WHAT HAS CREATED
THE GREAT TALENT
CRUNCH

Talent Crunch
Where are the people?

HR leaders share how the sudden change of events has created a talent shortage and how they are mending ways to get the right people for their business

Akshit Pushkarna & Kartikay Kashyap

Believe it or not, talent shortage is for real! If not quantitative, it's definitely qualitative – there is a shortage of skilled and quality talent. This demand has increased further and by many folds, especially post the pandemic.

The talent pool is shrinking, and the talent gap is widening. On top of it, employees are quitting even without another job lined up.

BREAK WITH THE PAST

In 2020, most companies were in survival mode. The pandemic had hit all of a sudden, and companies were busy ensuring business continuity. The challenge was how to stay afloat in those difficult times.

In 2021, there was another massive disruption. The market dynamics were changing very fast, and companies realised that they needed to develop future capabilities to quickly adapt to this change.

Future capabilities needed new skills and talent, which created a sudden surge of talent requirement. And when there is a sudden demand in the market, shortage is bound to happen.

SV Nathan, chief talent officer, Deloitte, opines, "What I can foresee is that for the next two-three years, availability of good talent and ability to retain talent will be a major challenge for many companies across sectors."

The fluctuations in the last two years have, in fact, introduced a plethora of challenges that businesses may not have necessarily faced before. These challenges, and hence, the subsequent shifts in businesses primarily dictated

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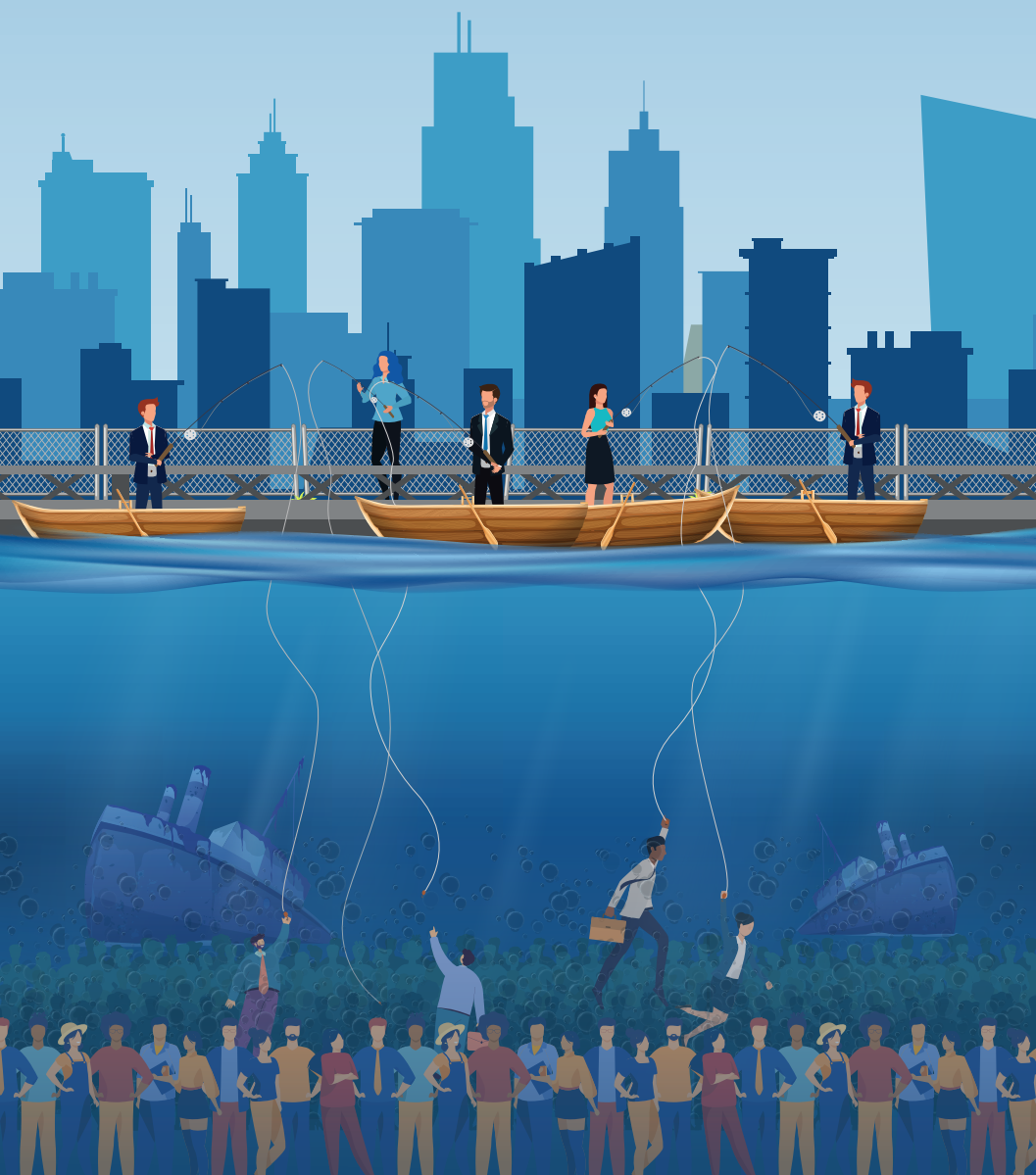
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the way industries, and thus, organisations, shifted their focus when it came to their workforces.

These shifts in the talent landscape across industries are essential to ascertain what kind of talent requirements industries are facing at the moment and what the focus could be in the near future. All of these are forcing companies to restructure their talent strategy.

Richard Lobo, executive vice president & head-HR, Infosys, elaborates that today's talent atmosphere will require organisations to account for multiple facets into their strategies.

"Today, the pursuit for talent is as competitive as ever, led by a growing skills shortage, advancing technologies, generational shifts and evolving dynamics around the nature of work. Organisations, therefore, will need to invest in diverse talent in order to be able to compete successfully," Lobo says.

MINDSET MAKEOVER
The employer-employee relationship has changed. It is primarily driven by employees and many employers have acknowledged it. The necessities of employees aren't linear any longer,

and in order to attract, engage and retain talent, organisations must first understand the needs of their workforce, then develop a strategy and quickly execute a plan.

Today's employees expect much, much more from their employers—sense of purpose, caring and empathetic environment, total flexibility and a better employee value proposition.

"The way people are looking at workplaces is very differently today. Their ambition quotient is rather high. Apart from that, there is a big change in the mindset. Ever since the pandemic struck, people want themselves to be heard and wish for their organisations to take action quickly on the challenges they may face," says Nathan.

Flexibility, remote or hybrid working, transparency and empathy are now basic requirements, not 'nice-to-haves'. Companies that want to remain competitive and retain and engage their top talent will need to get creative in order to differentiate themselves from the rest of the market.

"Today, people do not seek longevity in companies. They want to learn something new.

They are averse to doing the same kind of work day in and day out. Hence, companies need to carve out strategies where employees can learn and grow. They need to prioritise career growth for their people in a bid to retain them for a longer time," says Nathan.

FAST TRACK DIGITISATION

The pandemic forced companies to rush towards digitisation and that increased the demand for tech talent. People working in IT became the primary facilitators of

Raj Raghavan
senior VP and head-HR, IndiGo

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this business transformation. With demand soaring, the supply hasn't been as sharp for tech talent.

"Currently, there is a huge demand for technology talent post the pandemic. Some of this is due to increased technology investments, supply shortage, and to some extent the lack of mobility that we see in some geographies," says Lobo.

Contrary to popular belief, digital transformation is less about technology and more about people. One can buy any technology, but the ability to adapt to an even more digital future depends on developing the next generation of skills, closing the gap between talent supply and demand, and future-proofing one's own and others' potential.

Raj Raghavan, senior VP and head-HR, IndiGo, details the criticality of tech talent and its crunch in the aviation industry, "Digitisation has been an absolute key to an airline's performance, in supporting customers and improving internal efficiency as well. Unique talent in tech is recent in formation and is, therefore, in very high demand in the aviation industry as well. It's not just about the technology behind the digitisation, but about how one incorporates it in one's business to deliver the required results. Tech has a big impact —so big that billions of revenue can be lost if tech does not perform up to the mark."

Raghavan admits it is indeed a challenge to find people who understand aviation technology. "There are not many who understand how tech functions in aviation and one needs to bring in people from different spaces, have them exposed to the tech that we are utilising and facilitate their understanding of the process. It is definitely a long process."

RUSH FOR AUTOMATION

If the airline industry is looking for digitisation post pandemic, the manufacturing industry is grappling with automation. The deficit of business that the manufacturing industry had to incur due to the pandemic has led many factories to cut down significantly on manpower. This led to manufacturing companies exploring automation of processes for cost benefit.

"Manufacturing companies will have to hire people who could juggle multiple roles. This will be a common factor across industries, as the concept of flexible working, the flexibility offered in terms of matrix structure, will become the centrepiece," says Pankaj Lochan, CHRO, Jindal Steel and Power.

Further, Lochan says, "The whole concept of multi-skilling and automation of processes and systems will go beyond cost-benefit analysis now. The talent landscape will change. Only processes that will not add value when automated will remain, along with people possessing multiple skills. What will drive talent acquisition will be measured by how much impact one is making on the KPI".

The same goes for the packaging industry. The sector has seen

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a massive shift in terms of automation and upgradation of machines, which has led to a shift in the skill requirement. "We need tech skills — which include mechanical, electronic and automation —

capable of managing the demand. Talent with the aptitude and ability to learn, who can perform the day-to-day production tasks is sought after. Unfortunately, we are currently facing a gap in terms of mid-level skills," says Chandan Chattaraj, president- HR, UFlex Group, a leading company in packaging.

HUNT FOR SPECIALISTS
It's not that the industry is only looking for IT talent. Sector-specific talent is also much in demand, but somehow the demand for tech talent is also impacting the non-tech talent.

The demand for tech talent is so huge that IT companies are forced to hire talent from parallel sectors as well.

As Nathan explains, "IT giants today are hiring people irrespective of the degree or academic background. They want people to code for them, and in return they are willing to teach people those skills in three months, and put them onto live projects."

In fact, IT companies are hiring mechanical engineers, mathematicians, and even arts graduates to fill vacancies.

"This is impacting other adjoining sectors, such as manufacturing, where civil engineers, automobile engineers or electrical engineers are needed. Since these big IT companies can afford to offer better compensation packages, the adjoining sectors are getting impacted by a shortage of talent."

"The kind of roles we see increasing will be concentrated in areas of managing new technologies. That is because, companies as well as governments have been and will continue to ramp up their technology spend to deal with the

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challenges that the pandemic has presented. These will include jobs related to AI, data analytics, product engineering, cloud computing and so on, as well as jobs that focus on the human – technology intersection, such as interface design and consumer behaviour analysis," Lobo enunciates.

One sector which has been majorly affected by the demand of talent in other sectors is hospitality.

With a majority of hotels and restaurants shut for the greater part of the past 18 months, the hospitality sector had to shed a significant chunk of its workforce.

Sanjay Bose, executive VP and head-HR, ITC's Hotel Group, believes that the hospitality industry, which includes businesses in travel, tourism and hotels, have a slow path to recovery ahead of it.

"As this sector was so severely impacted, the pool of talent has taken a hit. People in the service sector will probably look at more stable industries, where employment may not be as subject to change as it has been in the hospitality sector recently. People who had chosen hotel management as their occupation may in all likelihood may opt for another industry which they deem to be more stable," he said.

This is already reflected in the sudden drop in the number of applicants for hotel-management courses. According to the Ministry of Tourism, on an average, about 32,000 applications are received for hotel management courses every year. In 2021, this number dipped to an alarming 12,000.

OUT OF THE WOODS

For Infosys, the hiring strategy is built on four key pillars — scaling digital capabilities, deepening

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president-HR, UFlex Group

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automation and artificial intelligence (AI), reskilling employees, and increasing local hiring. "We will continue hiring based on this strategy, while making allowances for tailoring brought about by the pandemic. The talent market continues to be dynamic and evolving as several firms compete for the same set of people," says Lobo.

Quality talent is always difficult to come by and onboard. This is the case for all organisations across sectors. For Lenovo, there is no imminent talent shortage at

the moment for the core business. However, for its new initiative, where it is venturing into a new IT services and solutions business, talent does pose some challenges.

"The name 'Lenovo' does not bring to mind 'services and solutions'. Therefore, for the more seasoned and experienced talent, it may not appear to be the grandest of opportunities," points out Bhavya Misra, director & head HR, Lenovo India.

Further, finding talent for Lenovo's tech sales vertical is also tough. "For

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tech sales, we are open to get talent from other industries but we do face challenges when it comes to finding experienced people in our line of business, that is, the tech consumer manufacturing line. There are not many large players in India operating in this space," she states.

GIG WORKS THE PROBLEM

Jindal Steel and Power (JSPL) has taken a very different approach to cover this gap. "We can hire tech talent from outside but at the same time, we need our internal workforce to be able to handle the digitalisation process in a sustainable way," Lochan says.

"Our own people need to acquire these cognitive skills. We have engaged consultants — senior-level digital executives — to ascertain what tools are primarily needed for our business. For manufacturing, it is mainly artificial intelligence (AI) and machine learning (ML), which act as pillars for the digitisation process, while IoT skills serve as a canopy to these pillars," he adds.

The major challenge at the moment is to identify the list of tools and skill sets that are essential to facilitate digitisation and impart them on the existing workforce in a coordinated manner.

That is why, JSPL hires tech professionals as facilitators, whose main job is to train and guide the existing workforce.

"When we outsource tech talent for a project, we retain the knowledge that they have to a certain extent. On the basis of this, we create a framework upon which our existing workforce is upskilled. At the end of the day, it is a game of upskilling," says Lochan.

Shortage of skilled and specialised workers has forced companies to share talent. The flexibility offered during the pandemic has led to skilled professionals juggling multiple projects on a freelance basis.

According to Lobo, the challenge for companies will be to re-engineer their workforce in order to integrate this freelance talent with the permanent workforce so that synchronicity between the two is maintained.

He further assesses that the gig-economy will only accelerate, as better talent platforms get enabled that will allow more on-demand models to function, giving people better opportunities to deploy their talent and get paid.

POLISHING TALENT FROM INSIDE

Grooming talent and building an internal talent pipeline is not restricted to companies in the tech space alone.

Raju Mistry, president and global chief people officer, Cipla, shares that since it is difficult to find good, relevant and employable talent, most companies have to build their talent pipeline, which she says is a daunting task given that people hop jobs every few years.

"Building talent takes time and persistence. Courage is required to bet on people. Most of us are beneficiaries of these bets – we were provided opportunities by our leaders to explore and venture into unexplored terrain. That is why, identification of potential is most important because leaders can make an informed choice and ensure career success," she says.

Sanjay Bose
executive VP and head-HR, ITC Hotel Group

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Mistry believes that it is unfair to expect talent to be cent per cent ready for a job, as it's not possible – each one gets there over a period of time.

"The talent-management processes at Cipla enables us to address some of these issues effectively through our Talent Review Board, which are held periodically and systematically with the leadership teams," she said.

"We operate in a polymer-based industry where there is scarcity of ready talent. In fact, it's rare to find people with experience and skills that match the demands of this industry. That is why, we have been a talent generator in this segment," Chattaraj voices a similar concern.

Therefore, UFlex has a similar approach of training people in-house. It has been on a continuous expansion mode since the pandemic. Hence, there is a deficit in terms of talent.

"We don't get people who are pre-trained in dealing with the level at which we operate. Hence, we try to cope up with this deficit by providing extensive training to our new hires, as well as regularly upskilling our existing workforce," shares Chattaraj.

The aviation sector also needs to train its workforce. In fact, Indigo has its own institute to do so.

Raghavan explains that for the aviation industry, there are two broad types of talent required.

Firstly, the industry-agnostic workforce — people who can work for any industry in similar roles such as marketing, sales, operations, for which hiring can be done externally.

Then there is talent which is specific to the aviation industry. Raghavan deems them to be the nerve centres of the industry in terms of talent.

For the aviation industry, finding pilots was always a struggle, but with post-COVID restrictions, this challenge has been overcome to a certain extent. However, the big challenge is finding aircraft-maintenance technicians and ground engineers. "Freshly-trained academic talent is generally not ready to undertake these roles and needs further on-ground training. The Government has several initiatives to make this talent deployable, but I still think there is a lot to be done," asserts Raghavan.

TEAMING UP WITH ACADEMIA
Academia certainly has a role to play in developing talent for the future.

Chattaraj believes that the industry-academia partnership plays a very important part in creating a pool of freshers from the institutes which run very industry-specific courses.

"Hiring from such institutes provides us with ready-to-go-to talent and is very beneficial. However, they still require training intervention."

"Academia can only do as much. Beyond a point, where the talent

Bhavya Misra
director & head HR, Lenovo India

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needs to be made competent towards a very specific industry-related role, a company needs to address within. That sort of upskilling is a very continuous process, since tech is very dynamic," he says.

Lobo opines that there is an urgent need for educational institutions and the industry to be proactive working together to train talent to become industry ready.

"There is a need to look at re-skilling talent, introducing new courses and broadening existing academic disciplines to ensure that

the talent we are grooming today in our universities can meet the needs of this dynamically changing industry," he explains.

Infosys has maintained a sharp focus on reskilling employees in order to help bridge skill gaps.

Lobo says, "While we work closely with educational institutions in curriculum design and courseware-delivery methodology; spend considerable amounts on fresher training; and attempt to address the skill gap at an entry level; the aspect of continuous education and learning has been at the forefront of our reskilling endeavours for employees."

"This helps us accelerate project starts, aid rapid deployment of skilled resources, and create a strategic talent pool that can augment our delivery capabilities across diverse skills. Trainability has also become one of the dimensions in our selection process for experienced professionals, since there are skill linkages which can help reskill the employees through targeted training interventions," he explains.

Misra feels that the onus of talent development lies with both industry and academia.

"For the academic institutions, we,

as industries, have a big role to play. If need to allocate enough time to guide the academic institutions to exactly figure out what the requirements are and how they can be bridged them. Only then can we really expect to find fresh talent ready to partake in the industry. We have to build curricula in collaboration with academia. Senior leaders need to devote their time and work hand-in-hand with the academia," she advises.

When it comes to ensuring that talent is industry ready, Bose of ITC hotels feels that academia is lagging.

"We would like the education institutes to focus more on making talent industry ready. We have found alternate means of getting industry-ready people by running our own courses and joint programmes for those who have passed class 12," he shares.

Are these institutes going wrong somewhere? Are they unable to meet the talent requirement?

"That's a problem with academia for many industries. Their conceptual knowledge is either not current or is outdated. Secondly, there are skills required by a person to be industry ready, which are beyond the scope of the classroom. That's an area I believe most hospitality institutes need to focus on," Bose concludes. ⊞