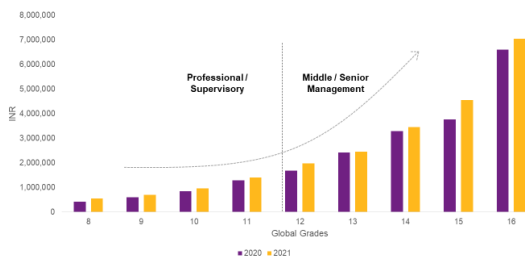
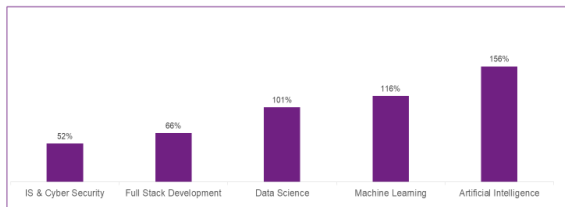


# Pandemic impact on future skills in India

The pandemic has played the role of a catalyst in accelerating the already evolving skills landscape in India. The scale and direction of this transition is going to have far reaching implications on the definition, demand and pay of high priority and business critical skills. For example, the need for digital transformation has resulted in a strong demand for technology skills across industries and business segments. This is reflected in both high growth in compensation and higher demand for niche roles as demonstrated in the below graphs.

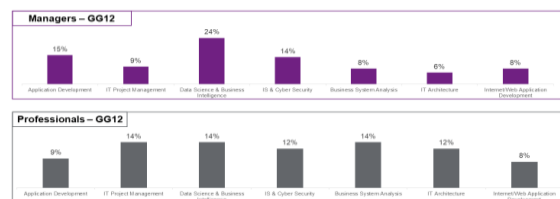


**Figure: Y-o-Y annual base salary comparison – Tech sector**  
By Willis Towers Watson Global Grade



**Figure: Increase in incumbents mapped to niche roles**  
Last two years  
Source: Willis Towers Watson’s 2021 India High-Tech Total Compensation survey

While skills like Cloud Computing, Cyber Security, Robotic Process Automation (RPA), Data Engineering, Analytics, Design, and Product Engineering were in high demand earlier as well (growing by 15%-20% Y-o-Y), the disruption caused by the pandemic has resulted in an exponential increase in demand for this niche set of digital talent. The supply, however, continues to grow at a moderate rate, posing several challenges for organisations around talent attraction and retention, increased lead time to fill vacant or new roles, low offer acceptances and pay inflation. Professional roles, driven by in-demand subject matter expertise, have seen a significantly higher increase in compensation as compared to managerial roles in 2021.



**Figure: High-Tech India survey**  
Hot jobs – Percentage increase in total guaranteed cash from 2020 to 2021  
Source: Willis Towers Watson’s 2021 India High-Tech Total Compensation survey

Going forward, most macro indicators point to an economic recovery and India Inc. should plan for a smooth and calibrated gear shift moving towards full throttle. Among the many revelations and realisations instigated by the pandemic, is the acceptance that human

capital indeed is the most important organisational asset.

But are organisations developing the employee value proposition and employee experience needed to future-proof their people linked business strategy?

Simply doling out higher salaries are not sufficient anymore and factors like a purpose linked employer brand and personal growth are as important as an innovative total rewards package and long-term incentives.

### **Recommended approach**

#### **1) Segmented approach to total rewards**

A segmented approach in total rewards programmes has been adopted by a few leading global companies to allow the flexibility required to attract this high demand niche skill segment. This includes skill-based pay programmes, hot skill pay, skill bonus, skill premiums attached to specific niche skills and in few cases, dedicated pay structures to manage niche skill talent. Total rewards segmentation has also enhanced the prevalence and usage of long-term incentive plans as a key differentiator to hire and retain key niche skill talent.

#### **2) Develop a skill-based knowledge architecture**

To be able to adopt a segmented approach, companies need to review existing job architecture models and enhance them with the required skill architecture as per their business models. This will enable them to identify, track and develop existing niche skills and critical talent using a blended knowledge architecture model. To be able to compete in a market driven by skills, companies must put in place a robust skill-based knowledge architecture irrespective of the sector that they operate in since skill-based hiring is becoming sector agnostic. Companies with established job architecture models are now in the process of reviewing and refreshing the existing framework by weaving in a skill framework to

be able to identify, nurture and reward niche skill segments.

#### **3) Reboot hiring strategy**

In addition to the segmented approach on total rewards and talent development programmes, companies must refresh their talent hiring strategies to counter the demand and supply imbalance. More employers are willing to explore Tier 3 and Tier 4 cities to hire key talent and this is a good move to overcome the pay inflation in Tier 1 and 2 cities. Few leading organisations have revised their campus hiring programmes using talent assessment platforms to be able to identify and tap high potential talent across different locations in India and thus widening the talent source pool. Skillsets now available through an ever-expanding gig economy should also be leveraged and integrated into the skill-based knowledge architecture at a systemic level within organisations.

#### **4) Up-skilling, re-skilling and new skilling**

Just a year or two back, there was an increased focus on sustainability and equality in total reward programmes but due to the sudden disruption caused by the niche skill demand, this focus has taken a back seat. Pay inflation may seriously challenge the cost advantage that Indian companies were enjoying against competing rival markets both in the region and across the globe. To counter this, leading organisations must adopt a segmented approach in their talent development programmes as well. This includes substantial investments to provide fast track career options, up-skilling and re-skilling initiatives targeted at specific niche skills. The re-skilling and up-skilling process is heavily linked to monetary and non-monetary rewards thereby acting as a tool to further strengthen talent retention programmes.

#### **5) Leveraging technology**

The skills driving organisational value have transformed, leaving traditional job classifications and reward structures redundant. Whether for talent acquisition,

development or effective reward strategy design, you cannot address tomorrow's need by using yesterday's tools and hence investments in best-in-class technology is the right direction to take.

The bottom line is that predicating and preparing for the future skills landscape is in itself a skill that policy, business and HR leaders must continue to upskill.

*This article was first published in [People Matters](#).*

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