State and Future of Talent Assessments in India – 2020 & Beyond

Armezo

Demographics

135 Organizations

18 Industries

145 Respondents

Pan-India Spread

🇮🇳 INDIA
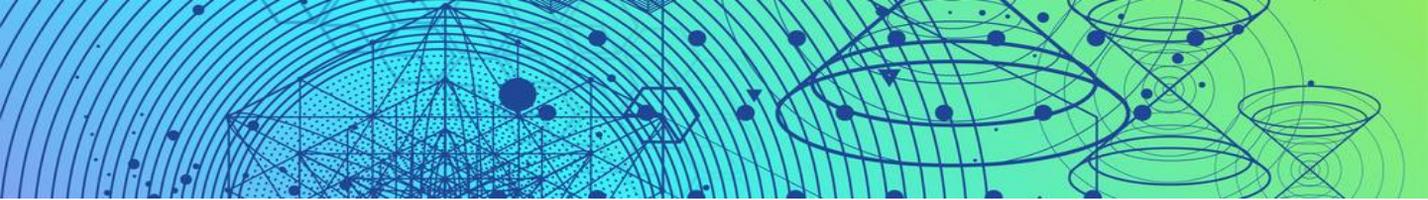
ABOUT THE TEAM

Armezo is the arm that measures talent, potential, and performance for organizations through our Assessment, Survey, and Examination Solutions.

Our research based assessments are trusted by HR leaders across industries to hire, train, and retain right people for the right job with confidence. Our innovative game-based assessments have become the tool of choice for HR leaders to bring out candidates natural behaviors in a fun and engaging manner.

The game-based assessments enable organizations to convey a fresh and dynamic employer image. The enhanced candidate experience creates an important competitive edge for companies in an increasingly global war for talent.

Our survey solutions combine the best of technology with best knowledge practices within the industry to come up with a solution that helps in gathering the pulse of an organization. Our surveys are intelligent, informative, and inductive. Our survey solutions are trusted by over 50 leading organizations as employee listening tools.

Corporate Shiksha is an innovative learning company with the mission of enabling people to learn every day and prepare to succeed at work. Leveraging the network of industry practitioners and experiential learning pedagogy, Corporate Shiksha's learning framework provides a personalized and accelerated environment for developing key competencies required to succeed at the workplace through its Master Class series.

Corporate Shiksha has created a strong learning and networking community of professionals with focused forums for CEOs, CHROs, CFOs, CMOs from leading companies in India, Middle East & SE Asia region. While we are just getting started, we have created over a 1 million seconds of learning content, worked with 200+ companies and have been rated 4.85/5 for overall participant experience from our programs.

LearnEveryday by Corporate Shiksha – is our tech platform that enables users to learn from anywhere, anytime, and on any computer or mobile device.

PREFACE

From an HR perspective, it's fast becoming apparent that perhaps the single-most-important investment during and post this lockdown involves keeping the remote workforce engaged and build a workforce that is resilient, stays positive, and works on their core strengths.

One of the most prevalent tools used by organizations to assess talent accurately and confidently for hiring, learning & development, organizational development, high-potential, or succession planning in an unbiased way is the talent assessments.

But the world we see now is dramatically different from what it was few months back. In the new normal there are different challenges, need for diverse skill sets and a need to restructure organizations and pull them out of slumber. There is uncertainty and anxiety all across with no clear path to success.

Armezo in partnership with Corporate Shiksha, set out to measure the impact of lock-downs on organizations, challenges faced, strategies adopted to overcome these challenges, and future of talent assessments.

We surveyed over 135 organizations across 15 industries and were able to capture some interesting trends as well great insights from the HR leaders on how to overcome these challenges. This report also provides great insights in terms of competencies in demand.

The report is validated and qualitative inputs provided by the leading psychometrician of India as well capture thoughts from the industry leaders.

Enjoy the read and I will welcome any feedback that you might have,

Navjit Singh

CEO & Co-Founder

Armezo Solutions

INTRODUCTION

After months of lock-downs, most of the countries have started easing of restrictions and organizations have started implementing their re-entry strategies. While the lock-downs have given ample opportunity and time to business leaders to think through their come-back strategies, but there are still a lot of questions that remain unanswered. One of the most intriguing questions that remains unanswered is how organizations prepare for re-entry with a resilient talent management strategy?

This research is an attempt to find answers to the above and some of the other most pressing questions organizations are struggling with including,

1.   What is the Impact of lockdown on organizations?
2.   What are the key challenges faced?
3.   What strategies and best practices my peers are adopting to overcome challenges?
4.   Which are some of the non-negotiable competencies required to create a workforce ready to take on the future?
5.   Which tools are leaders using to assess the talent confidently?
6.   What does the future hold for the role of talent assessments?

You will find insights and trends in this report to benchmark, create strategies based on best practices, identify competencies to create a resilient organization, use of talent assessments, and prepare for future of talent assessments.

Happy reading,

Team Armezo

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KEY FINDINGS

Learn how to manage talent in an evolving and unpredictable world.

As we enter an age of uncertainty, discussions about the future of our people, organizations, and economy will take center stage. How equipped are we to embrace a large proportion of the workforce working from home? What strategies organization are adopting to hire and retain talent in 2020 and beyond? This research reveals that almost 2/3rd of the participating organizations are moderately to totally impacted by the lock-down but business leaders have well-planned strategies to come out of the slumber.

As per the *State and Future of Talent Assessments in India – 2020 & Beyond report,* engaging the right people for the job roles based on their skills has emerged as the key strategy adopted by 68% of HR leaders to hire and retain talent in 2020.

KEY FINDINGS

64% of organizations are facing moderate to total impact because of the current pandemic situation and lock-downs.

Hiring, High-potential identification, and succession planning are the prime reasons for the use of assessments

Employee Engagement and productivity remain two of the biggest challenges because of continued work from home situation.

Early laterals and senior employees constitute the majority of experience buckets where assessments are currently used.

Hiring freeze and budget cuts have emerged as the areas of biggest impact on the organizations because of the pandemic.

Candidates faking the responses has emerged as the top challenge encountered while using traditional assessments.

Engaging the right people for the job roles based on their skills and building a resilient organization are the key HR strategies to hire and retain talent in 2020.

Cost of the talent assessment and lack of buy-in from business emerged as the top reasons for organizations not using assessments.

Problem solving and decision making, collaboration, resilience, learning agility, and creativity were cited as top 5 competencies which are non-negotiable for organizations irrespective of the job-role.

More than 2/3rd of the organizations still use Feedback and past performance management appraisal data to make sure that they have the right set of people for the right job without increasing anxiety.

SURVEY INSIGHTS

IMPACT OF THE CURRENT
SITUATION OF COVID-19
ON YOUR ORGANIZATION?

64%
OF THE RESPONDENTS SUGGESTED THAT THEIR ORGANIZATIONS WERE MODERATE TO TOTALLY IMPACTED AS THE EMPLOYEES NEEDED TO WORK ON-SITE

Such is the impact of the pandemic on the Indian economy that the World Bank has estimated that India's economy would shrink by 3.2% in FY20-21. This is a sentiment shared by the respondents in the survey. There is no doubt that while incomes will drop, jobs will be lost, but the impact of the contraction will vary across sectors, states, even social groups.

IMPACT OF CURRENT SITUATION OF COVID-19 ON YOUR ORGANIZATION?

Total Impact
7%

Minimum Impact
36%

Significant Impact
27%

Moderate Impact
30%
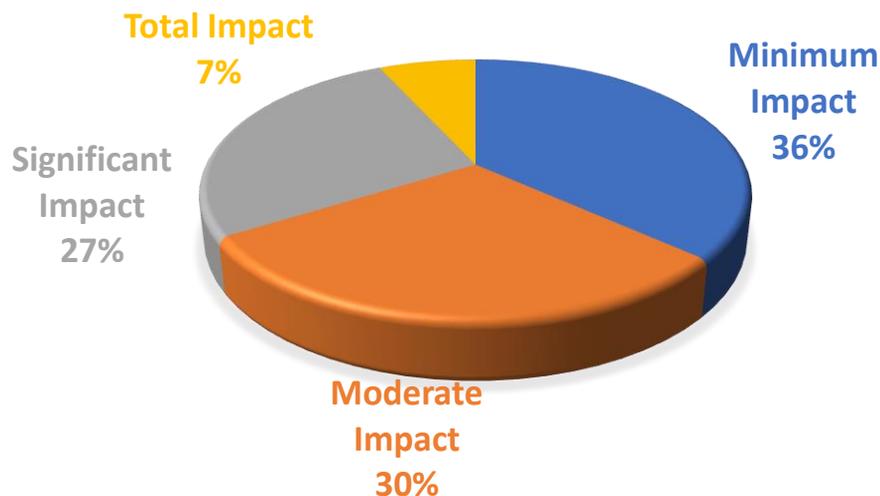
KEY CHALLENGES THAT
YOU FORESEE OF EMPLOYEE
WORKING FROM HOME?

68% OF THE RESPONDENTS HAVE SAID THAT WORK-FROM-HOME'S BIGGEST IMPACT IS IN THE AREAS OF EMPLOYEE ENGAGEMENT, PRODUCTIVITY, AND STRESS MANAGEMENT

The shift to remote work and work from home is so sudden and no one was prepared for it. As a result, many employers were not able to help their employees transition seamlessly for the new normal. As expected employee engagement, productivity, and stress management has emerged as key challenges. Employers are also concerned about information security, employee well-being and their mental state.

KEY CHALLENGES YOU FORESEE OF EMPLOYEE WORKING FROM HOME?

- Integrity 5%
- Others 5%
- Productivity 24%
- Stress Management 20%
- Engagement 24%
- Accountability 13%
- Continuity of Services 9%
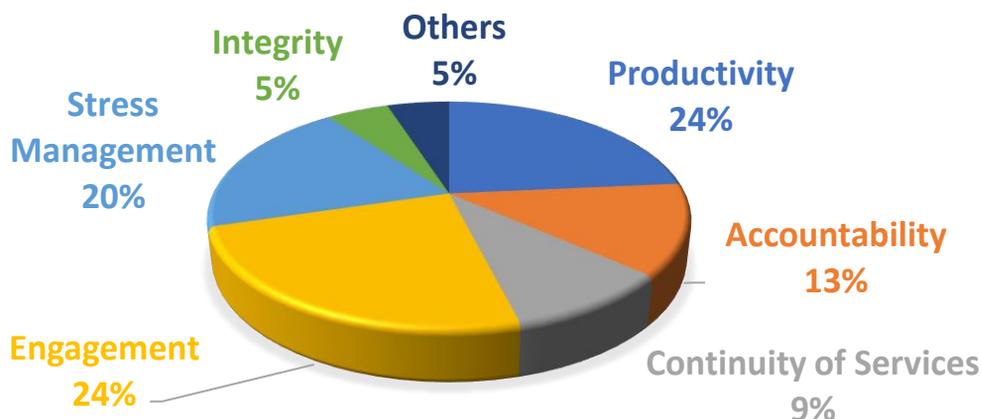
IMPACT YOU FORESEE
ON EMPLOYEE'S
POST LOCK-DOWN?

91% **OF THE ORGANIZATIONS ARE LOOKING AT WAYS THAN LAYOFFS TO MINIMIZE OR SOFTEN THE IMPACT ON EMPLOYEES AND ORGANIZATIONS**

While layoffs remain one of the bitter options to tide over these crisis times, the good news is that the organizations are evaluating other options like pay cuts, hiring freezes, budget cuts, etc. to avoid layoffs. Whether the trends remain over the next couple of months would depend on the speed of re-boot and recovery.

IMPACT ON EMPLOYEES POST LOCK-DOWN

24%	Hiring Freeze
23%	Budget Cuts
17%	Delayed Appraisals
15%	Restructuring
12%	Salary Cut
8%	Job Losses
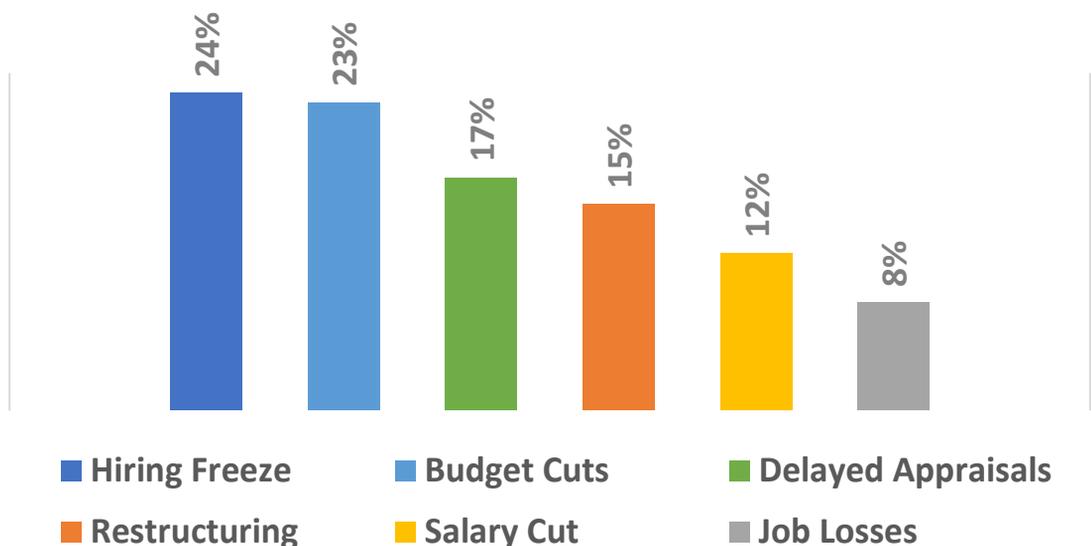
KEY HR STRATEGIES
TO HIRE AND RETAIN TALENT IN 2020?

68% ORGANIZATIONS BELIEVE THAT HAVING THE RIGHT PEOPLE DO THE RIGHT JOB IS THE MOST EFFECTIVE STRATEGY TO HIRE & RETAIN TALENT IN 2020 FOLLOWED BY BUILDING A RESILIENT ORGANIZATION (59%) AND EMPLOYEE ENGAGEMENT (58%)

From an HR perspective, it's fast becoming apparent that perhaps the single-most-important investment involves building a workforce that is resilient, stays positive, and works on their core strengths, enabling them to cope better with the current crisis, and bounce back with renewed vigour and motivation.

KEY HR STRATEGIES TO HIRE & RETAIN TALENT IN 2020

Strategy	Percentage
Engaging the right people for the job roles	68%
Building a resilient organization	59%
Employee Engagement	58%
Alignment with business objectives	57%
Internal Recruiting and Referrals	43%
Effective Job Role Communication	34%
Competency based assessments	34%
Effective Job Role Communication	34%
Employer Branding	31%
AI enabled sourcing	17%

KEY HR STRATEGIES

1. Engaging Right People for the Job

Every employee is uniquely capable of excelling in their jobs and the productivity is the highest when an organization has all the people working on their core strengths. At the times, when almost all the industries are struggling with efforts to sail in these turbulent waters, they would need all the energy they could muster to propel their ships out of the storm. Alone, our individual capabilities are powerful, but when combined with other colleagues' strengths, the team can be unstoppable.

2. Building a Resilient Organization

One of the most important strategies for the reboot is trying to build an organization that can manage uncertainties and complex situations better. There is evidence linking resilience or mental toughness with positive behaviors and outcomes in the workplace. Research has reported positive predictive links between resilience and performance, well-being, and managing transitions.

3. Employee Engagement

Even in these turbulent times, employee engagement has remained a priority and organizations are evolving their engagement strategies to keep the remote workforce motivated and engaged. As part of their engagement strategies, HR has started including e virtual lunches, quizzes, up-skilling initiatives, spot/pulse surveys to make employees feel connected and cared for.

4. Alignment with Business Objectives

A key challenge for business leaders during these testing times is to translate the shared corporate objectives into meaningful functional and team goals- something that will enable employees to work towards a shared purpose. Breaking down the company-wide objectives into smaller and time-bound actions result in better tracking, accountability, and an energized team that will execute in alignment, with focus.

5. Internal Recruiting and Referrals

It's an accepted fact that the quality of hire is high when the hiring is done through internal means and referrals. The biggest reason is that your employee has already done the initial screening by considering if he is the right fit for the job and aligns with the direction of budget cuts implemented during these times. This also saves on high recruitment costs associated with third-party recruiters, job portals, etc.

NON – NEGOTIABLE COMPETENCIES
FOR YOUR ORGANIZATION
IRRESPECTIVE OF THE JOB ROLE?

TOP 5

Problem Solving & Decision Making

1

Collaboration

2

Resilience

3

Learning Agility

4

Creativity & Innovation

5
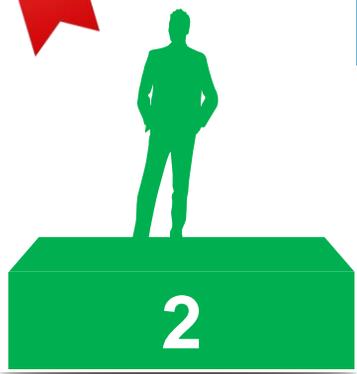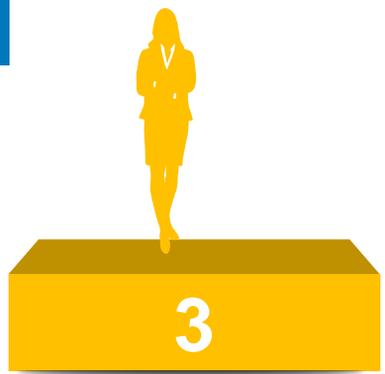
TOP 10 COMPETENCIES

1. Problem Solving and Decision Making

The tendency to take efforts to define and understand the context of problems. The ability to utilize relevant information and resources to reach one's objective. The propensity to anticipate and understand the risks and implications associated with one's decisions. An individual with high problem-solving skills can be expected to go beyond the obvious details to identify root causes of a problem and base one's decisions on an objective analysis of alternative courses of action.

2. Collaboration

The tendency to feel comfortable while working with others to achieve goals. The ability to be a good team player and comply with the decisions taken by the team. It involves sharing critical information with one's team members and providing one's input and suggestions. An individual high on collaboration skills tries to keep a positive and friendly attitude while dealing with others.

3. Resilience

The ability to stay focused on the current situation under stressful conditions. The ability to not lose one's calm and composure when faced with setbacks. A resilient person will recover from mistakes and failures easily. He/she maintains a positive outlook under adverse and difficult situations.

4. Creativity & Innovation

The tendency to follow unconventional and untraditional approaches to solve a problem. The tendency to have imaginative and innovative thinking to develop creative solutions while working. A creative person may spend a considerable amount of time to seek out opportunities to devise novel methods of working.

5. Learning Agility

Being able to 'unlearn' previously learned notions which can facilitate the learning of new principles. The tendency to seek out more opportunities to enhance knowledge and hone one's skill set. The tendency to engage oneself in self-reflection to review one's learning and growth. It involves making efforts to keep oneself updated on current research and technology in one's area of focus and pursuing skills and training that will enhance job performance. An individual high on learning agility will solicit feedback from others to improve one's performance.

6. Adaptability

7. Accountability

8. Quality Orientation

9. Planning & Organizing

10. Understanding Customer Needs

HOW DO YOU MAKE SURE THAT
YOU HAVE THE RIGHT PEOPLE
FOR THE RIGHT JOB?

87% — ORGANIZATIONS ARE USING DATA INSIGHTS IN THE FORM OF PAST PERFORMANCE, APPRAISAL DATA OR TRADITIONAL ASSESSMENTS TO MAKE SURE THAT THEY HAVE THE RIGHT PEOPLE FOR THE RIGHT JOB

While most of the respondents are using some sort of tools or data insights to make sure that have the right people for the right job without increasing the levels of anxiety the employees are already under. There is still about 13% of respondents use no formal methods and trust their gut feel or instincts to make the decision.

## HOW DO YOU MAKE SURE THAT YOU HAVE THE RIGHT PEOPLE FOR THE RIGHT JOB
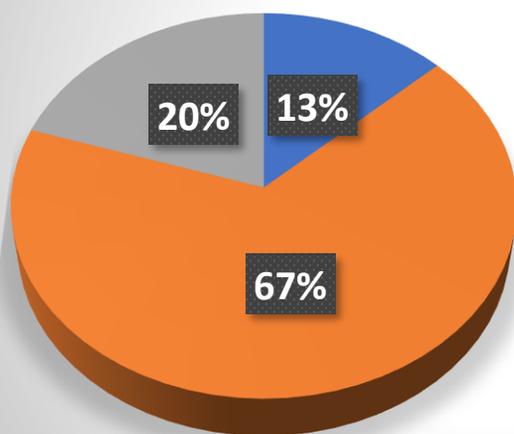
- 13% — No formal method. Use feedback, gut-feeling and instincts
- 67% — Feedback and past performance management appraisal data
- 20% — Use traditional assessments to assess competencies

APPLICATION AREAS
AND EMPLOYEE LEVELS
FOR TALENT ASSESSMENTS?

ASSESSMENTS APPLICATION AREAS

21%	16%	27%	17%	19%
Hiring	Training	HiPo and Succession Planning	Organization Structure Alignment	Performance Management
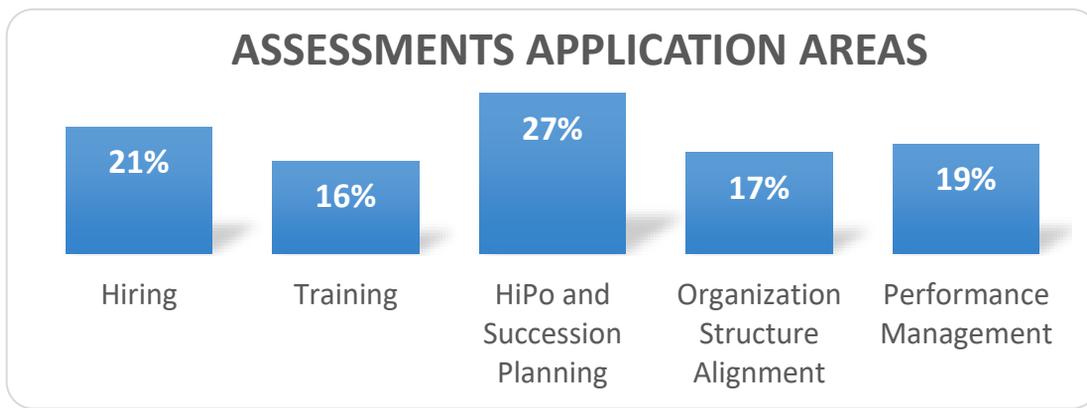
Organizations using the assessments are deploying them across the employee life cycle - hiring to performance management. The most prevalent use case of the assessments for these organizations is for identifying the high potential and succession planning.

ASSESSMENTS BY EXPERIENCE LEVELS

31%	42%	35%	58%
0-2 years	3-5 years	6-10 years	10+ years
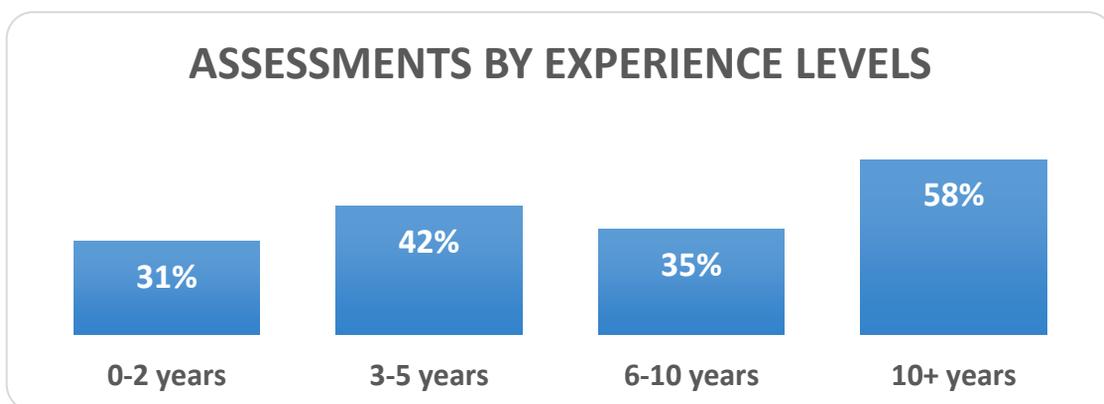
From an experience perspective, more than 58% of respondents are using it for senior level hiring with 10+ year of experience, followed by 3-5 years of experience. These are the experience levels where someone might be making a transition from an individual contributor to a people management role.

TYPICAL CHALLENGES THAT YOU
ENCOUNTER WHILE ADMINISTERING TRADITIONAL ASSESSMENTS?

41% RESPONDENTS BELIEVE THAT CANDIDATES CAN FAKE THE RESPONSES . OVER 27% HAVE HIGHLIGHTED THAT THEY ARE NOT VALID MOST OF THE TIMES AND REPORTS ONLY FOCUS ON HIRING.

A candidate can try to fake or manipulate one's answers as there are no right or wrong answers and a particular pattern of answers can lead to desired scores and inherent portrayal of strengths. Also, the candidates are not self-aware of their competency levels or give socially desirable responses impacting the validity of results.

TYPICAL CHALLENGES WITH TRADITIONAL ASSESSMENTS

| Challenge	Percentage
Candidates can fake the responses	41%
Report only focuses on hiring	28%
Not Valid most of the times	28%
Low Employee Engagement	21%
Socially acceptable bias	17%
Doesn't appear fair and transparent	17%
Doesn't aids employer branding	10%
Poor customer support	7%
Assessment completion rate is low	3%

REASONS FOR
NOT USING
ASSESSMENTS

30% ORGANIZATIONS ARE NOT USING ASSESSMENTS AS THEY COULDN'T GET BUY-IN FROM BUSINESS. THIS IS A GREAT OPPORTUNITY FOR THE HR LEADERS TO EDUCATE BUSINESS BUYERS ON THE PROS OF USING ASSESSMENTS AND THE AVAILABILITY OF SPECIFIC FUNCTIONAL DOMAIN CENTRIC ASSESSMENTS.

A good 1/3rd of the organizations who don't use talent assessments have said that they use other tools to help them. This is closely followed by organizations not having the buy-in from businesses and cost of the assessments acting as barriers to adoption.

REASONS FOR NOT USING ASSESSMENTS

- 36% Using other tools
- 30% No Buy-In from business
- 30% Too Costly
- 21% Not Reliable
- 9% Time Consuming

■ **Using other tools**   ■ **No Buy-In from business**
■ **Too Costly**   ■ **Not Reliable**
■ **Time Consuming**
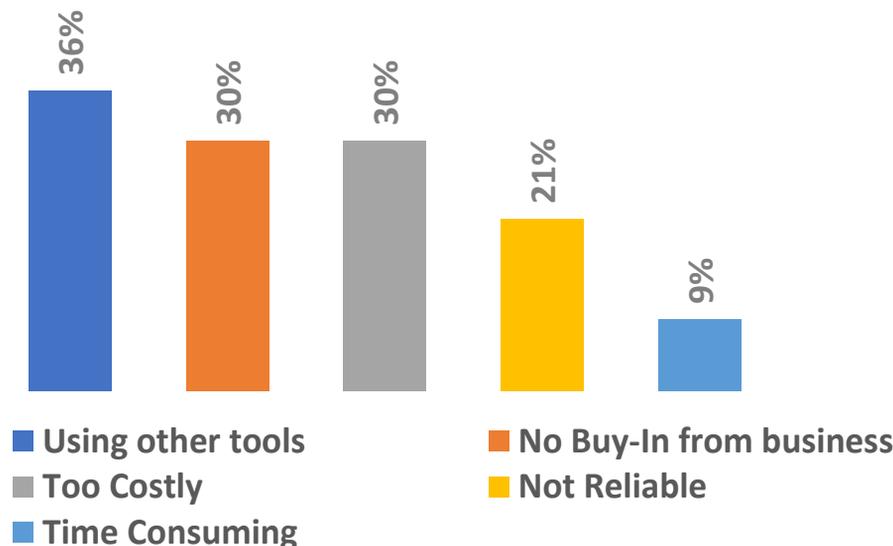
Conclusion

At a time when organizations are trying to reboot their organizations to adjust to the new normal, the only thing that will separate them from the laggards would be the talent pool and the leadership they have to guide, motivate, and lead that organization..

Can organizations afford to delay or put a hold on their reorganization of the right people doing the jobs, they are best suited for or building a resilient organization in these uncertain times? The resounding answer is NO.

History shows that the organizations that outperformed their competitors post the last financial downturn were the ones that didn't wait for the economy to change but proactively prepared the organization and its people.

The adversity has presented an opportunity to organizations to adopt talent assessments and broaden their usage, to make their talent decisions confidently while keeping their employees engaged and without increasing the level of stress they are already under.

OPEN TO EXPLORE GAME-BASED ASSESSMENTS IN THE NEXT 6 MONTHS

29%

71%

■ Yes ■ No
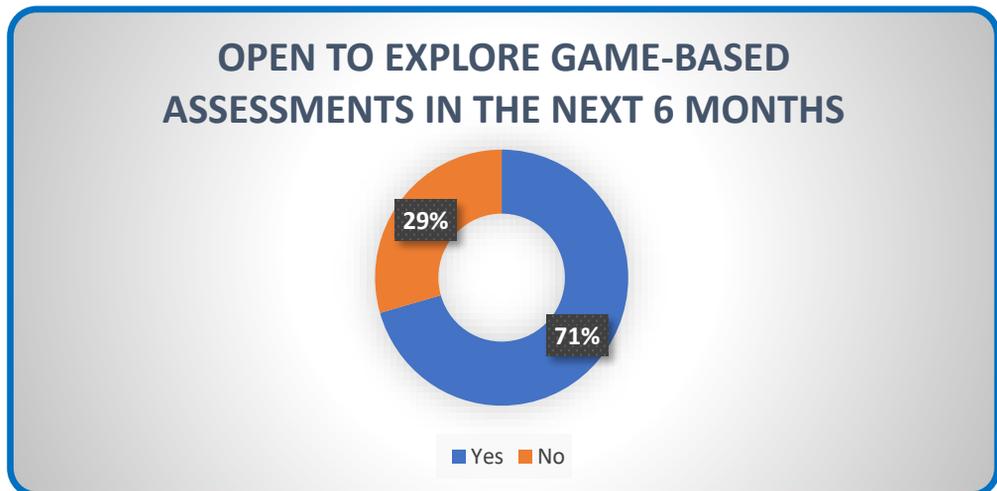
Therefore it comes as no surprise that 71% of the respondents have shown their interest to explore game-based assessments in the next 6 months.

In short, game-based talent assessments are the future of assessments and could be the difference whether you survive or thrive post the pandemic.
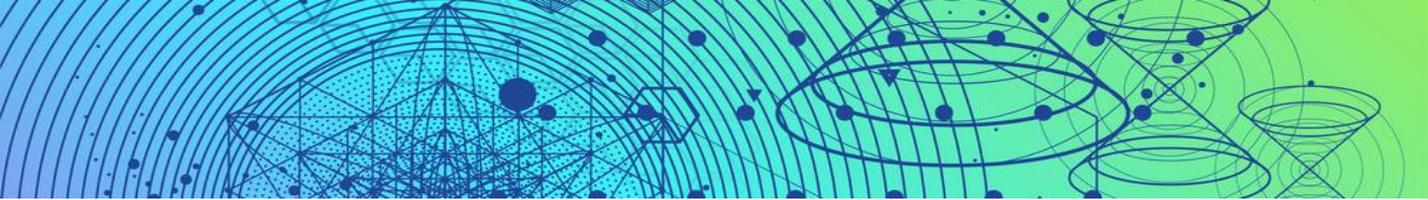
FROM THE CEO's DESK

Dear Friends.

Even though the demand-supply gap has turned upside down, the battle to scout for the best talent will continue to evolve to meet the demands of the job markets. From Chatbots to Robotic Process Automation, use of Artificial Intelligence & Machine Learning to data sciences, IVR, Mobile-based hiring to use of NLP, the technology landscape is evolving very fast as far as talent assessments are concerned.

Today's business leaders agree that one of the key drivers of business success during and post a downturn is an outstanding talent pool. Organizations across industries are taking a game-based approach to assessment for informed talent decision making.

Game-based assessments offer certain advantages over traditional methods of assessments-

1. Reveals true behaviors and abilities
2. Appears relevant to candidates
3. An Engaging and immersive experience for candidates
4. No gaming experience required
5. Appear fair and objective to candidates
6. Improves employer branding

Game-based assessments offer a powerful tool for HR organizations recruiters to objectively find the fitment for the position while ensuring that the assessment cannot be manipulated or faked.

Navjit Singh

CEO & Co-Founder

PSYCHOMETRICIAN NOTE

Candidate screening is becoming critical and hence emerging as a reliable selection tool for today's recruiter. Thus, organizations more often than not are relying on standardized assessments for better informed decisions.

According to a Wall Street Journal article, "eight of the top 10 U.S. private employers now administer pre-hire tests in their job applications for some positions." The rates of companies using such tools across the globe continues to rise.

Using game-based assessments as a tool may both expand and strengthen the domain of talent assessment. Incorporating game-based psychometric assessments enables the measurement of particular KSAs (knowledge, skills and attitude) in an improved manner (i.e., increased validity and reliability) through the use of technology as compared to traditional assessments like paper-and-pencil tests or performance-based assessments.

Unlike a standardized traditional test, which only produces product data, a game-based assessment also provides process data, for e.g., mouse clicks, keystrokes, navigational behavior, time stamps, etc.

Meaningful relationships between the data presented in the log files and their relationships to the constructs can be measured and correlated in real life. This leads to building of an evidentiary argument in which game-based assessment performance data can be used as evidence for understanding about a person's knowledge, skills and abilities.

Cont'd

Game based assessments are likely to create "psychometric fingerprint" using the power of para-data – the information and insights that can be looked into from 'how' a candidate plays a game or completes an assessment, such as their response time or how long they spend reading instructions or how they navigate through the assessment.

This will become possible as the way each of us processes information and responds when we are assessed is unique. Knowing not only what a candidate scored on the behaviors/ competencies, but also how they went about it or navigated through the assessment can help you to prevent cheating, identify potential and predict performance outcomes.

As game based assessments are designed based on pre-defined assumptions and hypotheses, some game elements like giving feedback can be a concern in an assessment scenario.

Organizations need to be careful about what kinds of feedback they provide to applicants, especially in the countries like United States where there is the possibility of litigation action from candidates.

Assessment developers have to be intentional about how they utilize game mechanics, and organizations that use these assessments should be considerate about the implications for test security and applicant reactions.

Dr. Anamika Sharma

PRACTICAL TIPS TO CHOOSE RIGHT GAME-BASED PSYCHOMETRIC ASSESSMENT

The biggest challenge before the organizations is to identify and implement the right solution based on the business needs. Here, we suggest some practical tips that can enable your decision about when and how to choose a right game based psychometric assessment:

Define your objective to use the assessment: If you primarily aim at attracting applicants and expanding your talent pool or create a viral employer branding, then consider using a game. The assessment should be scientifically fair and objective while also creating an engaging candidate experience. Start with what you want to measure, then consider whether a game based assessment with all the properties of a traditional psychometric assessment, a gamified version of an existing assessment, or a bespoke game that measures the desired competencies will meet your needs.

Unique for Your Employer Brand: If you choose to use a game- based assessment, then consider customizing elements to fit your brand. There may be a short-term cost advantage in using a generic game but the small investment of aligning your assessment content to your employer brand, can reap exponential returns in the long-run. . This makes your selection process feel 'special' and distinct to candidates. Aspects such as the 'context' of a game based assessment can be easily customized and branded by including your organization's colors, logo, and punch line.

Ensure it maps to the job analysis: If you are looking to assess applicants for a specific job, then you need to understand what are the desirable and undesirable behaviors for the job role. To cater to this information, choose a game-based assessment that will provide the necessary data points to measure your required traits.

Cont'd

Fairness and Validity: Please note that your candidates should be able to complete the game or assessment, even if they do not have previous gaming experience and it should be grounded in scientifically validated psychometric rigor. A game based assessment should not only provide for an immersive, engaging and entertaining candidate experience, they'll also provide meaningful, job-relevant insights about each applicant.

Know your 'fitment' score: Using the data inputs from game-based assessment, you can should be able to create a 'norm group' of responses and/or develop a 'fit score' that will clearly differentiate low and high performers. This will help you to identify which candidates are best suited to the role and to your organization.

Integrate it with data: The major challenge in implementing any assessment is to provide a seamless, integrated candidate experience that will add value to your employer brand and provide you with predictive talent analytics. By amalgamating the data from the different aspects of your application process into a candidate record, integration puts all the information you need to make the right selection decision at your fingertips.

Game based assessments may, therefore, be more resistant to distortion than self-reported measures and certainly hold promises for a better predictability, higher accuracy and engaging experience.

METHODOLOGY

Science and math behind our Survey

A request to participate in the survey was rolled out in May 2020 via email and social media campaign to more than a thousand HR, TA, OD, L&D, and business leaders in India. Of these 14% responses were received across the 18 industries and geographies spread across India.

The number of respondents varies from question to question, as some questions were only intended for respondents who chose a specific option.

As with any research, readers should exercise caution when generalizing results and should take individual circumstances and experiences into consideration when deciding based on these data. The results presented in this survey report are only representative of the sample of HR and business leaders responding to the survey. Reach out to us at navjit@armezo.com to benchmark your data against the survey data from your industry.

INDUSTRY SPREAD

Industry	%
Automobile	6%
BFSI	13%
Consulting & Services	10%
Education	3%
FMCG	1%
Information Technology	20%
Internet	7%
Manufacturing	21%
Media	2%
Others	3%
Pharma & Healthcare	7%
Public Sector	1%
Real Estate	2%
Telecom	1%
Travel & Hospitality	3%
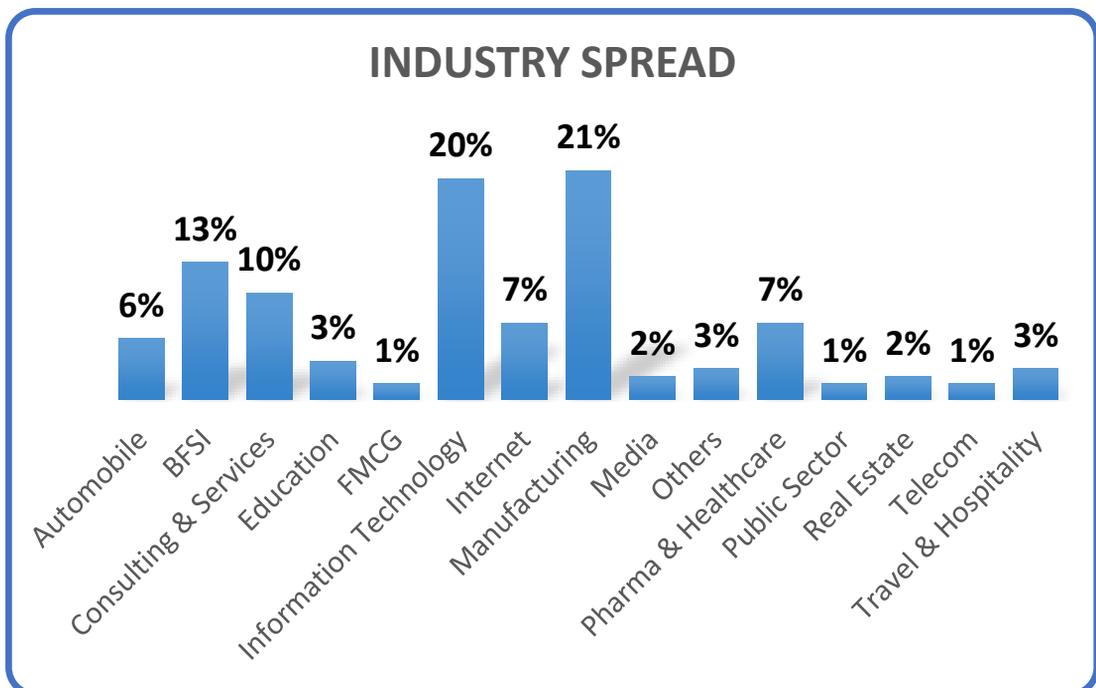
Armezo measures' talent, potential, and performance for organizations through our Assessment and Survey Solutions.

Armezo
Be Amazing!