FICCI

STRAT-BOARD
YOUR GATEWAY TO HR SERVICES



TALENT ACQUISITION PHILOSOPHIES INDIA

2019 & BEYOND

RETHINKING TA FUNDAMENTALS



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ABOUT US



About FICCI:

Established in 1927, FICCI is the largest and oldest apex business organization in India. Its history is closely interwoven with India's struggle for independence, its industrialisation, and its emergence as one of the most rapidly growing global economies.

A non-government, not for profit organization, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies. FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

FICCI Quality Forum (FQF), the specialised training and consultancy division of FICCI was set up in 1992 to sharpen the competitive edge of Indian Industry. It provides training consultancy and research services focused on enhancing quality quotient of client and partner organizations.

About Strat-Board:

Strat-Board is an HR services platform for progressive Business and HR Leaders wanting to make a positive impact to their Human Capital today and tomorrow.

With a consultative approach and an embedded market-place, Strat-Board helps you discover and deploy the best fit HR solutions to win in the fast evolving and compelling HR landscape.

Strat-Board understands your current context and offer you an array of self-managed, assisted as well as principal consulting services thereby giving you what you exactly need in moving forward with your people agenda. Strat-Board also works in areas of HR centric research, workshops and events directly and through our industry alliances and HR bodies.

Further, Strat-Board works closely with the industry associations in spreading the best HR practices. Strat-Board has partnered with FICCI Quality Forum as HR Community Partner and are undertaking various events and activities together.

Core Team

Mr. Mritunjay Kumar
Additional Director, FICCI

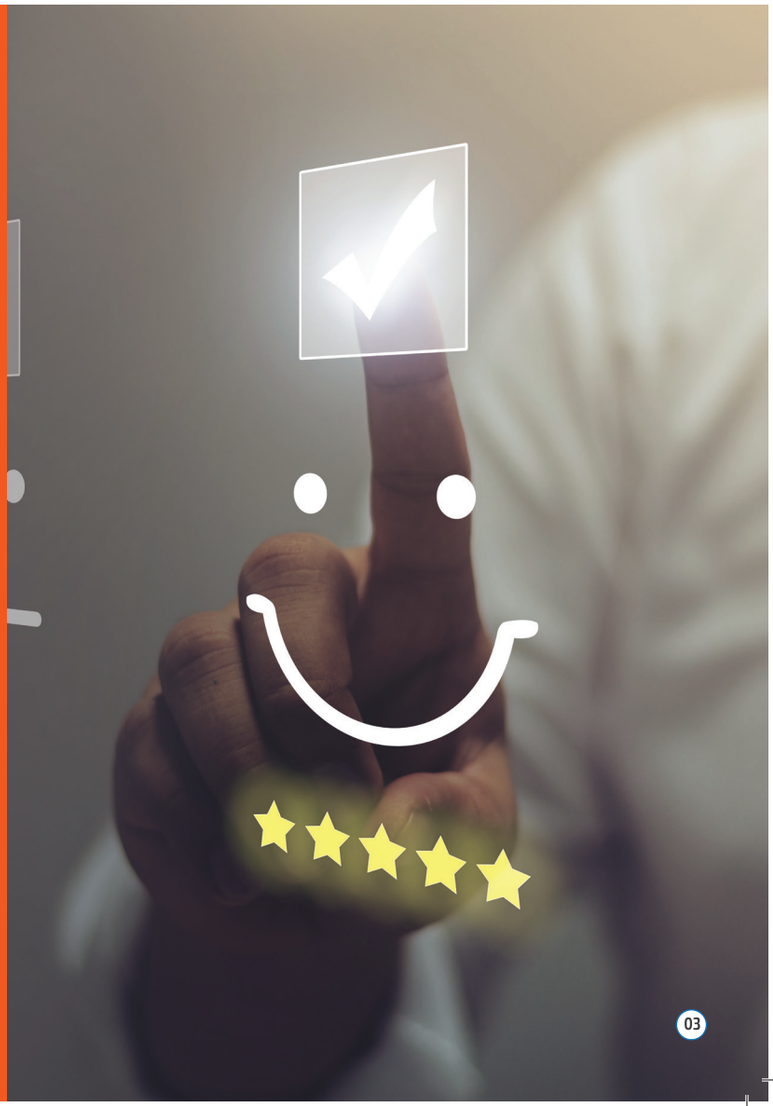
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EXECUTIVE SUMMARY

Executive Summary:

Context and Objective:

While substantial development has taken place in the world of Talent Acquisition – catalyzed by the new age workforce, technology and innovation, we still grapple with a few fundamental questions & dilemmas, which often remain unanswered.

FICCI, in collaboration with Strat-Board, presents this incisive TA Philosophies Study - with a view to take stock of current practices, share collective insights and trigger change for long lasting impact on Organizations and Industry.

Participants

CHROs / HR Leaders / CXOs / TA Professionals – from diverse industry segments, across small, medium and large enterprise have shared their insights for this survey. This report compiles their collective experience as well as contextual insights shared by them on specific questions.

Key findings and the road ahead

As anticipated the 'TA – Philosophies India, 2019 & Beyond – Rethinking TA Fundamentals Survey' brings forth some very compelling realities for the industry to reckon with. A lot of these fundamental aspects need precedence in dialogue before the TA function strides forward in building a magnetic Talent Brand capable of delivering to organizational and individual talent aspirations like never-before.

- Availability of the right talent pool and candidate quality remains an industry wide challenge: The speed of change and business expectations requires for the TA function to get in high calibre people who can not only deliver today but propel the organisation to a successful future. It is critical that organisations are able to attract the best which is only possible with a magnetic talent brand fuelled with a solid employee value proposition, aided by the right blend of selection process, while delivering a superlative candidate experience, driven on the bed-rock of technology.

- Job sites remain the favorite sourcing channel for the industry: While there are so many channels to find people, the most popular slots have been taken up by job sites, employee referrals and social media and networking sites. The classically popular consultant contribution is seen as the top three sources of hiring for just a third of the organizations surveyed. Industry can further leverage sources like alumni groups and campus better.

- Gig economy continues to mature across the board: The next few years present a big opportunity to India when it comes to leveraging the gig economy. There is precedence of merit, which has been experienced in this often under- leveraged talent pool which is here to stay and grow. With benefits of cost, flexibility and expertise – organizations of all sizes stand to gain. While specific projects and specialized projects have seen organizations use freelance more, the adoption of gig workforce for interim and core roles remains further underpenetrated.

- HR/TA needs greater skills, depth and possible re-prioritization to cast a strong employer brand: In a digital world of work where the war for talent is only intensifying, it is imperative for TA professionals to be technologically savvy and marketing oriented. The traditional approach to TA is bound to give diminishing returns in the given environment. Seems, the time has come for when TA needs to strengthen focus on transformation v/s transactions.

- Consumerization of HR and a strong candidate experience will be the key differentiators: When the world is moving to consumerization, HR can't be far away. But there is a long way for us to achieve when even basic processes are yet to be made more consistent, the biggest being our responsiveness to candidates and keeping them in the loop of progress and feedback.

- The new world of assessments is here to stay: The science of selection has newer avatars knocking our doors while by far the industry has been relatively slow to evaluate and adopt the newer ways of selection with under a fifth of the organizations surveyed having experimented with projects, contests, simulations and more.

- Quality of hire is most critical outcome from TA: The time to move beyond TAT, cost etc. all to performance, fitment, tenures and contribution is finally here. The economic disadvantages of a wrong hire can put you back six-fold and organizations of today are in mood to make mistakes and are beginning to hold TA responsible for all the things that matter.

- Diversity and inclusion needs greater commitment: The industry is yet in the early days of making diverse workplaces a reality. The shift from thought to action is happening as organizations take specific measures to creating equal opportunity at workplaces. There is yet deep rooted bias complimented by some real-life work situations which is an impediment for most organizations.

- Selection biases need careful sensitization: There is a large string of things we continue to shortlist people on beyond their capability to do the job we could call it hygiene factors for employers, important aspects from past similar experiences or even deep rooted biases working against us. It is time for a rain check.

- The speed of technology adoption needs to go up: The key to the future lies in the hands of technology when it comes to effective TA – mobile enabled, integrated across sources, aligned with all internal processes and stakeholders, and giving a unified candidate experience is the need of the hour and the journey has just begun.

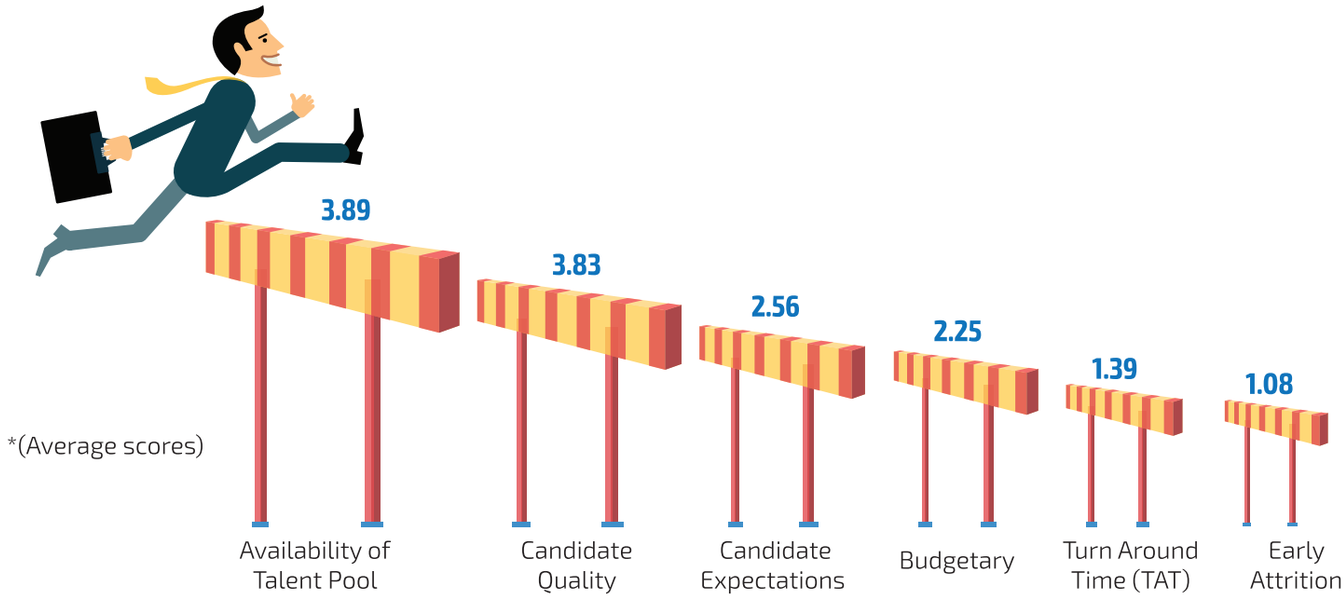
Key Priorities: 2019 and beyond

Basis the survey responses here are as we would like to call them - the lucky 7 priorities for TA in 2019 & beyond. The industry intends to undertake various ways and initiatives to strengthen these areas to succeed in their TA priorities.

	ELEMENTS	PERCENTAGE
1	Quality of Hire	53%
2	Technology Adoption	39%
3	Employer Branding	31%
4	Assessments	28%
5	Diversity & Inclusion	28%
6	Candidate Experience	22%

KEY INSIGHTS

1-Top-Most Hiring Challenges



Employability is nipping the talent yield!

It is evident that the availability of right talent pool and candidate quality are becoming the two biggest challenges HR/TA professionals continue to face.

What follows hence, is that the war for the right quality talent is making candidate expectations seem unrealistic, and eventually creating greater budgetary pressures on employers.

While time to fill stays important organizations seem to have adjusted their expectations to the prevailing TAT's. Companies are doing a lot on fast-tracking hiring and onboarding thereby improving early attrition challenges.

It is also important to note here that for Indian organizations candidate quality is a bigger challenge than the overall talent pool as compared to MNC's by over 27%.

2-Nature of Freelance / Gig Economy Workers Being Utilized By Your Organization

The gig economy is currently slated to be 20 -30 % in developed countries, and could breach the 50% mark by 2020* – in India the journey seems to be shaping up significantly with 78% of the organizations already using the gig workforce for various reasons.

Amongst the overall reasons - hiring freelance workers for special time bound projects or getting in specialized skills remain the top two reasons why organizations are relying on the gig economy.

What's interesting to note is that getting in freelancers to play interim or core roles yet has low uptake but this is an indicator of the market's maturity and we foresee a greater growth for these aspects as well.

It is interesting to note that while organizations with upto 5000 employees utilise the gig workforce for specific projects, whereas larger organizations are using them more for specialized skills.



*https://mck.co/2KJQ0eq

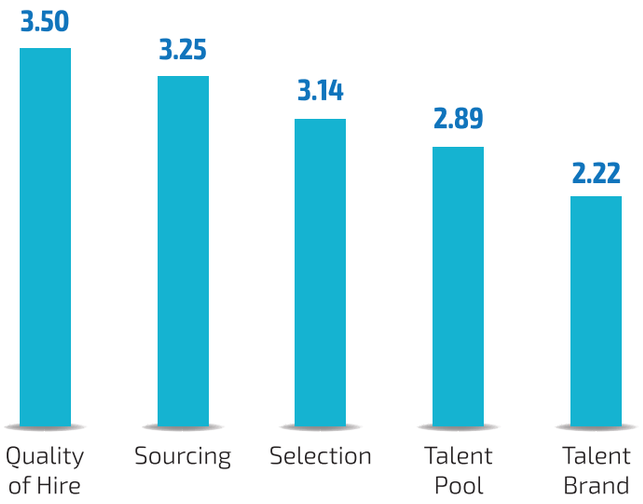
3-What should the HR/TA Team be most Accountable for?

The proof of the pudding is in the eating – quality of hire tops the chart as the one big area HR/TA leaders need to be the most accountable for. In relatively lower degrees of separation are sourcing and selection which eventually make up to the quality of hire.

One thing which has phenomenal potential to up the outcomes for sourcing, selection and quality of hire is the talent brand. Globally, organizations have realized the power of building a strong talent brand, while HR/TA practitioners in India are yet to put it on top of their agenda and accountability.

It is also interesting to note that MNC's have placed a 20% higher score than Indian firms when it comes to taking current accountability for talent brand.

Also noteworthy is the fact that organizations >5000 employees, have given sourcing a 78% higher average score to sourcing as compared to the overall average.

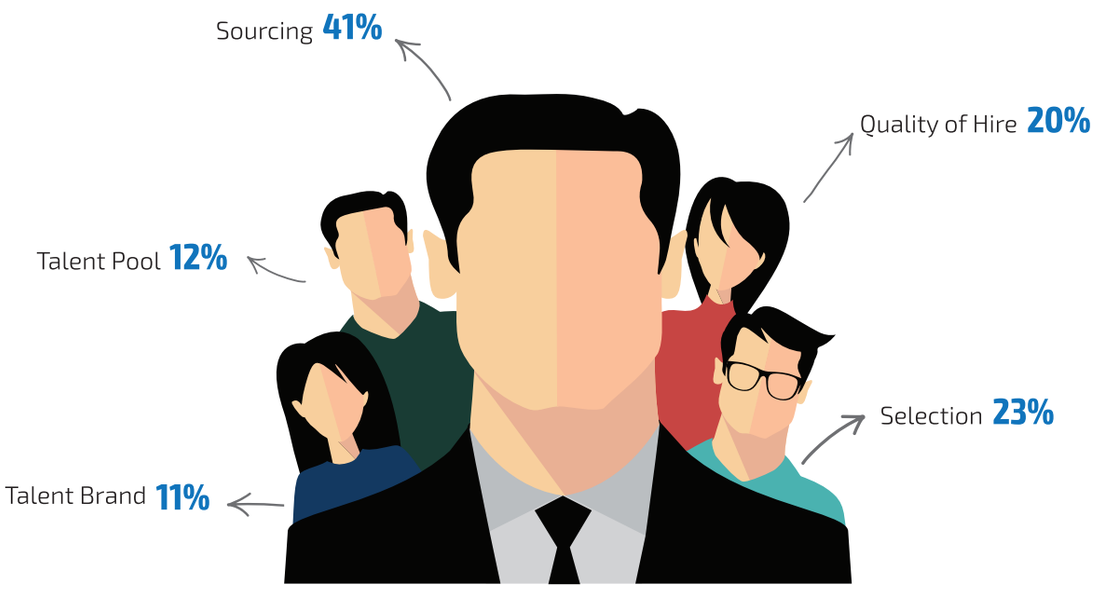


4-Time/Efforts Spent by HR/TA Team

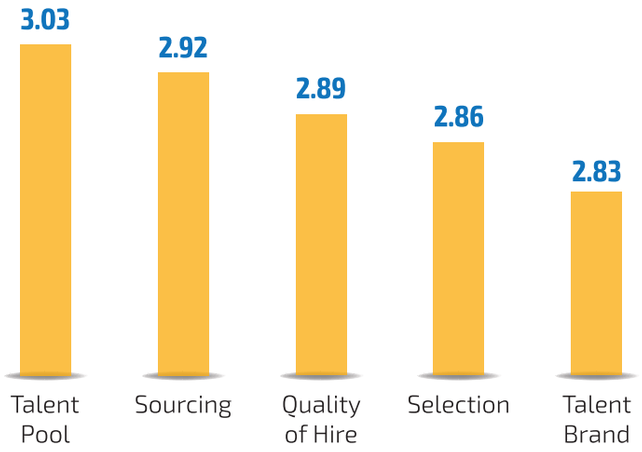
As priorities for HR/TA are expanding, newer elements like quality of hire, talent pool and talent brand are beginning to take mindshare from HR/TA Leaders.

As technology adoption goes up, these priorities are expected to shift to creating proactive talent pools using your talent brand as an integral element of all your hiring processes and strategy.

MNC organizations are spending more time as compared to their Indian counterparts when it comes to sourcing, quality of hire, talent pool and talent brand while Indian organizations are spending more time on selection efforts.



5-Extent of Automation in TA



The transformation of traditional TA has begun with technology changing the game.

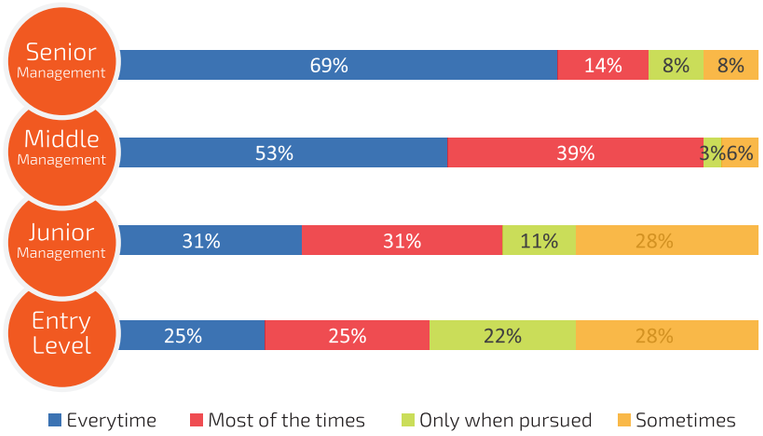
While most respondents report a near average satisfaction with the extent of technology adoption in their TA strategy, they seem to have made greater progress in the earlier stages of the recruitment cycle like creating talent pools, and sourcing while the next steps of selection are following suit.

While MNC's continue to lead in the overall adoption of technology across the elements measured, they claim to be 30% more automated than Indian counterparts in the areas of selection.

It is also pertinent to note that larger organizations are ahead in the journey of tech adoption and typically organizations with over 5000 employees are leading the change.

Like other areas using technology for creating a solid Talent Brand yet remains the last on the **anvil** of progress.

6-Personalised Responses to the Job Applicants



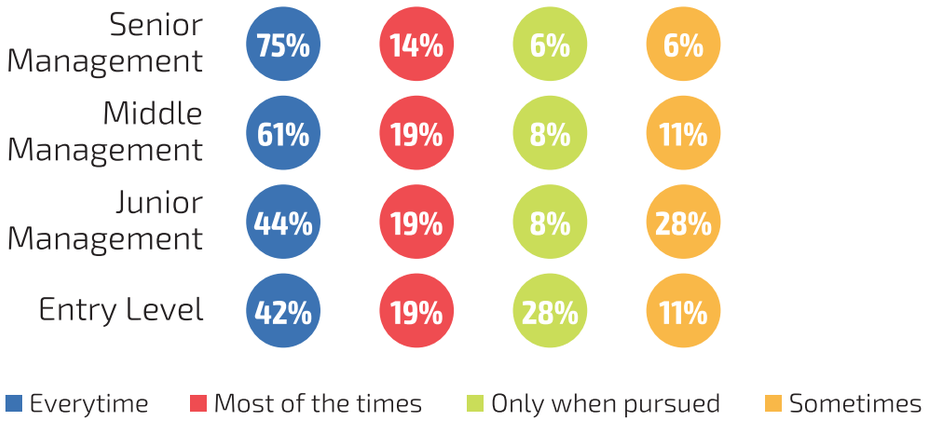
Response is responsibility, not a choice we make in Talent Acquisition!

While some leading employers seem to have adopted processes to ensure 100% response rates across levels, most are still focused on a level based response.

At the entry level nearly 50% candidates never get an acknowledgement of their application which is fortunately not the case at mid-senior levels.

The black hole of no/low response is an area of concern for the industry and needs a combination of realization, resolve and technology to up the game on this.

7-Responses to the Candidates Interviewed by Your Organization, Irrespective of Selection Outcomes



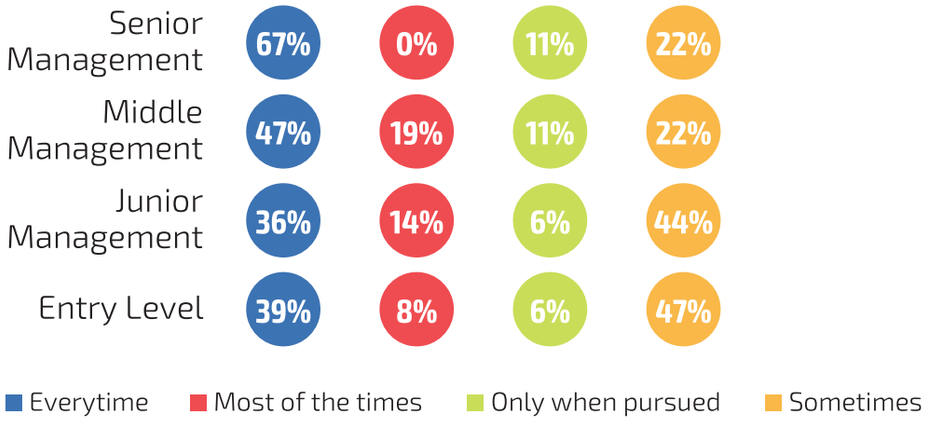
The classical 'We will (never) get back to you' remains a problem after the candidate has been interviewed.

Perhaps, the lack of time and other business priorities do not allow TA representatives to keep the candidates updated on their progress in the selection process. This is where organizations lose respect, credibility and the possibility of a good candidate applying back ever again in the future.

Even in organizations who believe in keeping the candidate informed, there could be an average miss-out rate of over 40%.

Organizations who realise that response is responsibility not a choice are clearly slated to win the war for talent.

8-Feedback to the Rejected Candidates



When you go an extra mile to demonstrate respect at all times, it shows on your employer brand.

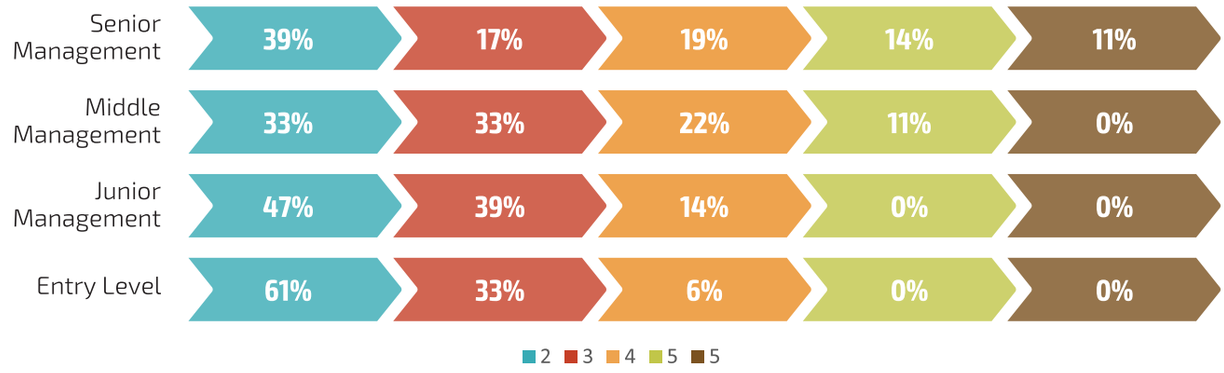
Going back to close the loop with a candidate keeps the door open and the trust alive, specially when it is a NO.

The likelihood of this happening is also in line with the seniority of the role in context.

What is concerning although is the inconsistency which exists in this process.

This is not something TA is usually measured on and clearly it does not have an immediate business implication, at a time when consumer grade experiences becomes a norm in TA, recruiters may not then have a choice.

9-What is the Average Number of Interview Rounds You Take



Interviews create alignment, give confidence and grow familiarity beyond just making an assessment, and most organizations meet candidates multiple time to create buy-in, set expectations and gain confidence beyond just assessment.

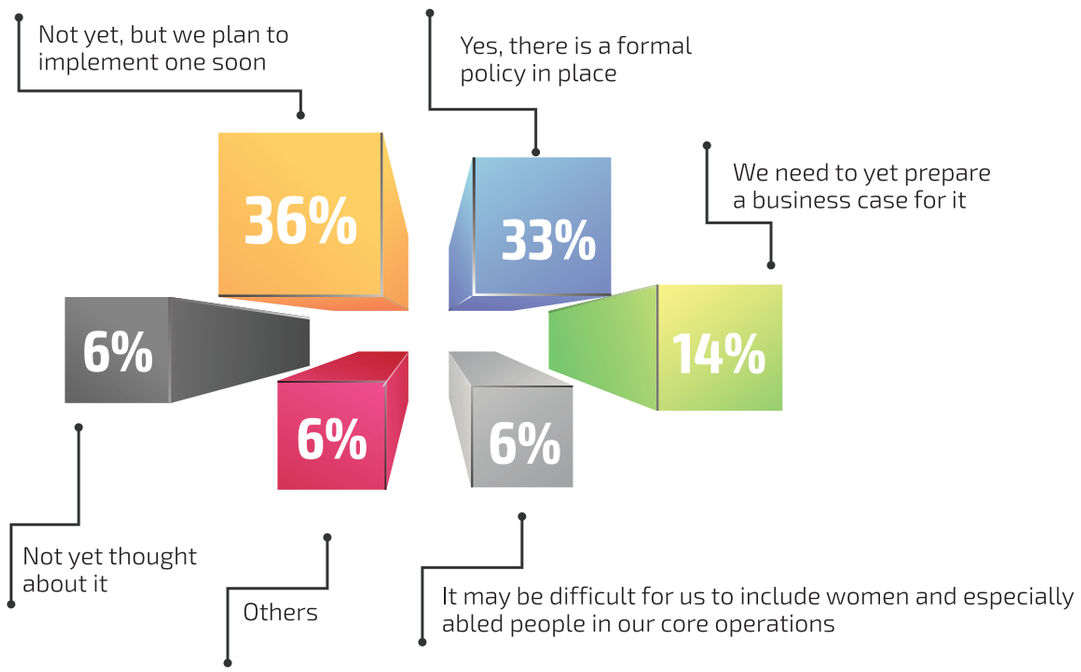
25% organisations we surveyed take 5 or more interviews when it comes to senior management. For mid levels nearly 33% organizations reported taking 4-5 rounds of interviews before the final choice is made.

No organization reported more than 4 rounds for entry or junior levels.

It is pertinent to note that MNC's reported higher number of interview rounds in both mid and senior levels as compared to Indian organizations.

Overall, 45% organizations reported only 2 rounds of interview across the board.

10-Do You Follow a Structured Diversity Hiring Strategy?



The glass ceiling is still not broken!

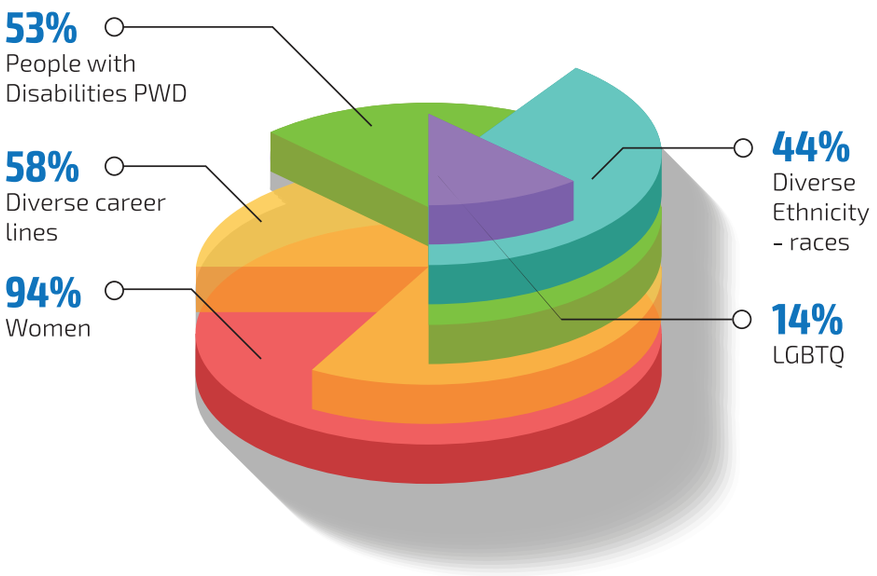
Just one third of the organizations surveyed reported a formal diversity hiring policy. Good news is over a third are contemplating to implement one soon.

14% organizations are yet to prepare a business case around it before they could put a diversity hiring strategy in place.

Another 12% don't yet feel the need, or are yet to think about it

29% of Indian and 42% of MNC organizations reported having a D&I policy in place, while 42% Indian and 25% MNC organizations intend to put one in place soon.

11-Categories Included in your D&I Hiring Agenda



Our organizations are not yet representative of the society we live in – but the journey has begun!

Inclusion of women in the workplace, getting people from diverse experiences, followed by people with disabilities, diverse ethnicities and LGBTQ's - are all in that order beginning to gain a respectful part of the workforce of today.

Diversity for a long time has only been considered from the lense of gender, but the recent changes in law have even given LGBTQ community also to come in the mainstream of employment.

Matured MNC organizations however have been operating this way above the threshold standards and continue to set new benchmarks in building an inclusive workforce.

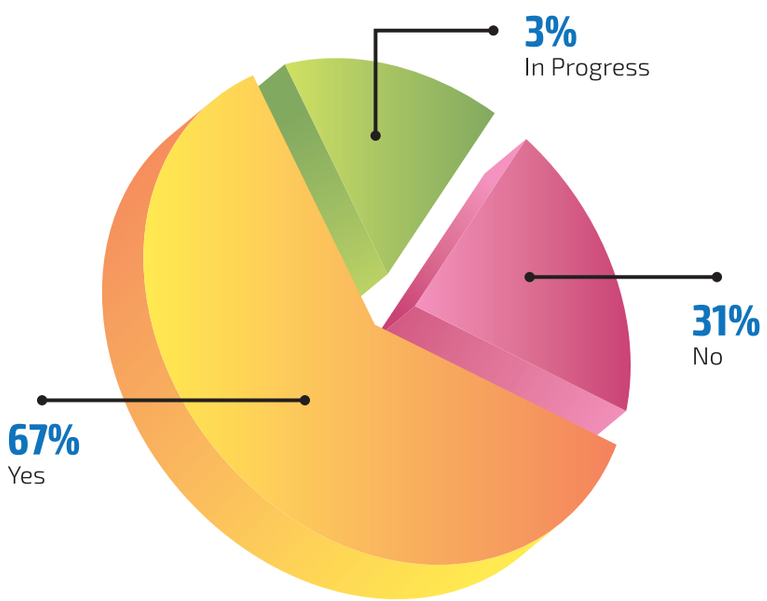
12-Women Representation at Board Level in Your Organization

The mandate to have women representatives on the board of organizations is yet to get fully implemented while the numbers are now rising with 67% of the organizations reporting a woman representative at the board level.

It is interesting to note that higher numbers were reported in Indian organizations on this.

Also organizations from 500 - 5000 employee size stood at 80% women representation on their boards.

It is imperative to note here, that the spirit behind getting an independent woman board member is to promote inclusivity in thought and action v/s just acting to serve in the compliance with the law.



13-What are Your Top 3 Sources of Hiring?

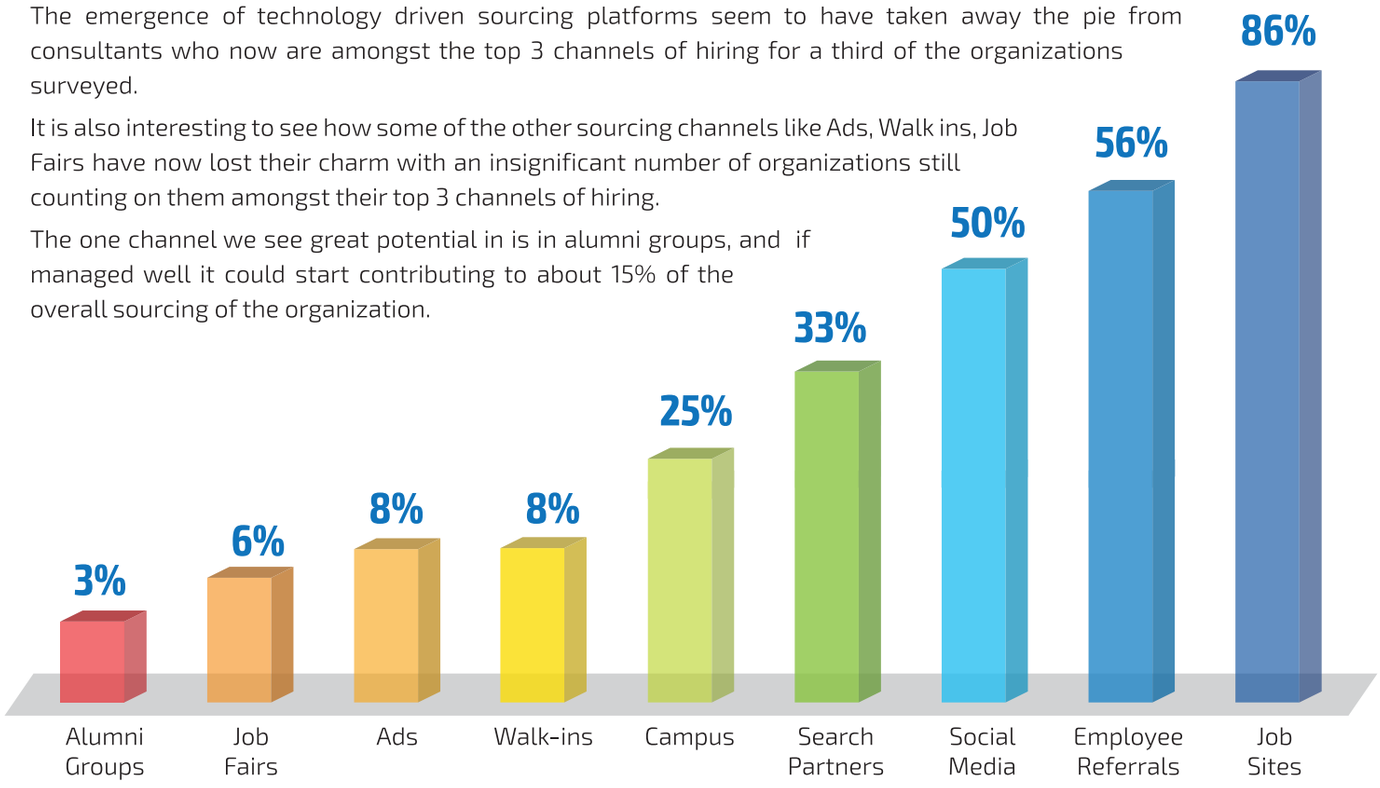
Job Sites top the charts with over 86% of the organizations mentioning it as their top most hiring channel.

Employee referrals continues to take a significant pie at 56%, while social media channels have started contributing amongst the top 3 areas of hiring in about 50% of the participant organizations.

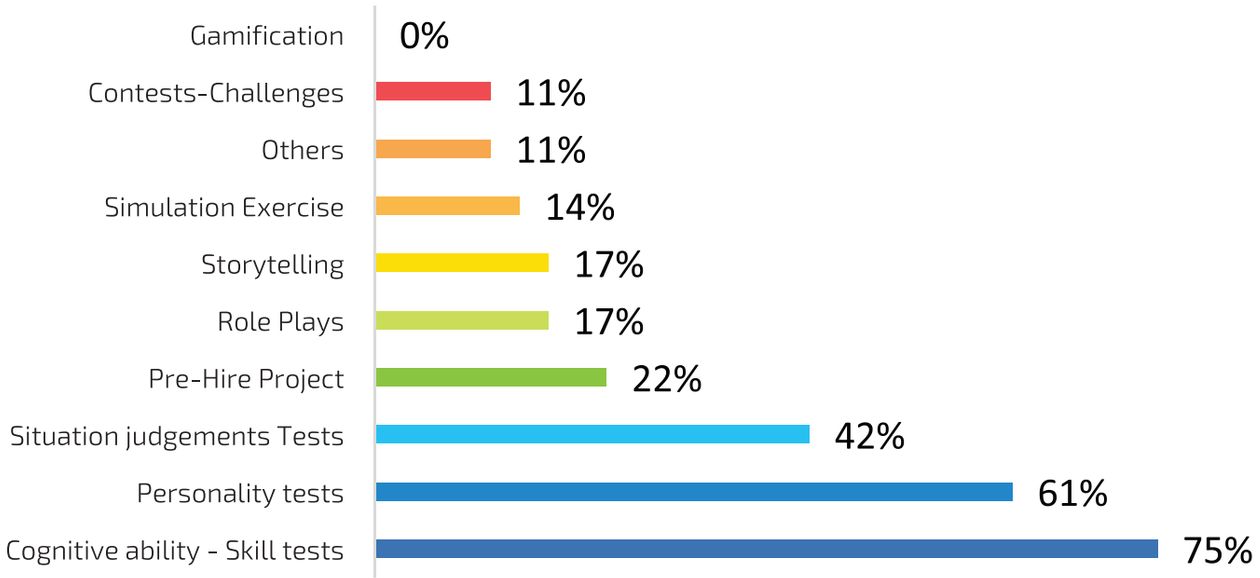
The emergence of technology driven sourcing platforms seem to have taken away the pie from consultants who now are amongst the top 3 channels of hiring for a third of the organizations surveyed.

It is also interesting to see how some of the other sourcing channels like Ads, Walk ins, Job Fairs have now lost their charm with an insignificant number of organizations still counting on them amongst their top 3 channels of hiring.

The one channel we see great potential in is in alumni groups, and if managed well it could start contributing to about 15% of the overall sourcing of the organization.



14-Assessments Used as Part of Core Selection Process for Most Roles



Cognitive ability and personality tests seem to be the most popular assessments across the industry with nearly 75% and 61% of the organizations surveyed using these tests.

There have been a lot of innovative methods, which are finding their way as popular assessment techniques globally, some progressive organizations have already started using methods like storytelling, simulations, contests, role plays, and pre-hire projects as a part of their core assessment method in india as well.

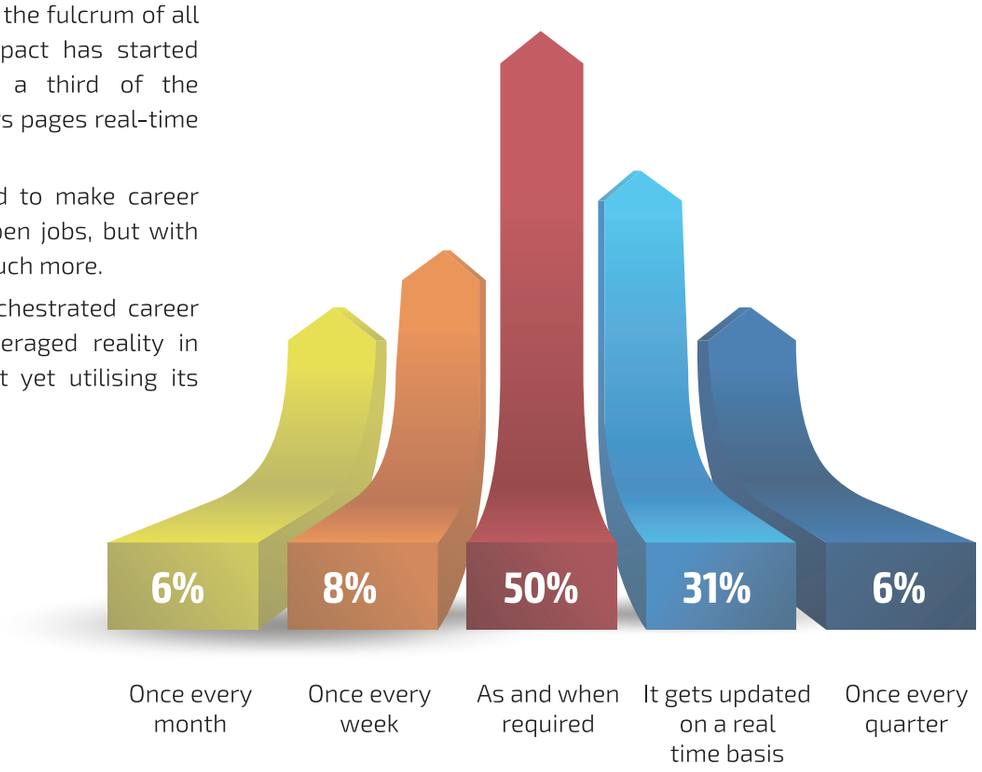
None of the organizations surveyed have yet reported using gamification in India in the selection process.

15-Frequency of Updating Careers Page

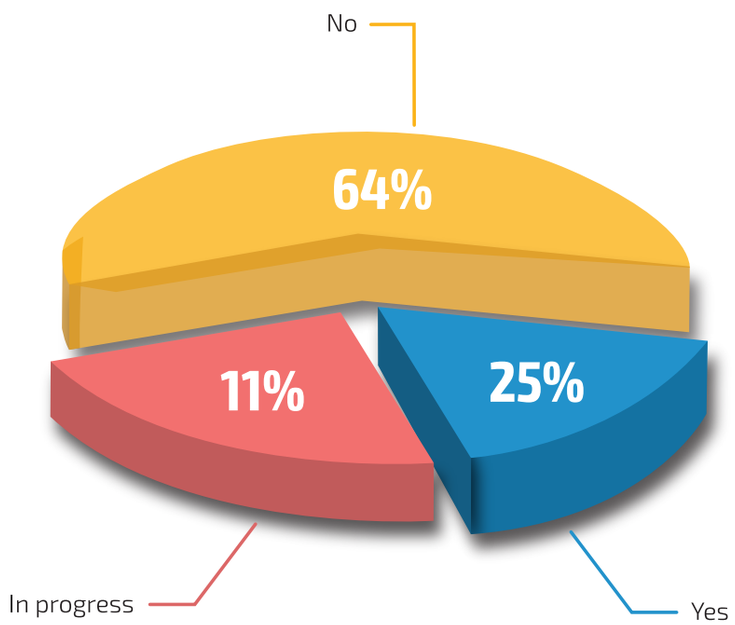
As career pages move to become the fulcrum of all hiring activities globally, the impact has started showing in India with nearly a third of the organizations making their careers pages real-time and engaging.

Modern ATS systems are geared to make career pages shine not just with our open jobs, but with culture, careers, stories and so much more.

Although having strategically orchestrated career pages yet remains an underleveraged reality in most organizations who are not yet utilising its power.



16-Is Your Recruitment Process Mobile Enabled?

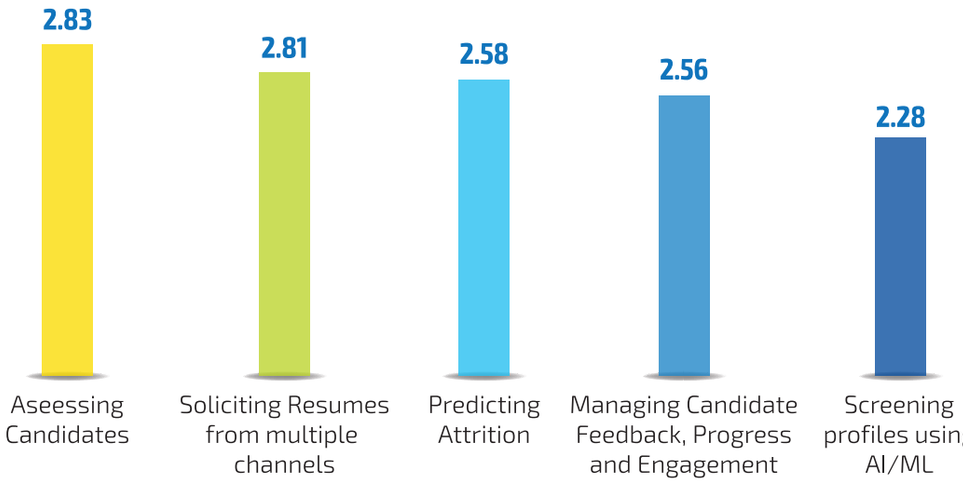


The world has moved to technology all over, 25% of the respondent organizations reported having a mobile enabled recruitment process while another 11% are underway in establishing one.

It will be interesting to know what is yet stopping the high 64% to make a beginning in this direction, when the world is moving towards finding talent where they spend maximum time online.

Ease of engaging with an employer, exploring the talent brand and being able to show interest in careers with a one touch philosophy and the real-time ability to communicate with the employer is changing the game with mobile recruiting.

17-Adoption of Technology in TA

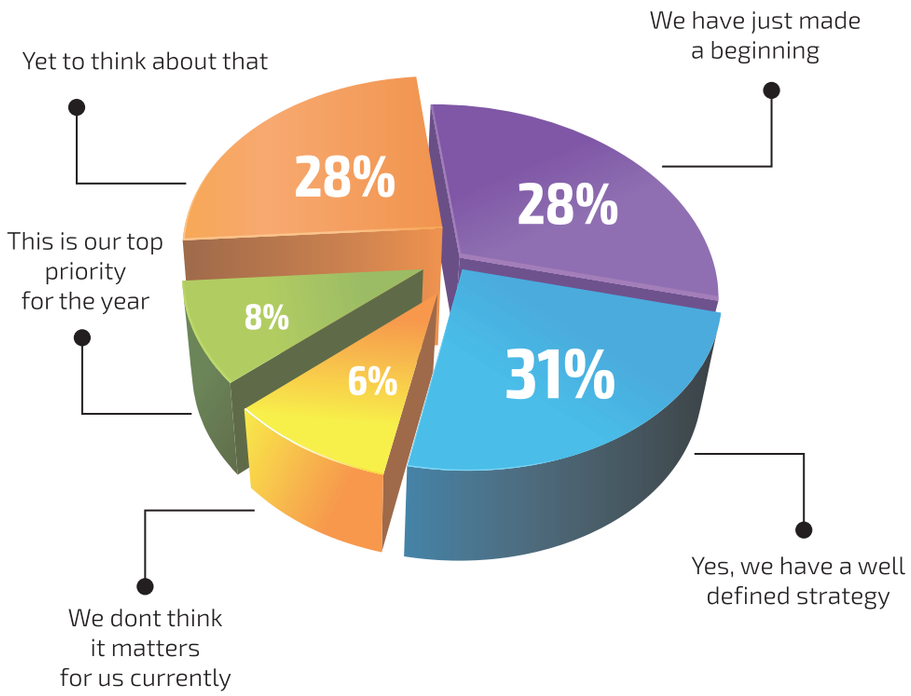


Sourcing and screening are the areas where higher adoption of technology in TA is currently reported. Close on the heels and catching up are elements like the adoption of AI/ML, candidate engagement and predictive attrition.

While the journey shapes up, 52% of the respondents reported negligible/under average deployment of technology across the indicated elements, while about 33% indicated above average implementation led predominantly in the area of sourcing.

Smaller organizations (<500 people) have reported lower adoption of technology in TA as compared to their larger counterparts.

18-Have you Crafted a Talent Brand Strategy Yet?

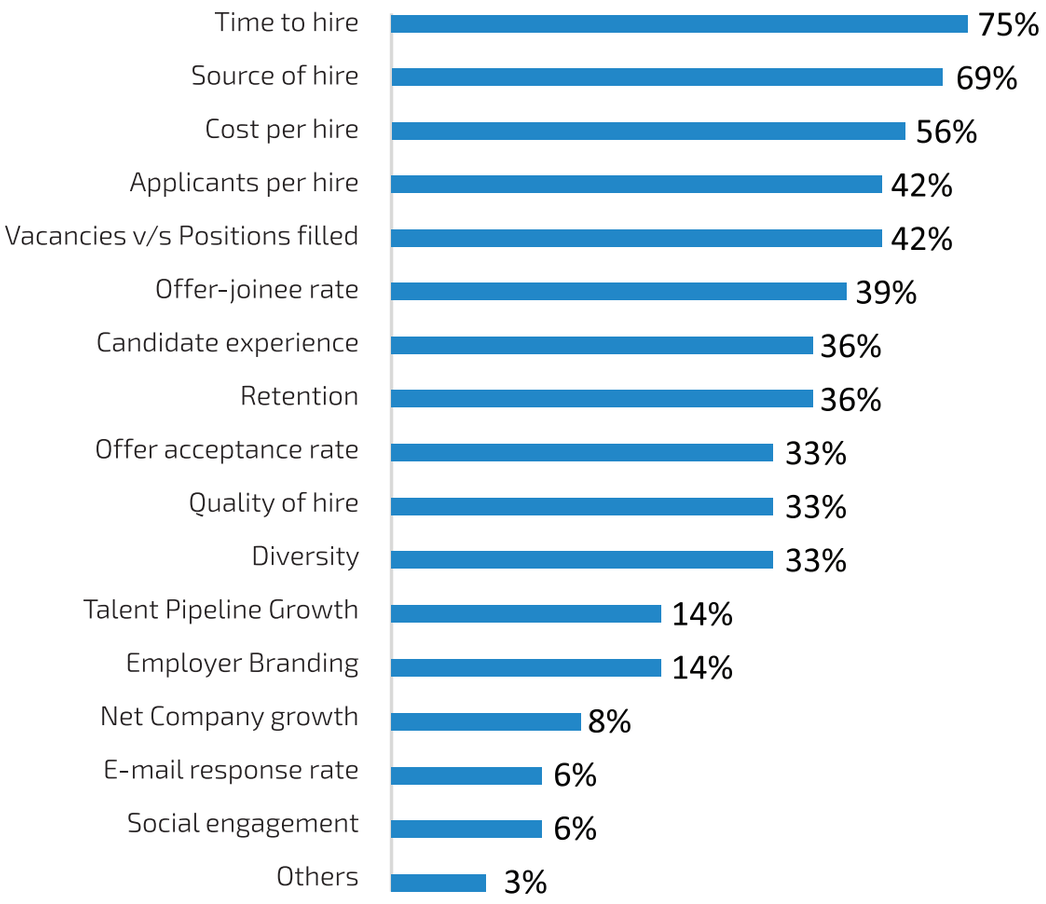


Whether or not you manage it, you still have a Talent Brand!

31% organizations surveyed claim having developed a structured talent brand strategy while another 28% are beginning to get started on it. Another 8% consider it their top priority for the year.

There are a high 34% who are either yet to think about this or don't think it matters to them at all – greater amount of conversations with them on the concept and impact may make them join the band wagon. Though this is really not about choice!

19-Which of the Following do You Measure as a Part of Your TA Metrics?



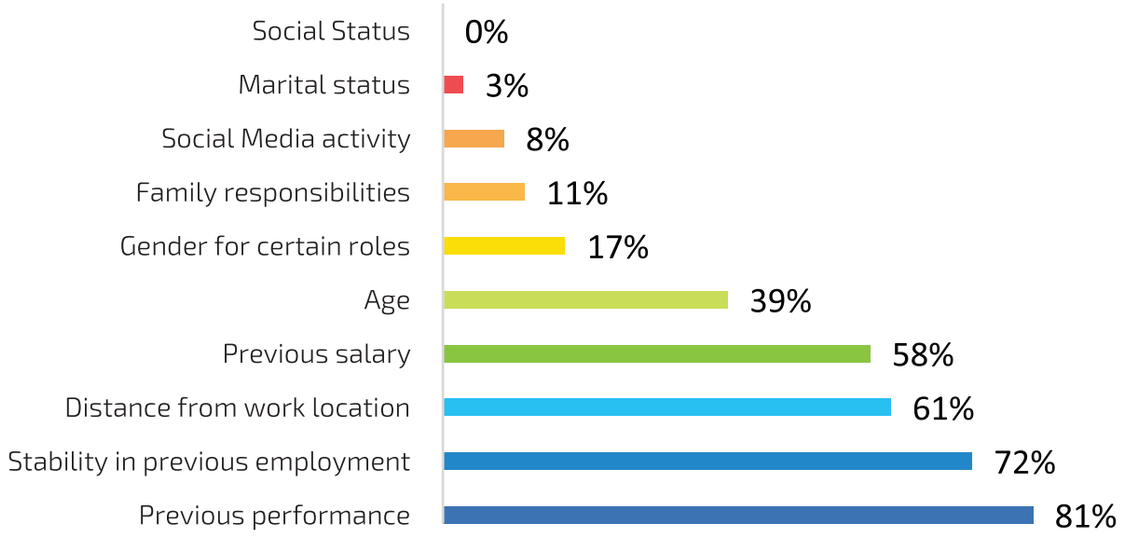
There is no uniform metric which is being followed across the industry and there are organizations which do not measure the efficacy of their recruitment efforts yet.

From decades ago – TAT, source mix and cost remain the most popular ones as post facto/outcome measures.

Then there are others like applicants per hire, vacancies v/s positions, offer-joinee rate, quality of hire, diversity etc all which measure the process efficacy, getting popular with nearly 30 – 40% of organizations.

The latest to join the measurement grid are aspects around the talent brand, and elements of digital marketing in TA, which are catching up with a handful of organizations

20-Factors other than Experience and Skills, used for Shortlisting Candidates



The truth or the myth? – Call it knowing the person better for finding the right fit or surfing through the thin line of bias – the reality of shortlisting/interviewing is out for us.

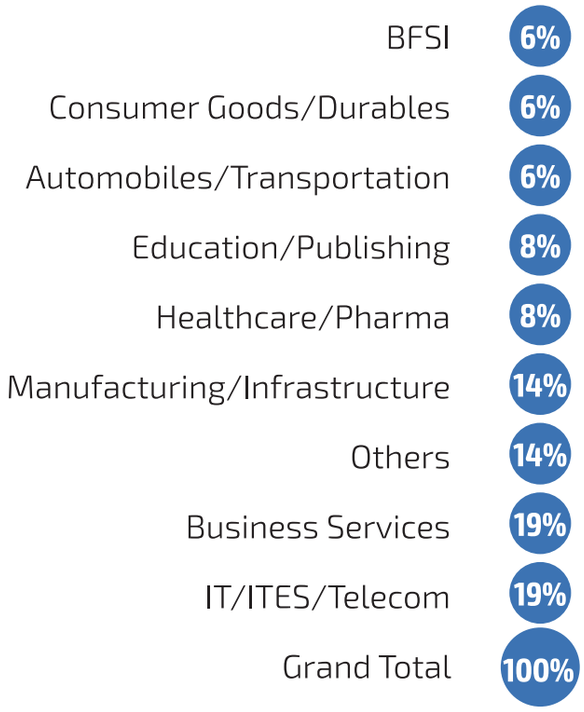
Here is an element wise view and dilemma for our deliberation as an industry:

- Previous performance tops the chart as an indicator for future performance – can we learn to assess potential better .
- Stability in previous employment has been traditionally considered critical – however reduced tenures and frequent job changes are a current reality of the gig-minded workforce. If stability is reducing from 5 – 3 – 2 – 1 year. Should outcomes be defined differently?
- Distance from work location yet remains one of the top rated factors in selection – with 61% employers considering it important – has the time of remote/flexi working arrived or will traditional mindset make it difficult for us to hire people who may be willing to make an extra effort irrespective of the distance.
- Previous salary remains a critical benchmark for current evaluation and offered salary – is it time to rethink for the job more basis internal equity, is it time to be comfortable to hiring people at same or lower salaries if they are keen time for a rethink.
- Age is just a number is only a proverb it seems in the recruitment context – 39% recruiters consider it as an important element for hiring. Physical endurance, stress, aggression, calmness, maturity, reporting relationships, abiity to relearn are possible aspects which may be relevant, is it ok to equate them to age.
- Gender for certain roles is also considered important for certain roles by about 17% of the respondents. Should this decision be left with the applicants, should workspaces be safe for all, with support system for being gender neutral or it way too much to ask.
- Family responsibilities is neither about experience or capability, but sometimes we still make sure we know it all. It seems although that a large part of the respondents are now getting away from asking this question. Not long back divorce, single parent hood, marriageable age etc all could have meant a disqualification.
- Social media is one of the more recent entrants for shortlisting people – knowing neutrality of views as an element of inclusive behavior, or religious sentiments and so much more is at the check now. Is this ok or a matter of personal invasion, time to reckon.

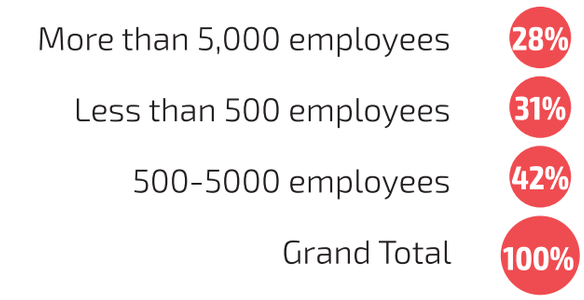
RESPONDENT DEMOGRAPHICS

Respondent Demographics:

Industry



Workforce Size



Indian/ MNC



NOTE:

This study has been carried out by FICCI in collaboration with Strat-Board Business Services LLP, as part of Talent Acquisition Conference - Attract-Assess-Acquire 2019 (29th-30th May, 2019, New Delhi), by conducting an opinion survey structured for the purpose.

The Report is based on responses received from the Talent Acquisition professionals, CHROS, HR leaders, CXOs and may reflect a combination of practices in their respective organizations as well as personal views. The objective is to look at a larger inference from the overall responses and not to study / represent thoughts of any particular respondent / organization.

The explanation provided in the report are given based on the responses and should not be construed as advice or endorsement of any kind from FICCI or Strat-Board Services.

This survey, results and the report are proprietary property of FICCI and Strat-Board Business Services LLP.





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