Leveraging Talent in a Hybrid World

Saurabh Gupta
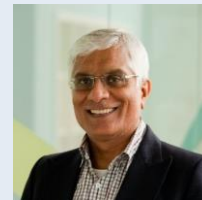President, Research and Advisory Services, HFS Research

Todd Ferraro
Global VP- Global Operations & BPO, Verint

Malcolm Frank
Chief Executive Officer, TalentGenius

Brent Kuhls
Director, Business Process Innovation, Raytheon Technologies Corporation

Nalin Miglani
Chief Executive Officer, Actualized

2022 was
The Great Resignation

Jaded employees fuelled the Great Resignation, where many people's lifestyles trumped their commitment to their jobs.
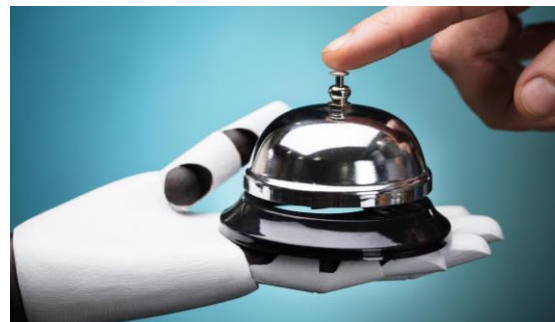
2023 is becoming
The Great Freakout

The Great Freakout is the response to massive tech layoffs, back-to-office mandates, a highly uncertain economic and political climate, and an epidemic of banks almost collapsing.

Now prepare for the
Great LLM-ization

AI becomes the interface to the internet—and to physical business. Will LLMs will blow a hole in predictable high-cost operations like call center services and back-office business process services?

Audience poll
What will be the biggest impact of the "Great LLM-ization" on talent?

Poll results

39% Generative AI will enrich our jobs and dramatically improve productivity, but I don't foresee any job losses.

22% Generative AI will mainly result in a net reduction of operational jobs (e.g., helpdesk, F&A, and HR)

22% Who knows! We just need to wait and watch.

8% Generative AI will mainly result in a net reduction of creative jobs (e.g., design, music, arts, and writing)

8% Generative AI will result in a net increase of jobs (e.g., prompt engineers, modelers, and tuners).

Source: HFS Horizons Summit–New York City, 2023

Are you excited or scared with the current talent equation?

**2022 was
The Great Resignation**

**2023 is becoming
The Great Freakout**

**Now prepare for the
Great LLM-ization**

The hybrid workforce is here to stay, but we've not figured it out. What is the biggest challenge, and how do we manage it?
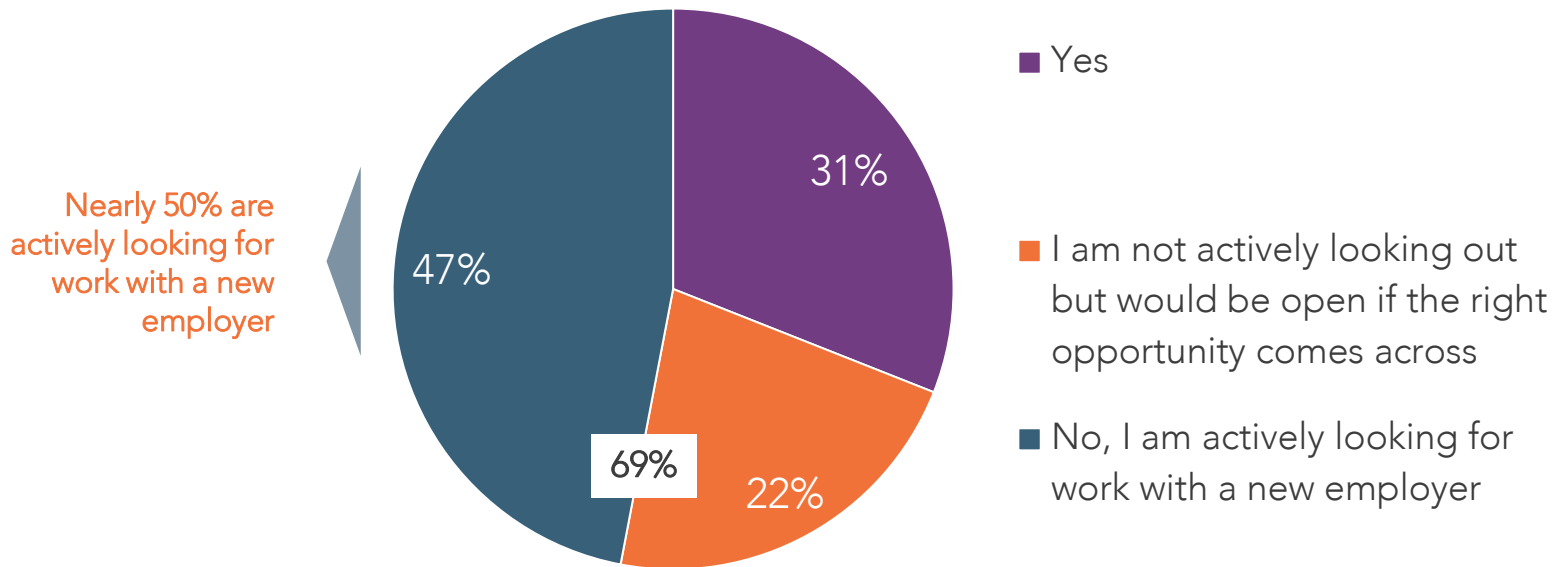
Do you think Hybrid Work is effective?

Employers
(n=457)

33%

Yes, very effective

Employees
(n=759)

49%

Sample: 457 employers and 759 employees
Source: HFS Research, 2023

Despite all the talk, employee experience (EX) for the IT and business services industry is poor. Why is that? What EX-related investments are required to make hybrid work effective in this emerging digital workplace era?
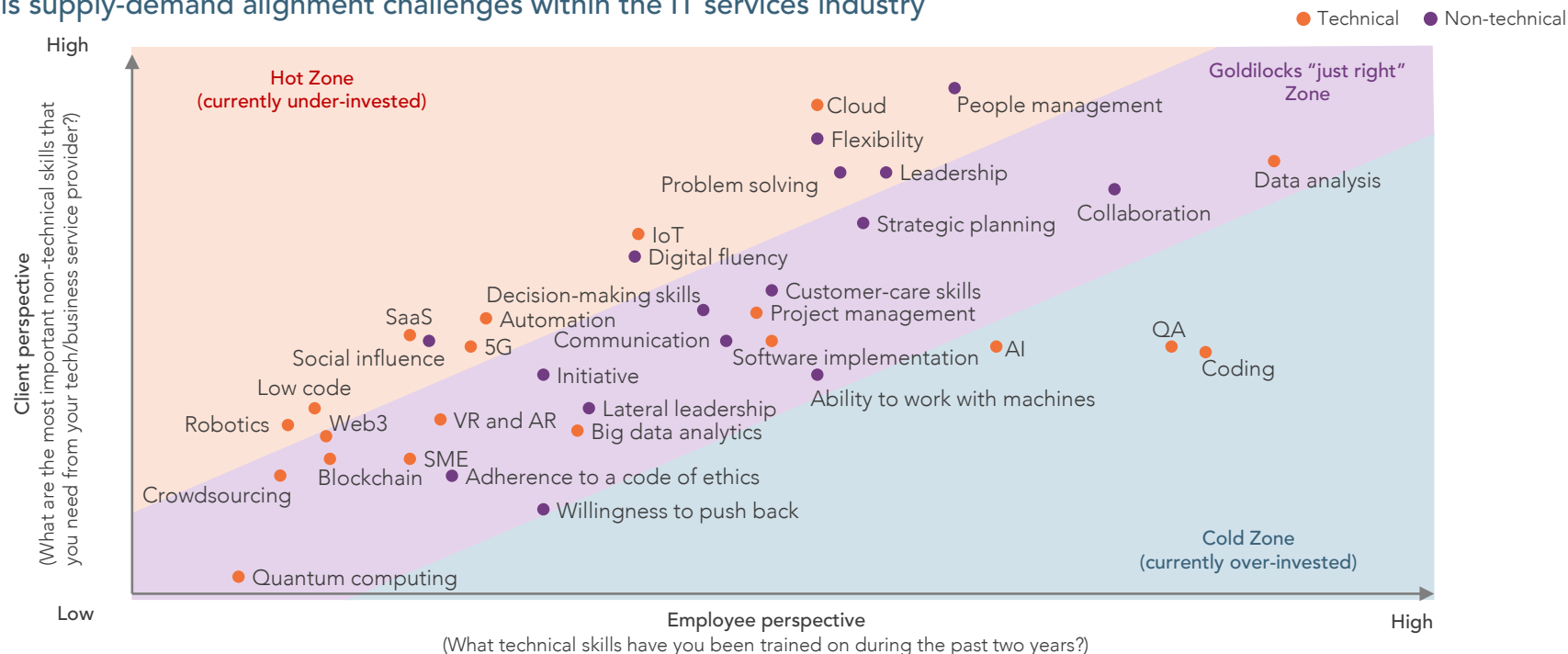
Do you intend to be with your current employer for the next 12 months?

Nearly 50% are actively looking for work with a new employer

31%

47%

69%

22%

- Yes
- I am not actively looking out but would be open if the right opportunity comes across
- No, I am actively looking for work with a new employer

Sample: 1,800 employees across leading IT/business service providers
Source: HFS Research, 2022

The balance between the supply and demand of skills is precarious and fragile. How do we build a future-ready talent ecosystem?

Skills supply-demand alignment challenges within the IT services industry

Legend: ● Technical ● Non-technical

Y-axis: Client perspective (What are the most important non-technical skills that you need from your tech/business service provider?) — Low to High

X-axis: Employee perspective (What technical skills have you been trained on during the past two years?) — Low to High

Zones:
- Hot Zone (currently under-invested)
- Goldilocks "just right" Zone
- Cold Zone (currently over-invested)

Plotted items: Cloud, People management, Flexibility, Problem solving, Leadership, Data analysis, Strategic planning, Collaboration, IoT, Digital fluency, Decision-making skills, Customer-care skills, Project management, SaaS, Automation, QA, Communication, Software implementation, AI, Coding, Social influence, 5G, Initiative, Ability to work with machines, Low code, Robotics, Web3, VR and AR, Lateral leadership, Big data analytics, Blockchain, SME, Adherence to a code of ethics, Crowdsourcing, Willingness to push back, Quantum computing

Sample: 300 enterprises and 600 Indian employees across leading IT/business service providers
Source: HFS Research, 2023

What is the significance of diversity, equity, and inclusion in a hybrid world?

The technology and business services industry is far from reaching gender equality
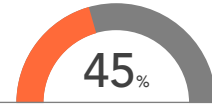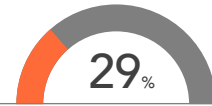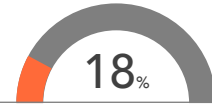
33%
WOMEN

67%
MEN

👤 WOMEN

💡 Entry level — **45**%

🔧 Mid level — **29**%

🌐 Senior level — **18**%

Sample set: Over 2 million employees across leading service providers including Accenture, Capgemini, EXL, Genpact, HCL, Infosys, TCS, Wipro, and WNS
Source: HFS Research, 2021

How will we resolve the talent crunch without finding a hidden continent under the ocean!!!

If you are changing your delivery strategy, what is the primary reasons for the change?
% respondents
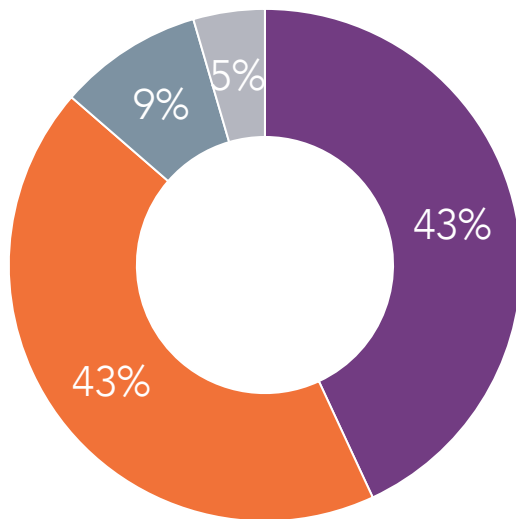
- ■ Remote/ hybrid work has opened up new opportunities
- ■ We need greater access to talent but the labor pools in traditional delivery locations are drying up
- ■ We are seeking different outcomes within our sourcing engagements
- ■ We are not changing our delivery strategy

Do we need to rethink the talent leadership role? How would you define success?

Chief Executive Officer

Long-term infinite mindset
Strategy to drive profit with a purpose
Forcing the change that is needed
Balancing the desires of the stakeholder mix
Collaborative innovative culture
ESG mandate

Partner Experience Officer

Supply chain partners
Industry partners
Cross-industry partners
Technology and business
service partners
Hyperscaler partners

Chief Transformation Officer

IT and business operations
End-to-end process ownership
Data and decisions
Cybersecurity
Enabling technologies
(automation, AI, blockchain,
5G, and others)

Chief Customer Experience Officer

Anticipate customer needs
CX design and delivery
Digital + physical engagement
Mindshare growth (marketing)
Wallet-share growth (sales)

Chief Employee Experience Officer

OneOffice skills
Digitally fluent workforce
Drive organizational values
Organizational change
management
Alternative talent models
Internal stakeholder alignment