



HR THINK TANK 2023

A STUDY CREATING FUTURE-PROOF ORGANIZATIONS: FOCUSING ON ENGAGING AND RETAINING TALENT IN A VOLATILE ENVIRONMENT

A WHITE PAPER PRESENTED BY THE ASSOCIATION OF HR
PROFESSIONALS IN SRI LANKA AND THE SOCIETY OF
HUMAN RESOURCES MANAGEMENT

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FOREWORD BY ROSHAN KULASURIYA, PRESIDENT, HRP

I have been a member of the Association of Human Resource Professionals (HRP) since its inception and have witnessed the Association's evolution over the years in driving towards its purpose of "Bringing HR to the forefront". HRP is the **only professional network of practicing HR professionals in Sri Lanka** and with its **22-year history** has made significant contributions to uplifting the standards of the HR profession in the country.

When I took over the realms of HRP as President, my primary aim was to create value in the space of HR in the country with a group of enthusiasts who have the passion and energy to make a difference. Today at the 5th installation of the SL HR Think Tank, I am humbled by the effort, contribution and participation of many HR professionals who have come together to make this intervention a success.

Since its inception in 2019, the SL HR Think Tank has evolved with enriched content, constitution and participation represented by multiple industries and sectors. It serves today as a platform to share expert knowledge, enables cross-pollination of ideas, and stands as the only established HR Think Tank in the country. As HRP continues to be a catalyst in national human talent building, we hope to share the latest global best practices amongst the members of the fraternity, and offer a world-recognized professional certification for HR practitioners in the country.

The white paper that is presented to you is an amalgamation of the inputs of thought leaders from our Knowledge Partner, SHRM and the speakers and panelists from the series of industry councils and knowledge-sharing sessions which were a prelude to today's event. I am certain that you find the contents of the white paper useful, and I hereby urge you to share and apply the learnings of the same with your respective organizations.

I wish to extend my sincere thanks to Oshana Dias, Vice President AHRP, Harini Indiketiya, Project Chair and the extended team for your untiring efforts to make the 5th installation of the HR Think Tank successful. I also wish to thank all the panelists and moderators who created value during the HR Think Tank sessions and all our partners for making this possible.

MESSAGE BY ACHAL KANNA, CEO, SHRM

We at SHRM take immense pride in collaborating with HRP for the 5th iteration of the HR Think Tank in Sri Lanka.

SHRM has been the joint partner for Sri Lanka HRTT since its inception in 2019, with a laser-focused objective of enriching the HRTT experience by creating a convergence point for thought leaders to come together with information exchange to discuss problems of global nature so that HR and the business fraternity can stay ahead of the business curve.

HRTT 2023 has seen a rebranded avatar with an evolved format; built upon the pillars of newly formulated industry councils, richer and contextual discussions, and knowledge capsules; which highlight the critical steps organizations need to take to build resilience, imbibe global learnings and revive business and growth during the time of crisis.

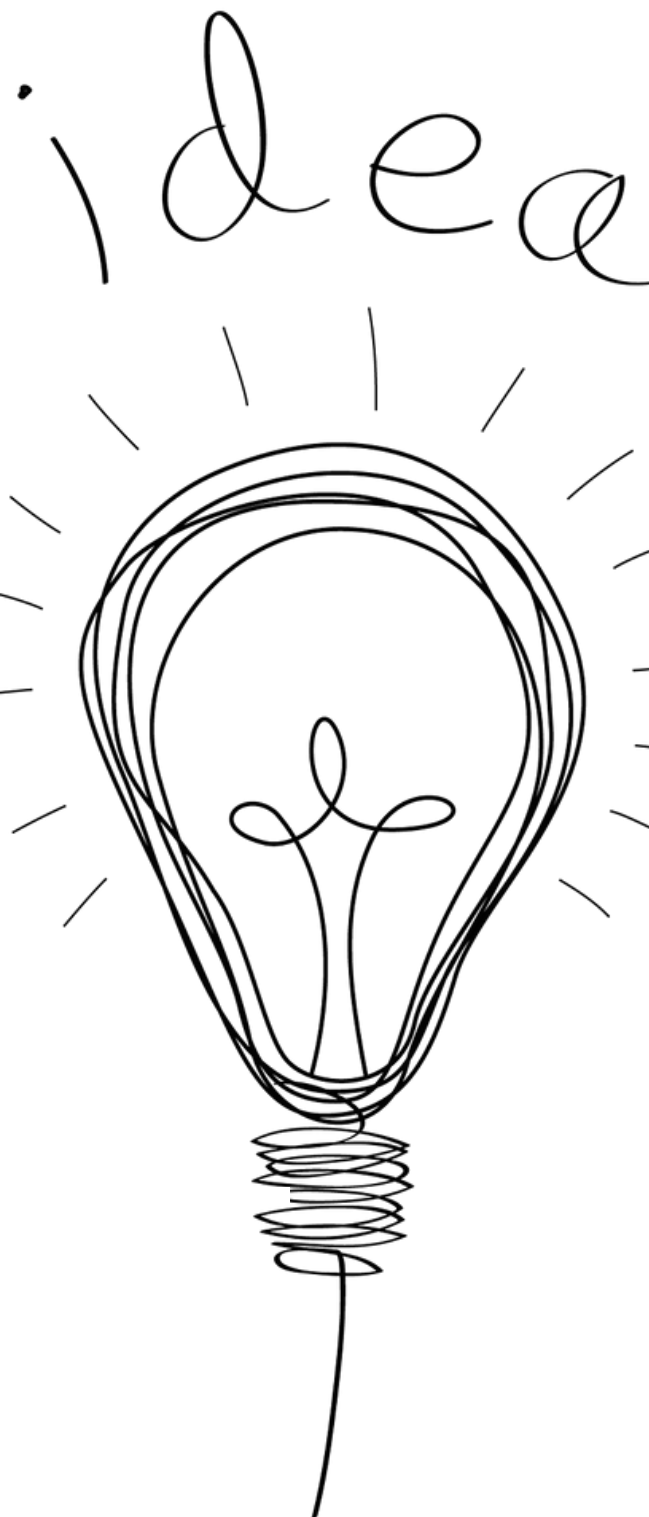
The purpose of this white paper is to highlight, discuss and find solutions to challenges within various industries like Manufacturing, FMCG, IT and Financial Services. The project team comprising SHRM and HRP members has attempted to crowd-source learning from different regions on themes like building resilience, tackling business continuity for the sectors, identifying strategies for aiding talent sustenance, growth and livelihood, and most importantly, imbibing learnings and best practices from similar organizations or nations from around the world.

I hope this white paper acts as an anchor to drive thought leaders of this wonderful nation in formulating policies and practices, which place people engagement and experience at the core of businesses.

I would also like to extend my sincere thanks to my dear colleagues Nishith Upadhyaya, Senior Director, SHRM Advisory Services APAC and MENA, and Saurabh Singh, Associate Director, SHRM India and Country Head Sri Lanka, for their untiring efforts in making the 5th iteration of the HR Think Tank stand out in concept, design and execution. I also wish to thank all our partners from HRP and anyone working behind the scenes to make this a success.

A quick overview

THE HR THINK TANK SRI LANKA



The HR Think Tank was inaugurated in 2019 with the aim of uplifting the HR profession in Sri Lanka by harnessing the collective thinking of Senior HR professionals. It is a joint venture between HRP and SHRM, the world's largest not-for-profit HR Association.

This year's topic in discussion is 'Creating Future-Proof Organisations: Focusing on Engaging & Retaining Talent in A Volatile Environment'. We have also introduced two new segments to HRTT this year with the aim of intensifying the conversations among leaders and to focus on specific industries, thereby expanding our reach beyond HR leaders.

Industry Council - Focusing on four industries, Manufacturing, FMCG, IT and Finance, the ICs brought together senior HR leaders to share their best practices on "Talent Effectiveness". A keynote was also delivered by an SHRM SME speaker on "Creating Future-Proof Organizations – Value Creation during a Crisis". The main objective of the ICs were to discuss industry specific challenges and share best practices among participants. Each IC will develop their own white paper to launch at the HR Think Tank.

Knowledge Council - These sessions were completed with the intention of expanding the reach of the HRTT to the wider HR and non-HR community. The concluded two sessions saw HR leaders, as well as business leaders, discuss the 'creation of value during a crisis' and what skills HR should possess in times of crisis.

INDUSTRY COUNCIL & KNOWLEDGE CAPSULE SPEAKERS

Ashan Ransilige

Head of HR - Retail Sector
Vice President,
John Keells Group

Chamila Perera

Head of Human Resources
(Sri Lanka & Maldives)
HSBC

Chandana Wijayanama

Organization & HR Director
INSEE Cement

Chandita Samaranayake

Technology Entrepreneur
CSR Consultant

Chiranthi Cooray

Chief Human Resource Officer
Hatton National Bank PLC

Dilhan Jayawardena

General Manager / COO
Dilmah Tea

Dinusha Jayamanne

General Manager HR
Brandix - Apparel Solutions

Dinali Peiris

Director - Group Human Resources
MAS Holdings Private Limited

Gayana Thilakarathne

Head of Human Resources
Dilmah Tea (MJF Group)

Isuru Tillakawardana

Deputy General Manager HR/ CHRO
Commercial Bank of Ceylon PLC

Imtiyaz Aniff

Chief People Officer
Union Assurance PLC

Jan Kunigk

CEO - INSEE Cement

Jehan Perinpanayagam

CEO
Infomate

Kaushal Mendis

Chief People Officer
Daraz

Kumudu Munasinghe

Head of Corporate Communications &
Group Lead - DE&I
John Keells Group PLC

Madhuka Jayasekera

Financial Controller - Unilever

Mikael Svensson

CEO
Cinnamon Hotels & Resorts

Nida Shahid

Senior Associate Director
Knowledge & Advisory - SHRM MENA

Niroshan Dharmakantha

Director Delivery & Customer Success
MillenniumIT ESP

Oshana Dias

Senior Vice President HR
Fortude

Pattabiraman MP

SHRM SME

Rajesh Padmanabhan

Managing Director (India)
The ExCo Group

Ravi Jayasekera

Chief People Officer
Hemas Holdings

Rehan Anthonis

Director - People Operations
Sysco LABS Technologies
Private Ltd

Rekha Weerasooriya

Vice President - HR
Transformation
Dialog Axiata PLC

Roland Smith

Board Director /
Chief Learning Officer
Brandix Apparel Limited

Shehani Seneviratne

Chief Operating Officer
99X Technology

Thilanka Jayathilaka

Vice President HR
IFS Sri Lanka

Thusitha Perera

General Manager /
Head of HR
Dipped Products

The 5th HRTT RECAP

We have completed 4 Industry Councils for Manufacturing, FMCG IT and Finance Industries along with 2 Knowledge Capsules for the same Industries featuring prominent HR and Business Leaders in SL along side subject matter experts in HR from SHRM.

MESSAGE BY SUBJECT MATTER EXPERT, PATTABIRAMAN MP - FOUNDER AND CEO, PAT4LEADERS, SHRM SME

The key to managing businesses and your people in tough times parallels how this needs to be addressed regularly.

For effective business management, the strategy needs to be dynamic and agile, backed by periodic communication with its employees, continued investment in technology and process improvement initiatives. The discussion needs to be more about "what will help us save jobs/roles" and not about saving costs through job cuts.

To take good care of the employees, reiterate it through communication and follow it with your action that conveys employee care. Continue to invest in training budgets and avoid having a personalized or differentiated approach to compensation and benefits. Promote equity and equality in these challenging times.

Key Findings - Manufacturing & FMCG Industry

Value creation during a crisis – Manufacturing and FMCG findings

During the last 3 years, Sri Lanka has been on a continuum of crisis situations ranging from the Easter bombings, the Covid pandemic and an economic downturn with added political instability, which has upended nearly every aspect of life for its people, organizations and the nation as a whole.

The global context has also not been different and is yet to come out of the aftereffects of the pandemic, the associated socio-economic conditions and is on the verge of a global recession.

While times are tough, uncertain and volatile, creating future-proof organizations is a much-needed focus for business leaders and HR professionals.

A. Challenges highlighted within the industry

The Manufacturing and FMCG industries have been impacted by a series of calamities that have affected Sri Lanka, and are facing the following issues in relation to business sustenance:

1. Fragmented supply chains resulting in non-availability of resources and raw material.
2. Cost increases in manufacturing and distribution impacting profitability.
3. Distractions and loss of focus for employees due to economic burdens.
4. Offshore customers' declining belief in the stability of the country.
5. Reduction of potential exports due to global recession, inflation in the West and drops in consumer disposable income.
6. Inventory build-up due to disruptions in the value chain.
7. Reduction of local sales based on consumer choices being mainly on essential items.
8. Talent shortage due to skilled migration and competitive pay.

Large manufacturers who were positioning themselves on the basis of value creation and competitive advantage on cost, are re-gearing themselves on different forms of risk mitigation - which, if not properly managed, can lead to losing their previously held levels of competitive advantage.

B. Building resilience and tackling business continuity for the sector

Considering the sectoral implications of the current crisis, there must be a clear focus on future-proofing the business and its people.

One of the key components in doing this would be to focus on the strategic resilience of the business and ensure that the business model of the organization can withstand market shocks irrespective of its size and scale.

Strategic resilience can be built in the following ways:

1. Adaptability to changing dynamics.

- Explore the reduction of the product portfolio complexity to cater to consumer needs.
- Remapping the consumer segmentation to cater to the buying power and make it equitable.
- Remap the value chain to improve efficiencies and de-risk.
- Enhance flexibility in the supply chain by sourcing goods from closer bases.

2. Ability to change business strategies at a fast pace.

- Recent research concluded that;
 - i. 90% of organizations struggle to execute strategy.
 - ii. 95% of employees don't understand the strategy.
 - iii. For organizations to be able to execute strategy, talent fungibility as well as transparent and frequent communication are critical aspects.

3. Continue to invest in branding efforts and technology investments.

- During the period when organizations in China were undergoing a challenge with respect to orders, *Nike* implemented the following technologies which supported them to come out stronger from the situation:
 - i. Introduced RFID – to track their products better.
 - ii. Predictive modeling to reduce inventory build-up.
 - iii. Seamless sales transition from instore to offline, avoiding store closures.

It is quite evident that most organizations face disruptions in their supply chain despite the environment. Therefore, knowing the critical stakeholders in the value chain and proactively tailoring the responses will prove useful. Macroeconomic systems impact the supplier base too. Hence, proactively leveraging the tier 2/3 suppliers by engaging, communicating, empowering and seeking their support will always be a useful risk mitigation plan.

It is believed that Sri Lankans possess a comparatively higher degree of resilience, placing them in a good position to navigate difficult times.

C. Aiding talent sustenance, growth and livelihood

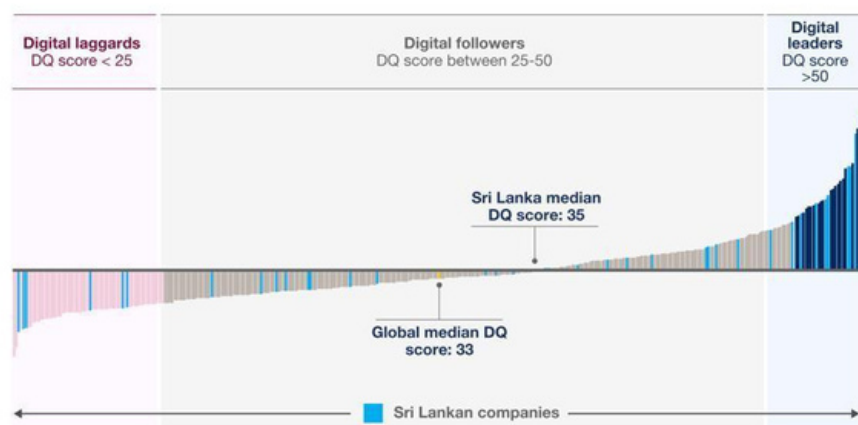
With the recent turmoil that impacted Sri Lanka, organizations resorted to several strategic and tactical support mechanisms to aid people through the economic crisis. Some examples of this were providing ration packs, subsidized meals, economic relief allowances, supporting entrepreneurship in families to earn an additional income, setting up savings funds, on-site cultivation through harvesting and greenhouses, and supporting their communities at large.

Another key component that organizations in Sri Lanka focused on was deep attention to mental wellbeing. In addition to stress and anxiety levels increasing, the levels of domestic violence in Sri Lanka also increased. On premise counseling support, addressing mental health as well as creating an environment for people to exercise psychological safety through policies and practices were explored.

Building financial resilience has been a focus area that companies undertook in educating their employees. This included nuggets on financial wellness, managing monthly budgets/finances by leveraging experts and internal resources.

The enhanced digital presence to engage employees as well as their families through digital platforms while also focusing on hybrid work systems have been a key difference in the way Sri Lankan organizations have been working during this period.

Statistics shared by *McKinsey & Company* (refer to the illustration below) shows that Sri Lanka is, in fact, on par with other countries on the DQ (Digital Quotient). However, the digital maturity across Sri Lankan companies varies significantly, and 1:4 Sri Lankan companies score below the country median. Enhancing the DQ will enable organizations to propel business success if invested adequately.



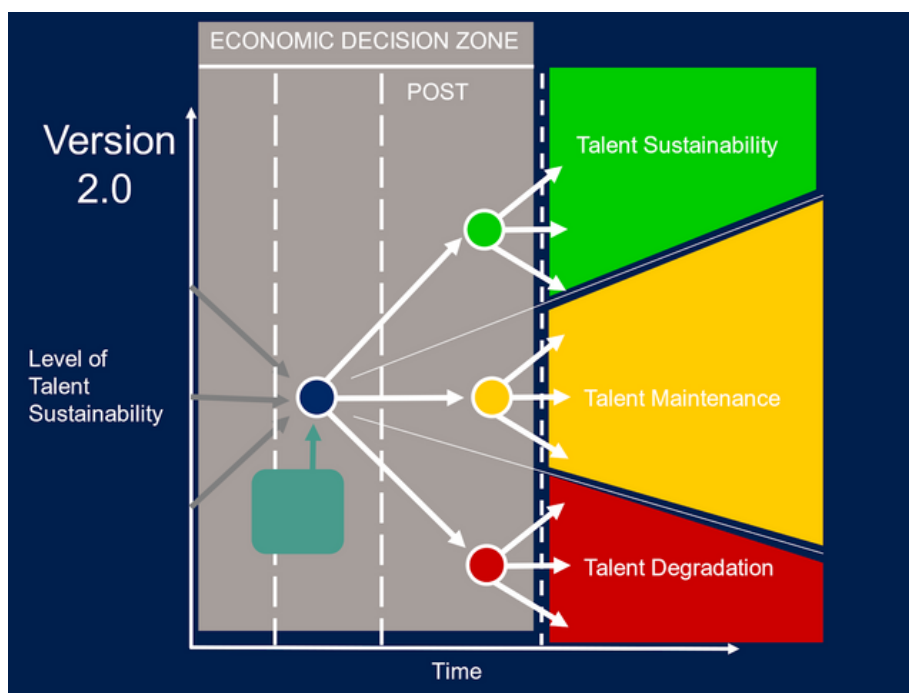
DQ level: Sri Lanka
(McKinsey & Company)

However, given the current economic challenges and the currency devaluation, the country has experienced many talented individuals seeking offshore job opportunities as well as migrating to developed countries. While this can leave local organizations at a loss of key talent, aggressively holding on to top talent is not the solution either.

Organizations need to be strategic about building bench strength and ensuring their talents' readiness to take up critical roles. An HBR article highlighting the importance of “B Players” explains this well.

While giving importance to the talent strategy of the organization – now more than ever – organizations will also need to be aware of the causes and impact this economic decision will have on their talent.

The below illustration by Dr. Roland B Smith, clearly explains this.



Talent trajectory
(Roland Smith, PhD)

Careful consideration must be given to ensure that the decision does not drive towards a “Talent Degradation” zone, which can result in losing talent that needs to be retained or lowered level of engagement that people have towards the organization. Making decisions leading to talent sustainability in challenging times can be difficult. Instead, talent maintenance decisions should be explored.

A practice which can be implemented immediately at a low cost is conducting "Talent Conversations" as a retention tool. This is a conversation carried out with people to influence their performance, development and engagement while increasing positive outcomes. The key is to start talking about it "before it's too late or necessary" since most people decide to leave at least 6 months in advance.

A company must explore ways to maintain engagement, loyalty, and stickiness. "How are you doing and how are you navigating this?" are skip level questions that leaders ask their employees.

The "Talent Accelerator" tool (copyrights reserved by Roland B Smith, PHD) shown below can be used to see how ready and equipped leaders are to "orchestrate talent" and move away from a transactional relationship to a transformational relationship with their teams. Leaders need to "have a successor and be a successor" and know their people, guide as well as support their careers for the future.



Are you a talent accelerator?

Instructions: Use the following rating scale to respond to each item:
 1=STRONGLY DISAGREE 4=slightly agree
 2=Disagree 5=Agree
 3=slightly disagree 6=STRONGLY AGREE

Organizational Talent Management Efforts	Self
1. Our Board has identified talent management as a top priority.	
2. The CEO, or most senior executive, and top management team are committed to talent management.	
3. The CEO, or most senior executive, and top management team invest their time in talent management.	
4. Developing talent is a shared responsibility between executives, human resources, and line managers.	
5. The organization's talent development practices are directly linked to business strategy.	
6. There is a clear and compelling reason for talented individuals to join our organization.	
7. There is a clear and compelling reason for talented individuals to stay in the organization.	
8. Formal performance management processes are in place to identify and review the organization's top talent.	
9. The organization provides formal development opportunities to support employees.	
10. The organization challenges talented employees with developmental assignments, role rotations, and/or cross functional experiences.	
11. The organization has identified and differentiated the critical competencies needed for transitioning into each level of management/leadership responsibility.	
12. The organization effectively measures the impact of its talent management initiatives.	
13. The organization's recognition and reward systems encourage talent management.	
14. The CEO, or most senior executive, and top management team encourages leaders to share talent across the organization.	
15. The organization is transparent in providing information about succession plans.	
16. The organization has a culture of development and growth for employees.	
17. Mentors and/or coaches formally work with high potential employees in the organization.	

Instructions: Use the following rating scale to respond to each item:
 1=STRONGLY DISAGREE 4=slightly agree
 2=Disagree 5=Agree
 3=slightly disagree 6=STRONGLY AGREE

Accelerator Talent Management Efforts	Self
18. I help managers get a clear understanding of who their critical talent is and why.	
19. I assess executive talent and emerging talent.	
20. High potential talent can be found on key position succession plans.	
21. The organization's critical positions have been identified.	
22. Successor candidates are being actively developed for critical positions.	
23. I am optimally positioned to facilitate the assessment of critical talent needed for the organization.	
24. The organization's critical talent has been identified.	
25. The organization has the right talent based on the strategic direction of the organization.	
26. I influence the executive team to link talent to business strategy.	
27. I have engaged at least one senior leader in a conversation about their role in the organization's talent management process.	
28. I am skilled at influencing superiors.	
29. I understand the perspectives of different functional areas in the organization.	
30. I am credible and trustworthy in the eyes of co-workers.	
31. I effectively communicate organization goals and am able to inspire through presentation of information.	
32. I can adapt to changing business conditions and am open to new ideas and new methods.	
33. I effectively establish collaborative relationships and alliances throughout the organization.	

Copyright Roland B Smith Ph.D., CCL

Talent accelerator: tool kit
 (Roland Smith, PhD)

D. Imbibing learning's and best practices from around the world

A recent ILO report cited best practices in organizations during crisis:

1. This is not a time for differential rewards but to be equitable in bringing everyone to a level playing field.
2. Explore the possibility of re-positioning jobs to avoid job cuts.
3. Make it a transparent approach.

It is also encouraged not to rationalize new/fresh talent as it was found that 1:6 fresh talent stopped working. They did not join any other sector but stopped working altogether. This is particularly important as they would bring in the maximum return on investment on technology and talent fungibility.

Organizations must recognize that it is not just about going through the crisis but also coming out of it better. For example, Delta Airline post 9/11 attacks, came up with a progressive training and innovative compensation method (profit sharing program) to elevate the customer experience which led to increased revenue.

Organizations that enabled work-life integration (with initiatives such as mental health days, community initiatives, and flexible work schedules) also had meaningful data to make strategic and tactical decisions that have proven to be successful.

There are numerous examples of countries that have undergone similar crises and adopted efficient and authentic communication by their respective governments in a periodic manner. The key is to maintain a continuous flow of communication and act upon the relevant ones.

E. Future short-term and long-term roadmap for the sector

The sectors have been transforming to future-proofing their businesses and repositioning their roles, redeployment and re-skilling of people.

HR teams will need to keep tabs on vulnerable jobs and nudge those whose jobs are at risk to explore other avenues, pick up a new skill or knowledge. Enhancing people's DQ through digital education in areas such as AI (Artificial Intelligence), blockchain, ChatGPT, etc. will be an area of upskilling.

HR teams and professionals will need to have specific skill sets such as:

- Emotional maturity.
- Speaking the business language.
- Capability to drive business outcomes through data and analytics insights.

Sri Lankan organizations could be constrained in growth owing to low-risk appetite, inability to integrate digital priorities into the overall business strategy, automation of internal and front-facing processes as well as lack of a collaborative culture between functions. Organizations will need to leverage their strengths and characteristics that are unique to Sri Lankans (eg: resilience) to be ready when normalcy returns. Effective BCP plans in place will also be essential to risk-proof the business.

Building agility and flexibility within organizations, equipping people to think of alternative plans, developing an adaptable mindset to understand stakeholders as well as changing day-to-day behavior will be paramount. Encouraging people to think beyond the island mindset and adapt with pride, learning from best practices and implementing them in their organizations will be important. Offsetting long-term advantages for short-term gain should not be practiced. Investing continuously in technology, building brands, and developing the Employer Value Proposition (EVP) can help to speed up the return to normalcy.

Building a critical thinking ability even at a tender age by inculcating this aspect within the school curriculum can lead to a positive change for Sri Lanka. The young talent in the country will need to be driven to challenge assumptions, anticipate trends, self-reflect and strive to become the best version of themselves in order to be future-ready!

MESSAGE BY SUBJECT MATTER EXPERT, RAJESH PADMANABHAN - MANAGING DIRECTOR (INDIA), THE EXCO GROUP

In this new age world, enterprise success depends upon the ability to bring talent, technology and transformation together. The business value creation in a volatile environment needs to be anchored on:

- Resetting culture
- Rebuilding capabilities
- Run for contribution (not performance)
- Raising credibility

Learning, growth and employee experience will be the talent-to-value differentiators.

Sri Lanka has always been a role model for tenacity and resilience. This will be at its best test yet again and I believe the industry and leadership will strive well yet again in this phase of adversity and create a big win.

Key Findings - Services Industry

Creating future-proof organizations – value creation during a crisis

The sound of silence fills the capital and a peaceful people's protest comes to a grinding halt. In its midst sees the collapse of a political dynasty, a president forced to resign prior to fulfilling one term. All of which was exacerbated by a series of events that penultimately triggered Sri Lanka into an economic crisis, defaulting on debt, a drained forex balance and being solely dependent on donor aid to meet the basic needs of its citizens. The complexity of the crisis still holds ground, while a country awaits IMF funding to propel investor and speculator confidence.

Throughout this period of strife, organizations from all industries, specialties and sectors scrambled to stay profitable and continue delivering on their promises to stakeholders and customers. There were no manuals and or scriptures to consult, ready-now solutions were as mythical as the holy grail. Business and thought leaders had to re-group and innovate, be creative out of their comfort zones to face the challenges that lay in front and those that were waiting to unfold soon.

An abject lesson learned, an awakening to a dire need, are our organizations future-aware, future-proof and positioned to add value during times of uncertainty and chaos?

A. Challenges and opportunities highlighted within the industries

The Information Technology and Services industries were equally impacted by the series of events, starting with the 2018 Easter Sunday attacks, followed by the global pandemic, and most recently the economic crisis. Some of the challenging parameters are called out as follows:

- Gaining investor, customer and employee confidence when business continuity is at risk.
- Post-covid decline in tourism.
- Increased cost of borrowing with rise in bank interest rates.
- Depreciation of the LKR against all major trading currencies, hyper-inflation, and exponentially rising cost of utilities.
- Mental and financial well-being taking center stage and distracting employees from organizational objectives and must-win battles.
- An unprecedented brain drain.

Having said that, every adversity creates space for new opportunities. The focus should be on identifying these opportunities and driving them across people, processes and systems. Some key thrust areas have been summarized below.

- Building organizational resilience, agility and flexibility to navigate internal and external changes.
- 1. Leveraging Sri Lanka's strength in being resilient, staying focused, remaining on course and playing hard on controllables.
- 2. Upskilling people on learning priorities across a one-to-three-year horizon.
- 3. Investing in technology as a competitive advantage.
- Modeling businesses on 'life-balance' and moving away from the notion of 'work-life balance'.
- Resetting culture by weeding out traditional tenants that are not relevant in the current or future context.
- Rebuilding capability, and strategically aligning learning and development with a future focus.
- Measuring, recognizing and rewarding 'contribution'; not mere performance.
- Reorientate from building expertise to borrowing expertise.

B. Building resilience and tackling business continuity for the sector

“Don’t be frugal but prudent” says Rajesh Padmanabhan, Managing Director (India), The EXCO Group, CEO, Talavvy and SHRM SME. Being competitive and winning in each marketplace during VUCA times compels organizations to be continuously resilient and agile.

- Leveraging on brand equity, positive relationships, and past track records to gain customer, investor, and stakeholder confidence is the key:
 - Resilience is deeply rooted in the core of Sri Lankan businesses and its citizens. Tenacity being the DNA of Sri Lanka, there have been many situations where it has played a major role not just limiting to economic relations, and political stability.
 - Bouncing back on the strength of resilience and capacity as their underlying character has been the center point of every single enterprise.
- Current socio-political turmoil across the Western hemisphere and a potential global recession, opens up a window of opportunities for Sri Lankan service providers to attract offshoring projects. · Visioning has morphed from being a long-term fantasy to a short-term reality. In today’s context, a vision that extends within a three-year horizon is embracing realism and pragmatism.
- Be cost-prudent, and be less dependent on fixed costs. Park all non-essential investments and spend on core business priorities.
- Focusing on cash liquidity is important for organizations.
- Identifying at least two large processes and improving those is important in getting the organization back on track.
- Investing in technology and making it a business enabler is the key. Technology is influencing human behavior and empowering consumers, employees, and all other demographics at an unprecedented pace. Organizations are increasingly introducing new technologies, including mobile applications to interact with consumers and employees alike. Today, communication, services, product purchasing, ordering and benefits utilization are all moving into digital platforms and are less reliant on human-to-human interaction.

Enterprises cannot remain alone during these turbulent times and need to focus on the social impact either in the DEI space or sustainability space or both.

- Product Diversity plays an important role and could be very organization-specific.
- Effort and energy must be best spent on controllables. Government policies such as the removal of subsidies and taxation are beyond an organization's span of control and influence. Hence, do not make these derailers or blockers, rather explore and accelerate controllable instruments that will steady the ship.
- Rebuild and energize the organizational culture. Research indicates that 80% of the working population across the USA is actively disengaged. The covid era changed the dynamics of how individuals perceive their roles in the corporate world and how they want to engage with their work and the value they place on life in totality. Those organizations that failed to realize this changing dynamic and couldn't adapt are losing employee loyalty.

An overarching necessity is understanding the overall health of the organization and the engagement levels of its people. To this end, constant employee check-ins and pulse checks are the need of the hour. Understanding the mindset of the people is a baseline to engaging them to contribute towards business delivery.

Dispel traditional thoughts on viewing the business, technology, and its people as three different pillars. Rather, they need to be integrated and viewed as one composite of the value chain which accelerates business outcomes.

C. Aiding talent sustenance, growth and livelihood

Since March 2020, employees have faced the brunt of business uncertainty and slowdown. The current economic crisis is adversely impacting both the financial and mental well-being of employees and all individuals across the country. It is indiscriminately impacting consumerism. Spending behavior is driven by necessity at an opportunity cost of good and nice to have.

One aspect that has taken center stage in the IT & Services industries during these times has been compensation architecture, practices, and norms. Today organizations must have agile compensation practices to:

- a) support employees
 - b) be talent competitive
 - c) maintain social strata and lifestyle.
- Many export-oriented organizations have made moves to change their total compensation packages to be pegged to the revenue-generating foreign currencies:
 1. Providing a USD/AUD/GBP/EURO pegged allowance in LKR.
 2. Converting base compensation to foreign currency payments.
 - Introduction of quarterly bonus programs (baseline to forex gains).
 - Base compensation increases are closely linked to rise in inflation, energy, and utility costs.

In parallel with the rising costs of living, Government imposed income taxation has resulted in a 36% depression across disposable income in the highest tax bracket. Organizations that have not provided inflationary support have taken steps to financially support employees to mitigate the tax impact. Some actions on such fronts are:

- Increased benefits pertaining to medical, surgical and hospitalization.
- Introduced agile benefit programs to empower employees to cross-utilize a predefined pot of money based on their individual and family needs.
- Provisioning of dry rations hampers and other support.

On a different diagonal, deep fears and insecurities about attrition and retention looms over the industries, exacerbated by the exponential increase in migration of top talent. Key points to consider in this climate are:

- Attrition concerns are alarming only if they exceed the growth rates of the organization.
- A seasonal churn of resources will provide business opportunities to bring new insights, perspectives, and robust thinking to the fold.
- Focus on organizational design and structure. Exercise prudence on the cost of leadership by minimizing the need for non-billable and or non-revenue generating resource pools. Increase dependency on third-party contractors to support business needs.

Organizations that are ahead of the curve keep their employees consistently engaged. Some drivers are;

- The 4C model suggested by Rajesh on culture, capabilities, contribution, and credibility.
 - Reset culture to fit the needs of today and tomorrow, focus on employee experience.
 - Build need-of-the-hour capabilities to help organizations become future-ready.
 - Measure employee contribution to business outcomes as opposed to individual performance and effort. All goals given to employees must have a clear link to desired business outcome.
 - Credibility refers to the ability to swiftly build the trust bridge.
- Transfer learning from being employer-centric to employee-empowered learning. Transfer centrally controlled learning budgets to employees to choose and follow capability builds; these are known to increase employee retention/stickiness.

Have a view on talent-to-value:

- Busting the myth that hiring for experience is improving the capability of the organization at all levels is not exemplified. There is no tangible data to prove that a 10-year experienced individual vs a 5-year experienced individual is more robust and efficient.
- Dispel this belief and hire for contribution to business outcome. Keep the organization robust and cost-effective.

- Give greater focus towards diversity, equity, and inclusion. “Human life flourishes when they are naturally different and diverse, not when they need to conform to a mold”, Sir Ken Robinson. Organizations behave in the exact same way and benefit when there are diverse points of views at multiple different tiers.
 - Psychological safety is higher in organizations that promote and propagate diversity, equity, and inclusivity. In turn, engagement levels are seen to rise.

D. Imbibing learnings and best practices from around the world

People need to shift from the traditional theory of “work-to-life balance” to “life-to-work balance”. Living life outside of a corporate job is being increasingly seen as more important. There has been an inevitable consequence of digital platforms enabling and empowering individuals to market and monetize their passions.

- Remote/hybrid working is here to stay.
- Talent pools are not limited to geographic boundaries, so organizations must find ways to tap into global talent pools to build capabilities and expertise.

Focusing on HR professionals, a common theme resonating across global CEOs is the need for:

- HR to be business savvy, digital savvy and business-intelligent.
- Have deeper financial acumen and connect the dots to top and bottom-line successes.
- Not have a seat on the table but earn a seat at the table. Simply, add value to the decision-making process.

E. Future short-term and long-term road map for the sector

The future of these sectors will predominantly depend on the need to design future-ready and VUCA-withstanding instruments, processes, and systems. This will require organizations to:

- Reset culture to be current and future talent pool relevant.
- Design tools to measure, recognize and reward talent contribution to business outcomes.
- Build tomorrow's capabilities today, and empower learning.
- Zero-based agile budgeting to achieve cost leadership.
- Build ways of working aligned to 'life-balance'.

The global economy is rapidly shifting based on technology and its impact on the behavior of current and future consumers and working populations. Being flexible and adaptable to the constantly changing dynamics is must to stay ahead of the market curve.

CONCLUDING MESSAGE

BY OSHANA DIAS, VICE PRESIDENT - EXTERNAL ALLIANCES,
HRP

Over the last two years, organizations and their employees have been persistently challenged to adjust to unprecedented setbacks. Undoubtedly, it has exposed organizational vulnerabilities in many forms. However, what is most remarkable about our experience is our endurance and perseverance in facing challenges head-on.

While companies and their employees have strived to stay afloat, the key takeaways of these challenges are evergreen learning points for the corporate sector. Whether it is building organizational resilience, developing agile talent management frameworks, or integrating technology to enhance vital business areas, we've experienced the need to future-proof businesses. This leaves organizations with the exciting task of examining, exploring and adopting new methods to elevate their culture, people and processes.

We hope that the HR Think Tank sheds light on this urgent need and inspires you to find sustainable ways to strengthen the core of your business.

I wish to extend my thanks to the contributors of this white paper; Dinusha Jayamanne, Rehan Anthonis, Saurabh Singh, Nawya Ponnampereuma, Bryni Bandara, Tashiya Jayatilaka, Ruchini Weerawardena and Kavitha Gunsekera. My heartfelt gratitude also goes out to everyone who helped make this event a success and I look forward to the next one!

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