

**“I fear the day that technology
will surpass our human
interaction. The
world will have a
generation of
idiots.”**

-Albert Einstein

QUOTEKU.COM

Future of Work and Future of Human Capital Management in India

T Muralidharan

TMI Conference Mumbai

July 2019

Agenda

A bit about TMI

Why “Future of Work”?

Counter-intuitive Facts on India

Future of Work in India

Jobs at risk

New Employment Arrangements

Future of HCM

Interactions & Discussions

Where’s TMI headed

A bit about TMI

A little more than what we
have ever shared with you...

NUMBERSPEAK*

Since 1991 - Solving HR Challenges for 28 years!

3 Group Companies	6 Branches	12 Services	600 full/ Flexi time associates
400+ Corporate Customers	590+ Partners	10+ Government Customers	500+ Campus Connects
10+ Million Brand Connects	5,000+ hours of Classroom Content	6,000+ e-Learning hours	3,000+ Employee Alumni
0.15+ million Managers Placed	0.15+ million Trained in Classroom	0.6+ million e-Learners	0.3+ million job seeker engagements annually

*As on 31st March, 2019

4Ps of our Delivery Ecosystem

As on 31st March 2019

 People	 Partnerships	 Place	 Products
<ul style="list-style-type: none">• 300 FTE & 300+ Flexi Staff• 2400 on Staffing roles• 305 Freelance Assessors• 400+ Freelance trainers	<ul style="list-style-type: none">• 556 Sourcing Partners• Partner the world's largest Employer• Branding agency	<ul style="list-style-type: none">• 6 offices• 2 training Centers• 5 Campus partners• 72 Hotel Partners, across 38 cities	<ul style="list-style-type: none">• Productivity• Capacity building• Analytics

Treasure Trove of Data

500,000+ Connects/year

Recruitment
Conversations

Onboarding
conversations

30, 60, 90 day
calling

Performance
Data

Attrition Data

Training and
Learning
Conversations

Anecdotal
Data

Unstructured
Data

Structured
Data

f u t u r e



How important is the discussion on Future of Work?

What is common among these brands?



All of them missed the next wave despite the best of management & being at the cutting edge of technology

	Lost the fuel efficiency wave to Japanese companies	 motorola	Missed the 3G wave
	Stayed a hardware co for too long		Lost the OS race to Google & Apple
  10-10-2019	Did not launch the PC, they invented		Stayed a Media Company instead of Search 12



**Some visible
trends on Future
of Work in
Advanced
countries**

Workforce of the Future in Advanced Economies: A Reality Check



Non-standard forms of employment increasing

- Atomization of workforces



New jobs that open up are mostly not permanent jobs

- At about 6% b/w 2005-11



% of permanent jobs decreasing in USA

- Will drop to 9% by 2030



Even strategic functions are outsourced unlike earlier

- 50% of P&G's Innovation!

Counter Intuitive India

Contrasting
Shades of the
same data



Poverty despite Economic growth



Top 3 in world by 2030 with 10 trillion US\$ economy



**Poverty rate from 55% to 28% in ten years
271 million people moved out of poverty
between 2005/6 and 2015/16**



**Wealth disparity widens :the top 10% held
74% of wealth in 2014. top 1 % held 73% in
2019**



**364 million people and 156 million children
poor. Largest poor and 50% World's poor
children in India**

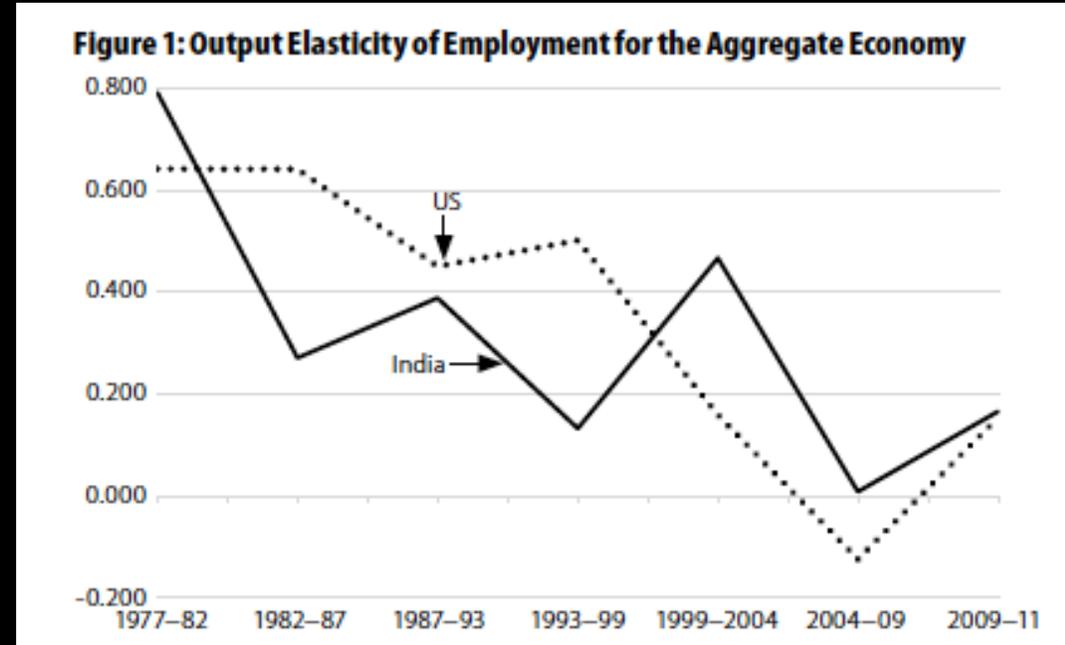


**Fertility rates have plummeted since 1960 by
60%. Urban fertility at 1.8 is lower than
replacement rate of 2.1**

1. Jobs Shortage, despite Growth

1. **15 M** increase in working age + **5 M** migrate from agri = 20 M livelihoods needed every year
2. The World Bank estimates India needs to generate **13.4 M** jobs a year = GDP growth rate of **18%**
3. Jobs growth at **5-6 M / year** from 2000–2018

10-10-2019



Sector	EE	Sector	EE
Agriculture	0.04	Construction	1.13
Manufacturing	0.09	Trade, Transport	0.19
Mining & quarrying	0.52	Finance, real estate	0.66
Utilities	0.04	Other services	0.08
All sectors	0.19		

Source: 12th Five Year Plan document, Chapter 22 Finance

Statement 33: Unemployment rate (in per cent) among the youth (15 to 29 years) in usual status (ps+ss) during NSS 61st (2004-05), 66th (2009-10), 68th (2011-12) rounds and PLFS (2017-18)

all-India

category of persons	NSS round (period)			
	61 st round (2004-2005)	66 th round (2009-2010)	68 th round (2011-2012)	PLFS (2017-18)
(1)	(2)	(3)	(4)	(5)
rural male	3.9	4.7	5.0	17.4
rural female	4.2	4.6	4.8	13.6
urban male	8.8	7.5	8.1	18.7
urban female	14.9	14.3	13.1	27.2

Note: The figures are to be read along with the explanatory note for comparability.

Annual Report: PLFS, 2017-18

2. Willful unemployment, in addition to high unemployment

- 5 out of 6 young women (age 15-24) and 1 in 2 young men NOT looking for work
- One-third of Indian youth between the ages of 15 and 29 **Sitting At Home**; NOT in education, employment or training

3. Higher enrollment of women in education v/s drop in workforce participation

17 M enrolled in Higher Edu; a record!

5 out of 6 in age group 15 -24 not looking for work

Decline in work-force participation to 29% (World = 49%)

50% drop out b/w Junior & Mid-level in Corporate India (Asia = 29%)

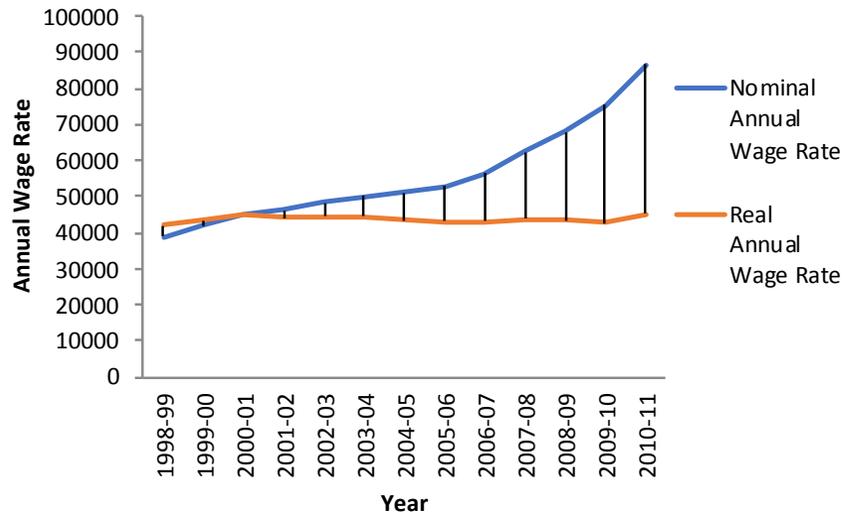


4. Job loss due to tech & automation v/s Increase in Technology-led Independent jobs

MGI: “**60 percent of all jobs** have at least **30 percent** of activities that are technically automatable, based on technologies available today”

- 700,000 - 900,000 Tech-enabled **independent** jobs created in India b/w 2014 and 2017
- Primarily in transport, logistics and financial services
- Uber, Ola, Swiggy, Urbanclap, Fintech...

Over 12-year period 1999-2011



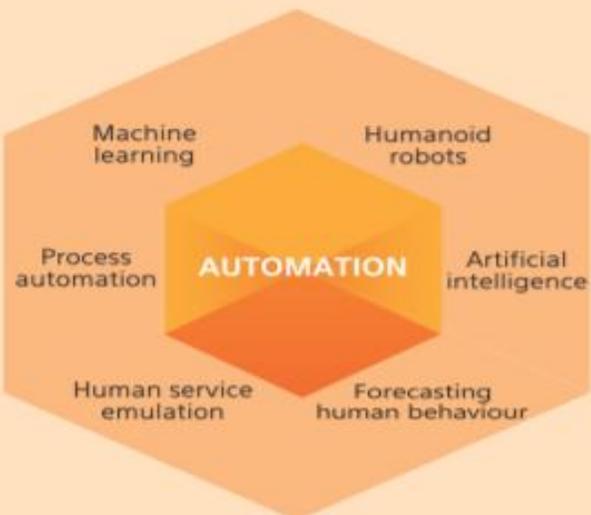
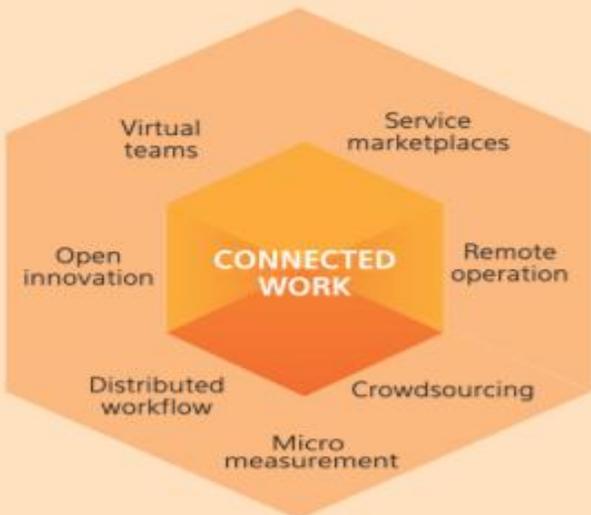
5. Nominal Wage increases v/s Real wages static

- Real wages stagnant at about Rs. 45,000 p.a.
- 50% of industries showed **decline in real wages**
- **Managerial compensation up by 150% to 480% of worker salaries**
- **18% of employed population living in poverty**

The Future of Work in India



WORK DISRUPTION

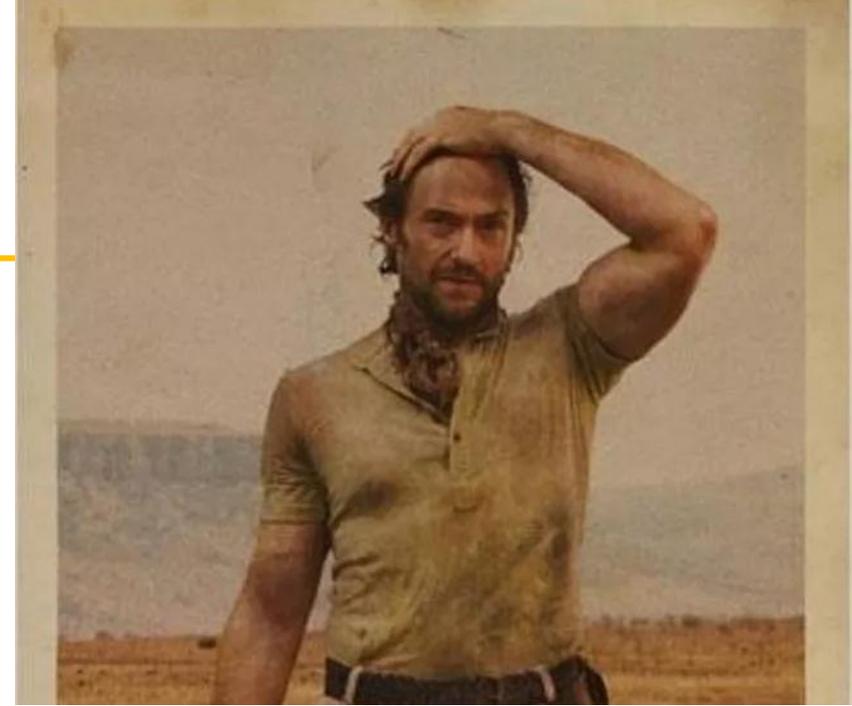


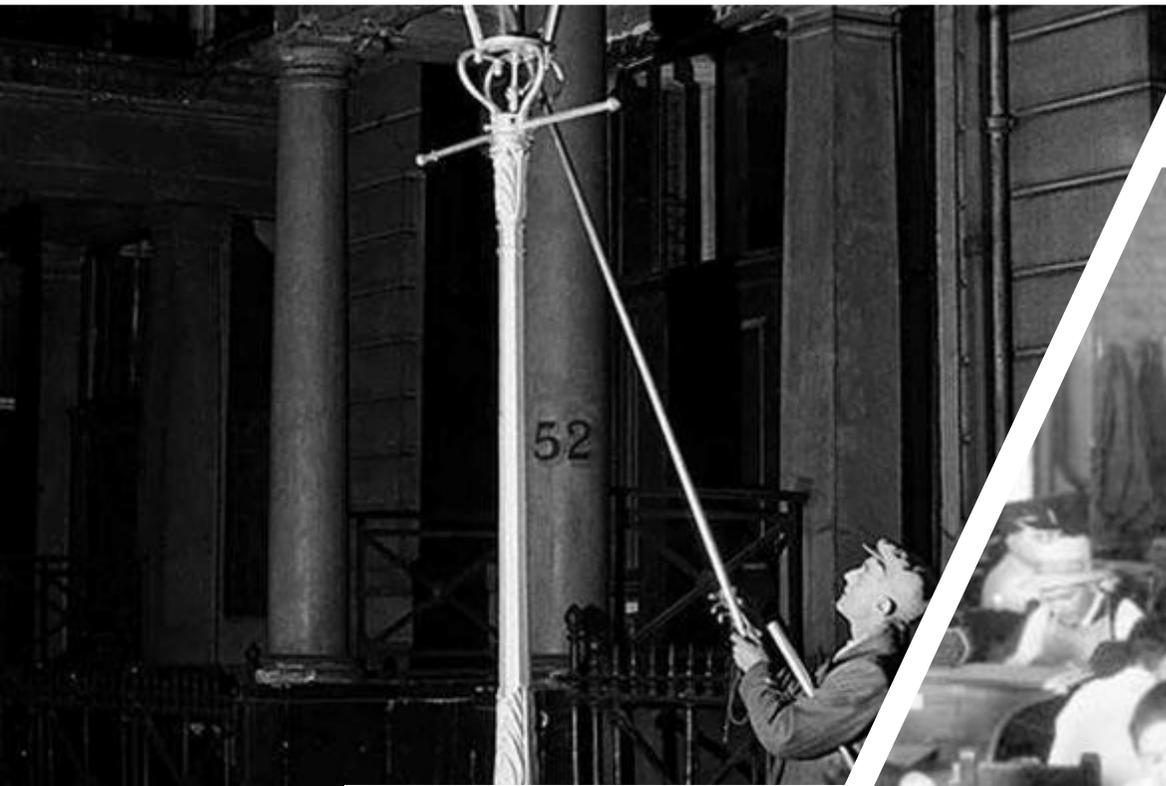
DISTINCTIVE HUMAN CAPABILITIES



STRUCTURE OF WORK







So, what jobs are at risk in the future due to digital revolution?

As per McKinsey

- **49% of World Economy & 1.1 Billion workforce** across US, China, Japan & India
- **2,000 odd activities** will not need humans
- **3 out of 8 Activity Categories** that constitute 51% of economic activity even in the US
- % maybe higher in India
- **Data Collection, Data Processing, Structured Physical work**
- AI will replace mental **rule-based tasks** - GPs, Solicitors -

The Jury is out on **Job Losses** due to Automation

Extract from: WEF Enterprise Survey Oct 2018



1. **Unresolved debate** around the potential of automation to cause job displacement and job loss
2. Academics such as Frey and Osborne find that **47% of Occupation in the United States are at a high risk of being lost** due to computerization
3. Armtz et al. analyzed 21 OECD countries using a **task-based approach** and found that on **average only 9%** of jobs are at risk of automation
4. One McKinsey Global Institute study estimates that **52% of jobs in India can be automated** using existing technologies; another McKinsey report suggests that job creation will be adequate to make up for these potential losses

Next, What Jobs are NOT at risk?



Creative roles

- Scientists, Architects, Surgeons, Chefs



Influencing roles

- Concept Sales Persons, High-end Talent Scouts



Complex relationships management roles

- Relationship Managers, High-end Bureaucrats



Jobs requiring human interface

- Counsellors, Priests, Judges, First-line Supervisors



Non repetitive and unpredictable roles

- Project Managers, Solution Architects, Nurses

Is India in denial?

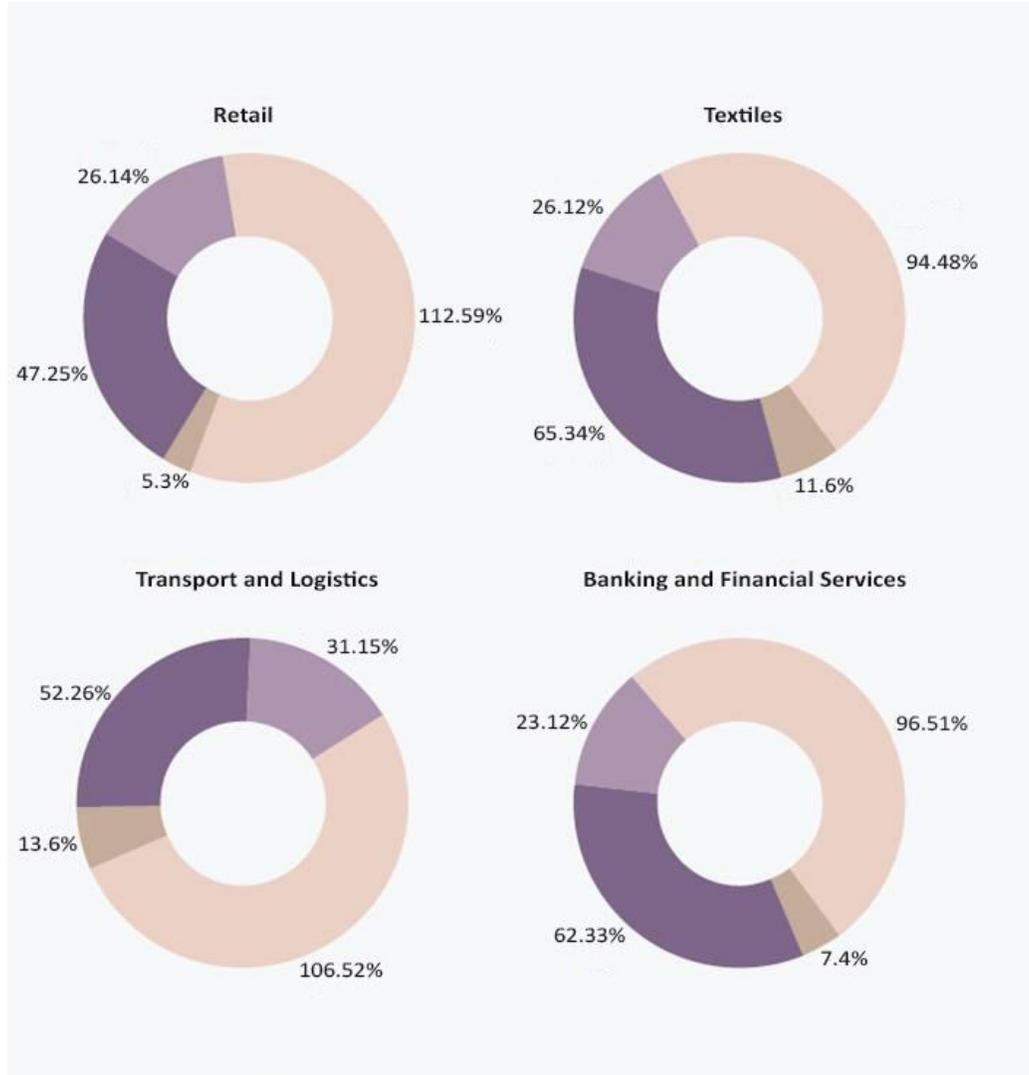


FIGURE 10 EXPECTED INCREASE/DECREASE IN THE WORKFORCE IN THE NEXT FIVE YEARS

Jobs expected to increase in the workforce in the next five years

- Increase
- Decrease
- Stay the Same
- Don't Know

Source: WEF Survey Oct 2018

Many hues of Employment Arrangements entering Indian Workforce too



Dimension	High	Medium	Low
Time	Full-time	Part-time	Flexi-time
Location	On-Site	Off-shore	Work-from-Home
Payment	Fixed Salary	Based on Output	Based on Time Spent



Will government allow automation?

Questions on
Future of
business



What does it mean for businesses? Example Life Insurance

- If people don't have income security, if educated women work only for a few years, what kind of products are needed?



Future of HCM

Workforce Management Questions



Predicting skill sets in demand
Upskilling challenges – Who will own it?



Business continuity – Who will provide if employee durations decline?



Project based work and teams – compensation models? Leadership models?

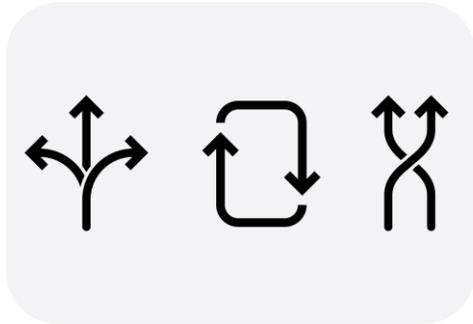


Millennium work force and **four Generations** of workers



9 types of employment arrangements – How will HR handle?

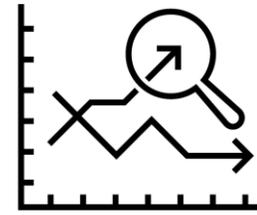
Future of HCM – Some thoughts from us



1. Flexibility will be as important as **Efficiency**



Flexibility will come from **external talent**



Predictive Analytics

What? How? Why? When?
Predictability will be critical



Measurement and modelling is the key to predictability



Thick Data is the key to measurement and modelling



Future of TMI

Aligned with Future of Work

Focus Practices



Value-Added Staffing

- Many employment arrangements
- Visible performance tracking & sustenance



Large-scale Hiring & RPO

- Pan-India, Consortium-based
- Just-in Time
- Manning solutions with TATs



Learning Sciences

- Blended Learning, Assessments & HR Technology
- LaaS – Learning as a Service



Thick-Data based HR Analytics

- Partner Business & HR to answer Higher order Qs
- RAG-tagging performers

Value-adding partner of Business & HR

Geographic Spread

- Looking East
 - Singapore office for Learning Sciences practice
 - Japan for exporting Indian talent
- Looking West
 - Germany for exporting Indian talent
- Central Asia & Africa
 - Capacity building on Skills, Nutrition, Health, Public Procurement & Public Finance Management

Need for a New Structure



- Sectors are changing dramatically
 - Need a Business focus by sector
- Delivery excellence from Flexibility & Automation
 - Need a Delivery focus by product line
- Hence a Two-in-a-boot structure of BU & DU
- Predictability & HR Analytics will be the key in the future
 - Started a new vertical around this

Revised Structure

- **Top Management**
 - Murali – Executive Chairman
 - Ravi – Group CEO
 - Rajiv Lal – Group Delivery Excellence Head
- **Sectoral Leadership as Business Units**
 - Peter – BFSI & Head of HR
 - Ramesh - Manufacturing
 - Gurdip – Consumer, Auto, Retail
 - Rajesh – Government
 - Ishaq – Multilateral Agencies
 - Prenul – US & Singapore
 - Sanjay – Data Analytics
 - Mayank – Japan & Germany
- **Delivery Leadership as Delivery Units**
 - Sampath - Training
 - Shashikant – Talent Acquisition – On Rolls & Off Rolls
 - Rajani – Staffing Ops & On Boarding
 - Naveen – HR & KM Technology
 - Srinivas – Learning Sciences
 - Santosh – Assessments
 - Harish – Data Analytics
 - Usha – IT Hiring

Executive Search not in this Structure,
headed by Sriram

Discussions & Interactions



- Structured & Unstructured
- Some Polls
- Sharing of
 - Perspectives & Views
 - Counter Point of View
- Questions & Answers

- Will integrate into a Paper to share with all

Part 1: A Quick Poll on Counterintuitive look at Indian workforce



1. Job losses due to increased automation, despite growth
2. On Willful un-employment at entry-level roles in your organization
3. Women exiting the organization between Junior & Middle-level roles
4. Real wages have grown in my organization along with Nominal wages for entry level roles

Path: www.jotform

Part 2: Interactions on Counter-intuitive look at Indian workforce



Job Losses?

- Job losses due to increased automation, despite growth
- CEO's View
- HR's View



Women participation?

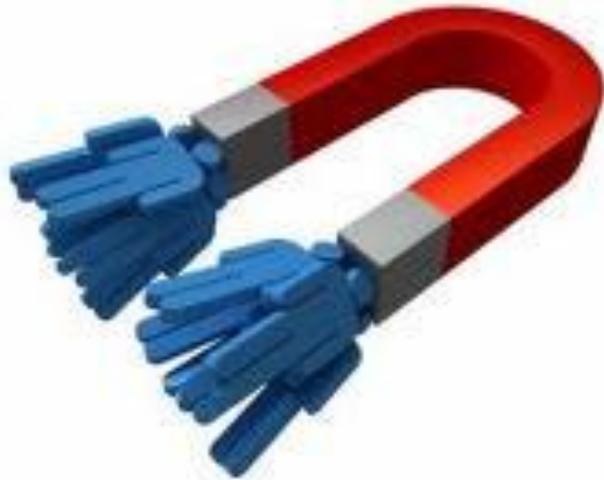
- Women dropping out between Junior & Mid-levels
- Why?
- What can we do?



Willful unemployment?

- Willful unemployment of youth
- Experiences
- How to tackle?
 - BFSI
 - Non-BFSI

Challenge #1



- **9 types of employment arrangements**
 - Role of HR in recruitment, PMS? Role of L&D?
- Recruitment
 - New models?
 - New methods for new arrangements?
- L&D
 - Capability building
- PMS
 - For Off-roll workers?
 - Differential assessments?

Challenge #2: **Project based work and teams**



- Compensation models?
 - For different types of work arrangements?
 - For outcomes? For contributions made?
 - As a team?
- Leadership models?
 - Who is the right leader?
 - How do they lead such project teams?

Challenge #3: Handling 4 Generations in the workforce



- **Millennium worker**
 - Variety on the job
 - Daily feedback / pat on the back
 - Low attention span?
- **4 Generations in the workforce**
 - How do we handle the variety?
 - How do we handle conflicting demands?