



# Retaining Talent

FIRMS ARE PULLING OUT ALL STOPS TO RETAIN EMPLOYEES AS THEY ENGAGE WITH A YOUNG, INFORMED AND DIGITAL-SAVVY WORKFORCE THAT WANTS MUCH MORE THAN A GOOD COMPENSATION PACKAGE.

By **Asmita Dey**



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**ROHIT JAIN** (name changed) quit his job in March last year just before second Covid-19 wave gripped the country. The techie, part of a team steering product development for a Gurgaon-based tech firm, used to slog the entire day. “There was no work-life balance. There were days when I had lunch at five in the evening. Workload and deadlines were such that I couldn’t even take sick leaves,” he says. “Company policy mandated mental health leave once a month. We could never take it,” says Jain. For a 32-year-old millennial with no family responsibilities, the decision to quit was not difficult. He took a break for three-four months and was, until recently, freelancing for a Mumbai-based tech firm. “I wanted a full-time job initially



A For Attrition

IN INDIA...

**5.1**million

Estimated number of people working in IT and tech, according to Nasscom



**21%**

Attrition rate in 2021, over two-decade high, according to Aon Consulting

**19.77%**

Attrition rate in IT in Jan-March 2022, according to TeamLease. It was 9.09% for e-commerce and technology start-ups

... AND GLOBALLY

**47 million**

Number of people who voluntarily quit their jobs in 2021, according to the US Bureau of Labor



but freelancing got me decent money. I knew I would find one option or the other. I have already clinched a permanent role,” says Jain.

There seems to be no dearth of jobs, at least for tech profiles, thanks to opportunities created by start-ups and rapid digitisation by legacy businesses. The war for tech talent is real and employers are grappling with what Anthony Klotz, a psychologist and professor of business administration at Texas A&M University, has called “The Great Resignation.” Numbers back his assertion. An Aon Consulting study found that attrition in India Inc. touched a more than two-decade high of 21% in 2021. Projections for 2022 are equally grim. Randstad India estimates 18-20% attrition rate. An Employment Outlook report by TeamLease says IT sector led with 19.77% attrition in January-March quarter. E-commerce/tech start-ups and BFSI companies are also seeing a huge churn. TeamLease has pegged Q1 CY2022 attrition rate for e-commerce and technology start-ups at 20.09%. Randstad’s estimates for e-commerce are above 20%. A LinkedIn India study earlier this year found that top reasons for job change by professionals are poor work-life balance, inadequate pay and career ambitions.

This does not tell the complete story. Mindset of employees has undergone a sea change and they are demanding more than just a big pay cheque. They are looking at what Balasubramanian A., business head, consumer and healthcare at TeamLease, calls “total benefits package” rather than just compensation package. “People are prioritising opportunities, culture. More and more young people are asking about the company’s mission. People are enquiring about upskilling, education allowances,” says Sanjay Shetty, director, professional search & selection and strategic accounts at

## Factors Driving Attrition

- ▶ Poor work-life balance
- ▶ Inadequate pay
- ▶ Greater career ambitions

SOURCE: LINKEDIN INDIA

## What Employers Are Doing To Retain Talent

- ▶ Progressive work policies
- ▶ Hybrid work culture
- ▶ Innovative reward mechanisms
- ▶ Frequent promotions
- ▶ Inclusivity measures
- ▶ Skilling initiatives

- ▶ **Wipro** is increasing frequency of promotions for junior employees to quarterly.
- ▶ **Infosys’** Skill Tags programme helps employees learn one of the 36 new skills in digital business.
- ▶ **Mphasis’** Talent Next platform leverages AI to profile employees and recommends skill sets.
- ▶ Start-ups such as **Cred**, **Meesho** and **Khatabook** are offering ESOPs.
- ▶ **Razorpay** is broadening insurance to cover same gender and live-in partners.
- ▶ **Freecharge** is extending benefits around mediclaim and giving adoption and surrogacy leave to all genders, including LGBTQ.
- ▶ **Axis AMC** has opened up vacancies for homemakers.

Randstad India. Today’s workforce is young, mostly GenZ and millennials. Unlike GenX, they are informed, decisive, confident, and not shy about demanding what they think is theirs. This generation has been exposed to a lot of information on internet. Yes, pay is still a very important metric, but they are also considering other propositions that employers bring to the table. Saurabh Govil, president and CHRO at Wipro, says employees want companies to ensure work-life balance, establish collaborative hybrid work environment, enable faster development opportunities and account for mental health and wellness.

Companies, on their part, are going all out to woo such talent. They are making progressive work policies, creating opportunities, introducing newer reward mechanisms and crafting ways to instill a sense of inclusivity amid a hybrid work culture that values employees’ opinions.

### Learning & Growth

In an era of cutting-edge innovations and technologies, companies are putting a lot of thrust on helping employees add skills and expand opportunities. Mphasis, for instance, has launched a platform called Talent Next which CHRO Srikanth Karra describes as ‘Netflix of learning.’ Talent Next uses AI to profile employees and recommend newer skill sets, similar to how Netflix recommends content based on users’ browsing history. “We have linked a little bit of pay to learning quotient. It’s a gamified platform which allows subscribers to earn coins that can be converted into money,” says Karra. Mphasis also has a Gig Cloud platform that lists projects the company is working on so that employees who are willing to take up more work can earn additional income. “This is a way of engaging employees. We are trying to design policies around how



“We focus on holistic value proposition that includes individual learning and financial as well as non-financial rewards.”

**Richard Lobo**, executive VP & head of HR, Infosys

employees can trust us through their career paths,” says Karra.

Infosys runs a programme called Skill Tags which covers sizeable talent and provides them scope to learn any one of the 36 new skills in the digital business. It enables employees to enter new areas such as domain and techno-functional consulting, specialist programming, technical architecture design. “We have a comprehensive plan to transform our talent. We focus on holistic value proposition that includes individual learning, financial as well as non-financial rewards and deep emotional connect with the company,” says Richard Lobo, executive vice president and head of HR, Infosys.

Wipro, on its part, is equipping fresh hires with newer digital skills under a programme called Velocity. The idea is to make candidates “client-ready” as early as possible in their careers, says Govil.

The trend is not limited to IT. Even new-age digital, analytics and some legacy firms are focusing on employee learning and growth. Axis Bank-owned digital financial services player Freecharge provides learning on online platforms such as Coursera. It also helps top talent join courses from top Indian universities. AI and analyt-

ics firm Fractal has a talent mobility policy which allows employees to apply for internal openings. “People often leave due to lack of growth or work they want to do. We have given employees a lot of freedom and choice. We believe they should be CEOs of their own careers,” says chief people officer Rohini Singh.

Similarly, EV start-up MoEVing has implemented a learning hour. Nestle India has The Henri Nestle scholarship that allows employees to learn whatever they want. It has introduced a nine-month blended learning course, Ascent, to support transition to first-time people manager roles. Besides, it has launched NesVidya, a micro-learning performance solution app, to help employees learn new concepts and evaluate their progress.

“Employees are looking for enhanced visibility of career growth. They will stick to a company that charts a clear growth path for them, including continuous learning and skill-building, as they rise through the ranks,” says Divyesh Sindhwaad, AVP, sales, Skillsoft India.

#### **ESOP Carrot**

Employee stock ownership plans (ESOPs) are also emerging as a tacti-

cal tool to attract talent. Meesho has an annual MeeSOP programme that allows every full-time employee to take up to 33% annual CTC as ESOPs. Kunal Shah-led Cred launched an accelerated wealth programme last year that allows team members to take up to 50% annual cash compensation as special grant ESOPs. Khatabook, too, offers ESOPs. “Equity buyback programmes are a good motivator as they make them part of the company journey and success,” says CEO founder Ravish Naresh.

Industry experts say a large number of employees are considering jobs in start-ups. ESOPs are one of the major attractions. “An IT professional with five-six years experience and good performance record can easily bag a mid to senior management role in a young e-commerce firm,” says TeamLease’s Balasubramanian.

#### **Progressive, Open Work Culture**

“If you want to go fast, go alone, if you want to go far, go together.” The gen-next takes this African proverb seriously and looks at a company’s mission statement, work environment, corporate policies and people culture before signing up. That’s why employers are implementing progressive



strategies. Due to collective trauma of the pandemic, there is a shift in expectations of workers, who now expect a more empathetic workplace. Prospective employees are evaluating businesses based on flexibility offered and their broader values and contributions, says Sushant Dwivedy, managing director at global talent management firm SHL (India and Philippines). “Only leaders and companies meeting these expectations can win the war for talent,” he says.

Ashish Kumar Singh, CHRO at Meesho, believes policies that are forward looking, inclusive and industry leading will set the precedent. “People prefer employers who offer flexibility in choosing work location,” says Singh. Meesho has adopted a boundary-less workplace model. It also offers 30-week gender-neutral parental leave and gender reassignment leave (for gender reassignment surgeries).

That’s not all. Razorpay has overhauled its insurance policy to cover same-gender and live-in partners.

Chitbhanu Nagri, senior president, people operations, says, “Employees value fair pay. Employers are also emphasising transparency in communication.

Nagri says they hold sessions to apprise them of the company’s performance. “This makes it easier for people to see the impact of their work,” says Nagri. During interviews, candidates often show interest in knowing how far serving employees have been able to grow. Roma Bindroo, CHRO at Zepto, says employees know what they want. Start-ups are attracting talent that is raring to see limits of how far it can go and is ready to take risks, says Bindroo. “We conduct town halls, founder meets, leader connects and ask-me-anything sessions,” says Bindroo. The start-up has decided to move to five-day work week from May 15 based on employee feedback. “For the same pay, if they get a role that allows them to create more value and impact, satisfies them through growth, it trumps over comfort,” says Bindroo.

And building a culture where employees can learn, thrive and grow, where they are appreciated and valued, helps. Priya M. Pillai, head HR, corporate and retail at Titan, says, “We have received calls from employees who have left us asking if they can join back. When I held exit conversations with some employees during last one year, they told me they might come

back,” says Priya. She says this is a manifestation of the firm’s culture of openness. “Our culture, where employees get easy access to leadership, our work environment that nurtures employee talent and widens their horizon, is what they like,” says Priya. New generation is looking for a space for its ideas to come alive. The company’s premium ethnic apparel business, Taneira, was a product of crowd-sourcing ideas within the organisation.

#### Diversity & Inclusion

Diversity and inclusion are other areas where employers are sharpening focus. Axis AMC has adopted a diversity, equity and inclusion (DE&I) policy under which it ensures women-specific hiring in sales to counter the notion that they are unsuitable for field roles. The company has also created vacancies for homemakers.

“We are looking at hiring women who have never stepped in the professional world. And homemakers could be from all genders,” says Meghna Gupta, head, Human Resources. “New generation employees want better treatment not just for themselves but for everyone around them. So, DEI should feature in EVP (employee



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value proposition),” says Gupta.

Freecharge extends benefits around Medclaim, adoption and surrogacy leave to all genders, including LG-BTQ. Mayank Kapoor, head, Human Resources, says they provide maternity benefits to birthing parents as well as transwomen.

At Nestle India, 20% managers and 44% management and technical employees are women. In 2021, of the number of people hired, 43% were women. Women also comprise 21% field force. In its factory in Sanand, Gujarat, 70% workers are women.

Logistics firm Blue Dart has launched an all-women service centre in Kharghar and another in Andheri where 70% employees are women. “One cause for attrition could be that the industry continues to be viewed as ‘male-dominated’. We associate logistics with men lifting heavy shipments, operating machinery. That’s where change is needed to be induced,” says CHRO Rajendra Ghag.

#### Innovations Galore

When it comes to keeping employees relaxed, Bengaluru-based D2C home and sleep solutions start-up Wakefit.

co takes the cake—it recently announced a ‘right to nap’ initiative under which employees will be allowed a 30-minute afternoon nap break. “We aim to focus on employee well-being while fostering a culture that encourages self-care,” says director & co-founder Chaitanya Ramalingegowda.

Ed-tech firm Emeritus, on the other hand, offers global rotation for high-potential employees, who can work from its offices in Mexico City, Shanghai or U.S.

#### Fair Play in Pay & Promotions

Salary is not the sole metric but fair compensation is valued. RazorPay’s Nagri says compensation numbers in the market are changing frequently. After every 90 days, we feel we need to recalibrate with the market. Rather than inflation, the concern is entry of new players, many of whom are hiring and scaling up aggressively, says Nagri. “There’s a lot of work that goes into benchmarking ourselves against the market and ensuring we are competitively positioned,” says Nagri.

Khatabook has opted for two appraisal cycles a year which, it believes, allows employees to ‘grow faster’. Freecharge’s compensation is slightly

above market benchmarks for employees in critical roles. Wipro says it will increase frequency of promotions to its junior employees to quarterly.

#### Talent War

The pandemic has been a headache for companies. The initial few months saw business disruption. But the bigger challenge has been keeping up with the digital boom. This meant that the IT industry, the tech skills, was inundated with transformation projects, necessitating the need to add more employees. Add to it the growing league of start-ups and their quest to build tech-led products and services for consumers and businesses alike and you have what is called a perfect brew for a raging talent war. Not surprisingly, attrition is high in these sectors. Legacy industries like retail and FMCG have also not been spared. “Tech is no more looked at as a business enabler but it is core of business now. Earlier, we would say the tech talent war may be between IBM, Infosys, TCS and Wipro, but today it is industry agnostic,” says Titan’s Priya.

Ultimately, talent will decide corporate India’s winners. ■