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Zensciences India Talent Trends Study 2023

BEYOND THE CONTRACT

A NEW EMPLOYEE-EMPLOYER RELATIONSHIP EMERGES

Times are changing, and so are the needs and expectations of employees. Here's looking into the state of talent today and what motivates them, based on primary research done with 500+ employees from mid to large-sized organizations.

FEATURING KEY INSIGHTS FROM INDUSTRY LEADERS



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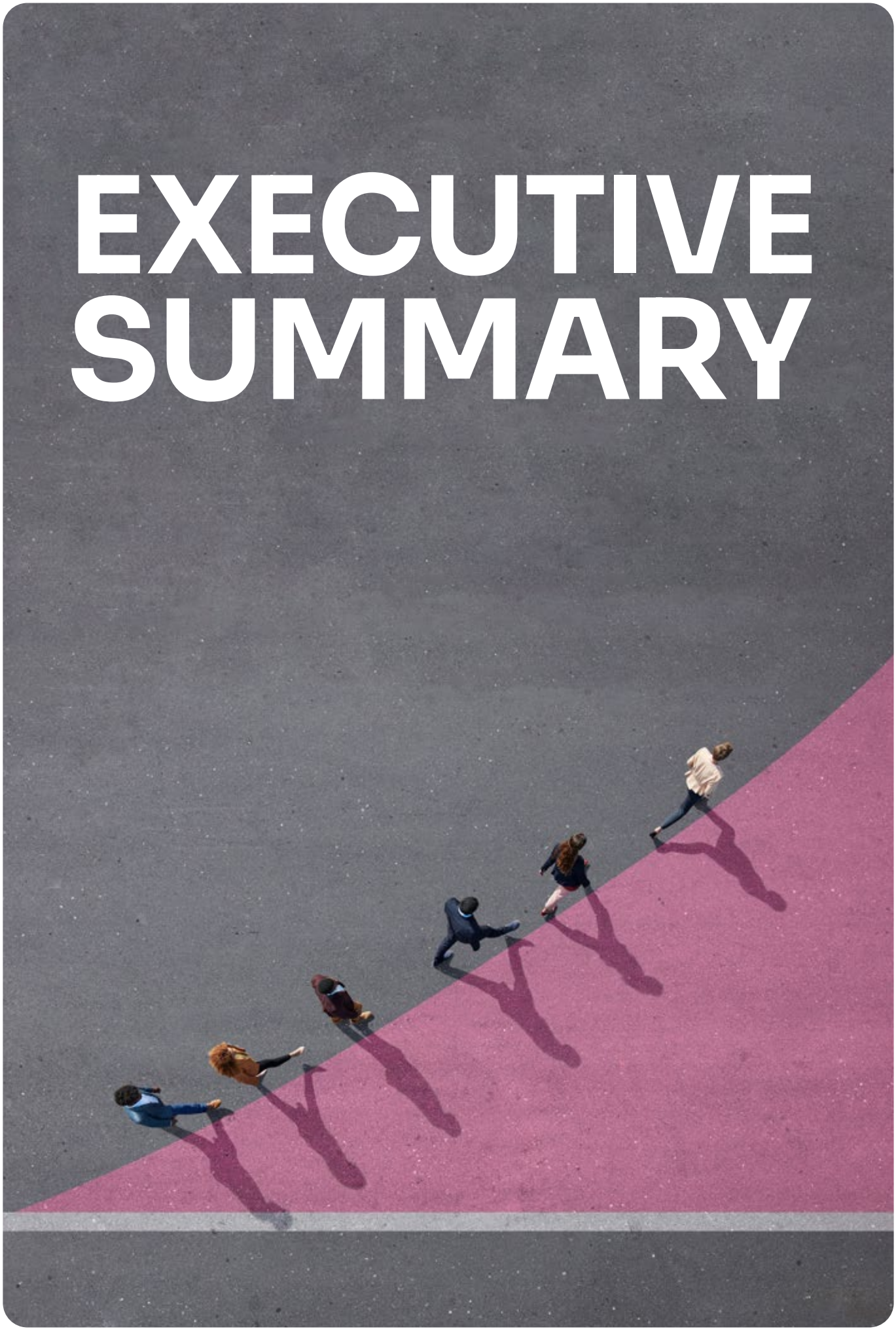
EXECUTIVE SUMMARY



IT'S OFFICIAL, IT'S COMPLICATED

Blame it on the generation gap or the pandemic or the usual suspect - social media, but there is no denying that the talent today, aka the future of the workforce, has changed its look, ironically, to a #NoFilter one. And there is no looking back.

Gen Z has radically different views on work-life balance. For previous generations, work was a means to do other things - experiences like travel, food, family time, etc. But, for this generation, work is also an experience they want to talk about.

#OfficeVibes #LoveMyJob

An experience that doesn't come at the expense of other experiences. While work-life balance isn't new, it has taken new shapes, especially in post-pandemic times. Wellness, physical as well as mental, is above everything. Hustle culture is being questioned, and 'lying flat' movements are trending.

Let's take Amit, for example. A typical Gen Z who joined the workforce when he had multiple offers in hand. And he got to take his pick.



EXECUTIVE SUMMARY

I would like my compensation with a side of extra benefits, please.

Money isn't everything. Show me you will take care of me – emotionally, physically, and mentally. I want to work in a place that is ethical and inclusive. You must respect my need for space. Yes, I've got the chops, but can you show me how YOU can help ME grow? Not enabling my growth is a deal breaker.

I want flexibility on how and where I work from.

The pandemic taught me that remote working is possible. I want to work without hassles, travel or traffic.
At the same time, I would like to meet my teammates and be part of office events. Lockdown made me crave companionship and camaraderie.

The recession didn't make it easy for me.

I lost my job, and now I'm looking for a company that will see me as a human and not just a number to fire. If not a regular job, then there are other options.

The creator economy is the way forward.

I see my counterparts and even younger people making big bucks. That is a viable option for me too.
Or is it?

Social media went from being networking and entertainment to showbiz that makes you money.
Being an influencer has become a legit career option, and one can't overlook the booming creator economy.

Too many options and too many parameters – it's a good and a bad thing.

Having a job or a career used to be a non-debatable topic; a means to an end. Today the means have been redefined and restructured. Confusion and anxiety usually follows so many options. Add to it a heightened sense of FOMO, and the need for validation gets very real.

[Of course, this isn't restricted to just Gen Z – millennials and, to some extent, baby boomers are on it too.]

On one hand, you have employees who are well-informed and know what they want, yet anxious about how and where they fit in. On the other hand, are employers who are constantly adapting to the shifting dynamics of people.

As a result, a new employee-employer relationship is taking shape.
How organizations adapt to the evolving rules of engagement will play a critical role in the years to come.



The new rulebook

01 **DELIVER ON GEN Z's EXPECTATIONS** 7

Adapting to their ever-changing needs.

02 **MAKE HYBRID WORK** 20

Keep employees productive. Keep them engaged.

03 **GEAR UP FOR THE GREAT RESET** 31

Because talent market has found its new rhythm.

04 **THE WAY FORWARD** 43

Be honest. Be transparent. Be open.

RULE 01

DELIVER ON **GEN Z's EXPECTATIONS**

The generation under 25 has clear expectations from employers. Any mismatch in what they want v/s what organizations offer leads to quick dissonance.



Let's see what has shaped this attitude. As they entered the workforce, they witnessed significant events like pandemic, recession etc. Growing up, they had connectivity and accessibility as reliable companions. They have witnessed turbulence and stability, scarcity and abundance. And now they are a part of the workforce.

Future workforces will be Gen Z-dominated. However, the younger generation is not just changing the workforce demographic. They are also redefining the work culture with expectations beyond a job's financial aspect. To survive the shift, organizations should move proactively. The first step here is to understand the expectations of this generation.

98% of the Gen Z respondents say career growth is their primary consideration while choosing a company to work for.

RULE 01

The paradigms of work-life balance are shifting

The career goals of Gen Z are well-defined. They cogitate work as a gratifying experience, making them more loyal towards their growth journeys and well-being over their jobs and employers. Backed with an unimpeded flow of information, they are also quintessential risk-takers.

Quality of Work + Quality of Life = Opportunity Cost

Current turn of events and the changing landscape has prompted organizations to offer a larger purpose in order to attract and retain them.

Gen Z employees ask questions that the previous generations did not.

- How diverse is your organization?
- How do you get people together when you are remote first?
- What benefits do you offer?
- Beyond medical and life insurance, what are your wellness benefits?
- How do you treat your employees when you know things are not going well for them?

Gen Z wants to forge meaningful networks and relationships at work. They want to understand how their purpose in life aligns with the company's vision.

Parul Kapoor
Senior Vice President – Talent and Culture, Calix

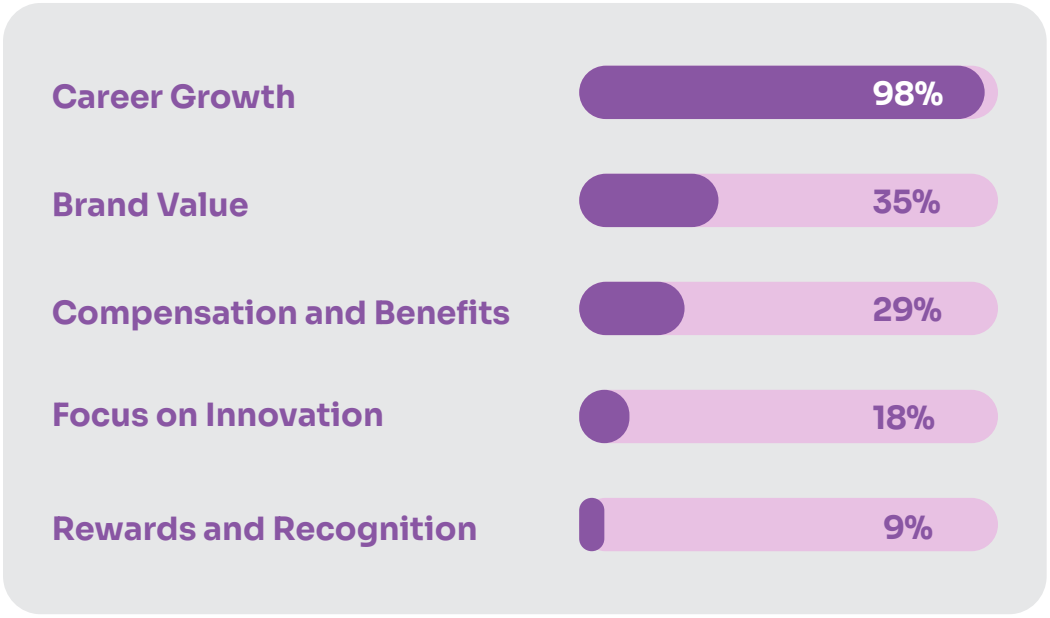


RULE 01

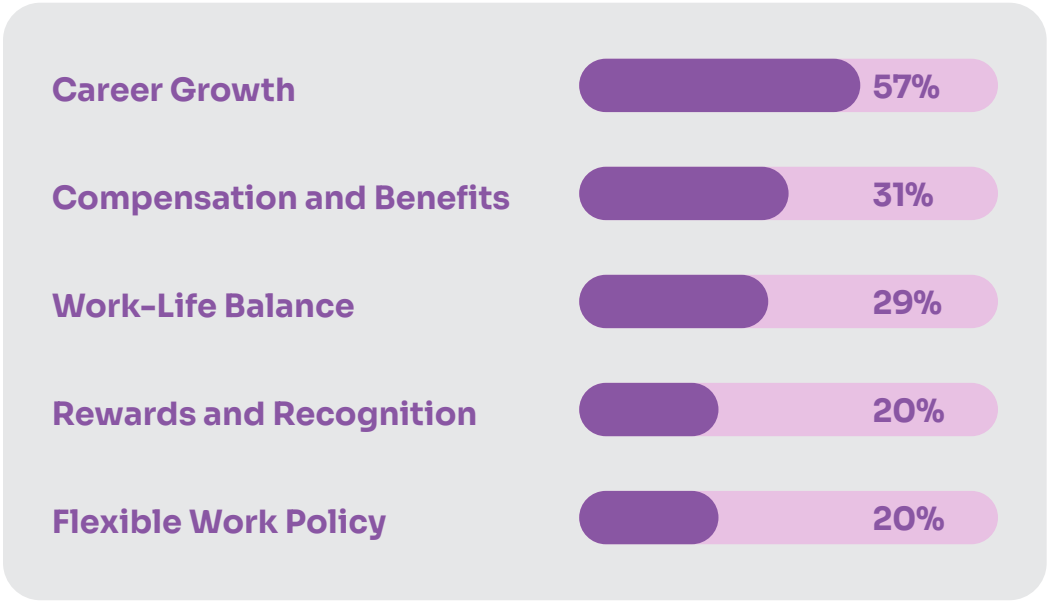
Gen Z employees seek a complete employee-centric work envionment. This includes but is not limited to an inclusive atmosphere, talent diversity, wellness and upskilling programs.

Bolstered with stronger economic backgrounds, they are more likely to get a higher education. It also means that they highly value learning opportunities, among other factors, while selecting an organization. Leadership excellence is the last factor of consideration, with only 2% of the respondents choosing to leave because of it. International travel ranks the lowest on Gen Z's list of priorities. Surprising, right?

Reasons to choose an organization



Reasons to leave an organization



Percentage of Gen Z employees

Note: Respondents were allowed to choose multiple answers

While rewards and recognition aren't an 'attraction' factor, data suggests they become a 'retention' factor.

> Organizations are yet to decipher the ideal shifts to orient ways of working and policies for Gen Z. This demography values frequent, transparent and concise communication. Employing instant recognition methods instead of relying solely on periodic recognition can significantly enhance their engagement levels.
>
> **Dhirendra Nath**
> Chief People Officer, SLK Group

Are there any similarities between Gen Z and their predecessors?

Or has the apple fallen too far from the tree?

Gen Z has an unapologetic approach towards all things career and work. For instance, Gen Z is not keen on working for longer terms without any potent value addition. As a result, this generation is job hopping. The younger ones also challenge the concept of long-term gratification and hanker after immediate rewards and recognition.

However, priorities across age groups remain the same at a macro level.

What employees like about their current employers?

I am happy with



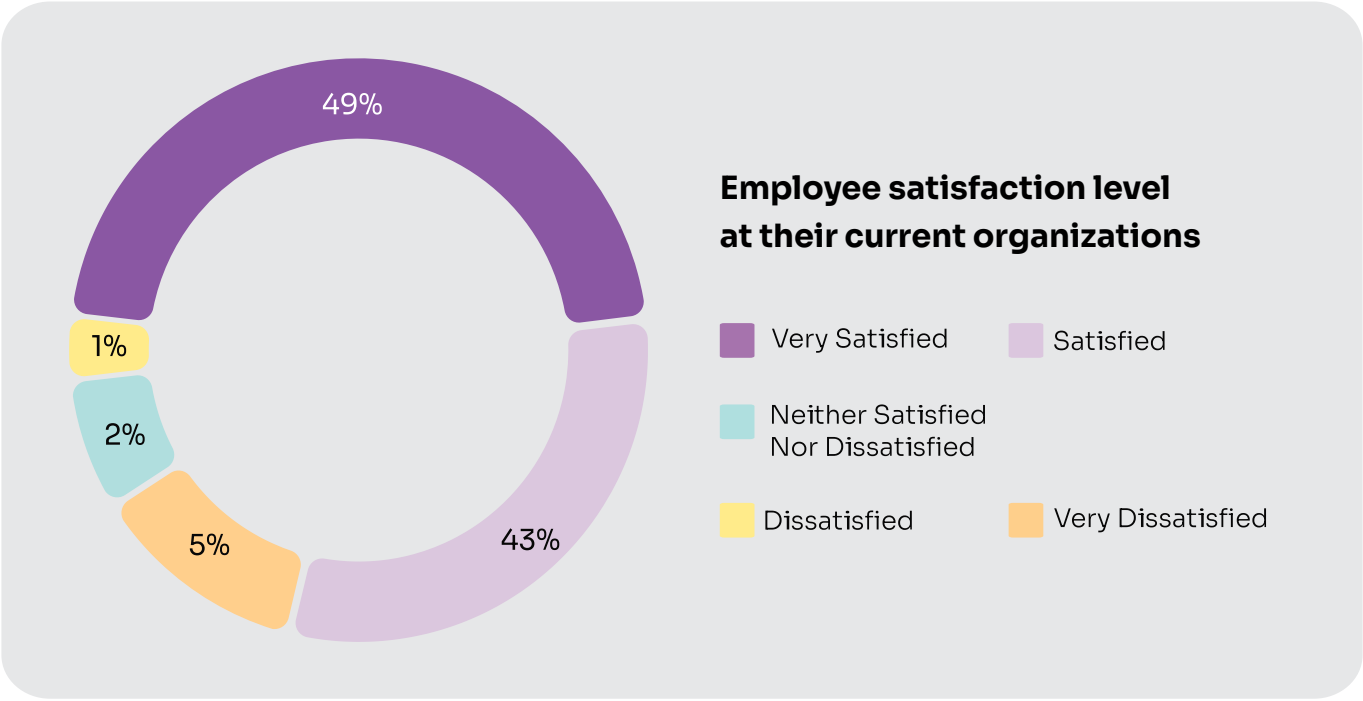
What this tells us is that outlook of employees have changed across generations. The rulebook of yesterday on keeping employees engaged doesn't apply to today.

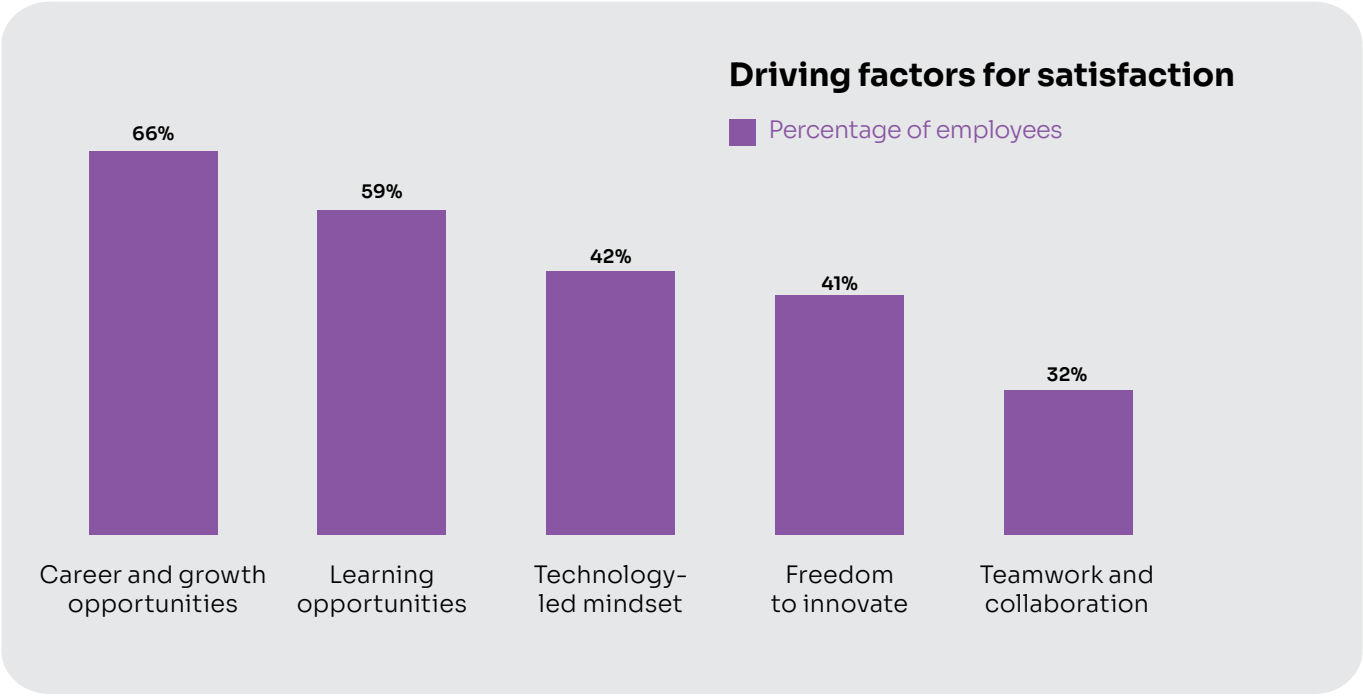
RULE 01

Employers face a unique conundrum

Our study suggests that as many as 92% of employees are satisfied. The 'working dead' still haunt office corridors. With little to contribute to new ideas, these zombie workers run low on inspiration. So, where is the gap?

What is in it for me? That's the question every employee is asking today.
The employees are satisfied as long as a job meets one or two of their critical criteria.





RULE 01

But satisfaction does not guarantee active engagement

And when employees are not engaged, efficiency and quality of work are compromised.

The shift in the working culture is unequivocal and primarily immutable, calling for pre-emptive strikes from organizations. It's crucial to redefine policies and make room for the dynamic approach of the new workforce.

Organizations can realign their communications by making long-due work environment changes. Organizations must step out of their comfort zones and take responsibility for more than just financial compensation. It is climacteric for organizations to practice flexibility while redefining professionalism.
Hence, the conundrum.

While the enumeration is not all-inclusive and is bound to expand with time, the ultimate crux is aligning the organizational value to the future workforce.

> What makes people happy in their jobs has changed, and we are mindful of this shift. We are implementing career-enabling policies that give employees opportunities to move across different functions and explore themselves. This will enable employees to build career paths that are unique, holistic, and more personalized. For instance, colleagues across machine learning, data science, and customer success teams can move between these journeys. A front-end or back-end engineer can look forward to full-stack development roles.
> As we scale, the degree of manual intervention required to personalize career paths will reduce.
> Technology and cross - skilling will be increasingly leveraged.
> Also, people managers will be empowered to drive these personalized journeys independently.
>
> **Kirandeep Virdi**
> Head of People & Culture, Asper.ai



RULE 01

How CHROs can win over the Gen Z-dominated workforce

Policies

As is with everything else, policies also need to change with changing times. What worked yesterday may be redundant today. Companies have been embracing newer policies to attract and retain talent, from law-induced maternity leaves to do-good period leaves. While there is no one way of getting it right, it is important to keep the following in mind:

- **Equality and Fairness**
  Craft policies that ensure transparency and promote trust. Examples could include a forward-looking perspective on equal opportunity employment or a consistent rewards system across all levels, from C-suite to interns.
- **Diversity and Inclusion**
  Put policies in place that take D&I beyond a look-good and feel-good initiative. Having an all-inclusive and gender-agnostic policy for employee benefits and leaves can be a start.
- **Learning and Development**
  Policies that create room for personalized career paths and empower employees to explore different avenues can go a long way in creating a conducive learning environment. Organizations can also allow employees inter-function mobility to enable upskilling and cross-skilling in diverse fields.

Accenture brings new meaning to pay equity[01]

Believing in equal pay for equal work, Accenture conducts annual pay equity reviews. These reviews analyze gaps based on the similarity of work, location, and tenure at the career level. The findings are shared with all employees every year.

Direct impact:

As of its last review, reflecting annual pay changes effective December 1, 2022, Accenture had dollar-for-dollar, 100% pay equity for women compared to men in every country.

RULE 01

Culture

- Embrace a forward-looking mindset with an open-door system and flat hierarchy
- Foster an environment where ideas are welcome and employees feel valued
- Create a space where everyone can thrive without any bias
- Make learning and growth an integral part of everyday work





Futurice delivers on the promise of a flat hierarchy[02]

Enabling a flat hierarchy at scale comes with its own challenges. Making knowledge accessible to all is one of the most critical ones. As the organization grows, you either end up with information silos or need to compromise on autonomy to enable visibility. Futurice, a digital innovation and engineering company with Finnish roots, enabled a flat hierarchy at scale while ensuring autonomy and visibility. The company uses AI to map experience, competencies, and knowledge.

Direct impact:

Knowledge sharing becomes easy with clear visibility of information pods across the organization, without compromising the flat hierarchy.

RULE 01

Communication and Rituals

Organizations can start by looking at communications and rituals through a principle-based lens as opposed to a rule-based approach.

- **Speak their Lingo**

  On platforms, they are comfortable with in formats that are appealing to them. There was a funny video going around that had a Gen Z telling their manager to contact them on Snapchat - all jokes aside, if that's an effective medium to discuss leave policies, then why not take that route?

- **Transparency and Authenticity**

  Fun is not the only criteria. Be genuine. Given the evolved talent dynamics, transparency and authenticity will become even more important for attracting, engaging and retaining Gen Z employees.

- **Focus on Holistic Wellbeing**

  Make room for open communication around holistic wellbeing of all employees. Enable routine recreational and leisure activities to support physical and mental well-being.

- **Learning and Development**

  Make this modular and easy to consume. Have a multitude of mediums for learning, and make this a continuous intervention, as opposed to sporadic events.



Southwest Airlines reimagines the annual conference[03]

To build a workplace that is diverse, accessible, and better at championing people, Southwest Airlines engaged with LATE NITE ART.

The airlines organized a unique experience that brought together teams spread across nine states in the USA to share childhood stories and address fears of change.

Direct impact:
Unfiltered conversations between VPs and interns, helped break hierarchies and drive a sense of inclusion.

In conversation with leaders

What is your opinion of Gen Z? What is different about them, and what drives them?

Gen Z is clear about what it wants in terms of EVP. And any mismatch in expectations leads to quicker dissonance than with the previous generations.

This can be ascribed to the level of awareness about career options and clarity regarding career choices.

The current generation is not hesitant to present ideas that they believe align with the company's goals, unorthodox as they may be. They are boldly oblivious to the chances of their ideas not being well-received.

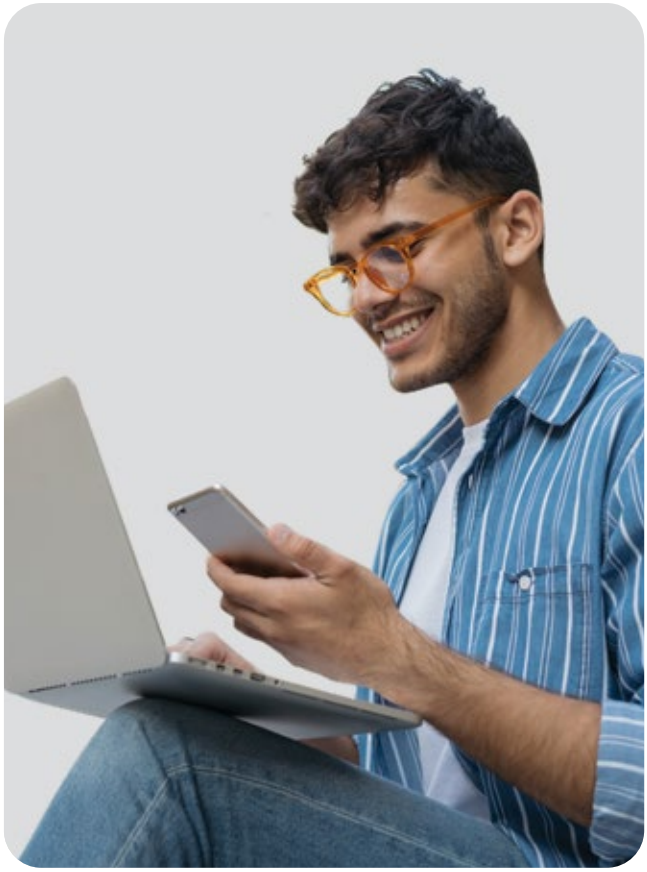


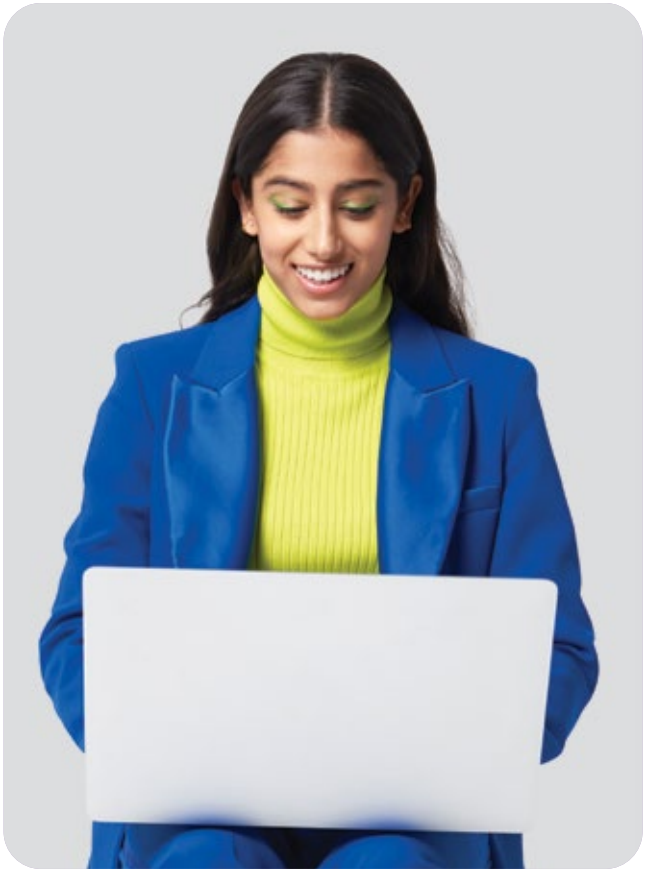
Chinmay Sharma

CHRO & EVP India,
GSK Pharmaceuticals



RULE 01





Have you changed policies or processes to realign with Gen Z's expectations?

While not specific to Gen Z, we have changed processes that align with today's mindsets. Our policies are more principle-based, rather than rule-based that cater to employee needs across all segments. For instance, our childcare policies are gender-agnostic. All new parents, mother or father, are eligible for 4.5 months of parental leave. Of course, in the case of mothers, it extends to 6 months. And this applies for adoption or surrogacy cases as well.

In conversation with leaders

What is different about Gen Z? What drives them?

There are more similarities than differences. Irrespective of the generation, employees today are looking for authenticity. The other parallel I see is the need for recognition. They want to know that companies are more than just profit-churning machines. So they want to understand the bigger purpose; how companies play a more significant role in communities; how they build communities, industry, organizations, ecosystems, and the country.

Coming to differences, Gen Z is less inclined to take any bullshit. For Gen Z, work is work. It is not necessarily the be-all and end-all of their life.

They have a much more comprehensive view of what their life is and should be, and work belongs in a specific place. So expecting Gen Z to show even 30% loyalty and be available 24x7 in the interest of the company - that's not going to happen.



Sudeep Ralhan

Chief HR Officer, Upstox

RULE 01

Do you feel the organization's purpose is essential to employees across generations?

Let's take three examples - someone who has stuck with Tatas, someone who has stuck with Accenture, and someone who has stuck with Flipkart. These are three different industries and three different scales. Conversations go deeper about why they are here and have been with the company for a long time, an interesting pattern starts to show. One realizes that, sooner or later, it comes down to the ability to connect the work they do and the meaning they derive from it. It boils down to the purpose and the bigger job the company is doing.

That's the reason why most companies are trying to find a sense of purpose in what they do. And communicate it to their employees. I don't think anyone joins a company for its purpose.

But does it make a difference in attracting and retaining talent? Absolutely! Also, purpose doesn't necessarily need to be about community and nation-building. It can be something as simple as a coherent sense of purpose around work that aligns with the company's values.

Have you changed policies or processes to realign with Gen Z's expectations?

We needed to create an ecosystem where people felt a lot more empowered and trusted because that is what Gen Z looks for.
They want to know what kind of support system we offer. What kind of well-being programs do we have?
Do we have counselors and therapists available? Do we have any pro-health-related programs running?
We had to introduce these things to ensure we were talking to a new generation.

RULE 02

MAKE **HYBRID WORK**

Hybrid is the future of work. How to make it engaging and productive is the question for most organizations.



An overwhelming majority of employees prefer hybrid.

87% of people across age groups, tenure, and seniority want to work from the office most of the time, with the option to work from home when they want.

Our study highlights that the difference in preference isn't that prominent across genders, either. While 46% of male employees lean towards a perfectly balanced combination of work from an office and remote working model, the number goes up to 52% for female employees. At the same time, 41% of male and 35% of female employees favor working from the office permanently.

However, various factors come into play when defining and enabling hybrid. It requires a fresh take on policies, culture, and rituals.

Organizations must take a holistic perspective to zero in on a strategy that works for them.

What works for one company may not work for another.

Most organizations have already embraced a hybrid working style in some form or the other.

While adoption challenges may differ from team to team, the key is finding and addressing the glitch - be it on an operational, technical, or inspirational level.



In some cases, the definition of hybrid is influenced by external factors.

> We never had a problem with WFH. All teams accommodated it well except for the creative team, which faced some productivity issues. We are not planning to return to the office unless any specific client needs us to. For us, quarterly meetings in resorts, biweekly and weekly catch-ups, and proper channels and activities that drive team engagement have worked really well.
>
> **Mayank Kumar**
> Co-founder, CEO, GetMega



> In the US, we are 100% remote. We were like this before the pandemic. We are not going to move even to a hybrid working model. We are very clear about that. However, our models are hybrid in India and China, where we have two other offices. The reason for that is not because we treat those countries differently.
>
> Creating a new legal or payroll entity is so complex in India and China that it is not feasible for companies to say you can work from anywhere. So we have a hybrid model where people come to the office two or three days a week. But for the rest of the week, they work remotely.
>
> **Parul Kapoor**
> Senior Vice President - Talent and Culture, Calix

RULE 02

Connection and collaboration become critical with a hybrid model.

We currently have a hybrid work policy. And we want to continue that. We cannot ignore the importance of people coming together. In a fast-paced company, you compromise on pace if you're not working together. But personal flexibility is also equally important. So, a model where you work a few days out of the office works best for us.

Also, engagement is not a separate set of activities you run. Engagement should happen organically. And for that, it is critical to ensure that people have good quality work to do, regularly connect, and clearly understand how their work contributes to the company's vision. That creates a high level of engagement altogether. Engagement is about feeling connected to your work and giving it your all.

Sudeep Ralhan
Chief HR Officer, Upstox



The hidden costs associated with hybrid

What is the best way to drive a meeting when a few people join remotely and a few from the office? Should everyone in the office join from different systems? And if everyone in the office joins from a single system, what should the setup look like?

These are just a few questions. There are thousands more when it comes to hybrid.

While hybrid will be the norm going forward, it comes with its own challenges and contradictions.

For instance, 73% of people believe they are more efficient while working from home. Still, many people want to work from the office as long as they have flexibility and freedom. Not one but multiple factors are triggering this contradiction.

> While remote work has certain benefits, the absence of social learning and interaction can have serious repercussions, particularly for the younger generation. Physical interaction, mentorship, and supervision make a difference early in one's career. Also, visibility gets significantly compromised with remote working. If it took 6-12 months for us to think someone was ready, now it takes longer because of the lack of physical interaction.
>
> **Sanjay Sundaram,**
> Vice President - People Strategy and Operations, Tiger Analytics

Working remotely also inadvertently increases the number of meetings, creating a cascade of issues. Organizations have yet to put policies and solutions that can counteract this negative effect.

When working from home

- **68%** of people miss watercooler conversations
- **Innovation, creativity and learning** take a back seat
- **Lack of holistic visibility** of the output and final impact is evident

How CHROs can make hybrid work

Policies

Organizations must formalize their way of working.
And putting the right policies in place can go a long way.

Define what hybrid means to you. Based on this definition, make policy-level changes.

- Implement guardrails regarding WFH days so that output and productivity don't suffer and a culture of collaboration is enabled.
- If early career professionals are encouraged to be in the office for social learning and training, what does that mean for workplace equality policies?

Create employee-centric policies to ensure flexibility.





Shopify saves 320,000 hours in meetings[04]

Ending recurring meetings with two or more people, a "no-meeting Wednesday" and restricted large group meetings - Shopify went all out in a company-wide calendar purge. This helped them save time as well as earn goodwill from their employees.

RULE 02

Culture

As new employees join a company and existing ones leave, what does it take to bring everyone up to speed on the company's norms, values, and expectations? What does it take to integrate newcomers into the company culture? What does it take to sustain the company culture?

Culture in a hybrid scenario needs to address the following:

- Awareness and adaptation – making new employees feel a part of the company
- Continuous engagement – ensuring current employees don't feel disengaged or disconnected
- Addressing FOMO – creating a sense of belonging for teams/people who work out of other cities

Organizations can approach this in different ways.

- While annual events can bring distributed teams (across cities) together, mini-events in the office with a virtual version can help keep the momentum going
- Facilitate city-wise catchups – creating mini pods in major cities where your employees reside
- Implement anchor days where everyone works out of the office 2-3 days a week
- Organize 'leader reach-outs' to create a sense of belonging

Buffer makes the most of co-working[05]

Occasional in-person interactions are critical for sustaining company culture. In the absence of an office, Buffer takes advantage of co-working to make this possible. People from the same city can work from a co-working space or coffee shop. The company provides a monthly stipend to work from such spaces.

With nearly 84 people working from 23 countries, Buffer is winning at building and maintaining the company's culture in a hybrid work model.

RULE 02

Enablement

The key is implementing the right technology and infrastructure to enable seamless coordination, connection, and communication.

- Start with an internal audit to analyze gaps in your chosen model
- Put the future state in perspective to assess the scalability and viability of the model
- Identify critical bottlenecks and challenges
- Prioritize and plan enablement initiatives



Fujitsu creates a borderless office[06]

Fujitsu has created an ecosystem of spaces that make up the borderless office, to empower cross-functional collaboration and communication in a hybrid setup.

Hubs are located in major cities to drive brainstorming, team building, and the co-creation of new products. Satellites are spaces that facilitate coordination between people working on shared projects. Shared offices are quiet spaces all over Japan near urban or suburban train stations. These offer employees a fully-equipped place to get work done.

In conversation with leaders

What was the response when you brought the back-to-work mandate?

It really depends where you work and what your job entails. Given the nature of our work, we needed to come back full time. A hybrid or WFH setup in our case affects productivity - something well understood by our employees as well. As such, it didn't lead to any dissonance and the transition back to work was without hiccups.

What were the challenges that you faced while working remotely?

We faced no specific challenges. It's just that employees working on operating plants had to be present at the plant, which led to the decision to bring everyone back. It is vital to have a uniform policy for all.



Gaurav Sood

CEO, Sprng Energy

RULE 02

What motivates people to join one company over the other? Why do people join Sprng Energy?

First of all, we are in the renewable energy sector, which is amongst the fastest-growing sectors in the country today. So that is the first thing many people want to be part of.
The sector was growing even during COVID as it's an essential service.
Also, people are conscious. They are happy to work in a sector where we generate clean energy and make a difference in the climate, which is important for everyone.

Secondly, Shell has recently taken over us. But even before that, we were working with a private equity fund as a shareholder. So again, we were amongst the fastest-growing companies in the country. We grew very fast, and people wanted action.

Third, we have a very flat hierarchy.
We are a very flat organization with an open-door policy, which many other companies in the sector do not have.

People join us because they are getting new opportunities. We allow people to shift from one role to another.
There are both solar and wind.
So they get opportunities to learn different technologies.





In conversation with leaders

With your organization working in a hybrid model, do you foresee a back-to-work scenario any time soon?

Organizations that have employee-centric policymaking are built to offer flexibility to employees.
And that is what hybrid working offers. Policies around hybrid working are about giving employees an excellent work environment and setting clear expectations. Going forward, the way we look at flexibility and what it means will keep evolving.

What are your policies/ processes to ensure seamless work coordination and management in a WFH or hybrid scenario?

We work in a high-trust environment. We hold people accountable for their deliverables and impact rather than when, how, and how long you work.
We do not encourage micromanagement but focus on collaborating seamlessly and delivering impact.

This is how we see things going forward as well.



Kirandeep Virdi

Head of People & Culture, Asper.ai

RULE 02

How are you keeping employees engaged throughout this all?

We are bringing in different platforms and ways to ensure colleagues can communicate and connect easily – to facilitate both formal and informal connections.
Hybrid allows for facetime for a few days a week where the team comes in to brainstorm, ideate and create.
In addition, events, if any are planned for days the team is in office.
There are several studies that point to a significant increase in meetings that eats up an individual's time.
So, we are mindful of how we engage and communicate across the team.
The right infrastructure and technology are the bedrock of making this a reality.

What are some of the challenges you faced with working remotely / hybrid?

Working remotely makes the individual responsible for how they manage thier work. This may then be handed over to someone else, and one may sometimes lose sight of it down the line. The need for more visibility of the holistic process becomes important. This is where the need for collaboration, different channels, and communication is critical to enable a more dedicated focus on certain things. So, we mindfully reduced the number of reporting meetings, increased smaller focused conversations driven by different teams, targeted towards a specific outcome.





RULE 03

GEAR UP FOR **THE GREAT RESET**

While the market goes through its usual cycles, the talent market does the same. Since 2020, we have seen some ‘great’ changes. Needless to say, their impact on the employee-employer relationship is palpable.



A quick throwback

Let's recap to understand the state today and the way forward from here. The COVID-19 pandemic caused a massive disruption in the economies globally, leading to layoffs. Then came the voluntary quitting spree – the 'Great Resignation', becoming quite the head-scratcher for recruiters.

Fast forward to the recession with layoffs and a hiring freeze, to coming back full circle today. It's been quite the rollercoaster, with quite a few lessons on how to navigate the talent market.

Maybe the Big Techs colored our view of the recession

Things are not always as bad as they seem. While we heard the news of mass firing by big companies, others were hiring tech talent and some more. *Not all industries faced the same downturn.*

Our study also suggests the same. The good and the bad is an almost 50-50 split.

And it can't all be attributed to the recession.

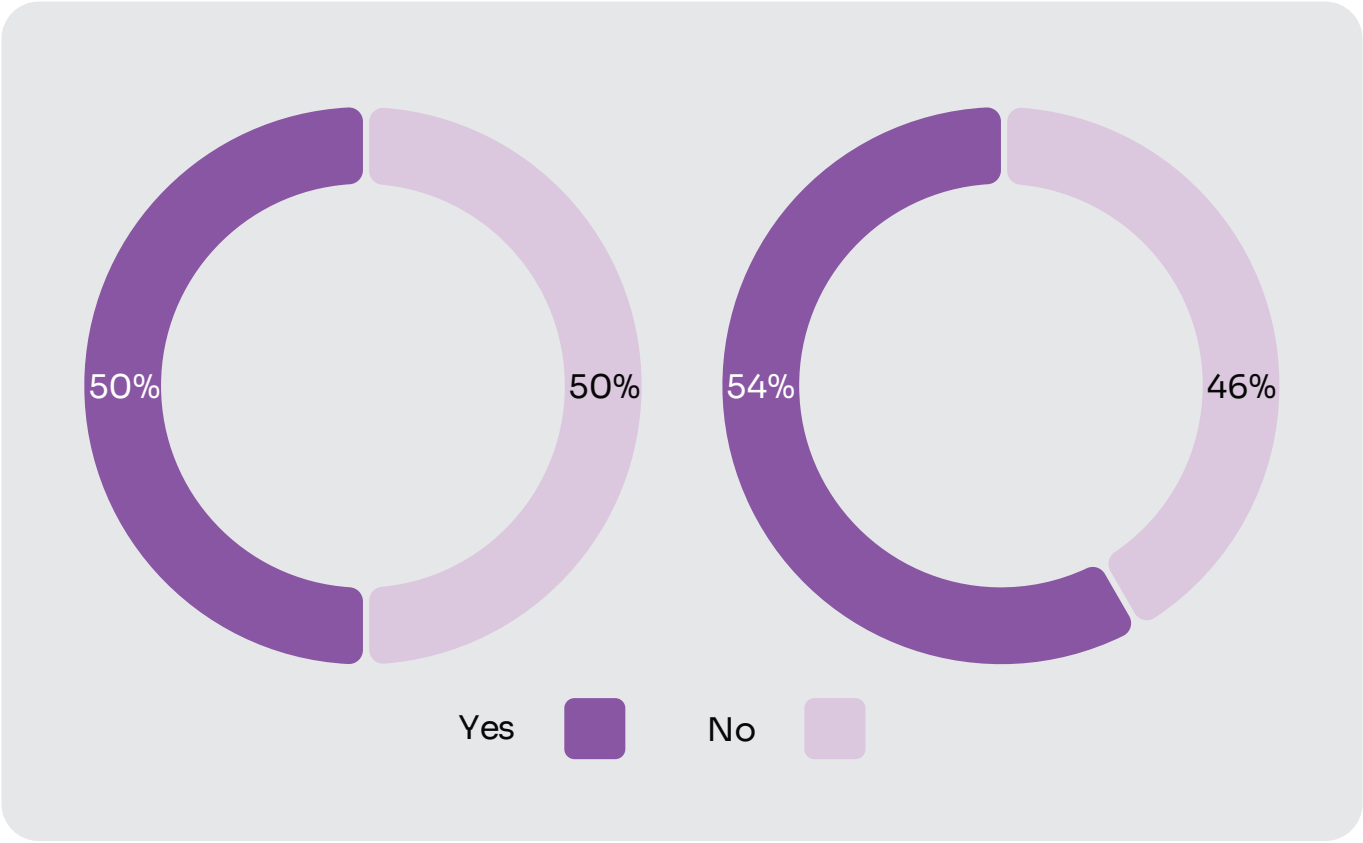


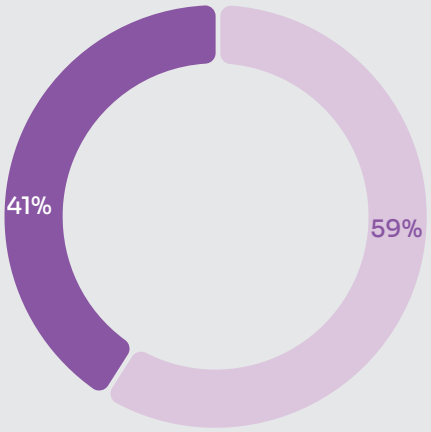
Fig: Employees on if there have been recent layoffs in their organization? (left) Employees on if there is a hiring freeze in their current organization? (right)

RULE 03

The recession was not the only reason for layoffs

The leaders seemed unfazed in our conversations and stated they are not concerned about the downturn negatively impacting business.

The sector employees are also on the same page as the employers. **Over 59% of the employees** across different age groups, tenures, seniority levels, and locations **vouch that their employers are not facing a slowdown in the business.**



Do you think your current employer is going through a slowdown in the business?

Yes No

But here's the question, then. If the business is not facing a slowdown, and organizations need employees to deliver technology that the customer demands, then why are there layoffs?

The layoffs, for some may be attributed as corrective measures at the organization's end.

> Our industry is experiencing layoffs not because of recession, but due to business models that are evolving as per customer needs and preferences. Add to it enhanced use of technologies and there is a need for employees with evolved skill sets. So, it's not always about needing fewer people, but rather needing the right people with the right capabilities. As the old adage goes, one needs to adapt in order to survive. And that holds true for all of us.
>
> **Chinmay Sharma**
> CHRO & EVP India, GSK Pharmaceuticals

RULE 03

Cue 'The Great Retraining'

As technological changes and digital transformations continue to accelerate in many industries, employers start looking for newer skill sets. And the other side resonates.

This survey[07] suggests that people who left their jobs during the 'Great Resignation' worked towards boosting their portfolios. **66% of people said access to online training and upskilling opportunities was an important deciding factor when choosing the next job**.
Employers, take note.

Coming back to layoffs, while some employees quit voluntarily, some who were forced to leave left with a bitter taste in their mouths.

Forgiven, but maybe not forgotten – employees on a rebound

Recession or not, employees' trust, even those not terminated, is shaken. Add to that the increased involvement of AI and Analytics, and employees feel threatened for their jobs.

And as we saw earlier, around half of the working force today agrees that there are ongoing layoffs with a hiring freeze. This may negatively impact their productivity.

> The current level of anxiety that people are feeling in big and small organizations is the after-effect of layoffs. It will last a very long time. More importantly, we don't realize it yet, but the after-effects will last longer because the trust is broken.
>
> **Sudeep Ralhan**
> Chief HR Officer, Upstox

At the same time, a 9-to-5 job is not the only option for employees anymore. While layoffs are crushing, they are not the end of the rope for the Gen Z-dominated workforce. Many consider layoffs as an opportunity to explore other career paths, pursue their passion, or become a part of the gig economy.

So, how can you build trust and show employees you can be integral to their growth when they have so many other options?



RULE 03

The great regret is a sign of things done right by some employers

There are always two sides of a coin. On one side, you had employees who wanted to quit in pursuit of better things, and then some realized the grass is not always greener. Another survey[08] suggests a positive culture, sense of community, and work-life balance were sorely missed to the point of regret.

Some companies got it right, and this is a strong indicator to work towards the softer aspects of 'perks and benefits.'



How can CHROs gear up for this new talent market?

While Gen Z (plus newer generations to come) and a hybrid working model have become intrinsic to the future of the workforce, recessions are more seasonal. Yet they leave a deep impact. On employees. As well as employers.

The way forward is three-fold.

Policies

Adhoc initiatives are good, but the changes we are experiencing now call for more drastic measures. Organizations need to think through the policies they can put in place for times like these.

- Create strong policies that go above and beyond retrenchment compensation
- From helping employees get the right referrals to actively ensuring replacement can be a start
- And sometimes, the policy can be that there will be no layoffs. Take a leaf out of AT&T's playbook

AT&T decided to retain and retrain[09]

In 2013, AT&T discovered that job roles for 100,000 of its 240,000 employees would be unnecessary in the next ten years. Instead of doing a mass layoff, AT&T set out on a mission to retrain all 100,000 workers by 2020.

Direct impact:

Product development cycle time decreased by 40%, and time to revenue accelerated by 32% in just 18 months after the program's inception.



RULE 03

Employer brand and communication

The recession proved one thing – a company is not a family. Even with the best of employees' interests at heart, tough times equal some hard decisions. That's the ugly truth. Organizations need to take this into account while crafting and communicating their employer brand.

- Bring honesty and transparency in how you brand yourself
- This is your time to shine – your competition is no longer FAANG, but many like you. The playing field is leveled. Make the best of this time to appeal to potential talent. Add a human appeal to your recruitment strategies and campaigns.
- Drive regular and open communication that answers all the questions employees may have. Think everything - from your stance on market and technology changes to the company's financial health.



Zensciences breaks the cliche

Zensciences takes growth very seriously. So, we are never complacent. Always hungry for more, asking questions, and our own best competitors - that's the Zen promise. And that's exactly what the Zensciences EVP captures - while posing an important question - **Challenge Accepted?**

To existing and potential employees, the message is clear. A lot of hard work goes into creating anything worth noticing in marketing. Behind every flashy ad campaign, there are thousands of hours spent on research, ideation, and refinement.
While others in the market focus on the bells and whistles, Zensciences cuts the fluff. The Zensciences EVP keeps it real.

RULE 03

Culture

Creating the right culture (of learning, inclusivity, and opportunities) will never go to waste. If you look closely, you'll easily find a story or two to prove it.

- While a lot of big tech companies faced flack, there were few that, despite the rough time, were put on a pedestal. Remember the guy[10] who went viral for saying it was a great honor working with Twitter, amidst the mass firing?
- The moral of the story? Create the best environment for your employees that leave a lasting impression.





Hubspot takes transparency and empathy seriously[11]

Hubspot created Culture Code, a 128-slide presentation discussing the company's values, beliefs, and challenges in 2018. It has gone through various updates over the years. But the most significant one is the introduction of empathy in its core values.

Humble	Humble
Effective →	**Empathetic**
Adaptable	Adaptable
Remarkable	Remarkable
Transparent	Transparent

Direct impact:

The Hubspot culture code deck has over three million views on SlideShare and is one of the top reasons candidates choose HubSpot.

In conversation with leaders

What is the general sense of the environment post news of layoffs in the market? What is the job market's reaction?

Big tech is laying off because it is correcting itself. It is cutting off the fat, not the bone. It is not cutting the muscle. They are letting go of people they hired but did not need. The numbers do look big. But in a company of 100,000 people, if you have to course-correct, you must let go of 10000 to make an impact.
You take away the moonshot projects you have. You take away projects that are not making any money. You take away projects that have not made any money in the last decade but devoured billions of dollars of investment.
You have no choice but to cut it off because the markets are finally starting to correct themselves.
But let's forget the big tech and look at the rest of the world.



Parul Kapoor

Senior Vice President - Talent and Culture, Calix

RULE 03

We were hiring 600 people last year and are hiring 600 people this year. We serve Middle America, where people struggled to find a workforce, because all the qualified people were moving to the cities to get the Big Tech jobs. So layoffs may actually benefit our industry. These qualified people are moving back to their hometowns where they can work for broadband service providers, who are looking for skilled people. The reality is that there are many companies out there that are going through the reverse of what's happening with Big Tech. These companies are benefiting from this potential layoff from the tech market.

When you put all of this in context, how can the US economy be in recession? The economy created 225,000 jobs in the last quarter of 2022. Something in this metric does not make sense. We have got to decouple the Big Tech problems with the rest of the world and the rest of the industries. So maybe there is a Big Tech problem, which, you know, could very well be a correction in the market. And yes, India is going to get dragged into this. But many companies out there are still stable, growing steadily, and don't have fat because they've been prudent.

How are you preparing your talent in this uncertain situation? How are you keeping them motivated and ensuring security?

It is not an issue for us. It's not even a question that comes up in any meeting. It may become an issue if we freeze hiring. But we have 400 tracks open right now, which we are actively recruiting for. One hundred fifty of them are in India. Our attrition rate is 4.6%. That's rare. Very few HR heads can confidently claim that their attrition rate is less than 5%. And we don't pay to market; we don't have RSUs; we pay in the 50th percentile of the market; we are not a Google that pays at the 90th percentile; we are prudent. So, we are definitely doing something bigger and better, other than compensation.

In conversation with leaders

What is the general sense of the environment post news of layoffs in the market? How are you keeping employee morale up?

Most of the downsizing happens in a cloud of cloak and dagger kind of environment. A very handful of people decide what's going to happen. And it is almost always a shock to people who are getting laid off and those who are staying back.

We have the kind of culture wherein we have functional leaders and just natural leaders. I update this team of 25-30 people every month about the financial position of the company and our internal capital. We also discuss requirements and external capital infusion. So, people in general, and not only just leaders, but both functional leaders and natural leaders across the company, are always in sync about where we are and what we are going to do about it.

The most critical aspect is maintaining a sense of maturity in handling layoffs. It is also important to enable transparency in decision-making from the beginning with a larger group of functional and organic leaders.



Mayank Kumar

Co-founder, CEO, GetMega

RULE 03

For us, having a planned downsizing, instead of a last minute rushed decision gave us the opportunity to distribute good severance packages (3-4 months of salary) and be truly sensitive to those who were being laid off. Our HR teams were focused on placing them in other organizations. In fact, we were able to place 95% of the staff laid off in 25 days.

How can leaders better handle such situations?

As a leader, you have to be in control of every decision. Your decisions should not be forced onto you. Because when that happens, everything sort of falls like a house of cards.

If you are forced into a decision, your communication is bad, your transparency is bad, and your sensibilities are bad. And that creates a very negative spiral for everyone. So it would help if you have a sense of maturity. If you know that things will not change in the next six months, work to achieve the best outcome but prepare for the worst. That way, you will make better decisions with better transparency and financial outcomes for people who must leave the company.



EPILOGUE

SHIFTING SANDS AND STEADYING INFLUENCES

After many highs and lows, the market is finally correcting itself. But the winds of change have not yet passed.

Technological advancements like generative AI will countinue to ride the wave of high expectations.

Businesses across industries will have to re-evaluate the notions of value creation.

And the workforce will keep working in ways not seen before.







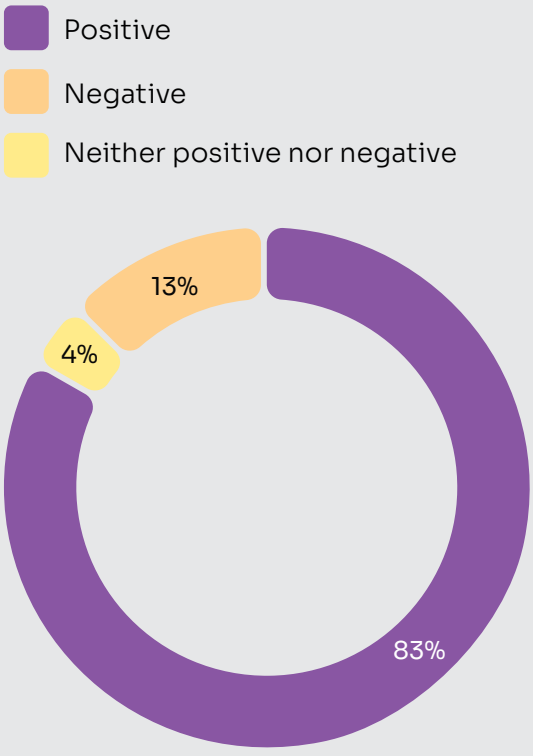
EPILOGUE

We are entering a phase of talent mobility and realignment, that can leave organizations volatile if not addressed head-on.

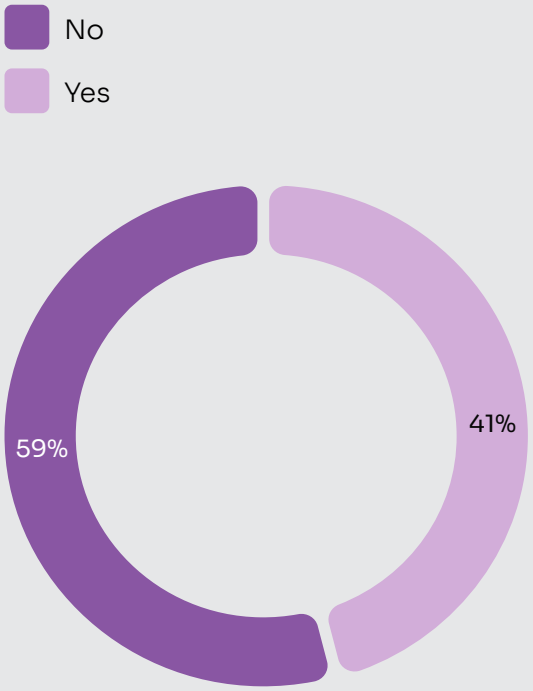
Based on a Gartner study[12], **39% of global knowledge workers will move into completely hybrid roles by the end of 2023**. However, this number is more than just representative of the working models. It hints at a larger picture. On the one hand, employees will settle into a new way of work that meets their expectations of flexibility and balance. On the other hand, as talent looks beyond big-tech urban hubs, other technology focused organizations will be able to attract the highly-skilled people they need.

The employee-employer dynamic also faces an undercurrent of artificial intelligence and automation. As per our study, **83% of the surveyed people feel that AI positively impacts their job, while as many as 41% feel threatened by automation**. More extensive integration of AI and automation in our work is undeniable. However, how organizations handle the impact of this integration on employees will be critical.

Employees on:
What is the impact of AI on your job?



Employees on:
Do you think your job is threatened by automation?



EPILOGUE

A shift is underway

As organizations explore new ways to create value during these turbulent times, they need employees as their allies. Quality talent that believes in the organizational purpose can provide the steadying influence that most organizations desperately need.

What can organizations do to make employees their allies?

Be honest. Be transparent. Be open.

Today's employees see through the marketing jargon and empty promises made by a nice-sounding EVP. Instead, let them know who you are.

Use an employer definition framework to articulate:

- How your larger purpose aligns with what you offer your employees
- How their work will create value
- How your organization's unique gene fuels everyday work
- And how do all of these come together to build your culture?

Level with your people. And they will give you their best.









In conversation with leaders

How are you preparing your talent in this uncertain situation? How are you keeping them motivated and ensuring security?

We do not believe in laying off people as a first option. In fact, pandemic and post-pandemic scenarios have led to accelerated technology adoption in enterprises with higher business potential for companies like us providing technology services. Tech-led innovations are here to stay for an extended period.

Business cycles have become increasingly unpredictable and much shorter in the VUCA world. This has led to reflexive ramp-ups and ramp-downs, causing frequent layoffs just like frequent ramp-ups. Companies that handle them sensitively will stand out from those that take a contractual approach. In India, layoffs are still considered taboo, but we are seeing a cultural shift similar to Western countries, where they are much more common and accepted. At the same time, organizations will create ecosystems that enable employees to deal with both professional and personal turmoil.



Dhirendra Nath

Chief People Officer, SLK Group

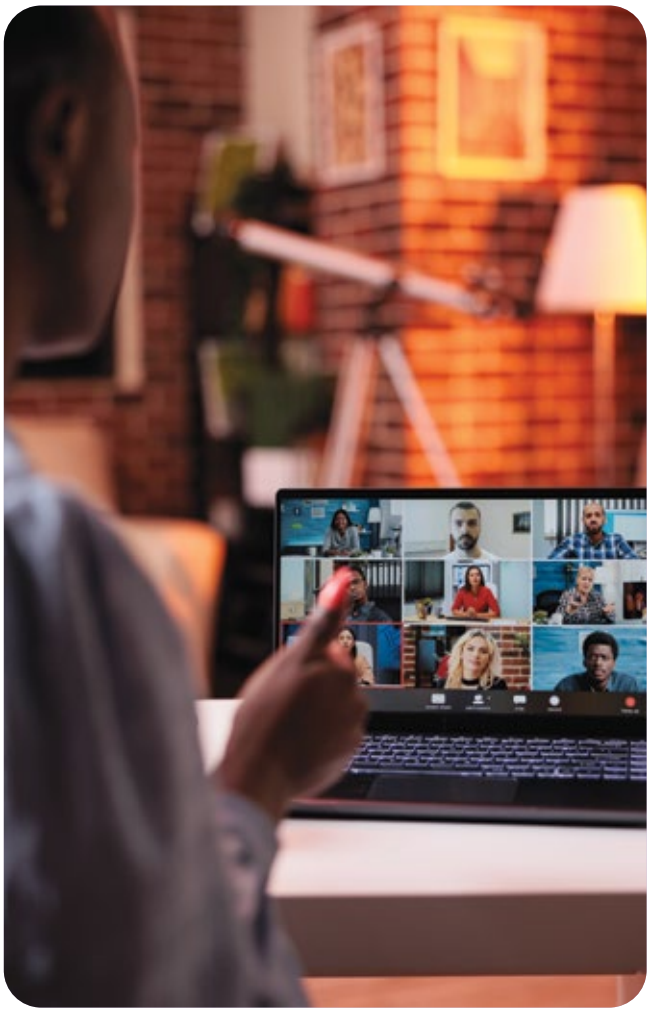
EPILOGUE

With the availability of talent from different parts of the world and at different cost points, what is your view on globalized talent?

When it comes to talent, the 19th century was the European century. The 20th was American. The 21st was Asian. Now it is just shifting to young and skilled talent with global roots. The future will be the globalization of talent.







In conversation with leaders

What is the general sense of the environment post news of such layoffs in the market? What is the job market's reaction?

Recessionary trends have prompted businesses to engage companies like ours to leverage our AI capabilities. This is because analytics can effectively help reduce costs and optimize investments. We have observed an increase in demand, at least for the near and foreseeable future. Industries that are experiencing growth and have a positive outlook may continue to attract job seekers despite news of layoffs in other sectors.

Overall, the job market's response to layoffs has been a mixture of caution, increased competition, and a focus on companies with more stable prospects and high business growth. It is crucial for individuals to stay informed about market trends, upskill, learn new things, and adapt to market dynamics in order to successfully navigate the job market during such times.



Sanjay Sundaram

Vice President, People Strategy and Operations, Tiger Analytics

EPILOGUE

How are you keeping employees engaged throughout this all?

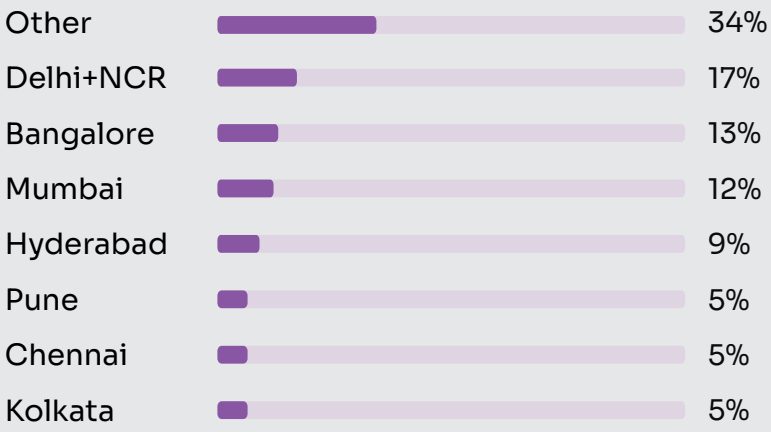
Employees feel engaged when they are passionate about their work. People join our company because we are fundamentally an AI and Analytics company, dedicated to solving challenging business problems for our clients. As long as they have the opportunity to pursue their aspirations in the AI and Analytics field, it keeps them engaged. Another vital factor that keeps employees focused and motivated is mentorship. We have always prioritized high-quality mentorship programs, derived from the experience and insights of our thought leaders that benefits our teams. This mentorship program allows employees to discuss their career aspirations in relation to the organizational vision and industry trends as a whole. We have a well-developed mentorship program where each employee is paired with a mentor who has walked a similar path.

In addition to these aspects, maintaining open and transparent communication is crucial. Social engagements through virtual or hybrid celebrations, face-to-face meetups, wellness programs, flexible working hours, and opportunities for skill development and certifications all contribute to keeping employees engaged, relevant, and satisfied in their roles.

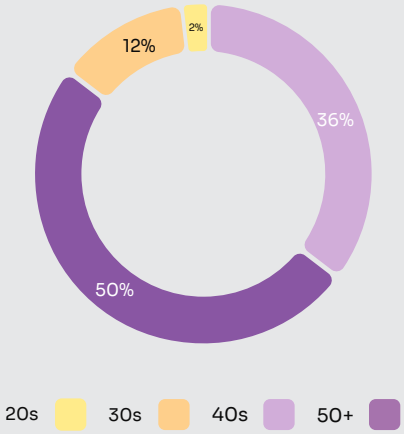


Demographics for Quantitative Survey

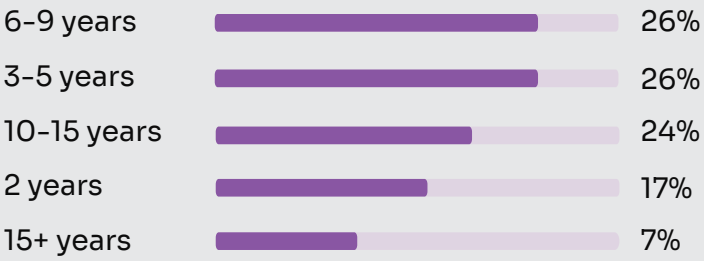
Location



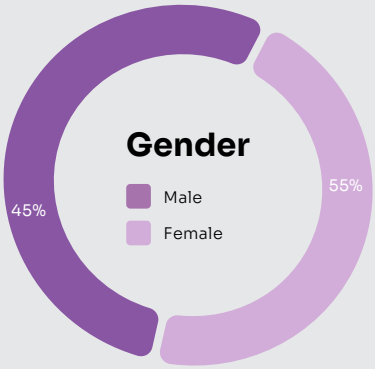
Age group



Total work experience



Gender



Tenure at current organization



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