



IMA India's CHRO Roundtable 2023

Reshaping HR for a Dynamic Future

 25th - 27th August, 2023

 The Leela Palace, Jaipur

CONCLUSIONS PAPER

About IMA India

- The country's largest peer group platform for senior business executives.
- More than 2,500 clients – CEOs and functional heads – from over 1,400 member companies, Indian and global.
- Extensive capabilities in macroeconomic, industry and management research offering incisive analysis to decision makers.
- A unique model that couples internal research with knowledge harnessed from practicing managers and domain specialists.
- Strong in-house editorial, research and organizational capabilities with a successful track record of over 25 years.

29+

Years in business

2,500+

CXO Clients

1,400+

Member Companies

76%

of NSE 50 brands
represented

6

Cities of operations
across India

IMA India provides research and business intelligence to senior management audiences through a combination of peer group forums, research engagements and thought leadership events.

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- Membership-based services for top business managers
- Provision of knowledge through briefings and research content
- Four forums run across 6 cities of India
- Affiliate services across the Asia Pacific
- Discussions led by authoritative speakers

Research



- Incisive market and industry research
- Economic analysis; Benchmarking studies; CXO Interviews
- Proprietary studies for individual clients across issues and sectors
- Leveraging IMA India's vast network to gather insights and learnings

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- Country conclaves dedicated to CEOs, CFOs, CHROs and CMOs
- Closed-door platforms for senior executives to debate cutting-edge business issues
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- With over 100 conferences held over past 28 years, IMA India provides one of the country's finest platforms for CXO discussions and exchanges

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India: A Country in Transition

Adit Jain, Chairman and Editorial Director, IMA India



India is currently undergoing several transitions – geopolitical, economic, digital and productivity-related – that will dramatically reshape the country in the lead-up to 2030. In many ways, these changes will be bigger and more forceful than anything seen in recent decades. The India of 2030 will be almost unrecognisable from the one of today.

Geopolitically, with its large and growing economy, India has become an indispensable ally to the West. PM Narendra Modi's popularity at home has only strengthened India's position abroad. It is now a well-regarded player on the world stage, and the outreach to the large and influential Indian diaspora has proved effective. Going forward, India will continue to pursue strong relations with the US without entering a strategic alliance. Its aim is to foster a multi-polar rather than uni- or bi-polar world, engaging with multiple partners – some of which have conflicts with each other. Unlike in the past, 'having India in your camp' has become an imperative for almost every country. To an extent, this is about India's large domestic economy, but also about de-risking and diversifying supply chains and leveraging India's digital strengths. Perhaps the biggest shift in India's foreign policy is that it is no longer taking the moral high ground, but doing what is in its best interests. However, it will have to navigate a complex and fast-changing environment. For instance, the Middle Eastern peace deals, between Israel and the Arab states, and the more recent one (brokered by China) between Saudi Arabia and Iran, have changed the ground realities there. Meanwhile, led by France, Europe is seeking to decouple its foreign policy from America's, and the rise of the Global South is driving issue-based deals everywhere. Finally, the 2024 US elections will be gamechanger, particularly if a Republican wins.

India's economic transition is being led by policies that encourage economic formalisation. Recent estimates suggest that the GST has helped reduce the size of the informal economy from 52% of GDP to just 15%. The signs are everywhere: better indirect tax collection; huge formal job creation (~1.5-2 million a month); and the growing share of financial savings (from 44% to 54% of the total). Income tax returns are now being assessed by AI tools, which should bring 'tax terrorism.' At the same time, a long-drawn deleveraging cycle has successfully driven down debt-equity ratios across corporate India. Government capital spends are up 300% since 2020, creating efficiency-enhancing public assets. India has also done well to contain the fallout of Covid-19, focusing on supply-side economics rather than stimulating demand. All in all, India will soon overtake Germany and Japan in current-price GDP terms, and by 2027, its GDP in PPP terms will be in the range of USD 18 trillion, compared to the US' USD 30 trillion and China's USD 42 trillion. As a result, consumption will zoom. On the other hand, India is seeing large out-migration, with 6,000-9,000 super-rich families leaving each year, taking valuable capital with them.

Underlying these changes is the **digital transition** now underway. Aadhar is really the backbone of the system, with everything else – from finance and e-Commerce to social services – stacked on top of it. From health services to subsidised food and cooking gas, travel portals, airports, health certificates, the UPI and ONDC, most services rely on this network, which is driving massive improvements in productivity and efficiency. India's Digital Public Infrastructure (DPI) is expected to enable a significant share of all transactions to go digital in the next 2-3 years, making it a great leveller. Side-by-side, India is seeing a **productivity transition** led by massive infrastructure creation. The number and length of expressways and national highways has shot up; hundreds of high-speed Vande Bharat trains are being locally engineered and put in operation; and India is headed towards being the largest air-passenger market in the world.

Lastly, India is seeing a **political transition**. Stability at the Central government level is likely to continue through this decade. Voters have become adept at choosing one party at the Centre and others at the state level, reflecting a clear separation of their regional and national aspirations. As a result, regional parties will remain dominant in the states. However, this also creates pressure for every political party to join the 'freebie bandwagon', which could fuel major economic problems in the years ahead. The other key fault-line is cultural nationalism and intolerance, which only causes polarisation to increase further. The push for a Uniform Civil Code – one of the few 'unfulfilled promises' made by the BJP in 2014 – will face huge resistance and could divide society. Finally, the upcoming delimitation exercise, due in 2026, will expose a North-South divide.

Talent, Teams and Technology

D Shivakumar, *Operating Partner, Advent International*



India is in a phase of significant growth, powered by a fusion of teams, talent and technology. This transformation has major implications for HR managers, who are central to leading and supporting their organisations. However, the Covid-19 pandemic has ushered in substantial changes, presenting HR professionals with new challenges and opportunities.

One significant shift is that ~40% of HR managers' time is now dedicated to assisting line managers – a change that is reshaping HR's traditional role. The prevalence of remote work has increased, with office attendance declining in the second quarter of 2023. Employees now prefer working from home and there is a growing preference for three-day weekends.

Employee *engagement* has become an even bigger concern than ever. Companies with engagement levels above 70% are considered best in class, but going past the 80% mark requires substantial cost and effort. Employee *expectations* have also evolved significantly, with a greater focus on aspirational roles in tech-savvy companies. Job security and loyalty are no longer assured and employees seek greater control over their careers. Training needs have shifted in line with continuous performance appraisal systems, and away from traditional on-the-job models. Employees are also prioritising tangible *rewards* and immediate financial gains over traditional freebies. They desire a voice in decision-making and seek an inclusive workplace.

Managers in India are grappling with challenges of their own: in recent surveys, as many as 58% expressed a desire to change positions within the next year. Career stagnation, a lack of recognition and excessive workloads are key reasons. Newer managers struggle to gain trust while seasoned managers find it challenging to navigate diverse working styles. Managerial productivity hinges on factors like value creation, decision-making empowerment, public recognition and personal branding.

Technology can help enhance productivity, enable agility and foster self-education for growth. Yet, it is also vital to strike a balance between technology and human interaction and to acknowledge the irreplaceability of the HR function. Looking ahead, HR's future lies in building synergies between technology on the one hand, and skills development on the other. This includes catalysing critical thinking, creativity, communication, collaboration and problem-solving.

Plainly, with remote work, shifting employee expectations and technology's rising prominence, India's HR landscape must continue to evolve. To thrive in this dynamic environment, HR professionals must adapt and lead, nurturing and empowering the future workforce.

Changing Role of the CHRO

Krish Shankar, *Former Group HR Head, Infosys*



In the dynamic and ever-evolving realm of HR, the art of proactive thinking stands as the cornerstone of excellence for HR professionals. HR leaders must display agility in their responses, deftly navigating the ever-shifting currents of competition and regulation and the ever-advancing tide of technology. They must be particularly mindful about harnessing the profound impact that AI wields over the jobs landscape.

Today's employment landscape is leading employees to opt for shorter career horizons, which in turn necessitates that businesses undertake periodic 're-boarding' exercises. This helps to both – retain valuable talent and synch better with the evolving technological landscape. However, it demands a delicate balancing act, an intricate ballet of adaptation and realignment. At the same time, companies must embrace diversity and inclusion, which is fast becoming the new standard for judging an organisation. Equally, as they welcome more Gen Zs into their ranks, businesses must enable customised/tailored work experiences that prioritise growth, learning and the nurturing embrace of recognition.

In the current scenario, it is vital to instil within employees a profound sense of their own significance, fostering an environment where every individual believes they are the architects of their own destiny and carving their own path to career fulfilment. The task of HR professionals is akin to that of a skilled conductor, orchestrating a symphony of expectations and aspirations.

Identifying and nurturing pivotal roles is the bedrock upon which business triumph is built. Middle managers, in particular, must be equipped with the tools and knowledge to not only bridge generational gaps but to act as guides and mentors, nurturing the blossoming potential of newer generations. Crafting a well-defined talent philosophy that extends across the gamut of salaries, promotions and recognition for high performers is also imperative. The Employee Value Proposition (EVP), a dynamic and evolving entity, must be meticulously tailored, and periodically refreshed, to cater to the diverse strata of organisational hierarchy.

To navigate these complexities and unlock the full potential of HR, professionals must ascend the pinnacle of business acumen, utilising the compass of data-driven insights to steer their ship toward digital transformation. In their roles as coaches, they must provide a nurturing environment where growth is not just encouraged but celebrated, and where the architectural foundation of organisational culture aligns with core values and desired behaviours.

HR professionals should embrace change, adjust to workforce shifts and align their strategies with business goals. By working together harmoniously, they can achieve success and bring positive changes to their organisations.

Leadership Implications of Generative AI

Amit Dubey, Author, Innovator, National Cyber Security Expert and Crime Investigator



In a rapidly evolving tech landscape, keeping pace with revolutions becomes increasingly challenging. People once doubted AI's creative abilities, but generative AI apps like Chat GPT have shattered the myth that machines are 'uncreative.' Today, they are composing music and writing poems of a quality rivalling what humans can produce. Just as we are shaped by data, AI too is moulded by relentless data collection, granting it decision-making powers over politics and preferences. Its rapid advancement is reshaping our

lives, replacing jobs and demanding a more proactive embrace of this transformative technology.

The evolution of AI can be categorised into distinct stages. In the first stage, 'Reactive machines' were task-specific and had no human-like 'memory'. They delivered consistent outputs based on given data and instructions. The next stage ('Limited memory AI') saw the emergence of machines capable of learning from the past and using that knowledge to influence present actions. Moving further, today we encounter 'Theory of mind AI', which is best represented by Chat GPT and the like. Machines currently hold the potential to understand the emotions and thoughts of other entities, simulating human relationships. The pinnacle of AI development, however, would be 'Self-awareness,' where AI possesses consciousness, recognises its own existence, comprehends its emotions and even anticipates others' feelings. It remains an open question as to whether AI will achieve this 'ultimate level', but its mere *possibility* has long spurred discussions about the future of artificial intelligence.

Generative AI is capable of creating diverse data types, including images, video, audio, text and 3D models, by learning from existing patterns. It has opened new possibilities for solving complex problems, producing art and aiding scientific research. These models are even capable of passing the Turing Test, which evaluates a machine's ability to exhibit intelligent behaviour similar to or even indistinguishable from that of a human. To 'pass' the test, an AI engine would need to convince a human evaluator that he or she is 'talking' to a human rather than a machine. AI's disruptive impact extends to the entertainment industry, where AI-generated imagery and even AI 'actors' are being stitched into realistic content. Tools such as Google's 'Quick Draw' can predict what a person is likely to draw next, while 'Synthesia' can convert text descriptions into high-quality videos with AI avatars and voiceovers in multiple languages. These developments showcase the exciting potential of AI across various domains.

AI is revolutionising various industries. It is transforming HR processes through resume screening, interview scheduling, AI chatbots and data-driven decision-making. In the legal field, AI-based lawyers are gaining ground, assisting with case preparation, reducing research time and predicting the outcome of litigation. AI's usefulness extends to customer targeting; supply chain solutions; predictive analytics; ensuring data security; maximising revenue through intelligent sales strategies; and revolutionising the e-Commerce shopping experience. In the years to come, this will reshape industries and unlock efficiency and growth.

On the surface, applications like ChatGPT embrace 'ethical behaviour', such as by refusing to aid in hacking OTPs from phones when directly asked to do so. However, it is possible to easily bypass 'safeguards' merely by reframing the question. Worryingly, AI can now easily clone a person's voice and speech mannerisms with just a few minutes' worth of audio. This makes it crucial to deploy tools that help prevent the misuse of AI-generated voices, such as to spread misinformation during elections. Additionally, as more applications emerge – such as ones enabling loyalty detection or crime location predictions – there will be serious ethical concerns around data privacy and socio-economic fairness. All of these concerns will only grow as quantum computers – which are capable of breaking through even the strictest encryption keys – enter the mainstream.

Bridging the Gap between Management and Team Members Using Technology Aids



Ravi Pandey,
Head of Marketing, UKG



Vikram Tandon,
Group CHRO, Adani Group

India's journey towards becoming a USD 8 trillion economy by 2030 will depend to a great extent on the corporate sector. Businesses, in turn, will necessarily depend on smart workforce management to achieve this milestone. In a nutshell, this involves connecting employees with the company's vision and empowering them for growth.

In today's volatile, uncertain, complex and ambiguous (VUCA) world, companies must balance competitiveness, productivity, cost optimisation, employee-centricity and flexibility. One solution is to maximise resource utilisation through adaptive working models. Employee schedules, for instance, must consider various factors, including regulations, manpower availability and the need for reskilling.

Businesses with a strong organisational culture significantly outperform the market. This goes to emphasise the importance of investing in best practices that help reduce workplace friction, boost employee satisfaction and drive financial returns. Ensuring employee safety and engagement requires creating a safe working environment, enhancing the employee experience and empowering employees through continuous feedback and development tools.

Effective feedback mechanisms are critical, distinguishing evolved companies from others. Constructive and timely feedback fosters a positive work environment. Technology plays a vital role in measuring and driving productivity and can be used to identify and eliminate ghost employees, so enhancing efficiency and reducing cost. Technology can also help identify instances of unconscious bias, improving overall workplace fairness.

In sum, for organisations looking to navigate and succeed in India's dynamic landscape, smart workforce management, technology adoption and a focus on employee well-being are essential.

Resolve and Determination that leads to Success

Avani Lekhara, India Paralympian and Rifle Shooter

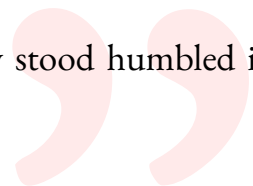


A young 11-year old Avani Lekhara, sleeping on the back seat of a vehicle almost ten years ago, found herself waking up in a hospital with complete paraplegia. Facing the prospect of perhaps never being able to walk again, the young girl somehow found the courage to carry on. Supported by a deeply committed family, she took to sport. After a brief experiment with archery, she decided shooting was better. What followed thereafter is history.

Today, Avani holds the world #1 ranking in the R2 Women's 10m Air Rifle Standing SH1 category. She also holds the world #1 ranking in the RS Women's SOM3 position SH1 category. She won the gold medal in the 10m Air Rifle Standing Women category at the Tokyo 2020 Paralympics, the first and only Indian female para-athlete to accomplish this feat. She also won a bronze medal in the 50m Rifle 3-position Women category. She subsequently won 2 golds at the World Shooting Para Sport World Cup in Chateauroux, becoming the first Indian shooting para-athlete to qualify for the 2024 Paris Paralympics. Additionally, she has won 7 gold medals in National Shooting Championships between 2016 and 2020 and a plethora of silvers and bronzes. She has been conferred the highest sporting award of India, the Major Dhyan Chand Khel Ratna Award and was also awarded the International Paralympic Committee's Best Female Debut at the Tokyo Paralympic Games. All of this by the age of 20!

Avani spoke of her personal challenges in adapting to life in a wheelchair; her friends and family, whose support she relied on during the worst moments of her life; learning from failure; balancing her educational and sporting commitments; the state of India's para-athletic infrastructure; and much else. But through the conversation, all that shone through was her indomitable spirit and her continuing quest for excellence and new challenges.

The entire participating group of finance leaders from across the country stood humbled in the awe-inspiring presence of this shining pearl of our great nation.





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