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HR crystal gazing for 2009 **Ruchi Challu**

The year 2008 witnessed HR folks across businesses cutting out the frills. One may wonder what lies in store in 2009. Let's take a sneak peak of what most HR experts think awaits us in the New Year!

This year has been a dramatic one for India Inc with the global recession changing the rules of the game. From growth mode to cost efficiency mode, the transition was rapid, throwing up multiple challenges for the HR fraternity. However, it's time for a new dawn, with 2009 beckoning us all. Surely, many from the HR fraternity would have a great deal to share on the lessons learnt and the hopes pinned on the coming year. Let's take a quick look at what they have to say...

Take a glimpse!

The current year has indeed been a challenging one in terms of the financial meltdown and the economic flux. However, industry experts are optimistic about the year up ahead and many believe that some very positive trends would come out. "The first quarter of the next year will be challenging and will see a spill over effect. Plus, the elections would be just around the corner. But things will become clearer and better from July onwards," notes E Balaji, CEO and director, Ma Foi Management Consultants

There's also a belief that the financial epicentre of the world would shift from west to east. "I think the financial epicentre is likely to move eastwards driven largely by the population numbers and young workforce," notes Pallab Bandyopadhyay, VP and head, HR - Asia-Pacific, Perot Systems.

"Firms would adopt '*perform and get paid*' model which means higher variables and incentives," - Rajiv Phadke, executive director HR & corporate communications, Angel Broking

Apart from this, firms are likely to focus on their core business with lesser experimentation. There would be more autonomy in global organisations and a move towards e-enabling the enterprise. "Innovation within the HR function to be able to yield results is likely to come from e-enablement to take collaboration to the next level," notes Bandyopadhyay.

Retention, no tension!

One thing that HR managers will not need to worry about in the next year is retention. "Overall attrition will be 10-12% across sectors as against 20% which was the previous rate," informs Balaji.

Moreover, job market would shift from being an employee's market to an employer's

market. Consequently, firms will be conservative and evaluate every spending. "Employers will not indulge in extravaganzas or throw money unnecessarily," agrees Balaji.

Perform and get paid!

This conservative approach would also reflect in the compensation and benefits trend. "Firms would adopt '*perform and get paid*' model which means higher variables and incentives," informs Rajiv Phadke, executive director HR & corporate communications, Angel Broking.

Salaries will be much more calibrated and there will be moderation of expectations. "Employers will be cautious and will not be in excessive mode when it comes to increments," adds Balaji.

Socialise to recruit

Experts also anticipate a big dip in talent acquisition cost in recruitment consultant charges for head hunting and greater use of job portals. More companies will hire through employee referrals, as recruiting people through referrals costs much lesser than what is paid to a third party. "Similarly, there will be higher use of social networking for hiring," notes Punkaj Shankar, global head HR, Infogain.

"Firms will focus on succession planning and leadership development to prepare internal resources for next level of roles instead of hiring," he adds.

Scouting Tier 2 and 3

Another interesting trend would be hiring opportunities in the Tier 2 and 3 cities. Many IT/ITES organisations especially would look at this talent pool. "Many BPO companies will expand their operations in Tier 2 and 3 cities," notes Manuel D'Souza, chief HR officer, Intelnet Global Services. "These firms will hire potential talent with regional language expertise," he adds.

Lessons of the year!

Change management has now become a critical part of today's organisations where employees are young and have never seen an economic slowdown. Firms would have to become more proactive in communicating openly with their workforce. "It's most important for the top level managers to open a channel of communication," says Phadke. "Top-down communication is our biggest lesson," he adds.

Also, firms would have to innovate new practices to support the employees and the business to tide over the slowdown. "One of our biggest lessons from this year is maximum optimisation of all resources," Phadke points out.

The year 2008 witnessed a host of events – good and bad. But whatever the route, India Inc seems to be ready to welcome the New Year with a bang!

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