



SRM India

Corporate Indian Companies: Forging New Talent Pipelines and Creative Career Pathways

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India's booming economy—with an expected average growth rate of 7% to 9% for the next five years—has fueled rapid urbanization and power-stepped the country into globalization. With nearly 50 cities at over one million in population each and a rapidly growing middle class, India has become one of the largest consumer markets worldwide. Paralleling this extraordinary growth is keen competition for talent.

To understand how Indian corporations are dealing with the war for talent, SHRM India—a wholly owned subsidiary of the Society for Human Resource Management (SHRM), the world's largest human resources (HR) association—spoke with HR executives at premier Indian organizations in India's eight key industry sectors.

In today's hyper-competitive marketplace, how do Indian corporations find and keep talent? What are their challenges and solutions? Rajeev Dubey, President of Human Resources at *Mahindra & Mahindra Ltd.*, points out that “talent/human capital is the key to being globally competitive, and currently demand far outstrips the supply of human capital in the Indian scenario.”

He emphasizes that unless Indian corporations correctly understand the minds of the people they wish to attract and retain—and tailor their talent management strategy accordingly—India will not be able to create the required human capital pipeline for its organizations.

Although India is steeped in culture and tradition, it is the country's demographic and economic changes that will significantly impact business sustainability (see Figure 1). This article presents proactive and innovative talent management strategies developed by Indian corporations. In a world that requires thoughtful, creative and dynamic people development, human resource executives from Indian corporations share their challenges and successes in the spirit of collaboration and professionalism.

India's Talent Challenges

In India's consumer-centric economy, Indian corporations in every industry sector are competing for talent. From the automotive, banking and financial services, and entertainment sectors to health care, oil and gas, retail, software and telecom industries, SHRM India's

research reveals that talent challenges in Indian corporations are substantive.

Foremost, India's talent space is complicated and multi-layered. Every sector is seeking talent. Additionally, many Indian corporations are grappling for talent along with multinational corporations (MNCs) that are drawn to India for lucrative opportunities. Overall, candidates with the required skills and competencies are scarce. The shortage of qualified and employable individuals—due to extraordinary growth in every sector—has led to high employee expectations. Further, the mindset of young people is to change jobs often, with a lack of commitment and engagement due to many offers in hand. Indicators of success—from employees' viewpoint—are high salaries, managerial roles and the ability to quickly climb the corporate ladder. Never before have the stakes been higher for Indian corporations to attract, develop and retain critical talent.

The demand for change is also reflected in the varying levels of preparedness among India's cities to compete in the 21st century. Cities are ranked according to their ability to create and maintain an environment where indus-

Figure 1 | India: Demographics, Economy, Culture

DEMOGRAPHICS/ECONOMIC FACTORS	CULTURAL ASPECTS
<ul style="list-style-type: none"> ▪ Independence from British rule in August 1947 ▪ Government: federal republic ▪ Official languages: Hindi and English ▪ Estimated population: 1,147,995,898 (www.cia.gov), 1/6 of the world's population ▪ Median age: 25 years ▪ Economic growth rate: Last five years average growth rate is 8.1% (http://mospi.nic.in) ▪ India's growth is fueled by an increasing middle class, estimated at 300 million people (www.indiaonestop.com) 	<ul style="list-style-type: none"> ▪ Collectivist culture: an individual's decisions must be in harmony with family, group and social culture. ▪ Business is not conducted during the many religious holidays. ▪ Business in India is built on relationships. ▪ Kinship and friendship are very important. ▪ Education is considered an investment in economic well-being and prestige. ▪ Hospitality is associated with doing business. ▪ Titles are highly valued, as in some other parts of the world, as is the university from which one graduates, the number of people reporting to the individual or the business, and the profession itself.

Source: Corporate Indian Companies: Forging New Talent Pipelines and Creative Career Pathways (SHRM India, 2008)

Bijay Sahoo, President and Chief People Officer at *Reliance Retail Ltd.*, states: "Today, almost 96% to 97% of retailing is still concentrated in the unorganized sector. But India's cities are witnessing a paradigm shift from traditional forms of retailing into a modern organized sector, requiring skilled professionals with a challenging role and massive potential for career growth."

try and new lifestyles can flourish. Depending on their stages of development, cities in different regions within India offer talent pools to India's industry sectors. Tier 1 cities are considered to be the most attractive from the perspective of infrastructure (power, water, roads, telecom, airports), access (hotels, domestic and international connectivity), skills availability (maturity of workforce, language, global MNC experience), cost of living, political support and overall quality of life. For example, Mumbai, New Delhi and Bangalore are tier 1 cities. Tier 2 cities are "emerging" with reasonably good value propositions, along with

increasing activities of interest to business investment and strong local political support. Tier 3 cities have begun to consider key growth industries but are often not yet prepared from a practical sense. Going forward, the various tier cities will offer Indian corporations new geographic and demographic areas from which to grow and establish talent.

As Dr. A. K. Balyan, Director of Human Resources and Business Development at *Oil and Natural Gas Corporation*, points out, "In the oil and gas sector, oil has become a high-growth commodity, with surging demand pushing oil prices higher. This has heightened exploration activity for oil and gas, and correspondingly increased the hunt for capable professionals to sustain this demand and tap energy from difficult and frontier areas such as deep waters, coal bed and other alternate energy sources."

A large section of India's economy is known as the "unorganized" sector due to the absence of traditional corporate structures, strategies and statistics (<http://labor.nic.in>). According to India's National Accounts Statistics, the unorganized sector refers to those enterprises whose activities or collection data are not regulated under any legal provision and that do not maintain any legal accounts. Examples of the unorganized sector are the businesses that are run on the street corners and stalls in India. "Mom and Pop" stores constitute the majority of unorganized retailing in India.

India's Major Industry Sectors

Each sector in India offers different opportunities and attracts different types of people. SHRM India's interviews with Indian HR executives (see Figure 2), based on their extensive experience and knowledge, reveal candid insights about these industries.

■ **Automotive:** An "auto passion" environment, with exponential growth,

Figure 2 | Companies Interviewed in Major Industry Sectors in India

INDUSTRY SECTOR	NAME	TITLE	COMPANY
Automotive	Rajeev Dubey	President, Human Resources	Mahindra & Mahindra Ltd.
Banking and financial services	R. Venkatesh	Executive Vice President and Head of Human Capital	Development Credit Bank Ltd. India
Entertainment	Saagarika Rai	Chief People Officer	Reliance Big Entertainment Pvt. Ltd.
Health care	Sanjay Muthal	President, Human Resources	Nicholas Piramal India Ltd.
Oil and gas	Dr. A. K. Balyan	Director of HR and Business Development	Oil and Natural Gas Corporation
Retail	Bijay Sahoo	President and Chief People Officer	Reliance Retail Ltd.
Software	Renuka Sundar	Director – Human Resources	SoftBrands India Pvt. Ltd.
Telecom	Arun Mansukhani	Associate Vice President, Human Resources	Vodafone Essar Limited

Source: Corporate Indian Companies: Forging New Talent Pipelines and Creative Career Pathways (SHRM India, 2008)

Reliance Big Entertainment Pvt. Ltd., with a workforce of more than 5,000 and part of the Reliance Anil Dhirubhai Ambani Group—an organization ranked among India’s top three private sector business houses—is a creative and diverse company, ranging from broadcasting and movie ecosystem to new media (e.g., gaming and Internet portals) moving toward delivery across emerging digital distribution platforms, such as digital cinema and Mobile TV.

Development Credit Bank Ltd. India (DCB) is one of the emerging private-sector banks in India and provides customers with access to more than 18,000 ATMs and 80 state-of-the-art branches spread over 10 states and two union territories. With its value-added initiatives, *DCB* intends to be known as one of the country’s preferred and profitable retail banks, with its “gold standard in customer service” that sets it apart from its peers. *DCB*’s values are the spirit for over 2,300 employees, a shared belief that guides actions and drives results.

possibilities of a global assignment, opportunities for innovative and transformational activities, challenging assignments, and a culture of empowerment.

- **Banking and financial services:** Pride and prestige associated with working in this well-paying sector; generally, the talent pool is limited to India’s private sector banks and MNC banks, with state-owned banks having 75% of the talent pool.
- **Entertainment:** A creative environment with learning and development opportunities; attractive work ambiance, recognition of achievements; and flexibility in compensation and benefits packages, with opportunities to select from a number of fringe benefits.
- **Health care:** An opportunity to make a difference in human life; research and knowledge-driven, with high growth and global opportunities.
- **Oil and gas:** An important part of the world economy; prospects of high career growth and a challenging work environment; becoming a preferred employer vis-à-vis remunerations and adoption of attractive work/life balance measures.
- **Retail:** In 2008, India ranked No. 2 (preceded by Vietnam and followed by Russia and China) in the A.T. Kearney Global Retail Development Index as the most attractive market for retail investment. The Indian retail market is estimated to grow from the US\$330 billion in 2007 to US\$427 billion by 2010 and to US\$637 billion by 2015.
- **Software:** Candidates attracted to this sector by “love of technology;” it offers employee-friendly work benefits (e.g., flexible work hours), excellent pay, work challenges and a perceived accelerated growth opportunity.

- **Telecom:** India’s fastest growing sector and of relatively recent origin; the workforce profile is a blend of professionals who have moved in from different sectors; constantly changing and evolving; now focusing on rural market penetration.

Creative Initiatives

To attract and recruit talent, Indian corporations design unique initiatives. **In the entertainment sector**, for example, *Reliance Big Entertainment Pvt. Ltd.* focuses on developing creative recruitment and branding approaches to maximize the company’s attractiveness to possible candidates. Saagarika Rai, Chief People Officer, states: “We firmly believe that in an increasingly knowledge-based world, investing in people is what will pay off in the long run, and therefore, we remain sensitized to the need for an ongoing learning mode.” One such investment is the company’s initiative known as *BIG Animation*, in which people are recruited from rural areas and groomed to become independent artists in the field of animation, with the support of scholarship programs funded by *Reliance Big Entertainment Pvt. Ltd.* This program illustrates the company’s reputation of providing employees with empowerment, enrichment and trust in a work environment that fosters camaraderie, pride, credibility, respect and fairness.

In the banking and financial services industry, talent is considered to be “premium.” Despite this perspective, *Development Credit Bank Ltd. India (DCB)* goes outside of the existing talent pool, beyond traditional markets. As R. Venkatesh, Executive Vice President and Head of Human Capital explains, “We have focused on young candi-

dates who need training, but who have the right attitude and a high amount of drive and energy to make things happen, both for themselves and the organization.” Through its “Hire & Train” initiative, *DCB* hires candidates from diverse industries and puts them through a certification program to “create” bankers. For customer service roles, *DCB* hires management trainees from the hospitality sector, where workers already provide “service with a smile.” *DCB*’s training ensures that candidates are equipped with knowledge of banking products, processes, compliance and regulatory information. Deterrents are training time, the learning curve and the risk that incumbents will leave for another organization.

In India, retail is an emerging industry with unique talent challenges: a shortage of skilled talent, 35% to 40% annual attrition, and not yet being viewed as a profession. Many local and global players in the Indian retail market are vying for the same talent pool and skill sets, leading to spiraling compensation levels and increasing pressure on the bottom line. However, the retail industry does not need highly specialized skills, as more than 90% of retail positions are at the frontline level, for which people can be trained. At the same time, organized

Reliance Retail Ltd., part of Reliance Industries Ltd., launched its first retail store in November 2006 and, since then, has seen rapid growth. It has grown to nearly 700 stores across 60 towns and cities in India, with focus on several verticals, including food and grocery; apparels and footwear; consumer durables; travel services; and health and wellness products. In the years to come, the company is anticipated to help in generating both direct and indirect employment to nearly one million people. Currently, *Reliance Retail Ltd.* has 28,000 employees.

retail offers opportunities to people from multiple industries and varied backgrounds, such as consumer durables, agricultural products, real estate and operations, including support functions (e.g., IT, marketing, finance and HR).

Organized retail also provides economic security to people, particularly those in rural areas. As Bijay Sahoo of *Reliance Retail Ltd.* explains, “In Indian villages, there are very large numbers

rural to urban areas. The retail sector can provide a career entry where they can climb up the socioeconomic ladder based on their learning and efforts.”

A well-respected Indian retail corporation, *Reliance Retail Ltd.* launched its first store in November 2006. The company’s expansion plans required a continuous supply of trained manpower to meet business requirements. To ensure this continuity, key initiatives

Nicholas Piramal India Ltd. (NPIL)—part of Piramal Enterprises, one of India’s largest companies—is a leader in Indian pharma, with a workforce of 7,500 employees. With one of the largest pharma product portfolios in India, *NPIL* spans nine key therapeutic areas: cardiovascular, neuropsychiatry, oncology, diabetes management, respiratory, anti-infectives, gastro-intestinals, dermatology and NSAIDS.

of people who are either unemployed or underemployed, because too many depend on limited land resources for agriculture. People from villages are also less privileged regarding higher education, as most do not go beyond the 10th or 12th year of education. Additionally, they have limited opportunity for employment in sectors other than retail, as most other industries require technical/professional education or training. Since the retail industry, at the store associate level and in many other back-end operations, does not require a high level of education, people can be trained for those operations. Thus, with the opening of the retail sector in India, over 2 million job opportunities are likely to be created in the country over the next four to five years. *Reliance*, a major organization in this sector, will play a significant role in creating employment for large masses of people, including many who are migrating for employment from

were created, and they have been highly successful for rapid growth. Such programs include “Each One Brings Ten” (EOBT), “Train and Hire Model for Frontline Manpower” and the hiring of “expatriate subject matter experts.” The company also has structured training and developmental programs that continuously build and upgrade the organization’s human capital through inputs in various behavioral, technical and techno-functional areas. For EOBT, each new hire was encouraged to bring 10 new people into the organization. Under the “Train and Hire Model,” the company has partnered with several vocational training institutes across the country, namely Industrial Training Institutes (ITI) for frontline workers, where candidates are provided with training on soft skills and functional areas and then go through an assessment process. The company also hired expatriates as subject matter experts from across the

world (where retail industry had reached levels of maturity) to support defining processes, identifying technologies, building capability and enabling knowledge transfer. Through these programs, the company opened 700 stores in less than two years while educating, employing and empowering nearly 30,000 people.

Talent Development

Identifying and developing talent are critical pathways for Indian corporations to sustain their talent pipeline. The pharma sector (“pharma” is the Indian term for the pharmaceutical industry) is challenged by being highly fragmented and having low-profit margins. Consequently, this sector is taking steps to encompass talent from different directions. As Sanjay Muthal, President of Human Resources at *Nicholas Piramal India Ltd. (NPIL)*, explains, “To create our talent pipeline, we are now focusing on talent from tier 2 and tier 3 cities, partnering with schools in remote locations and giving customized training to young, aspiring students.” Serious about leadership talent development, *NPIL* focuses 70% on internal talent, with its own assessment centers to develop key talent in diverse roles and partnerships with universities to develop future leadership talent, with emphasis on managerial, entrepreneurial and negotiation skills. *NPIL* has also created a new brand focused on the core values of knowledge, action and care. Finally, a robust and transparent appraisal process reinforces the *NPIL* brand and core values, contributing to

SoftBrands India Pvt. Ltd., with world headquarters in Minneapolis, Minnesota, United States, is a leader in providing software solutions to the manufacturing and hospitality industries worldwide, with approximately 5,000 customers in more than 100 countries and approximately 775 employees worldwide, including 135 in India.

Oil and Natural Gas Corporation (ONGC) is a leading oil exploration and production company, ranked No. 1 in Asia and No. 3 globally (Platts 250 Global Energy Companies List 2007), with interests in refining, liquified natural gas, power and petrochemicals. ONGC, the only Indian corporation in the *Fortune Magazine's* list of "World's Most Admired Companies 2007," operates in 18 foreign countries through its wholly owned subsidiary, OVL, and has a workforce of around 32,800 employees.

India are partnering together to launch a state-of-the-art university exclusively devoted to petroleum studies, with greater emphasis on the curricula.

As a state-owned listed company, *Oil and Natural Gas Corporation (ONGC)* has traditionally operated on the practice of lifelong employment. Yet, keeping in sync with the changing mindsets of today's young people, *ONGC* now offers four-year term appointments at higher remunerations to meet the demands of frontline field operations, as well as reemployment of former employees. Further, with an overall focus on the company's young workforce, *ONGC* offers development opportunities and challenging assignments. *ONGC* has also introduced a new career option—the dual-career ladder—a practice followed

Strategic Pathways

As Indian corporations seek to attract, develop and retain talent (see Figure 3), they center their strategy on how to keep "the right talent." **The telecom industry**, for example, has enormous employment opportunities and is moving at a dynamic pace. As Arun Mansukhani, Associate Vice President, Human Resources, at Vodafone Essar Limited, points out, "The telecom industry invests heavily in training and development. It is a unique blend of technology, product and customer service orientation." In fact, this sector is an amalgamation of many industries rolled into one. Yet, Mansukhani cautions that the extraordinary speed of growth needs to be well managed. For

success in recruiting and retention.

The software sector requires specific talent development tailored to compete in today's global marketplace. A global organization in this sector, *SoftBrands India Pvt. Ltd.* launched its leadership program to develop high-potential employees. This one-year global program focuses on 12 different people/management topics. The key goals are to establish consistency of management practices in a global organization, strategize employee growth, establish a common language in the company culture, and focus on strategic and long-term business plans to enable company growth. This program is enormously successful in retaining managers and demonstrates the company's strong dedication to develop talent in its workforce.

Growth in India's **oil and gas sector** has led to a strong demand for oil professionals. The challenge is to find, train and retain talent, as professionals in today's Indian marketplace tend to prefer "softer jobs" in sectors such as IT, where the work environment is much less strenuous compared with oil exploration and production activities. Additionally, there has been a decline in student enrollment in courses leading to careers in the oil industry, and the skills of fresh graduates are at a significant mismatch in terms of required skills at the worksites. As a result, nationalized oil companies in

Mahindra & Mahindra Ltd. represents the automotive sector. With revenues of US\$6.7 billion in 2007, the Mahindra Group is one of the top 10 industrial houses in India and is among the latest *Forbes* top 200 list of the world's most reputable companies. The firm has 67,000 employees (of which 60,000 are in India) spread over 25 countries on five continents. The company has a leading presence in key sectors of the Indian economy, including automotive (50%+ market share of the utility vehicle space in India); farm equipment (world's third largest manufacturer of tractors); auto components; auto after-market; financial services; trade, retail and logistics; information technology; and infrastructure development.

by some international oil companies. There are two possible career avenues: the generalist track and the specialist track. After being inducted in a common pool and then crossing a specific career band and rigorous testing of aptitude and competence, employees have the option to move to the specialist track—to provide specialist services rather than working in operational roles. Finally, a highly successful strategy at *ONGC* to retain talent is acknowledging outstanding achievers with rewards such as full expenses-paid family vacations in India and providing laptop computers and cell phones to *ONGC* executives to assist with time management. Success is evidenced by the low attrition levels (less than 1%), down nearly 20% over the past year.

instance, due to the large scale of operations, it is common for young managers to have significant responsibility at a young age. In a country where age is traditionally equated with wisdom, the rapid increase of managerial ranks filled with younger workers represents the whirlwind of change occurring throughout India. Moving forward, one of the most critical challenges of India's telecom sector is to hire talent for its "upcountry" (northern) and rural markets.

Known in India for its reputation **in the automotive sector**, *Mahindra & Mahindra Ltd.* developed a talent management process, with the primary purpose to create a talent pipeline to ensure that the organization has the skills and competencies required to successfully implement its strategic business plans.

This process promotes “ring-fencing” key talent (an expression that means corraling/keeping). Under the guidance of the Apex Talent Council and the CEO, senior executives head a network of business and functional talent councils. Through this vehicle, the talent pipeline is reviewed during the year, with succession planning for critical positions kept in mind. A platform of learning is established by nominating high performers to “shadow boards,” where they work alongside board members, observing their activities and actions to get exposure to the business. During this two-year appointment, employees work on strategic issues facing the Group and make presentations to the Group Management Board.

Additionally, through its membership in domestic and international consortia for global leadership programs, the Mahindra Management Development Center runs leadership lifecycle programs. The company also recruits individuals from U.S. Ivy League universities, works with the Mahindra Alumni Association to attract and recruit people, and taps the expatriate pool. These initiatives are successful, in large part due to the time committed by top management and the fact that the organization is a conglomerate that can offer assignments across businesses and geographies, which is relatively unique in the Indian context. Talent recruitment and development programs are successful because they are driven by rigor and discipline and tracked with metrics.

Corporate Social Responsibility

A core part of Indian culture—supporting those less fortunate and the community at large—has long been an important part of Indian business process. Long ago, this took the shape of village leaders providing food for the elderly and the poor on a daily basis. Today, this philosophy takes both similar and new forms, and employees appreciate being part of an organization that does good deeds. Since 2007, *SoftBrands India Pvt. Ltd.* has been supporting children who live in a very poor community called Bandepalaya Village near Bangalore. Employees and their families volunteer time to teach and provide medical care at the school and clinic, and the company contributes funds for mid-day meals and teachers’ salaries. Renuka Sundar, Director of Human Resources at *SoftBrands India Pvt. Ltd.*, points out the importance of corporate social responsibility (CSR) activities for retention, emphasizing that “employees get a sense of being part of something larger than themselves and make an impact in other people’s lives.”

Other examples include that of *Reliance Group*, with its focus on health care through its charitable hospitals that offer free and subsidized services to patients availing of its various diagnostic and treatment facilities. The company also supports education and learning by sponsoring children in underprivileged communities and

promoting people there to acquire primary and secondary education. Its Excellence in Learning Programme for upcoming social economic zones, where 100 supplementary teachers were attached to 100 government schools, focuses on making learning fun.

Mahindra & Mahindra Ltd. believes that employee participation in CSR activities not only helps to create the Mahindra culture but also creates better leaders. CSR focus areas are: 1) education, with special attention on “the girl child;” 2) the environment—by October 2008, 250,000 trees will have been planted in this year alone; 3) and public health, including an AIDS initiative by the company’s auto sector.

Thus, CSR in India serves the community, society and organizations. As Indian corporations continue to search for talent, CSR provides a wealth of opportunities to build leadership skill and competencies and to retain high performers by engaging them in CSR projects.

Looking to Future

Going forward in today’s world economy, talent management strategies will continue to be the pinnacle of sustainability in India. Lessons learned and shared by Indian corporations regarding human capital and talent development will foster prosperous organizations and promote a healthy socio-economic environment in the years to come.

Figure 3 | Talent Management in Indian Corporations

FINDING TALENT	DEVELOPING TALENT	RETAINING TALENT
Scarcity of talent with required skills/competencies	Focus on different groups—young people, managers, etc.	Emphasis on benefits of sector—culture, growth, rewards
Competition from other sectors	Emphasizing a learning culture	Focus on employee engagement
Competition from global firms	Customized training	“Home-grown leadership” through leadership development programs
Mindset to change jobs frequently	Partnering with universities and professional institutes	Corporate social responsibility activities—volunteer opportunities
Unrealistic employee expectations	Recruiting from varying geographic and demographic areas—in India and worldwide	Domestic and global special training assignments

Source: Corporate Indian Companies: Forging New Talent Pipelines and Creative Career Pathways (SHRM India, 2008)

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The Society for Human Resource Management (SHRM) is the world's largest professional association devoted to human resource management. Our mission is to serve the needs of HR professionals by providing the most current and comprehensive resources and to advance the profession by promoting HR's essential, strategic role. SHRM represents more than 250,000 individual members in over 140 countries.

About SHRM India

Strategic Human Resource Management India Pvt. Ltd. ("SHRMI") serves the needs of HR professionals by facilitating exchange of knowledge resources and practices, enabling professional development, and providing networking opportunities within the global and Indian HR communities.

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