more often on [decisions made during the pandemic] and the ongoing commitment of the organization to improve quality of life and environment.”

The second-most common step that organizations are taking was increasing the lines of communication with employees, as well as ensuring the levels of customer service remain top-notch.

Conclusion: Looking Ahead To The Future Of HR

With human resources representing a frontline in the crisis, HR leaders are faced with big decisions across the board that can ultimately have a significant impact on their organization. Be it through utilizing the benefits of the Industrial Revolution 4.0 in digitalizing processes, technologies, and analytics or focusing on the value of the “human” touch, going forward HR professionals and the companies that support them must choose a new set of priorities that reflect the evolved landscape. These priorities should include:

Evolving leadership and talent management practices:

The virtual work setup is here to stay, and organizations need to reform their management style and policies accordingly. Having the right mindset and building trust and confidence in employees will help leaders to lead virtually. The pandemic has set a precedent for advanced leadership.

Increasing impact of organizational culture:

Culture is the fabric that weaves an organization and its employees together. A good culture attracts and retains high-performing talent. Organizations are onboarding new hires virtually to adapt to the new setting, and the absence of face-to-face interaction and real-time experience of the work culture may blur the cultural disparity of different organizations. In the current work environment, where employees are working from home and have less interaction with their colleagues, figuring out innovative approaches to reinforcing culture becomes the need of the hour.

Innovation mindset and opportunities as bold influencers:

As everyone adjusts to the new normal, new leadership skills are emerging that have quickly become indispensable. Resilient HR leaders must have a mindset of continuous improvement as they navigate the virtual, digital environments and encourage an innovation mindset all-round. Leaders and managers must be agile in providing frameworks and flexibility while employees need to be more proactive and self-driven as they take ownership and accountability in the virtual environment. HR leaders must also prepare for the possibility that candidates in the future may prioritize flexibility and the option to work virtually over remuneration. Many resilient HR leaders are taking this opportunity to become bold influencers in remodeling organizational policies and practices.

To find the best leaders that are out there today, organizations need to be more flexible in their approach and scope of search. This translates into a willingness to look beyond the set parameters of a given position and the ability to prioritize digital skills and adaptability. The current market scenario is evolving rapidly. Many companies have taken these changes on board and accepted the new normal. Areas that organizations are prioritizing for their leadership team currently include strategy, digital, and supply chain.

As companies look toward further digitalization to accommodate the shifting requirements of a remote workforce and increased online customer demands, HR and talent acquisition leaders play a vital role in shaping the future organization.

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Leadership skills and models will continue to evolve to reflect the increasing emphasis on thriving in a digital environment. Even in a world of artificial intelligence and machine learning, human capital and the impact of HR continue to be increasing differentiators for getting ahead in the marketplace.

The IMF has predicted that the global economy will bounce back in 2021. Organizations are positive

about their future and willing to invest in competent talent in areas of high impact. This will be a testing and exciting time for HR and TA leaders to evolve, generate a strong pipeline of adept leaders, and impact their organization's success. Leadership hiring will speed up in the years to come, and the onus will be on HR & TA leaders to find a balance between conventional methods of hiring and evolving technologies.

At Stanton Chase, we assist our clients with leadership hiring, executive onboarding and executive assessment. For more information reach out to our [consultants](#).

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