Top HR challenges for the next ten years

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ETHRWorld interacted with HR leaders to understand the top HR challenges that will rule the industry in the next ten years.

The revolutions that the last couple of years have brought in terms of technological disruptions and workplace dynamics reiterate that change is the only constant. The industry saw the '<u>Human Resources</u>' functions taking the lead to deal with the business challenges by reiterating its humane element.

After the pandemic, the industry has taken a dramatic shift from the VUCA (Volatility, Uncertainty, Complexity & Ambiguity) world to the BANI (Brittle, Anxious, Nonlinear & Incomprehensible) world. In the changed world order, rather than facing the challenges with a reactive approach, it is more about coming up with innovative ways to deal with the challenges in a proactive and emotionally intelligent way.

To deal with the challenges, the challenges need to be identified first. For that, ETHRWorld interacted with the HR leaders to understand the <u>top HR challenges</u> that will rule the industry in the next ten years.

Inability to predict business cycle

For the next ten years, Seema Unni, Head of <u>Human Resources</u>, Fidelity Investments India, says the HR challenge will be about foreseeing the future, which is changing very rapidly. "The major hurdle is the inability to predict the next business cycle in the next six months. Today, we are responding to the change. But to be ahead of the business curve, we need to strike a balance. If we don't predict it, the business cycle is going to get ahead of us. To tackle that, we need to do more and more strategy sessions in HR every three to six months," she points out.

<u>Leveraging Metaverse</u>

Giridhar GV, Executive Vice President – Global Human Resources, Hinduja Global Solutions, says the globalisation that Metaverse facilitates is likely to highlight both benefits and discrepancies posing some challenges for HR professionals. HR professionals will need to modify and work on their employee and work policies in order to overcome the challenges it brings along.

First challenge: **The entire cost of implementing this new-age technology.**

Giridhar says that HR in the Metaverse is still a work in progress, mainly because of the cost of implementation. "When it comes to addressing the requirements of the employees, businesses which take the time to think through the potential uses and opportunities for a metaverse within their organisation will be ahead of the game," he adds.

Second challenge: **Data breach and privacy concerns of the employees.**

To ensure that employees can work in the Metaverse environment safely, he suggests that HR will also need to consider how digital identities will be managed in the metaverse, including issues related to data privacy, security and ownership.

Gamification

According to Suresh Kumar Chitralayam, Director - People & Operations, WNS-Vuram, gamification will be critical in engaging staff and adding productivity. As it can make work more enjoyable, interesting and satisfying by using gaming rudiments and approaches, workers can be incentivized by introducing leaderboards, impulses and symbols, or by designing training programmes that use games- suchlike simulations and scripts to educate new talents.

Talking about the associated HR challenges with respect to gamification, Chitralayam says that establishing successful gamification tactics, as well as addressing the vacuity while balancing pleasure and work, is vital for gamification to be effective. He puts forwards that HR directors will need to produce gamification strategies predicated on a thorough understanding of their pool and the unique difficulties they defy.

In the coming decade, Chitralayam says, one of the foremost challenges facing HR professionals will be retaining and incentivizing top talent through gamification ways, including the use of games like rudiments in non-game ambients, which are similar to points, badges, and leaderboards, to motivate workers to achieve their goals.

"Gamification can serve as an important tool for employee engagement and learning, facilitating the acquisition of new skills and knowledge. To effectively gamify HR programmes, it's essential to ensure that the games created are both pleasurable and challenging," he adds.

Managing gig economy

Vivek Naithani, Director - Human Resources, ZoomInfo, says, "Most organisations do not hire gig workers through traditional recruitment channels, hence the opportunity for gig workers remains very low as compared to regular hires in any organisation. **Utilising third-party vendors or contractors can lead to uncertainty for gig-workers, creating ambiguity about their job role and affecting productivity.**"

He points out that in a social setup like India where job security and certainty in life are valued over ambiguity, such gigs can amount to higher levels of stress for gig workers. The problem gets compounded with the challenges that there is less work-life balance eventually in gigs which impacts sleep patterns, daily life activities and can lead to health complications.

The gig workers are not entitled to benefits like healthcare, insurance and other perks that regular employees would be entitled to and that can put additional financial stress on a gig worker since the security of a steady job and regular pay is not guaranteed in this kind of setup.

With all these weighing heavily on a gig worker's mind, Naithani adds that there is a reduced commitment to an organisation since neither party wants to invest in the long-term relationship, and trust deficits or less trust can lead to poor outcomes for the business.

According to him, the following are some possible solutions that could benefit an organisation in long term:

Balancing work situations: HR leaders must adapt to newer concepts introduced during the pandemic like '**gig economy**' and '**work from anywhere**' to retain key talent. Because employees love having flexible working conditions, businesses are now

forced to adopt a new, agile approach to keeping workers engaged. It also means introducing new, non-traditional work-life balance perks, such as unlimited PTO (paid time off) and extended parental leave, in order to be competitive.

Facilitating meaningful conversation: With less face-to-face interaction, leaders must find new, innovative ways to enable employees to have meaningful conversations, no matter where they're located. By investing in video chat and instant messaging software along with other digital apps, employees are empowered to communicate more effectively.

Relying on data for decision-making: Employers need to rely on analytics to make informed decisions and ensure diversity, using results to enhance employee performance and coaching. This provides equal data-driven growth opportunities that improve diversity and equality.

Challenges in DEI

Diversity, equity and inclusion are key issues of importance for HR leaders today. The current business environment is an abode for not just one generation, but multiple generations all at once. According to Dnyan Shah, SVP and Global Head - HR, Mphasis, with each of them bringing in their distinctiveness of generational attitude, harnessing them together could be a challenge.

If changes are not handled correctly and sensitively, Shah points out that the following could be the challenges that HR leaders might face in the future.

Gender bias: Across the full spectrum of hiring levels, the salary or wage offered to women can reveal gender bias. Barriers women face in the workplace go far beyond those associated with lower pay and reduced opportunities for career advancement. The impacts of gender bias and discrimination are even greater when a woman holds the identity of a mother or a primary caregiver for another family member. Promotion and the rate of promotion of the female employees versus their male counterparts get studied by progressive organisations to eliminate any kind of bias.

"Gender bias not only refers to male-female anymore, but goes beyond the binary gender and in days to come will get more prominent if policies are not put in place now itself," Shah highlights.

Generational diversity: Without generational diversity, businesses will find it hard to hire, engage and keep talent. Prospective employees will be hesitant to join an organisation where they don't see themselves represented. A lack of generational diversity can negatively impact an employee's performance as they may feel not appreciated, communicated too effectively, or respected. One of the biggest hurdles to overcome when trying to encourage generational diversity is ageism. Also known as Age Discrimination, this is defined as stereotyping, prejudice, and discrimination against people based on their age.

"We need experiences which come with age and agility with fresh perspectives which come with new age. In addition to age discrimination, communication between generations is a big challenge. Generational diversity is not going away. If we want to create long-lasting businesses, we need to tackle these challenges," Shah says.

Bias at work: Bias is incredibly challenging to tackle in the workplace. There are many dangers of workplace bias, including turnover, fear of expressing ideas, legal issues, negative workplace culture, and homogeneity (lack of diversity between individuals and ideas). Additionally, understanding workplace bias can give individuals the confidence to stand up against injustice.

Shah asserts that unconscious biases can lead to inflation or deflation of employee ratings, which can have serious implications in high-stakes situations directly affected by performance assessments such as promotion, compensation, hiring, or even firing decisions. Given the weight of these decisions, he believes it's critical to ensure that performance reviews are as fair and objective as possible.

Women in leadership: From being held to a higher standard than their male counterparts, to facing persistent gender stereotypes, most often women are systemically placed on an uneven playing field.

"Organisations must invest and make sure that at various levels, we provide grooming and leadership advancement opportunities. There is a need to create a supportive work environment created to cater to the varied needs a woman will have at various milestones in her professional career. Second career opportunities, Sabbatical policies flexi, and part-time work schedules, WFH wherever required should be offered as a part of the policy," Shah points out.

Retaining the highly agile and performing workforce

Sagar Pandey, Head - Human Relations, Swastika Investmart, finds it challenging in identifying and retaining the highly agile performing workforce for an organisation. Pandey says this can be made easy by altering and adapting to a newer changed style.

Given the impending skills shortage, Pandey says that HR professionals must devise innovative strategies and training programmes to help them refine their skills, resulting in higher productivity. "Making data-driven decisions and using metrics and analytics to measure performance and identify areas for improvement will help HR leaders in the upcoming future challenges," he adds.

Pandey further says that these days employees get burnout easily owing to work pressures, therefore, HR leaders must introduce policies where they can keep a check on the emotional wellbeing of the employees.

Managing hybrid workforce

Earlier hybrid modes of working were largely decided based on roles and were mostly led by the team leaders. The pandemic forced almost the entire workforce to work from home. As the pandemic was long drawn, this new way of working became the new normal.

Nitin Wadhwa, Director and Head - Human Resources, Ultimate Kronos Group (UKG) India, says though the hybrid working culture has the promise to bring in the required balance, an effective hybrid working requires evolved HR policies supported by technology. Thus, building a high-performance culture where employees feel truly belonged requires policies and plans for effective and flexible ways of working.

"UKG technology solutions with reliable people AI solutions that derive insights from data collected from daily operations, together with its strategic planning and flexi-scheduling tools, come in handy not just in identifying interventions needed for effective remote and hybrid workforce management but also in ensuring optimal productivity while allowing highest possible levels for flexi working," Wadhwa adds.

Competition for top talent

It is an agreed statement that the war for talent is over as talent has won. In the viewpoint of Priyanka Anand, Vice President and Head - HR, Southeast Asia, Oceania & India, Ericsson, competition for top talent will remain as the key challenge for the next ten years and HR professionals will need to develop effective strategies for attracting, retaining and developing employees.

Looking at the complexities of the next-generation technologies, Anand says **the need for specialists will be huge**. "As the applications of technologies become more diverse and complex, organisations need to retain the pool of skilled employees with high-end technical competence even at the lowest end of the spectrum. And this will only be possible through the right set of skilling and reskilling programmes," she points out.

To ensure business sustainability, talent retention, and resilience in the long-term, Ericsson has established a wide range of reskilling and upskilling programmes across soft skills like leadership, wellness, as well as technical skills such as AI/ML, Design Thinking along with topics like compliance, sustainability, and many more.

Balancing High tech and high touch

Sudakshina Bhattacharya, Chief Human Resources Officer, HDFC ERGO General Insurance, says as the humanoid robots will also be a part of the future workforce along with humans, leveraging each other and striking a balance without compromising the merit of each other is the major challenge for HR leaders in the upcoming years.

Bhattacharya asserts that the HR professionals have to groom themselves in managing this eclectic mix of the human and the humanoid workforce.

HDFC Ergo already has around 8 bots as employees in its workforce. "The numbers will only go up as we keep progressing. Thus, the challenge for HR professionals will be to balance the high tech and high touch," Bhattacharya says.

With the developments of AI tools like ChatGPT, their impact on the white-collar knowledge workers in a longer run is the challenge that concerns Akshay Raje, Head of People & Culture, Scaler. Raje says that how this trend might reflect in the HR process would be a conundrum to be pondered later.

Every domain in HR comes with its own set of domain specific challenges. Apart from the immediate societal or health crisis influencing the business, most of the HR challenges have a common way to understand its root cause.

"Look into the sky, you will find all the answers there…."

Though this is a melodrama movie dialogue, data research is the new sky.

Analysing data will direct to the solutions for most of the humanly incomprehensible industry challenges. Still, technology is meant to complement human tasks, and not substitute it.

Likewise, it is humans who should lead the 'Human Resources', and not the vice versa.

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