



# **The Changing World & its implications on the Future of HRM**

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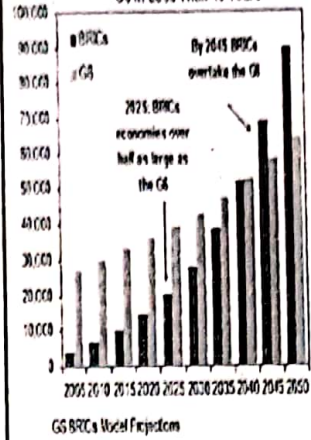


World

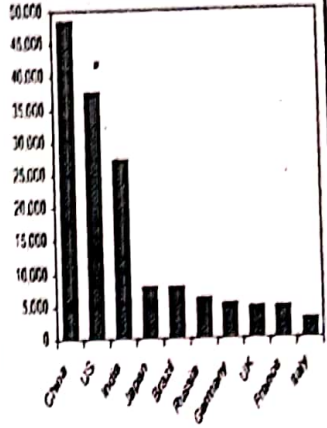


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BRICs Have a Larger US\$ GDP Than the G6 in Less Than 40 Years

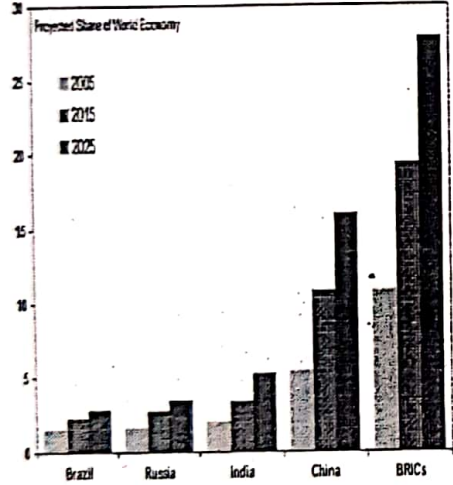


The Largest Economies in 2050



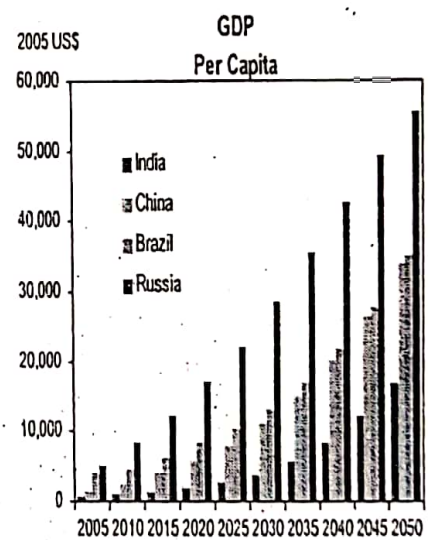
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BRICs Could Make Up Close to 30% of the World Economy By 2025



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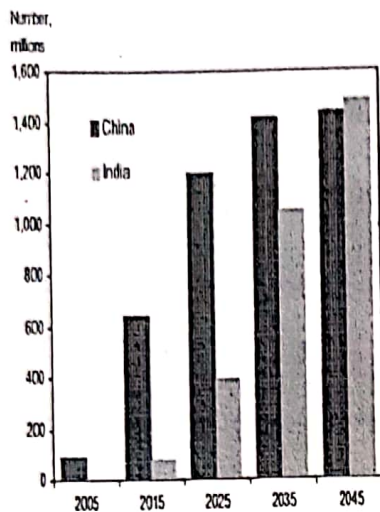
India's Income Per Capita: Most Potential, Lowest Starting Base



GS BRICs Model Projections

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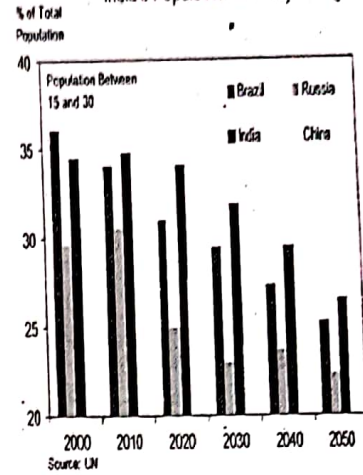
## India's Middle Class to overtake China's...



GS BRICs Model Projections.

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## India's Population Will Stay Younger For Longer



Source: UN

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## India Everywhere...



India recognized as the 'New Emerging Economy' across the world

- 3rd largest economy on PPP
- Knowledge Super power
- IT, Retail & Healthcare : Poised for super growth

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## Changing Paradigms in the Asian Context

- Consumer economy drives business realities
- People Need Organisations vs. Organisations need people
- Lifetime employment - 'Theory of the past'
- Work Life Cycle time is crashing
- High aspirations of young workforce
- More women at workplace
- Mergers and acquisitions - A way of life
- Global Workforce

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<i>The Old Reality</i>	<i>The New Reality</i>
<ul style="list-style-type: none"> <li>■ People need companies</li> <li>■ Machines, capital and geography are the</li> <li>■ Competitive advantage</li> <li>■ Better talent makes some Difference</li> <li>■ Jobs are scarce</li> <li>■ Employees are loyal and jobs are secure</li> <li>■ People accept the standard package they are offered</li> </ul>	<ul style="list-style-type: none"> <li>■ Companies need people</li> <li>■ Talented people are the competitive advantage</li> <li>■ Better talent makes a huge difference</li> <li>■ Talented people are scarce</li> <li>■ People are mobile and their commitment is short term</li> <li>■ People demand much more</li> </ul>

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## The Implications?

- People have choices
- People are mobile & their commitment is short-term.
- People demand much more.
- Newer models of Employment
- Diversity Challenge

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## Today's HR Agenda

- Improved utilisation of talent
- Higher productivity
- Reduced costs
- Better service delivery
- Organisational Integration
- Aligned culture & organisational values
- Greater employee engagement
- Stronger employee value proposition etc.

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## What Next?

**New models of Business Reality are staring at us**

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## Five Dimensions of the New Reality for Business

- Survival of the "Fastest"
- Enterprises are moving towards "Internal Markets"
- Significant trend towards Empowerment, Participation and Collaboration
- Governance must ensure that enterprises are accountable to society
- We now live in a "customer economy" which is giving way to the "experience economy"

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## Survival of the "Fastest"

- ❖ Every enterprise will need to adapt and change to manage in the new economy
- ❖ The economy will be driven by speed, connectivity and the growth of intangible value



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## Enterprises are moving towards "Internal Markets"

- ❖ Large enterprises will be structured into smaller business units and will rely on entrepreneurial freedom and accountability for results
- ❖ This will demand new models of governance that nurture an entrepreneurial mind-set and build distributed leadership

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## Empowerment, Participation and Collaboration

- ❖ The work environment will need to focus on human values
- ❖ People will be in search of purpose and meaning



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## Governance must ensure that enterprises are accountable to society

- ❖ As enterprises realise they utilise society's resources, they would need to go beyond meeting shareholder aspirations in order to meet societal expectations
- ❖ Business enterprises, especially in developing countries, will need to engineer a convergence between creating shareholder value and social development

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## "Customer economy" is giving way to the "Experience economy"

- ❖ Every employee would need to connect with the customer
- ❖ The Customer has a wider choice
- ❖ The difference between products and services is blurring....
- ❖ The "customer experience" is now becoming the unique differentiator

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The post liberalisation generation -  
"born after 1991" is just entering college.

They will radically transform the workforce five years from now.

**Are we ready for this?**

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## Mindset -

Abundance vs Scarcity

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## The Essence of Human Capital

- The key HR challenge in the years to come will be our ability to leverage human capital.
- To create a sense of meaning and purpose in our enterprise.
- To recognise that every individual has a SOUL.



- Changing Employee Profiles
- Rising Employee Expectations
- Demand often exceeds Supply
- Talent Mobility across Geographic / Industries



People are *not* your most valuable asset.....  
The *RIGHT* people are.

- Jim

Collins



- Organisations will attract quality talent by offering a unique employee value proposition.
- Leaders will be challenged not only by external market forces but also internally by employees themselves.
- If we want high quality talent, we need to offer them high quality opportunities. If not, they will go to our competitors.





## The Paradigm for Talent has Changed....



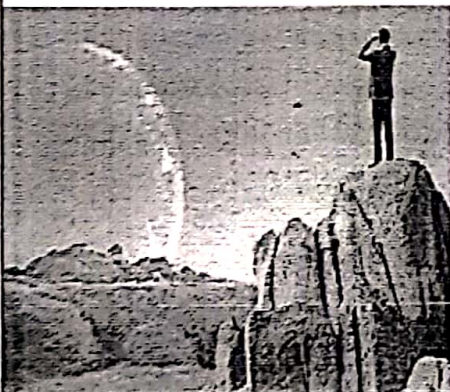
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How can enterprises create a "Vision" that goes beyond mere commercial objectives?



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## The Importance of feeling "ENGAGED"

- Companies do not retain people
- People decide to stay
- They decide to stay when "engaged"
- "Engaged" employees sta



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Feeling *engaged* depends on the *strength* of the workplace and not necessarily on the Corporate Leadership.

- Buckingham & Coffman, 'First Break all the Rules'



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## New HR Challenge

*How can enterprises create a "Vision" that goes beyond mere Commercial objectives?*

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- Corporate World has to play a role that goes beyond creating shareholder value.
- There is a need to contribute towards enhancing our social infrastructure because Indian companies will be able to compete only when the nation is able to compete.

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HR professionals need to look at their roles in a much wider context, not just in the context of their own firms.

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# HR's Rediscovered Agenda

- Strategy Execution
  - Define
  - Align
- Delivery of Administrative Efficiency
  - Cost efficient
  - Quality Maintained
- Agent of Continuous Transformation
  - Processes
  - Culture
- Employee Advocacy
- Governance
- Conscience Keeper
- Creating Soul of an organisation

