

Business, people strategies in a 'protectionist' world

Several recent political developments are leading to debate and discussion around Protectionism; which essentially means that governments are protecting local businesses from international competition. With more stringent immigration requirements and processes, it poses challenges for several companies in accessing business opportunities and pools of talent across borders. For instance, visa curbs and related developments could pose a real and immediate challenge for Indian technology companies. In some cases, raising the minimum wages under the H-1B visa programme is also making it unviable for Indian companies to send large number of employees offshore.

Some Indian firms get upwards of 70% of their revenue from the US and European markets. They will need to re-evaluate their business models to remain competitive and compliant at the same time, providing no less quality output than before.

All these developments are combining to challenge conventional thinking on talent, employee mobility, immigration, taxation and regulation and overall business strategy for large multi-country businesses.

To overcome the challenges, Indian firms have already started to relook at their business models. Traditionally, these companies have hired fresh engineering and science graduates in large numbers in India, trained them, and then placed them at various offshore client locations. With the new rules and policies coming into place, Companies may be required to accelerate hiring of locals. But this may not be as easily done as said.

There are two significant challenges – availability, suitability and mobility of local talent (STEM - science, technology, engineering and mathematics - graduates) may be a concern. A large number of

students studying these courses may actually be foreigners. Secondly, hiring locals will shave off a significant percentage of the margins IT companies are able to make.

Globally, businesses are acknowledging that these are tough and challenging times that could unsettle both employees and customers at the same time, leaving a strong feeling of uncertainty. The need of the hour is a proactive and resilient leadership. Every coin has two sides and while the challenges are increasingly evident, progressive and agile organisations that move fast would be at an advantage to capitalise on the opportunities that come along. One thing is for sure – while a course correction is required, it must not be abrupt and counter-productive. As these forces play out, the biggest assets for any company – their employees – must get their due attention. Employers will need to think of ways to continue attracting the best talent, engage them and build an organisational culture conducive to boost agility and resilience.

At the leadership level, informed and decisive actions and a robust change management programme supported by HR can go a long way in enabling the transformation and boosting employee morale. Effective change management and transparency in communication can unleash the discretionary effort and superior performance that result from an engaged and motivated workforce. It is crucial for HR departments to re-align their talent strategies in line with changes in the external environment, operating model, structure, and strategic direction of their organisations.

In the new world the next big shift would likely come in the form of the 'gig economy' or the 'freelance model'. HR has a significant and proactive role in fashioning this shift, by building and supporting

organisational capability around virtual teams, working across geographies and time zones. HR will need to rework how they access and assess talent fitment. There will also be a need to revamp how employers have traditionally rewarded their 'people' as many will no longer be 'traditional' employees who value a 'hire to retire approach'. The time has indeed come for 'flexible talent strategies'.

Organising talent – The future organisation is one that is adaptive and responsive and supports flexible talent strategies. It is characterised by impermanence, low gradient hierarchy and promotes and enables co-workers to collaborate in small networked teams.

Attracting talent – Flexible talent strategy allows for the debate between "build vs buy" to be extended to "build vs buy vs hire". Future-ready employers would likely use a combination of build, buy or hire at various instances that is most appropriate to the business requirement.

Rewarding talent – Employee rewards will increasingly be personalised and allow for 'restructuring' and 'redesign' by employees to suit their lifestyle, career stage and prevailing needs. Flexible talent strategy should be able to accommodate these variances seamlessly.

Engaging talent – In the new world, a flexible talent strategy acknowledges that engagement is not an attrition containing step. High performers (and employees demonstrating high degrees of engagement) too may quit to pursue personal passions. And the same employee may want to come back to its employer at a later point in time. Employers may want to be open to such 'returning' employees and 'leaving employees'. The mantra would be send out 'ambassadors' of the employer brand and receive a 'true fan' of the brand.

The bottom line is that the sooner organisations conceive and adopt flexible talent strategies that are best suited for them, the closer they will get to future-proofing their business growth.

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