

An interactive session on
FUTURE OF WORK AND HCM IN INDIA
24th July, 2019



THE FUTURE OF WORK EVENTS

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Event Report on
1st event of 2019 held @ Mumbai.



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**FUTURE OF WORK AND
HCM IN INDIA**

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Event Report

SERIES 1 -FUTURE OF WORK INTERACTIVE WORKSHOP HELD @
MUMBAI ON 24TH JULY 2019

The first event in the TMI Future of Work series was held at the Mumbai Cricket Club Hall on a rainy weekday at Mumbai. The event saw HR & Business Leaders assemble to make interesting conversations and share perspectives.

Sectors Represented

The 19 participating companies together employed close to 5 Lac Full Time Employees and provided extended employment to many more.

Discussion Topics

The overview by TMI provided a macroeconomic view of emerging trends in India and globally, that is likely to impact what work may be required to be done in the future and on the way, work is perceived, delivered & paid for. The topics covered included the following:



The event was live streamed on Facebook and YouTube and was viewed by TMI clients and employees across the country. Should you want a free copy of the original presentation, do write to us on business@tminetwork.com.

Key Inferences from onsite poll

A clear paradox exists - while on one side there is an increasing din of Job losses and unemployment, on the other side there is also hope of large-scale cross-skilling and up-skilling of talent to cater to modified or new job roles. It was important to get an idea of what the industry leaders thought about it. A live poll was held to understand audience view of the future unfolding before them. The results offered a mixed-bag guesstimate of the future.



Perspective on Job Losses

According to the World Bank estimates, India needs to generate 13.4 M jobs every year, which would imply a GDP growth rate of 18%. Jobs growth has at best been around 5 to 6 M / year from 2000–2018. Added to this, a recent McKinsey report suggested that “60 percent of all jobs have at least 30 percent of activities that are technically automatable, based on technologies available today.”

The FoW workshop tried to understand the Industry perspective on whether Job growth will be further stymied by automation-led changes.

Poll Q: Will there be job losses despite rapid all-around growth?

Job losses have begun even as we grow	11%
Job losses will accelerate as we automate more	28%
Significant job losses unlikely as we grow	22%
We will continue to hire for growth	39%

All your chat bots, voice bots most of them are in experimental phase, to that extent have they really impacted significant job losses? I think not. But will they in the coming 4-5 years (you know) when all of them are stabilized and we have far more certainty on their performance, (yes) I think surely you would see (job losses).

Srirang T K - Head HR - ICICI

To this, Team India overall weighed heavily on the sunny side with over 60% positive about sustained job growth. Close to 40% accepted that either the slow disintegration of traditional repetitive task-based jobs has begun or is in the offing.

On Wilful Unemployment

The Annual NSSO report Annual report PLFS 2017-18 cited the following facts:

- Almost 5 out of 6 young women (age 15-24) and 1 in 2 young men were NOT looking for work.
- One-third of Indian youth between the ages of 15 and 29 were sitting at Home and were out of the education system, the employment market or the training ecosystem.

Poll Q. On Willful un-employment at entry-level roles in your organization

Is a serious concern for us	22%
Seen some instances of this	33%
We haven't encountered this	44%



Manpower service providers such as TMI have been grappling with issues of willful unemployment for almost a decade. We have seen a consistent rejection of “tough” job roles such as out-of-office sales that carry number targets. Some job roles have needed a very large funnel, an incredibly high of 16 applicants to be reached out to fill a single position. In TMI’s opinion, this is likely to worsen.

This is also acute in most sub-Rs. 15,000 jobs, where first-time job seekers who migrate to take up jobs in cities end up confronting low-earning potential and find it difficult to sustain. This leads to young talent staying away from entry level low paying jobs in the organized sector. Employers across sectors have felt the lurking presence of this challenge in their hiring numbers. Most spoke about competition from Government jobs, even low-level posts, as serious competition with candidates willing to wait for years for the attached job security and better compensation at entry-levels.

As per FoW onsite poll, close to 60% have experienced this, of which, over 20% have noted this as a major challenge. However, there is significant 40+ % of leadership across sector who are yet to experience this.

While we were interviewing (recently, we observed) that most of them were not showing up because they (had) applied or were wanting to work for a government company. Same thing if railways come out with some recruitment drive or something you find engineers applying for all kinds of jobs. They don't want to work in private sector even if it is much more attractive and pays more. So, what is going wrong?

Amit K Das – Vice President HR - JSW Paints

We found it strange that we had Master's graduates applying for the role of Mailmen and Postmen for a recruitment exercise we conducted for Department of Posts. Educated youth were willing to take a job role that gave them security.

Ravi Ramakrishnan – Group CEO, TMI Group)

We hire close to around 6000 people. The patience level of the willfully unemployed is too low. After trying for about 6 months they give up and they are pretty much ok sitting at home until the next job comes. We have seen candidates having a lot of gap between two jobs.

Prasad Kakkat – Head - Corporate HR (Sales) - ABSLI

The entire workforce instead of looking like an hourglass (...) is somewhat of a diamond shape (...). At the bottom of the pyramid the supply of graduates is huge, where (this) workforce is going is the question? There is a huge leakage in that entire pool. With all the digital media and LinkedIn and stuff I think it is now far easier to find people at mid- senior levels (than at the cutting edge).

**Himanshu Misra
Head - Talent Acquisition, Rewards, HR Analytics - Axis Bank**



On Women workers dropping out from work

In the backdrop of various studies pointing to dropping out of women employees from the workforce, especially in the junior and middle rungs of management, the survey threw conclusive findings:

(...) So, I think to some extent because their family income has starting growing, people have started dropping out of workforce. But like I say sample set is small we'll wait for the IIM Ahmedabad study (on 100 successful women executives) to tell us more.

Shanta Vallury - Head HR and CSR - RBL Bank

I have a contrarian view (to Shanta's). I think women are simply bored sitting at home. For example (...at) the house help level, (.sic) they told me they like coming to work and I question them that it is so hot and sultry, they said they don't want to sit at home they are not highly paid resources, their income is very low and they still want to come to work because they want to contribute to their family's income, and they want to better with their time. (...). A supportive family and a supportive employer can go a long way in making sure women don't fall of the ladder.

Deepika Mahajan- Resourcing Head - IDFC Bank

Poll Q. Women exiting the organization between Junior & Middle-level roles

Is not really a concern at all	33%
Is a concern, but not a big issue with us	22%
Is a serious concern for us for a while now	17%
Is becoming a concern for us recently	28%

While the event saw some contrarian comments and varied perspectives, there was a significant majority of close to 67% who stated that collectively, more needs to be done to ensure that women do not move out of the workforce.

We conducted our own internal survey on about 800 of our ex-employees about 4 years back on why they left us and amongst other factors certainly one was economics, so women below the annual income of about 8 LPA tend to come back post maternity because their income does matter to the family...

Srirang T K – Head HR - ICICI

On stagnant real wages

Various studies on nominal wage rate reports a steady growth in absolute terms, but the real wages appeared to have been stagnant at Rs. 45,000 per annum for a 12-year period of 1999-2011 for which data is available. More than 50% of the industries had negative growth of real wages during the same period.

Managerial compensation went up from 1.5 to 48.0 times of worker salaries, times during the same period. Strikingly, 18% of the employed population are living in poverty, pointing to a low-wage problem.

The live poll stats at the FoW event threw up insightful numbers:

Poll Q. Has Real wages grown in your organization along with Nominal wages for entry level roles?

No, not really	17%
Yes, for all roles	44%
Yes, but for some roles only	39%

The discussion on real wages was an extended one with various dimensions, including right to livelihoods, right to life, productivity issues and legal mandates. While 17% of respondents outrightly affirmed that there has been no real increase in real wages, 39% accepted that the increase in real wages was limited to certain roles only.

The interesting finding was that 44% who stated that wages in their industries was keeping pace with the increase in living costs across cities. This may need further research to determine if it is true across cities and across services and manufacturing job roles.

*(sic.) As an example, in a very large reputed house in this country in the **** sector, (sic.) for the very same job the regular workman was getting INR 80,000 and the contract labour who was unionized was paid INR 40,000 and the non-unionized contract labour was paid INR 15000. So, what I am sharing is the type of social inequality we are building. (sic.) if you look at a 20-year period, the regular workforce (count) is coming down and the so-called irregular workforce count (this is normal) is going up. Which is also fine as you need the flexibility but the way it is practiced in some firms smacks a little of exploitation.*

Vineet Kaul – HR Advisor and Mentor – Independent Consultant

*[I was once asked] “How can we pay our workers less than minimum wages and not get caught?”, this was a question asked by a senior HR professional in a forum of ***, now the purpose of making that point is simple. I think we have two choices as HR people, a) pay them less, (be on the wrong side of the law in some cases) and operate at a lower level of productivity or b) (my choice) pay them the right wages and try and focus on how to increase productivity to get into global scale..*

T. Muralidharan– Founder and CMD, TMI Group

I think (we should consider) the BMC example or even the PSUs though we may believe that the private sector salary is more, I think the starting salary in government jobs are far better. (...) The Social angle also has a role to play in this market and not just the economics of it.

Soumendra Mattagajasingh – Head HR - Retail Business and Head of Employee Relations Practice, ICICI Bank ICICI Bank



On the board level, how much awareness is there on some of the topics we discussed – challenges of employment, compensation?



(...) the kind of involvement that I see at the board is extremely high. The reason its high is because of future of work force; (...) as you know I also head CSR, the constant question there is how you are going to bring in migratory population at these kinds of cost structures and make sure there is no reverse migration back to pavilion.

.... they understand it and the beauty of the board is they have all been employees at some time in their life. So, some of those points get discussed, I think at the board level there is a lot of involvement.

Shanta Vallury- Head HR and CSR - RBL Bank

On Migration for Jobs

If people finally find sufficient money to lead a decent life they can also aspire that their children will do better than what they did (...) If they see they can earn money in a respectable fashion which takes care of the aspirations that they have, I don't think they will necessarily do that (migrate). In fact, in some pockets now we are seeing the actual reverse migration because now they realise that going and staying in a slum, in a city is not worth it. It is far better to go back, do farming and earn money in a respectable fashion.

Prabhat Pani - Head Partnership and Technology - Tata Trusts

(...) Definitely, migration is a challenge. There are states which are high on supply side and for them to migrate to bigger cities the compensation there is on their mind. But when we go to campuses etc., we make an extra effort by telling them (about the) job, the industry. It is not only talking about life insurance but also telling people about the different financial solutions which we provide. (That helps).

Vineet Tyagi – Vice President HR - ICICI Prudential

On resistance to Sales Jobs

I think (sic.) the parents don't want their children to go (take up) Sales (professions). I think its slightly different because when they go home, they don't look very happy. So, if you look at so many people doing engineering in this country, (they) are ultimately going and doing sales (jobs). What do parents want? Change also must happen with the kind of expectations the parents have.

Subhro Bhaduri – CHRO - Aditya Birla

(...) When we recruit people (who have) below graduate (level) qualification there are people who are ready to stick on with you and work for you and you have trained some of them also so they are also ready to learn from the trainings that you give and ready to apply that.

So that level of owning up responsibilities is something that we have seen. But that is when the leadership has finally taken a call to go forward and hire such people rather than looking at graduates etc., and that has worked wonders for us

Subhro Bhaduri – CHRO - Aditya Birla

(...) Is there a hiring problem or is there attrition problem? I don't think we ever face the problem of getting enough people for every job we get 10-20 times more people, but they reject us. They reject us for various reasons, some we can't control like losing a guy to Swiggy; we can't help it, because in that job you choose your time, your vehicle and selling Current Account is obviously tougher.

I think it's a much more complex issue and we are not doing enough for selling those (BFSI Sales) jobs or valuing those jobs or making the brand of various sectors more attractive (in) comparison to others.

Rajesh Dahiya – Executive Director – Corporate Centre - AXIS BANK

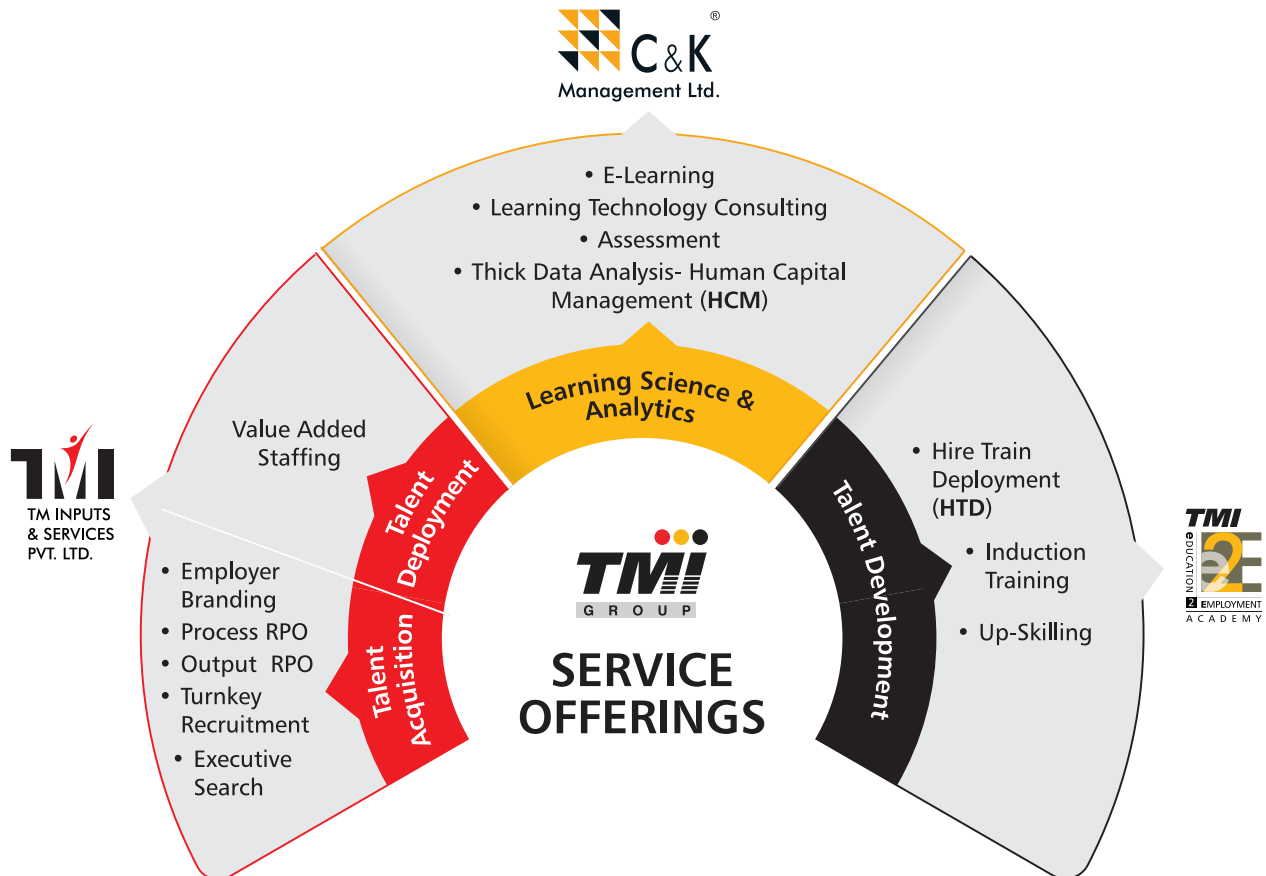


About TMI & Future of Work series of workshops

At TMI, we have been solving HR Challenges for the past 29 years. The advent of a technology-driven connected world and its accompanying disruptions is directly questioning the way work is perceived and carried out around the world. Work is no longer a tangible, clearly defined requirement. It seems to have taken more shapes and acquired more definitions over the last couple of years, than in recent Human history. At TMI, we have been trying to help our clients think ahead and be prepared for these disruptions, to the extent possible. We try to help them in creating new working models that may help them solve human capital problems of tomorrow.

TMI has offices in 6 major Indian cities and implants and partner networks that cover the length and breadth of this country. We are also charting new territories by offering our services to our Japanese & European clients. With over 0.5 million candidate/trainee/user engagements a year, TMI is positioned to provide cross sectorial insights to its clients across the globe.

If you would like a Future of Work workshop to be held for your team, do write to **business@tminetwork.com**



Note: All service offerings are aimed at the same set of customers with huge potential for Cross-Selling.

Human Capital Challenges?

Write to us at business@tminetwork.com



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