



VALUE TALK

A MONTHLY NEWSLETTER BY ADD VALUE CONSULTANTS

Add Value Consultants is a leading Management Consulting Firm serving Indian Industries. This Newsletter is an endeavor to provide updates, understanding and sharing of global practices to the Business Owners, Mangers, Academicians and Executives.

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Editorial Note

Dear Readers,

Skill Workforce is the most critical aspect for business growth for organization. Skilling-Upskilling-Reskilling is being shaped with a 360 degree perspective. Un availability of skilled Manpower and absence of defined way to provide skills to organization also becomes a hindering factor to the growth.

When it comes to skill based hiring, Retention of employees also is on the positive side.

In this issue, we have covered the topic Skill-based hiring whereby how they are changing the talent landscape. It will surely help readers to get insights upon skill based hiring and it's impact upon the organizations. I would be pleased to get your views upon it. We also welcome articles from Experts, Entrepreneurs and Management professionals who can dive deep into Industry scenarios...

Have a Great Time....!!!

Regards,
Chetan Bhojani

SKILL-BASED HIRING IS NOW CREATING A NEW SHIFT IN THE TALENT LANDSCAPE!

The primary criterion of completing graduation is not at all a check box in the hiring strategy of companies these days. This shift in the changing talent landscape to “skill-based hiring” in majority reflected in the job descriptions and job screening process these days.

Data from Workindia says that 831000 employers, including small and medium-sized businesses (SMBs) and micro small and medium enterprises (MSMEs) are now prioritizing skill-based hiring and over 10 lakh candidates have been hired in the past year based solely on their skill rather than their educational background.

A report from Foundit also reveals that nearly 80 per cent of employers are now emphasizing skill over formal qualification. In India, the trend of hiring based on skills has been particularly pronounced in the tech industry and startups. As of May 2024, 28 per cent of job posting are focused on skills rather than specific educational requirements. As per the report the industries that priorities hiring employees for “skill over degrees” are IT,

Manufacturing, Media & Entertainment, Fintech, Design & Creative, Digital Marketing & Advertising, and Startups.

The figures and trends indicate a significant shift towards skill-based hiring, driven by the need for specific competencies and the recognition that traditional educational pathway may not always align with industry requirements.

Additionally, the availability of challenges and skill assessment platforms has enhanced employer’s ability to identify and hire candidates based on their demonstrated competencies and practical abilities, rather than relying solely on formal qualifications.

- **More on-ground knowledge than theories!**

L’oreal India has a media lead who has degree in psychology and a Master’s in Film and Digital Video production. And its insights lead is some with a Master’s in International relations (typically, for such a role, the candidate would have an MBA in Marketing).

Visionet follows the talent

Management philosophy of ‘Hire for Skill, Train for role, and coach to perform. “This approach is significant in both Business process Management(BPM) and IT Services, where adaptability is crucial. with this strategy, we have seen a growth of more than 200 per cent in hiring volumes and enhanced the quality of talent”, says Suvarna Nikam, HR Head, Visionet Global.

- **Employees hired on the bases of skill stay longer**

About 80 per cent of the hired employees in the last few years were predominantly skill-based at Unimoni Finance Services.

According to Rathish R, Chief People Officer, Unimoni Finance Services, 799 and 808 people were hired at the company on the bases of their skills in FY 2022-23 and FY 2023-24 respectively. “As the employees are hired bases on their skills, they are more likely to remain satisfied and stay longer with the organization. This reduced our turnover rates and the associated costs of hiring and training new employees, says Rathish.

- **Allows to tap into a diverse talent pool**

“In the past year, 75 per cent of SAVA Healthcare new hires (100 people across various departments) were selected primarily based on their skills and relevant experience, rather than solely on their educational qualifications. This approach allows us to tap into a diverse talent pool, including candidates who have gained expertise through non-traditional paths such as vocational training, online courses and hands-on experience,” says Biswajit Mohapatra, HR Head.

- **Facility Management**

Since implementing skill-based hiring, Technique Control Facility Management (TCFM) has seen a significant increase in the number of hires based on practical skills, and specifically for soft services categories like janitors, pantry staff, horticulture maintenance, housekeeping staff, office boys and drivers have grown to about 6500 to 6700 employees.

Transitioning from traditional degree-based hiring to skill-based hiring posed several challenges for the company.

Firstly, it required a cultural shift within the organization to value practical skills and experience equally, if not more than formal educational qualifications. This change necessitated extensive training for the HR teams to evaluate candidates based on their skills and hands-on experience.

- **Automation sector**

Titan Engineering & Automation Limited (TEAL) identified the necessity to transition to skill-based hiring in 2017.

“Back in 2017, only 70 per cent of our hires (50 people) were evaluated based on their skills in the organization. However, by 2023, this percentage had grown to 90 per cent and above (255 people). With the rapid progression in robotics and automation, it became clear that practical experience and specific technical skills were more vital for job performance than traditional degree qualifications,” says Lakshmi Toshniwal, Associate General Manager- HR, Titan Engineering and Automation.

“Resistance from hiring managers, who may be comfortable with conventional methods,

further complicates the shift. The transition also demands a cultural change within the organization, as it alters long-held perceptions of qualifications.”

- **Beyond textbook qualifications**

At Target Publications, 63 people among the total 300 employees were hired on a skill basis. For sales roles, the company goes beyond textbook qualifications. It assesses a candidate's ability to craft a compelling pitch note - a skill that directly translates to driving sales. Similarly, for creative talent, the role demands a person who can translate design concepts into visually appealing and impactful marketing materials.

- **The pandemic induced this hiring trend**

The initial time and resource investment required to implement skill-based hiring process. This includes training HR personnel and hiring managers on new assessment methods and continuously updating these methods to keep pace with the evolving job requirements.

(Compiled from ETHR World)

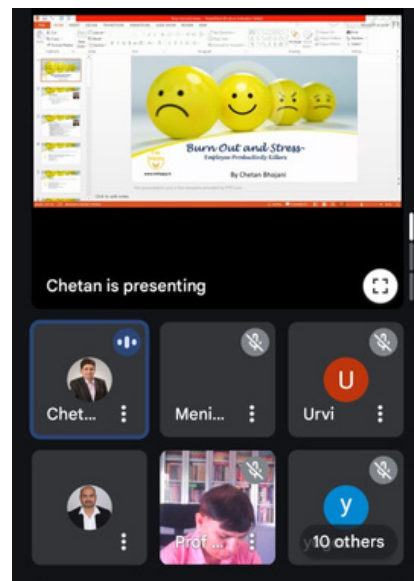
VALUE EVENTS :

Sessions on “International Business” at Ahmedabad Management Association



Two sessions on **"5 ways to find right buyers in the export market & How to pitch effectively to the export customers"** was organized by Ahmedabad Management Association(AMA) on 11th July, 2024. The session was conducted by Mr. Chetan Bhojani, Founder & CEO, Add Value Consultants. He is a regular speaker on International Business and Global Business Management Practices.

Session on “Burnout & Stress - Employee Productivity Killers” organized by ISTD Anand Chapter



An online session on **"Burnout & Stress - Employee Productivity Killers"** organized by ISTD, Anand Chapter on 19th July, 2024. The session was conducted by Mr. Chetan Bhojani, Director at Add Value Group of Companies. We had a great interaction with the participants.