

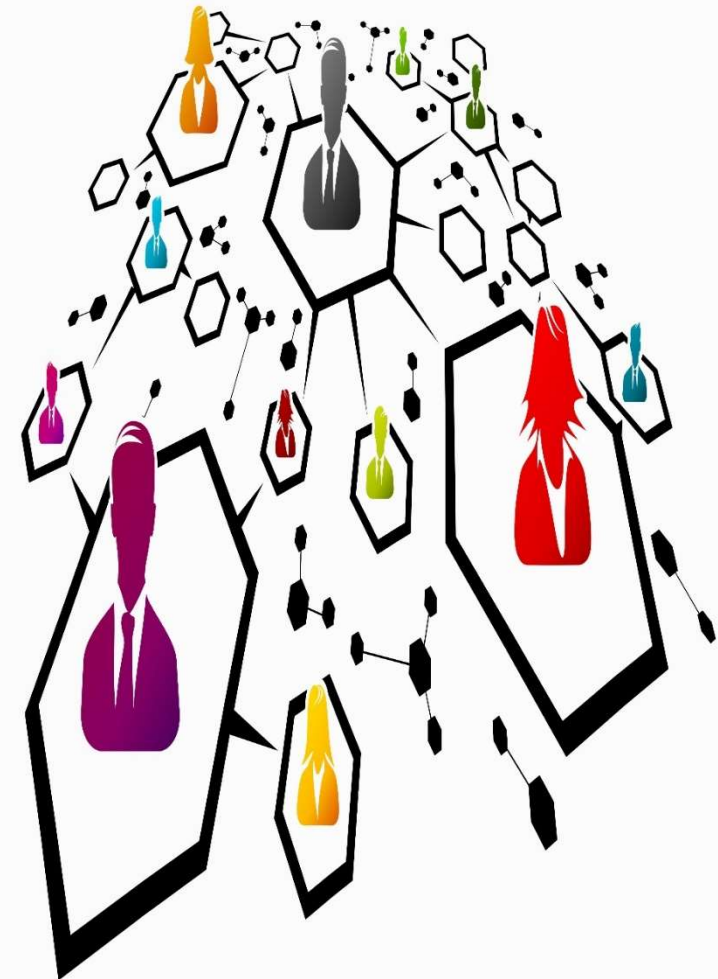


State & Future of HR and Talent Assessments 2022



Table of contents

Executive Summary	3
Key Insights	4
–Demographics	5
–Preface	6
Survey Insights	
–Impact of COVID on budgets	9
–Strategies adopted to manage the challenge	10
–Key challenges seen	11
–Key HR strategies to hire and retain talent in 2022	12
–Strategies adopted to ensure employee engagement	13
–Strategies adopted to measure stress handling capacity	14
–Non-negotiable competencies for the future	15
–Having right people for the right job	18
–Assessments application areas	19
–Typical challenges with traditional assessments	20
–Reasons for not using assessments	21
–Conclusion	
Insights for the future – 2022 & beyond	
–Psychometrician note	24
–Why Game-based assessments are virtually impossible to manipulate	26
–Industry Leader’s speak	27
Methodology	31





Executive Summary

Getting ready for the future of work and skills for the future.

Post covid organizations have dived into hybrid mode of working. The competencies of organizations have seen a transition due to the working needs post covid. The organizations have implemented de-humanization of employees, meaning digitization has taken the place of many human catered roles. Hiring decisions have had a major impact due to the post covid scenario, pushing organizations to hire remotely saving time and resources.

There is an urgent need for organizations to re-imagine their talent assessment and development landscape, to prepare for a resilient organization for the future.

Some organizations have fared better than their peer organizations and leaders are specifically looking at these success stories to maneuver their policies and strategies to the new ways of working, changing job roles and a turbulent recruitment marketplace.

Post covid has led organizations to work on their talent assessments with developing workforce and workplace dynamics.

In the report, we learned about the impact of talent assessment and development in hybrid mode of working. We learned that how companies are managing key organization challenges post covid. We also learned about the strategies adopted to hire and retain the best talent.

As we have seen that talent acquisition and development has seen a transition due to hybrid mode of working. The need for the competencies has changed drastically over years and organizations are looking at a few core skills to succeed. We found that organizations that invested in tools, processes, and strategies for talent development remained on track long-term, largely hiring the right people for the right jobs and focusing on keeping the employees engaged.

There is also insight on what future holds for the talent assessments and what are some of the factors driving its growth.

Key Insights



BUDGETS



50% of the respondents suggested that their HR budgets have either remained same or went up from last year.



EMPLOYER BRANDING

62% of respondents are focusing on employer branding to attract new talent.

EMPLOYER ENGAGEMENT



52% of the organizations are facing a challenge of keeping their employees engaged in the organization.



ASSESSMENT USE-CASES

45% of the respondents are using assessments for hiring followed by HiPo and succession planning.

KEY STRATEGIES

Flexible work-life balance, upskilling, re-skilling, well-being, talent development, and employee engagement are the key strategies adopted to manage post-covid environment.



KEY COMPETENCIES

The top 5 non-negotiable competencies irrespective of the job roles are

1. Accountability
2. Effective Communication
3. Taking Initiative
4. Collaboration
5. Planning and organizing



RIGHT FIT

Over **49%** respondents still don't use any formal methods to ensure the right fitment of people for the right job

CHALLENGES WITH ASSESSMENTS



Candidates faking the responses was reported by **50%** respondents as the biggest challenge with traditional assessments.



Demographics



NUMBER OF EMPLOYEES

>50	9%
50-100	8%
101-500	25%
501-1000	13%
1001-5000	23%
5001-10000	9%
10000+	12%

The 2022 report is based on the views of respondents from 210 organizations across India from 16+ industries.

INDUSTRY DISTRIBUTION

BFSI	6%
Construction	2%
Consulting	7%
Education	2%
Electronics	2%
Food	2%
Healthcare	7%
Internet	8%
Information Technology	20%
Logistics	2%
Manufacturing	8%
Others	13%
Pharmaceuticals	11%
Retail	3%
Apparel	2%
Telecommunication	2%

A letter from

The Founder's Desk



The impact of Covid-19 has led many organizations to transform their strategies across the globe. Organizations have tried their best to re-imagine the skills, HR policies, and strategies.

Armezo has set out to measure the impact of continued lockdown on organizations, how they overcame challenges, strategies adopted and the future of talent assessments.

This survey, 3rd in the series is an effort to get insights about the challenges faced by HR organizations, strategies adopted to overcome, and competencies required to succeed.

The survey insights aim to highlight the changed paradigm in talent assessments due to hybrid work and set up organizations for success in this dynamic environment.

After seeing the results, I strongly believe that the data will shape tools, reports, and points of view on the biggest challenges organizations faced and how they overcame. This will also shape what the future of talent assessments holds during this time and beyond.

The report is validated and qualitative inputs provided by the leading psychometrician of India and seconded by some of the most respected HR leaders of the country.

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

Happy reading.

Navjit Singh
CEO & Co-Founder
Armezo Solutions

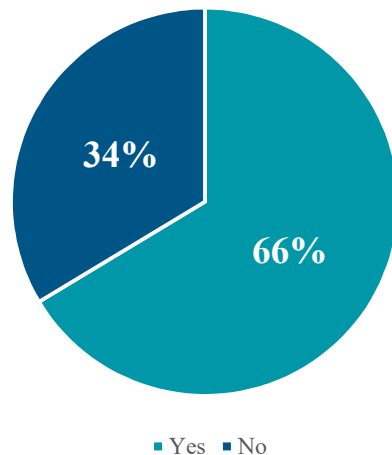
Survey Insights



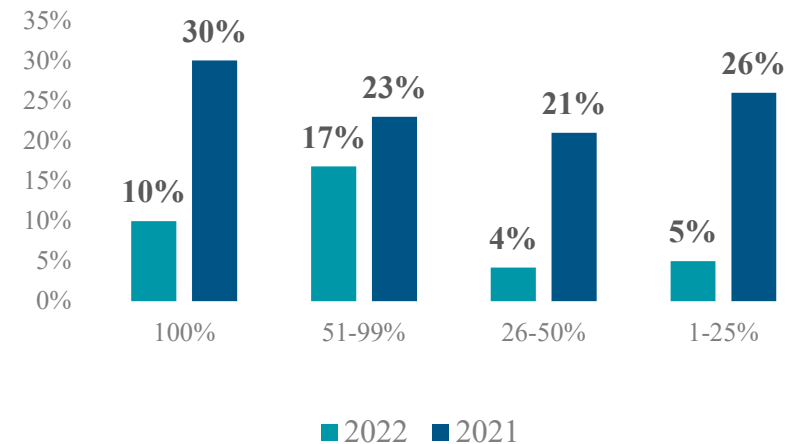
A large majority of respondent organizations

have moved to work from office with some %age still in WFH

Has your organization moved to work from office?



What's the percentage of employees still working from home?

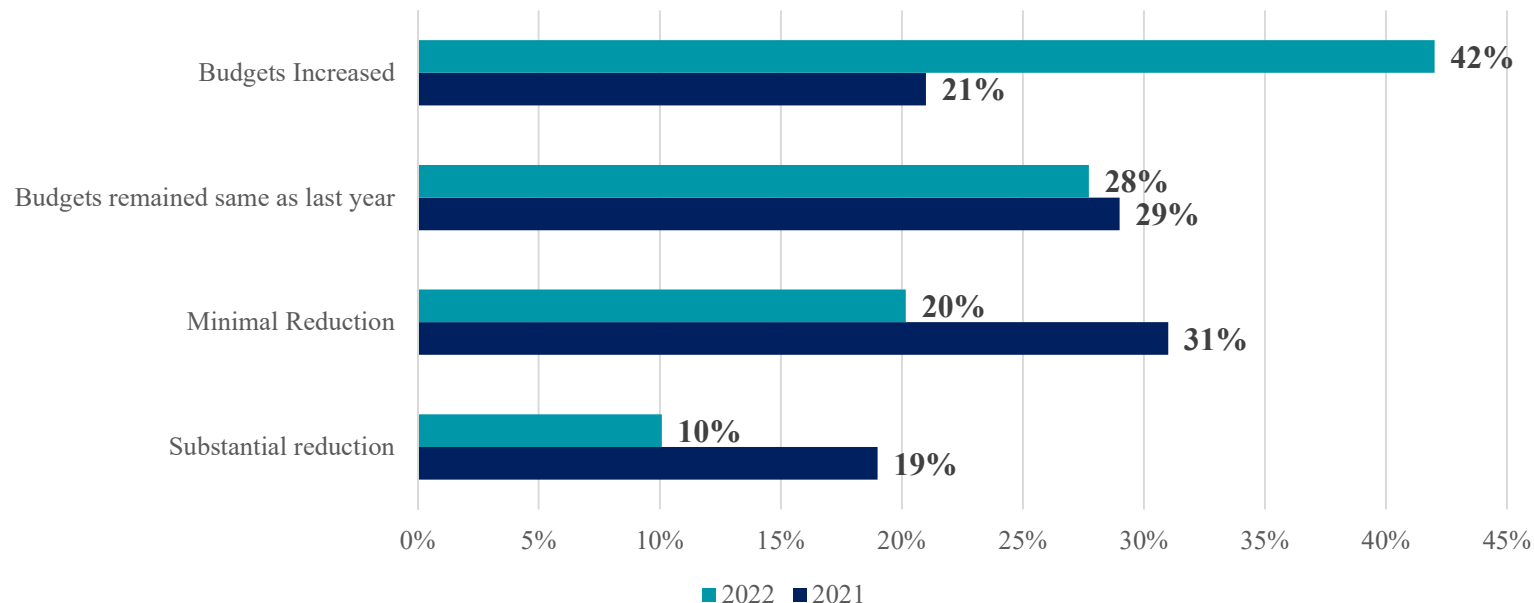


From 100% work from home to a hybrid work model, organizations are gradually shifting to remote or in-office work in this post-covid phase.

In 2022, compared to 2021 we can clearly see a decreased percentage of employees still working from home, only 34% of organizations are following work from home model, and from that only 10% of the organizations are on complete work from home, 90% are following hybrid model.

After a cautious approach in 2021, organizations are loosening the budget strings this year.

What is the impact of post-COVID-19 on HR organizations and budgets in 2022?



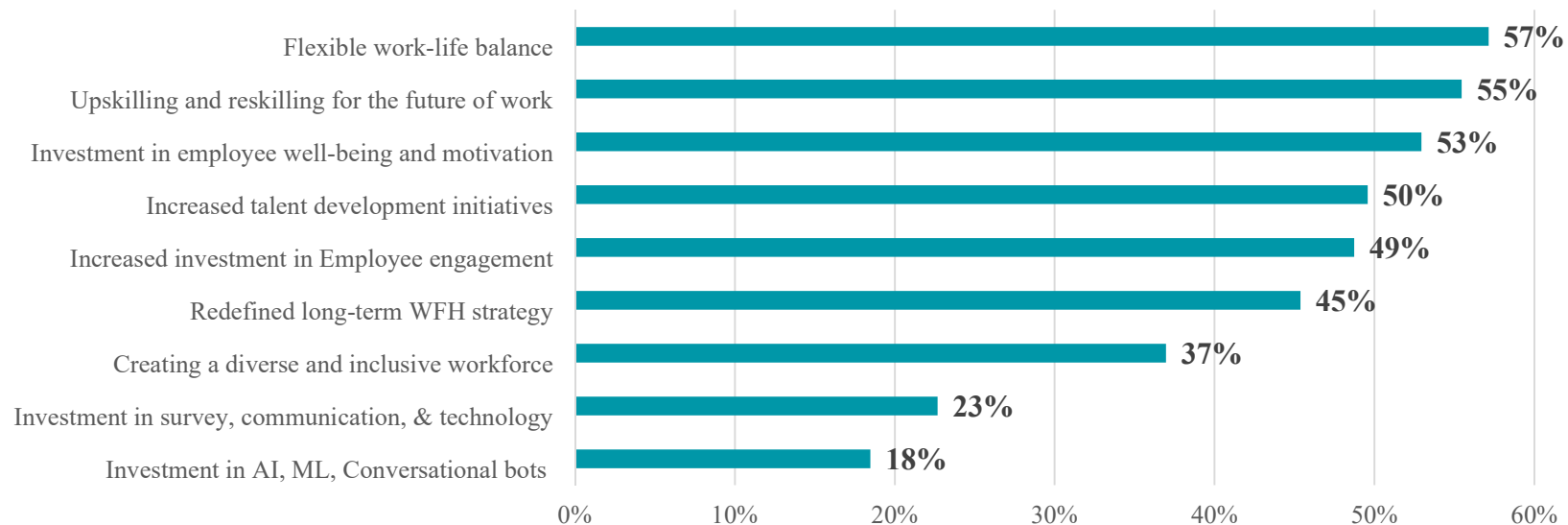
40 Million employees lost their job at the time of COVID

Post-covid organizations are hiring candidates with full force and this is the reason why 70% of organizations had their budgets remain same or increase this year. Hiring is back with a bang and organizations have increased spends on engagement, technology, wellness, and employee development initiatives.

Pandemic has forced and fast-tracked initiatives

that could have taken years to evolve and become mainstream.

What HR strategies did your organization adopt to manage post-COVID environment?



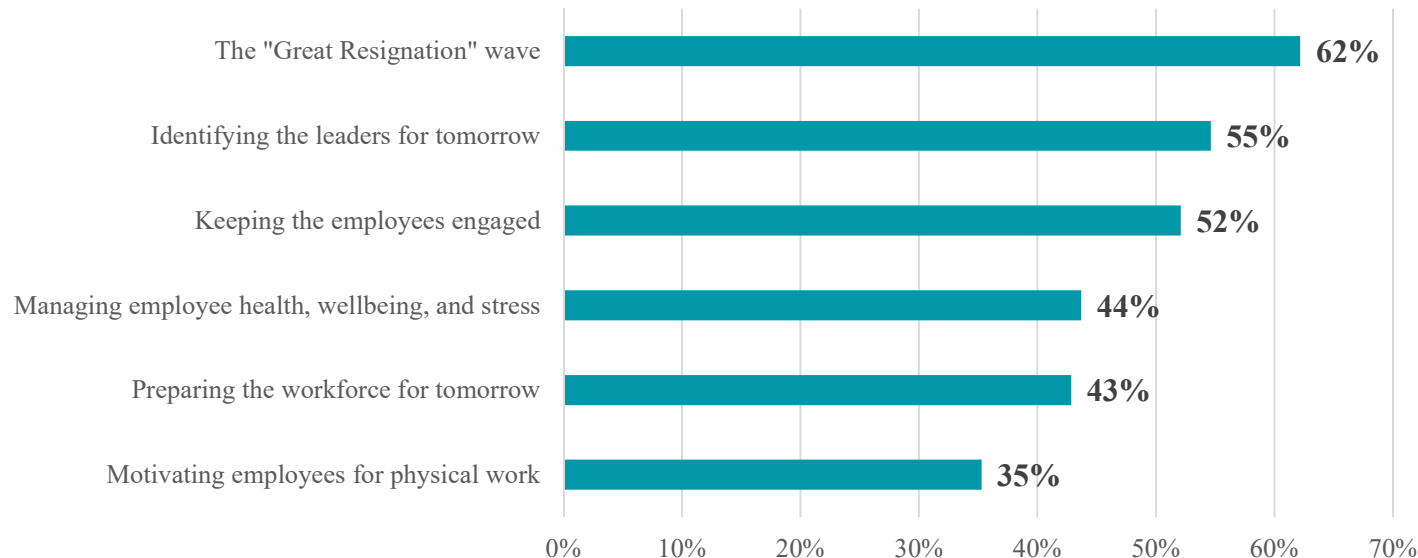
HR leaders are adopting varied strategies to adjust to the new normal and future of work.

- ❖ Last 2 years of pandemic has brought employee wellness, engagement, re-skilling and flexible work strategy to the forefront.
- ❖ To overcome all these challenges they used assessments for hiring, training and development, and now in a post-covid 73% of organizations continue the use of it.

Organizations are facing some major

challenges this year related to employee engagement and retention.

What are the key challenges seen by organizations this year?

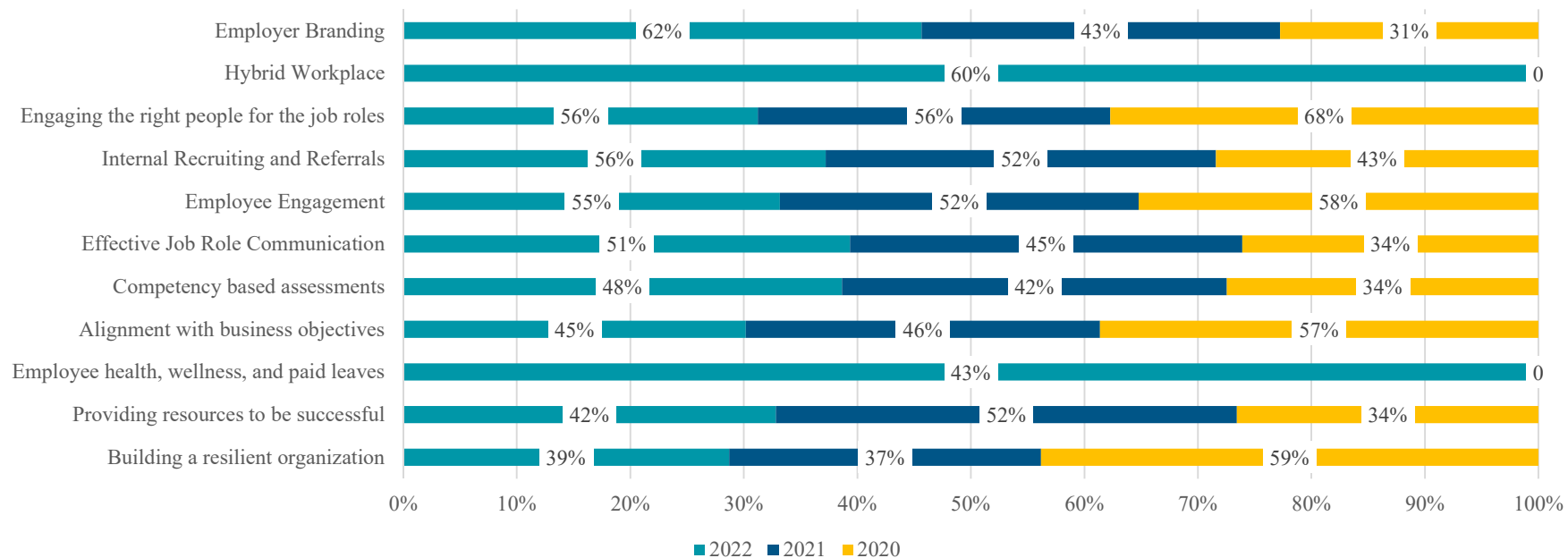


Covid changed the work culture completely and with this new culture employers faced different challenges.

- ❖ Retaining employees, identifying the leaders for the future, and preparing learning and development path for the talent is the major challenge for organizations.
- ❖ 52% of organizations faced the challenge of keeping employees engaged because of work from home in covid times

To hire and retain best talent is a tough task but HR is living up to the expectations by using varied strategies.

What are the key HR strategies to hire and retain best talent in 2022?



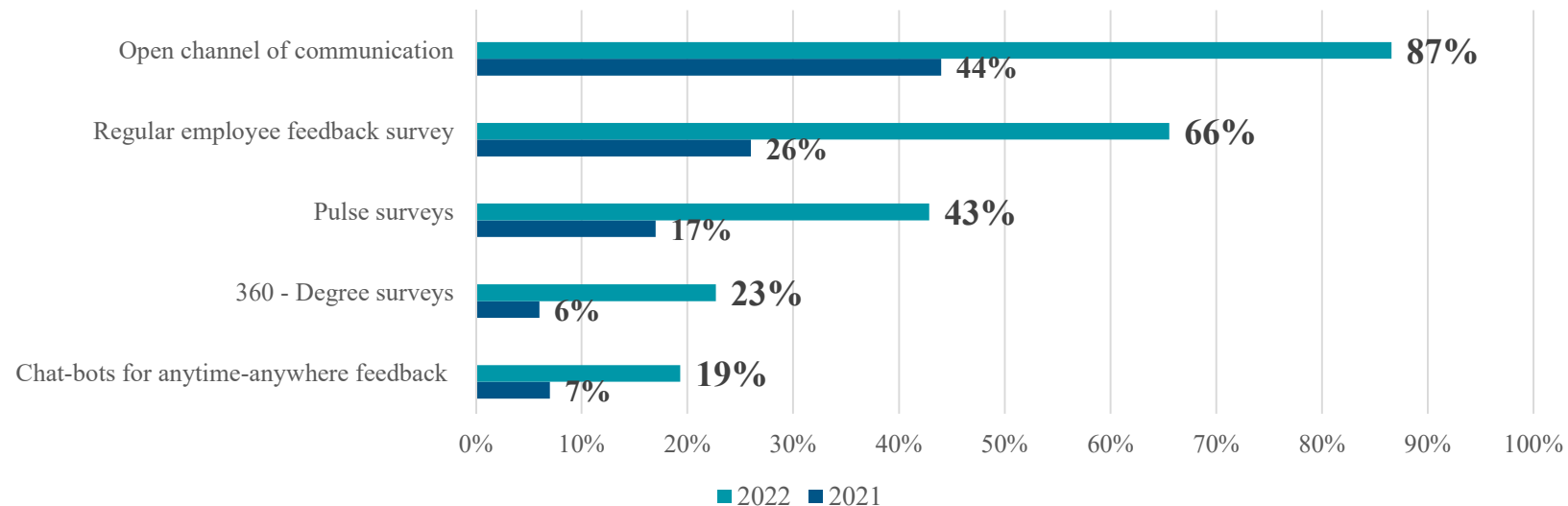
Employer branding, hybrid workplace, and employee health & wellness are the new and trending strategies

- ❖ 62% of respondents are focusing on employer branding to attract new talent.
- ❖ Hybrid workplace to accommodate new aspiration is helping organizations retain talent.
- ❖ Employee engagement, internal referrals, and ensuring job fitment is assisting these strategies.

Having an open channel of communication

ensures employees feel heard and engaged at any time.

What strategies are you adopting to ensure employee engagement?



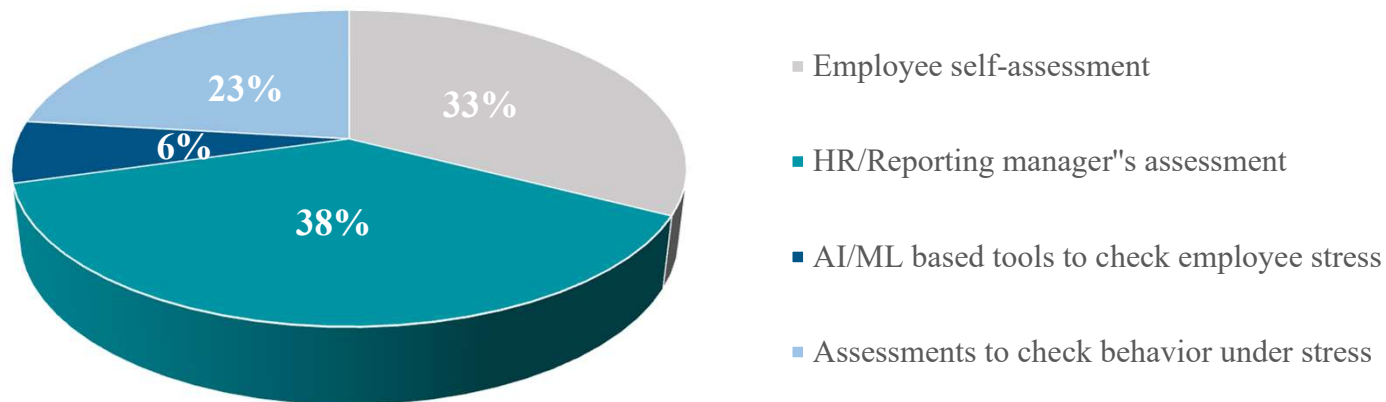
Surveys are still the preferred tools of ensuring and measuring employee engagement.

- ❖ While having an open channel of communications is good at any point of time, there is no better time to practice it when employees are dispersed through geographical locations.
- ❖ Chat-bots are emerging as the go-to-tools for an unbiased, 24x7 access to continuous feedback from employees.

Work-related stress causes 120,000 deaths

and results in \$190 billion in healthcare costs yearly.

What are the strategies adopted to measure the capacity of employees to handle stress?



The capability to handle stress and being resilient will differentiate success from survival.

- ❖ 33% of organizations use self-assessment for the measurement of stress.
- ❖ 29% of respondents highlighted using tools to measure the capacity.

Hire, re-skill, and up-skill your workforce to

handle the unknowns and come out stronger in this VUCA world.

Competency	2022 Rank	2021 Rank	2020 Rank
Accountability	1 	1	7
Effective Communication	2 	6	16
Problem solving and Decision making	3 	5	1
Taking Initiative	4 	11	11
Collaboration	5 	2	2
Learning Agility	6 	8	5
Planning and Organizing	7 	15	9
Customer Delight	8 	4	13
Developing People	9 	7	15
Process Orientation	10 	14	19

Which competencies will be non-negotiable for your organization irrespective of the job role?

Even with second wave waning and organizations returning to regular in-office work, accountability has still remained the top competency desired by organizations. With workers in different locations, varied percentage of people working from home without direct supervision, the need is for employees who are accountable and take responsibility for their actions and output.

While a manager is expected to be accountable for team success, for a remote employee it's about taking responsibility for their work tasks and performances, keeping to their promises on time and output and owning their roles and duties towards the team and organization.

The most significant benefit of employee accountability is that because individuals who feel responsible for their actions are more likely to perform their activities well and efficiently. An organization that gives importance to accountability also fosters increased commitment and employee happiness.

Effective communication has gained couple of notches considering the fact that still organizations are working remote geographically spread environments. Effective communication in the workplace can remove unnecessary confusions and creates unified thinking. The ability to communicate effectively can increase employee productivity and create a cohesive team.

By creating effective communication, leaders can better understand the strengths and weaknesses of their employees, then give assign tasks to the employees who are best suited for the task, thus increasing the overall effectiveness.

When teams fail to communicate effectively, the results are often detrimental to the team and the organization. A research by Gartner suggests that 70% of the company's mistakes are due to poor communication. Thus organizations are making a conscious effort to hire people with effective communication skills.

At the 3rd spot is the problem solving and decision-making competency. Even a study by World Economic Forum, the number one skill that employers will need in their employees in the future is the problem solving ability. The report shows that 36% of all jobs across all industries will require complex problem-solving abilities as a core skill.

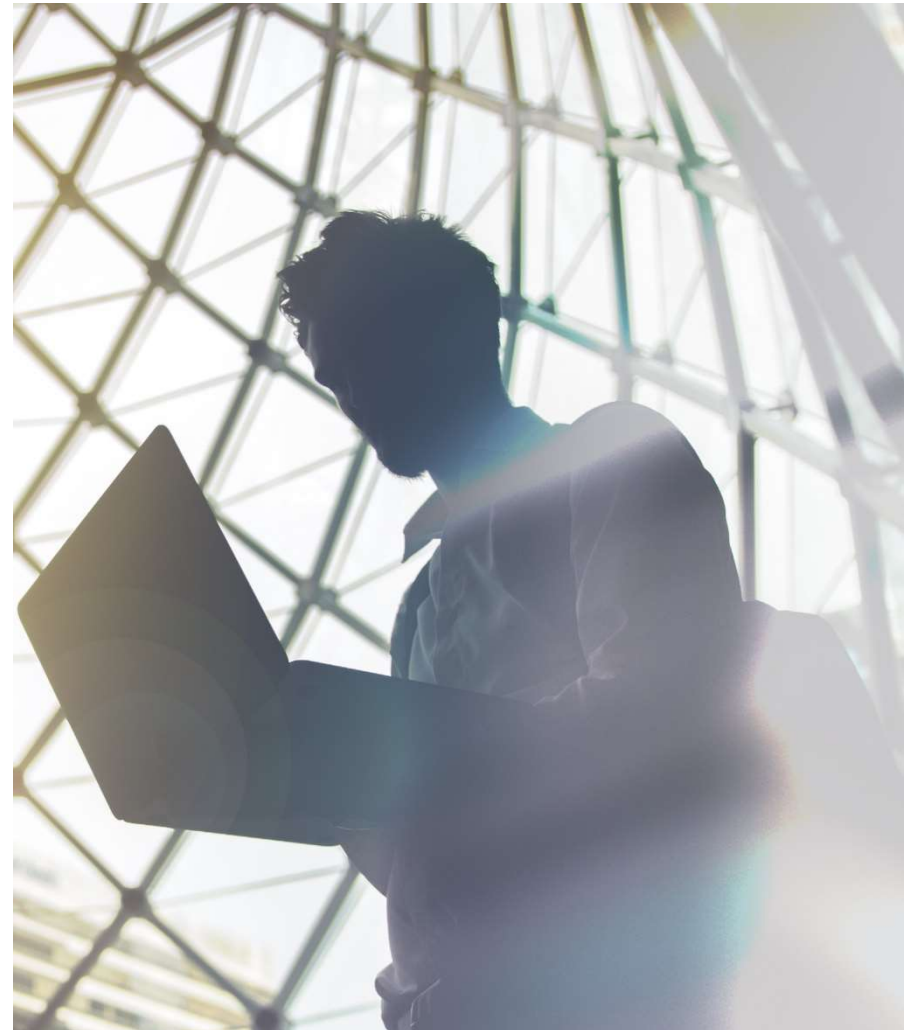
Problem solving skills become essential, especially in a hybrid working scenario. Problem-solving skills enable employees to approach problems rationally. In this way, they can identify the most effective methods to rectify situations & ensure smooth functioning of operations.

Which competencies will be non-negotiable for your organization irrespective of the job role?

When an employee takes initiative, they do things without being told, they keep going when things are tough. They act, instead of reacting, at work. Taking initiative means taking responsibility for their own success.

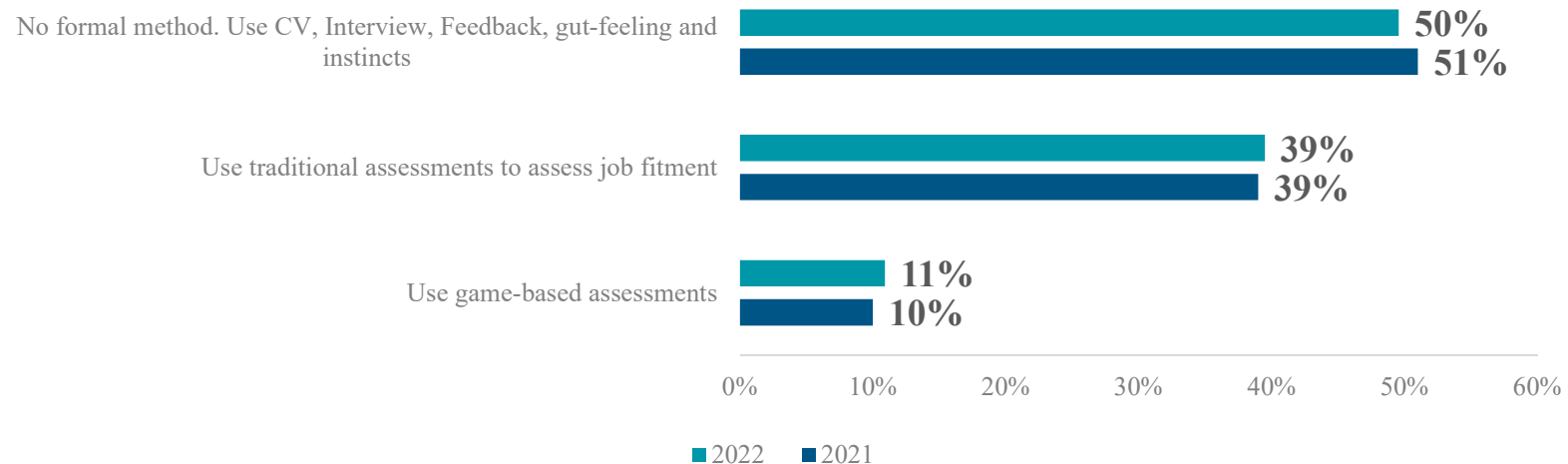
Taking initiative has become increasingly important in today's environment. Organizations want employees who can think on their feet and take action without waiting for someone to tell them what to do. After all, this type of flexibility and courage is what pushes teams and organizations to innovate, and to succeed in a competitive marketplace.

At the 5th place is collaboration amongst employees. With hybrid work and business without boundaries, the need for collaboration has continued to be strong. Collaboration in the workplace helps create an open environment where people feel cared for, valued, and heard. Now it's even more critical to promote collaboration so that everyone stays updated, aligned, and connected. HR leaders have not only invested in processes to promote collaboration, and also in collaboration tools.



Half of the respondent organizations do not use any formal methods to ensure the right fitment.

What methods you used to ensure the right fitment of the people for the right job?



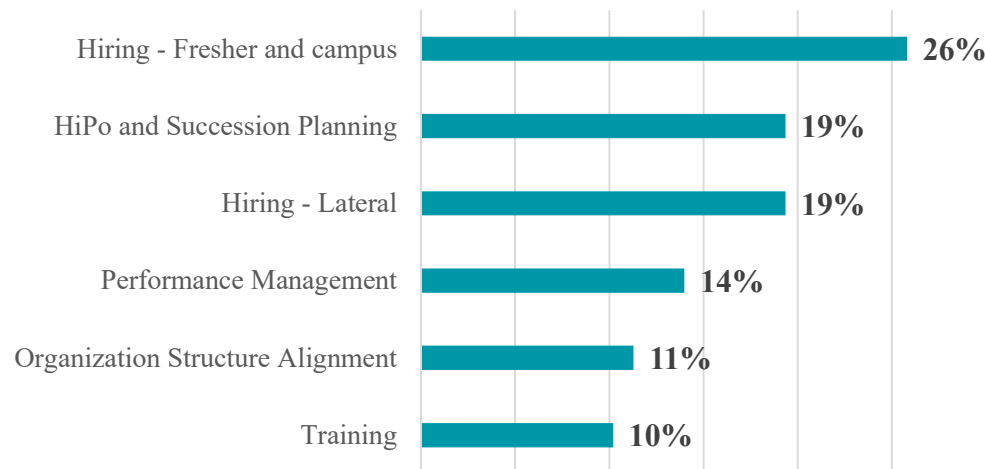
Right fitment of candidates to the right job is a big contributor to new –hire productivity, employee satisfaction, and retention.

Assessing a candidate's organizational/culture fit alongside job fit will ensure that they have the skills needed to work seamlessly with the rest of the team and will also thrive within your organization's culture.

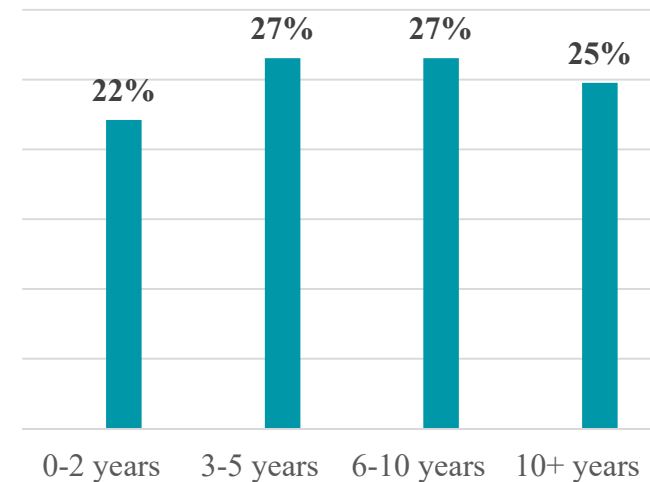
Hiring remains the most prominent

use case for application of talent assessments in India.

What are the primary areas would you use assessments for?



Assessment usage by experience level

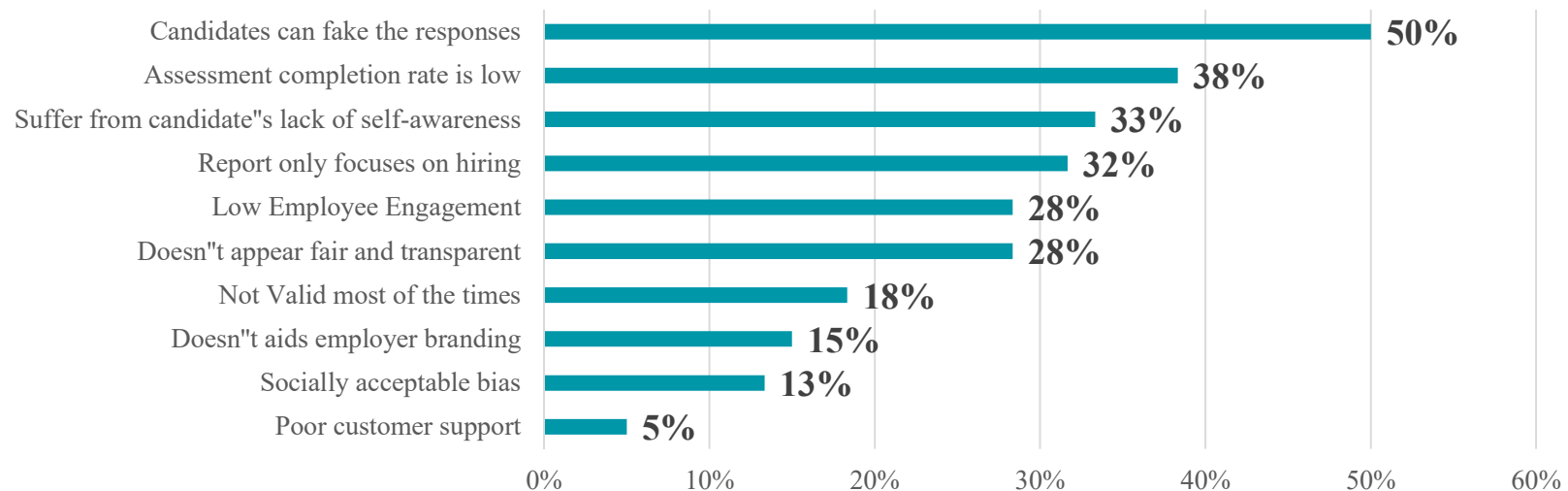


45% of the respondents selected hiring as the prime use case across experience levels.

- ❖ HiPo and succession planning are the 2nd most prevalent use case after hiring.
- ❖ The usage and adoption seems uniform across experience levels. Organizations are prominently using the assessments from mid level to senior experience levels highlighting their usage in people managers roles.

Candidates faking the responses is the biggest challenge stopping the adoption of assessments.

What are the typical challenges that you encounter while administering current assessments?

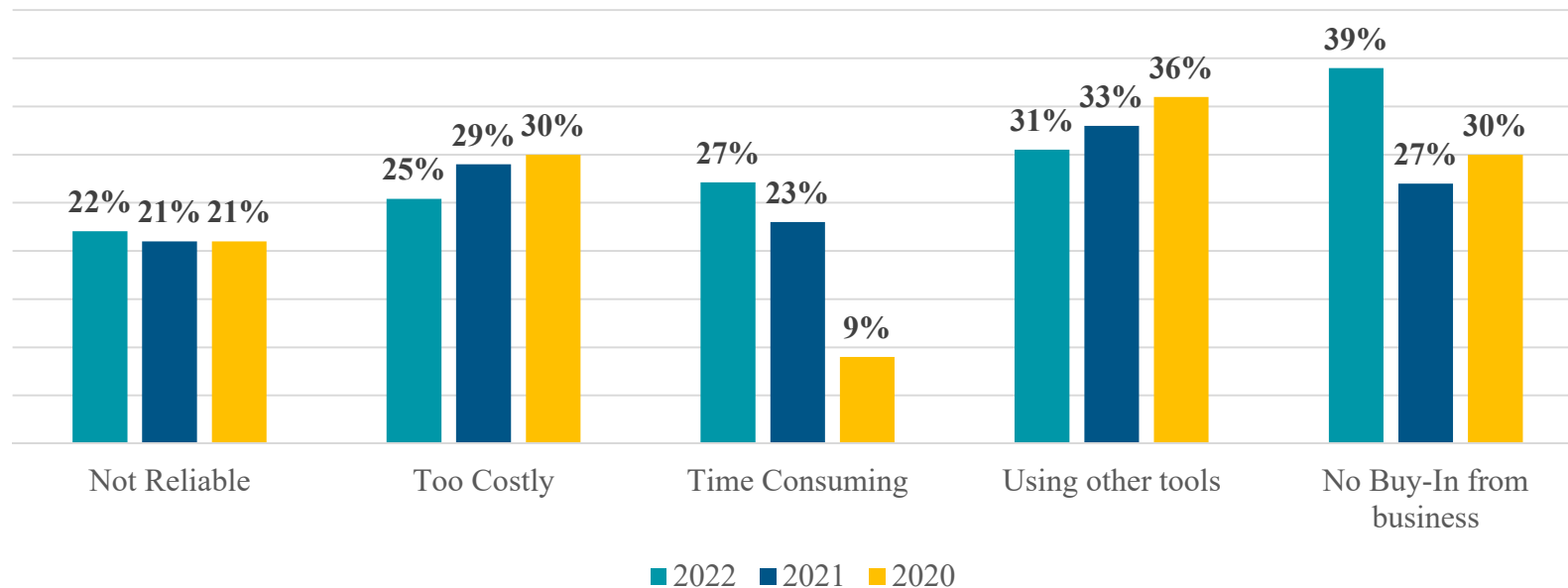


Traditional Q & A format of assessments results in top 3 challenges with assessments.

New breed of assessments like the game-based assessments don't ask direct questions and don't suffer from bias resulting from lack of self-awareness. Being fun and engaging they result in higher completion rates and multiple data-points ensure candidates can't fake the responses.

HR leaders and assessment vendors have a lot to convince stakeholders to start using assessments.

What are the reasons for not using Assessments?



No buy-in from business is reported as the biggest reason for organizations not using assessments.

- ❖ Low completion rates are a proof that assessments that don't take the candidates in a fun and engaging assessment will have a low completion rate.
- ❖ Candidate's lack of self awareness can be taken care of in a game-based assessment.

Conclusion

The COVID-19 pandemic effects are waning across the globe but it's long-lasting effects will stay for longer.

While on the flip side it has taken away millions of precious lives directly or indirectly, ruined businesses, and shattered economies across the globe.

On a slightly positive side, it has brought about things in focus that were languishing in the planning stage for long or would have taken years if not decades to implement. Hybrid workplace with a better work-life balance, focus on employee well-being and mental health, technology adoptions to keep employees engaged are just a few to mention.

We have seen people moving back to office work and hiring has picked up pace. This can be seen with the increased budget allocations. HR leaders are adopting multitude of strategies to adjust to the new normal and create a workforce for the future.

Employee engagement and retention are at the core of HR leaders thinking and employer branding, hybrid workplace, and employee health & wellness are the new trending strategies to hire retain exceptional talent.

Managing level of stress and the ability to handle stress has become important and organizations are focusing on keeping the communications channels open to hear their employees.

Accountability, effective communication, problem solving and decision making, taking Initiative, and Collaboration are the top 5 competencies selected by the respondents as non-negotiable irrespective of the job role.

While the overall penetration of talent assessments has remained almost the same as last two years at 50:50, the onus is on HR fraternity and vendors to also educate business leaders to the benefits of talent assessments.

Further investments in game-based assessments will also go a long way in overcoming some of the challenges with traditional assessments including, faking the responses, low completion rates, and lack of candidates self awareness.

Another myth that needs to be broken is that talent assessments can only be used for hiring. The fact remains that talent assessments development reports can be used for training, development, HiPo, and succession planning as well.

Lastly, they are beneficial for the candidates as well as it offers an unbiased and fair means of selection and allows them to take the jobs for which they are best suited for.

A close-up photograph of a hand holding a small, white, paper-folded figure of a person wearing a red tie. The figure is being held up, while many other similar figures with blue ties are scattered on a wooden surface in the background. The scene is dimly lit, with the focus on the hand and the red-tied figure.

Future of Talent Assessments – 2022 & Beyond

A note from the Lead Psychometrician



Two years of pandemic and the hybrid work have brought paradigm shifts in the way organizations hire, train, and retain people. While many organizations have moved back to the office, a sizeable chunk still has employees working from home. Combined with the geographical expanse in which the organizations are hiring, organizations are making hiring decisions without having an opportunity to meet candidates face-to-face. The remote hiring and working are here to stay for some time.

In this scenario, psychometric testing is even more critical.

Psychometric assessment provides crucial information on how people and teams may react to the repercussions of physical distancing, social isolation, stress, uncertainties, and remote working. Deeper knowledge about an individual's core values, type of character, and ability to handle stress enables leaders during these times to be more empathetic to an enormous range of different responses, challenges and needs, and to implement the right culture and back-to-office policies.

The COVID-19 pandemic has provided a catalyst for change in assessment methods by removing many of the bureaucratic barriers that were previously in place. There is an urgent need for organizations to re-imagine their talent assessment and development landscape, to not only tide over the immediate crisis but also prepare for a resilient organization for the future. Last two years have also changed the skills landscape considerably. There is a need to not only understand the skills for the future while hiring but for the existing workforce to create programs for up-skilling.

The new normal might still be some distance away but it would require organizations to reform their talent assessment and development strategies alongside evolving workforce and skills for the future.

A note from the Lead Psychometrician

To meet the demands of the future, the talent assessments need to overcome some of the challenges with assessments including the fear of manipulation, the stress of taking an assessment, reliability, and last but not the least – the cost of the assessment itself. Also, the assessments need to take advantage of advancements in the technological field to deliver talent assessments digitally in a fun and engaging manner without impacting the security of the assessment. The analytics and combination of AI/ML should be used to process data collected and improve the reliability of talent assessments.

Talent assessment like any other functional domain will continue to change and evolve. If we as an organization can identify the strengths of our people and work on their strengths any obstacle or pandemic will not impact the organization much. Talent assessments are just the tools to do that.

If not already using one, I would highly prescribe you start using one and you will see the benefits very fast. If you have any questions about their reliability, validity, or ROI, feel free to get back to us.

Regards,

Dr. Anamika Sharma
Chief Psychometrician
Armezo Solutions

Why game-based Assessment like Gammezo

are virtually impossible to manipulate?



Never asks for a direct response

Candidates get immersed in the game without realizing the competencies getting measured and brings out their natural responses to situations.



Immersive and engaging in nature

The immersive nature tends to reduce stress resulting from the stereotype threat. Games also minimize socially desirable responses, by eliciting more authentic behaviour.



Multiple scales

Game-based assessments like [Gammezo](#) use multiple scales to ensure that responses are mapped to multiple traits and can't be manipulated.



Minimize bias

Games do not assume that the test-taker is aware of one's personality and the design of games is such that there is no interference because of a lack of self-knowledge.



Reveals a candidate's natural behaviour

Game-based assessments are progressive – they adapt as the candidate engages with it and reveals natural behaviour without the pressure of looking good.



More data-points

A game-based assessment like [Gammezo](#) measures a single response to multiple traits and every trait is measured at least 5 times, giving an accurate assessment.

Industry Leaders Speak

Partho Chatterjee (Vice President HR), Balmer Lawrie & Co. Ltd.



And now recently, it is proposed that it is AQ (Adversity Quotient) that predicts the ability of a person to deal with adversities in their life, is a predictor of success.

Post Pandemic employees have realized that health & happiness may be of more value to them. This has made them look for Work Life balance, Scope for learning, Work environment along with remuneration & growth prospect.

HR also has to re-orient themselves. We need to realise that Talent Assessment is both at the time of induction as well as during the lifecycle of an employee for the purpose of Career Development. Now with an active social media, attracting the talent will, to some extent depend on the Employer Branding, and existing employees are the best Brand Ambassador of any organisation. Attracting & Retaining talent will be one of the biggest challenge for HR.

Further, till now industry has been restricting its talent hunt only among the two genders. It is now the right time for us to look for talent among the third gender. There is vast repository of talent in this section of the society. This will also enhance Gender equality & inclusiveness within the organisation. Studies have shown that with Gender inclusiveness, productivity has improved.

I feel that Talent Assessment will undergo substantial change as we move in 2022. We all are aware that initially, it was IQ (Intelligence Quotient) which was measured to identify the talent & one with high IQ was expected to achieve success, then it was felt that along with IQ, it is EQ (Emotional Quotient) which is a predictor of success. Subsequently, some experiments proved that along with IQ & EQ, it is SQ (Social Quotient) which is the predictor of success. And now recently, it is proposed that it is AQ (Adversity Quotient) that predicts the ability of a person to deal with adversities in their life, is a predictor of success.

Industry Leaders Speak

Partho Chatterjee (Vice President HR), Balmer Lawrie & Co. Ltd.

I think that going forward, Talent Assessment has to also consider Competencies as relevant to the role. Competency based Interview (using BEI- Behavior Event Interaction) can be an effective tool for Talent Assessment, as relevant to the role, at the stage of Interview. For this, an organization can develop its own Competency Framework. Further, for assessment of its internal talent, an organization can conduct Assessment & Development Centers (ADC) for its employees to identify the development needs & draw up Individual development plan (IDP). Further, HR also has a big role in providing the appropriate enabling environment for the growth & development of the Talent. This starts from Interview experience, On boarding, Induction program & then assimilation into the organization culture. Mentoring can be a good initiative to provide the much needed psychological support to a new recruit in an organization.

Going forward, Coaching can be a very effective tool for development of Leadership in an organization. How do you identify a talent for Coaching? One simple method can be to conduct a 360 degree feedback for all the HIPO Middle level Executives. However, such feedback needs to be conducted in a manner so that the participants are assured of confidentiality. This is very essential, otherwise true feedback will not come out. HIPOs whose 360 degree feedback identifies the need for a coach, should be provided with a Coach for a defined period. Such intervention may assist the HIPO to become more effective. This will help the organization to develop its Leadership pipeline.

Finally, I feel that the roadmap for HR & Talent Assessment in 2022 will depend on the level of maturity of the organization. However, it is imperative that there is a talent crunch & organizations which cannot attract or retain its talent may lose them to organizations with inclusive & enabling environment which includes better Work Life balance, Scope for learning, Work environment along with remuneration & growth prospect.

Industry Leaders Speak

Janardhanan Narayanaswamy, Sr Vice President HR, Eris Oaknet Healthcare

In a VUCA world, pandemic has further established that unforeseen disruptions may be the new normal. Organizations need to thrive in spite of such disruptions. On the positive side, pandemic has accelerated technologies in every strategic area in organizations across the globe. Developing Talent & engaging employees has become a strategic imperative in addition to instilling purpose, fostering change. “Talent Wins” by Ram Charan, Barton & Dennis elicits that the boards of great organizations discuss TSR (Talent, Strategy & Risks) instead of the older version TSR (Total Shareholder Value). Accelerated Technology adaptation will make rudimentary skills redundant and hence it’s incumbent on organizations to reskill and upskills its employees.

Assessments are valid instruments which complement other tools in every sphere of talent inventory; right from acquisition to development. Gamified Assessment tools definitely improve user experiences and better adaptation. Technologies in real time engagements, talent assessment tools, nudging tools for process improvements and micro learning application shall dominate the employee engagement, development and retention in the coming days.



Survey Methodology

Science and math behind our survey

A request to participate in the survey was rolled out in May 2022 via email, HR groups, and social media campaign to more than a thousand HR, TA, OD, & L&D leaders in India. Of these 19 % responses were received across the 18+ industries and geographies spread across India.

The number of respondents vary 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@armezosolutions.com to benchmark your data against the survey data from your industry.



**Armezo measures' talent, potential, and
performance for organizations through our
assessment and survey solutions**



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