ISDM
INDIAN SCHOOL OF
DEVELOPMENT MANAGEMENT

Centre for
Social Impact
and Philanthropy
ASHOKA UNIVERSITY

# TALENT
# MANAGEMENT
## IN THE INDIAN
## SOCIAL SECTOR

A Summary Report

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# CONTENTS

# EXPLANATORY NOTES

## Social Purpose Organisation (SPO)

Any organisation whose primary objective is to create social impact. This covers all forms of organisations irrespective of their type of registration. All the organisations in this study are SPOs. To enable a structured approach to analysing organisational talent management practice, the study divides SPOs in the following three broad categories viz., Non-governmental Organisations and Social Enterprises (NGOs/SEs), Ecosystem Support Organisations (ESOs) and Funding organisations (FOs).

## NGOs and Social Enterprises (NGOs/SEs)

Organisations that directly work with grassroots communities or implement projects with communities. The category includes NGOs and Social Enterprises which typically operate independent of government or are quasi government, to serve a defined set of social purpose through a variety of approaches. These approaches could primarily range from acting as a service provider, capacity builder, incubator, institution builder, and/or that define the norms and standards of working with social issues in specific domains.

## Ecosystem Support Organisations (ESOs)

Ecosystem Support Organisations include all organisations that offer support services/solutions which help NGOs/SEs and Funding organisations do better in their respective dominant scope of work. These support solutions or services may include functional/technical services, legal, advisory/incubation, organisational capacity enhancement, knowledge consulting, research and education, policy engagement at ecosystem level, accounting and finance, outreach, and funding support.

## Funding Organisations (FOs)

These are organisations that fund the social sector. The category includes organisations that fund SPOs through grants or through impact investment models. The category does not include pure government bodies like state departments of ministries that on-board NGOs and Social Enterprises for active support in fulfilment of their mandates. The category however includes quasi government funding organisations which are managed professionally.

# INTRODUCTION TO THE STUDY

# 1

Talent management (TM) practices are directly associated with organisational performance. In social purpose organisations (SPOs), talent is of greater strategic importance as human hand cannot be replaced either by technology or greater financial resources.[1] Thus, for any SPO, achieving its mission heavily relies on its personnel's talent that is "the total of all the experience, knowledge, skills, and behaviours that a person has and brings to work."[2] However, the exploration of TM practices in SPOs is largely an uncharted territory.[3]

To overcome this gap in the Indian social sector, Centre for Social Impact and Philanthropy (CSIP) at Ashoka University and Indian School of Development Management (ISDM) jointly conducted the study 'Talent Management in the Indian Social Sector' in 2021-22. The objective of the study was to map the existing TM practices in the Indian social sector. Talent Management (TM) is defined as "the attraction, selection, and retention of employees, which involves a combination of HR processes across the employee life cycle. It encompasses workforce planning, employee engagement, learning and development, performance management, recruiting, onboarding, succession, and retention".[4]

The study consisted of two modules.

1 Akingbola, K. (2015). *Managing Human Resources for Nonprofits* (1st ed.). Taylor & Francis. https://www.taylorfrancis.com/books/mono/10.4324/9780203767030/managing-human-resources-nonprofits-kunle-akingbola

2 Gallardo-Gallardo, E., Dries, N., & González-Cruz, T. F. (2013). What is the meaning of 'talent' in the world of work? *Human Resource Management Review*, *23*(4), 290–300. https://doi.org/10.1016/j.hrmr.2013.05.002

3 Brunt, C. (2016). *Human Resource Management in International NGOs*. Springer Nature. https://link.springer.com/book/10.1057/978-1-137-57306-3

4 Gartner. (n.d.). *Definition of Talent Management*. Gartner. Retrieved 26 August 2022, from https://www.gartner.com/en/human-resources/glossary/talent-management

# MODULE-1 - COMPENSATION AND ROLE BENCHMARKING IN THE INDIAN SOCIAL SECTOR

Module-1, 'Compensation and Role Benchmarking in the Indian Social Sector' aimed to address the knowledge and data gap on how talent is compensated in the Indian social sector. It was focussed on exploring and benchmarking compensation and benefits in SPOs, and mapping perception of SPO personnel towards compensation, benefits, and other aspects of TM. All SPOs entered the study through self-selection. Data collection, analysis and report writing were conducted by Korn Ferry (KF), the execution partner for Module-1.

The module aimed to answer the following research questions:

- How are **roles defined across and within different types of SPOs** in terms of functions, competencies, complexity of decision making and operations, risks, experience, lifecycle of the role, career paths and trajectories?

- How is talent in the social sector **compensated across different types of organisations and job roles**? Does compensation in the social sector vary by geography, size of the organisation and thematic areas of their operations?

- What comparisons can be drawn for talent compensation in the **social sector vis-a-vis compensation in the for-profit sector** in the country?

- What are the **underlying reasons for the lack of pay parity** across different types of SPOs, providing valuable contributions towards social impact and change?

- What are the possible variables (role complexity, skills and competencies, risks associated with the role) that emerge from the study for establishing **correlations between compensation benchmarks and roles performed** in different types of organisations?

# MODULE-2 - DRIVERS OF TALENT IN THE INDIAN SOCIAL SECTOR

Module-2 on 'Drivers of Talent in the Social Sector' was aimed at understanding the TM practices and challenges in SPOs; and exploring factors that motivate individuals to work in the social sector. The data for this module was obtained through focused group discussions (FGDs), in-depth interviews, and an online survey on motivation across six different regions in India. Sattva Consulting was this module's execution partner and they worked on data collection for in-depth interviews and motivation surveys, transcription, and coding.

The module aimed to answer the following research questions:

- How do organisations approach their **understanding of 'talent' in the social sector**? What are the **key drivers of talent on the demand** (attraction, identification, recruitment, development/ nurturing, and integration of talent in SPOs**) and on the supply (**motivation, purpose/goals, aspirations, individual context) sides? What are the key challenges that organisations face with respect to their talent? How do organisations solve these challenges?

- What are the **key organisational structures, processes and systems** that drive these solutions? How do organisations design and practice TM structures and processes that influence the behaviour of organisational talent? What are the mental models (understanding) of these structures, systems, and values within and across organisations?

- What are the variables (leadership, purpose alignment, culture, management and governance structures, systems and processes, relationships and associations, risks and

opportunities for learning and development, compensation, etc.) that emerge from the study **as key drivers of talent across different types of organisations** and their diverse contexts of TM practice?

# 2 RESEARCH METHODOLOGY

A total **100 organisations** participated in the study across modules. These included 79 NGOs/SEs, 14 ESOs and seven FOs.

## 2.1 METHODS, TOOLS AND SAMPLE

The study adopted a mixed methodology approach which included: online surveys; interviews; focused group discussions (FGD); job mapping; and literature reviews.

The details of methods, tools and sample are given below:

| COMPONENT | METHOD | TOOL | SAMPLE |
|---|---|---|---|
| **Module 1** | | | |
| Compensation benchmarking in SPOs | Online Survey and job mapping | Structured questionnaire and job mapping framework | 75 organisations |
| Benefits benchmarking in SPOs | Online Survey | Structured questionnaire | 59 organisations |
| Personnel perception | Online Survey | Structured questionnaire | 92 personnel (12 organisations) |
| **Module 2** | | | |
| Regional consultations with SPO leaders on TM | FGD | FGD guideline and structured questionnaire | 57 participants from 48 organisations |
| Individual discussion with SPO personnel on TM practices | In-depth interviews | Semi-structured interview schedule | 104 participants from 24 organisations |
| Drivers of TM | Online Survey | Structured questionnaire | 477 personnel from 22 organisations |

## 2.2 OUTPUTS OF THE STUDY

The comprehensive study resulted in a number of unique outputs; some specific to the findings of each module, others drawing from both the modules. The list is given below:

| Module 1 |
|---|
| Compensation Benchmarking in the Indian Social Sector Report |
| Benchmarking of Employee Benefits in the Indian Social Sector Report |
| Personnel Perception of Talent Management in the Indian Social Sector Report |
| 75 internal equity and external competitiveness (confidential) reports, specific to each participating organization |
| **Module 2** |
| Regional Consultations Report on Talent Management in the Indian Social Sector |
| Report on 'Talent Management Practices in the Indian Social Sector' |
| 18 Case-lets based on the best practices and ongoing challenges of TM in SPOs |
| 16 organisational reports on the motivation status of their employees. |
| **Combined outputs** |
| A report triangulating findings from both modules- 'Decoding Talent: Talent Management, Compensation and Motivation in the Indian Social Sector' |
| Microsite- a searchable database on compensation and talent management practices |
| **Seminal Papers** |
| A literature review paper on 'Job Roles in the Social Sector:  A Systematic Literature Review' |
| A literature review paper on 'Talent Management in the Social Sector: A Review of Compensation and Motivation' |
| A literature review paper on 'A Typology of Organisations in the Indian Social Sector' |

The outputs mentioned above delve deep into specific and general aspects of TM practices in the Indian social sector. **This report summarises the key findings emerging from them.**
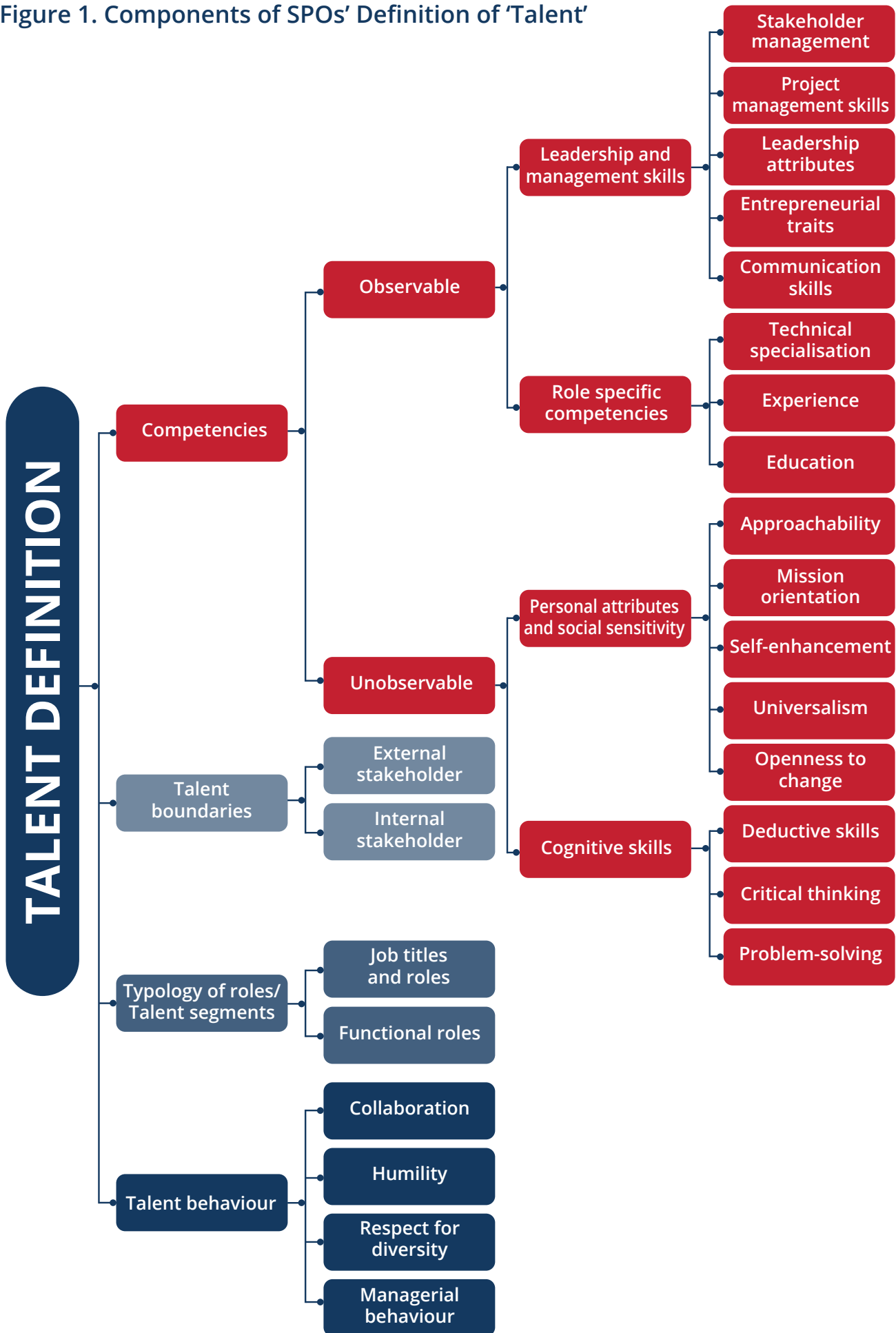
# FINDINGS

# UNDERSTANDING 'TALENT'

# 3

The definition of 'talent' is contextual, constructed by organisational capacity and effectiveness, and aligned with achieving the organisational mission. Relatedly, an understanding of 'talent' is constructed by SPOs in terms of talent competencies; talent boundaries; talent behaviours and talent segments (type of role) (Figure 1).

# Figure 1. Components of SPOs' Definition of 'Talent'



**TALENT DEFINITION**

- **Competencies**
  - **Observable**
    - **Leadership and management skills**
      - Stakeholder management
      - Project management skills
      - Leadership attributes
      - Entrepreneurial traits
      - Communication skills
    - **Role specific competencies**
      - Technical specialisation
      - Experience
      - Education
  - **Unobservable**
    - **Personal attributes and social sensitivity**
      - Approachability
      - Mission orientation
      - Self-enhancement
      - Universalism
      - Openness to change
    - **Cognitive skills**
      - Deductive skills
      - Critical thinking
      - Problem-solving
- **Talent boundaries**
  - External stakeholder
  - Internal stakeholder
- **Typology of roles/ Talent segments**
  - Job titles and roles
  - Functional roles
- **Talent behaviour**
  - Collaboration
  - Humility
  - Respect for diversity
  - Managerial behaviour

## 3.1 TALENT COMPETENCIES

All the SPOs define their **talent competencies** broadly into observable and unobservable competencies. The observable competencies are sub-categorised into leadership and management skills; and role-specific competencies. Cognitive skills, personal attributes, and social sensitivity are encapsulated into unobservable traits. Personal attributes and social sensitivity take precedence over the rest of the skills set in SPOs, especially over those skills which are technical or domain specific.

## 3.2 TALENT BOUNDARIES

Talent boundaries can be bifurcated into external and internal stakeholders. The talent boundary of SPOs is not limited to the persons employed by these organisations but extends beyond the formal boundaries of the organisation. For example, some organisations consider government employees as internal stakeholders.

## 3.3 TALENT BEHAVIOURS

Attributes like knowledge sharing and exchange; collaboration; cause above self; humility; care for others; and respect for diversity are some of the key **talent behaviours** that SPOs expect from their talent. These expectations are grounded in the value and culture of the organisation.

## 3.4 TALENT SEGMENTS: A TYPOLOGY OF ROLES

Talent is essentially understood in terms of the hierarchy of role and functions in SPOs. The study creates a typology of roles according to management hierarchy/ level and function. As many as 74 different job titles are identified in SPOs in Module 2. However, defining a clear management hierarchy is difficult for the recognised job titles except for the top management. To address this issue, Korn Ferry conducted an exercise in benchmarking of varied and various roles in SPOs and categorised them into standardised Korn Ferry Hay's Reference Levels[5] (KFHRL) 8-25.

### 3.4.1. Levels of job roles

Overall, the hierarchical levels of job roles in the sector are categorised broadly into five categories: leadership, senior management, middle management, support staff and 'others'.

**Leadership:** The qualitative component of the study categorised the leadership job titles into top management. These are the C-suite job roles with titles like Chief Executive Officer (CEO), Executive Director (ED), Co-Founder/Chief Operating Officer (COO), Chief Programme Officer (CPO), Chief Technology Officer (CTO), etc. The leadership's primary responsibility is to draw policy and strategy for the organisation and keep the entire organisation focused on the mission and vision of the SPO. They are involved in and accountable for all operations of the organisation. Leadership roles are assigned KFHRLs 20-25.

**Senior management:** Senior management roles are assigned KFHRL 19 and 18. According to the qualitative inquiry into these roles, the job titles for employees in senior management positions include Director, Associate Director, and Vertical leads. A senior management job

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5 Each role has been assigned a Hay's Reference level for role and compensation benchmarking. The levels identified are HRL 8-25, with increasing level of hierarchy as we move up the level. HRL 8-14 include support and entry level staff; 15-17 include middle management roles; 18 and 19 are senior management levels; and 20-25 relate to leadership roles.

ensures the management of a function and the development of operational policies for the whole organisation. Professionals in these positions are responsible for driving an entire vertical.

**Middle management:** The role benchmarking categorised middle management roles into KFHRL 17, 16 and 15. At the KFHRL. At the KFHRL 17, typical designations include deputy general manager –finance, Head of operations etc. The jobs at this level ensure the operational management of small functions/programmes. At the KFHRL 16, typical designations include fundraising manager, associate programme lead, associate project manager etc. People at this level are first-level managers/leaders in a large complex organisation. At the KFHRL 15, typical designations include assistant manager –corporate partnerships, programme lead etc. The role could be a supervisory or specialised individual contributor. Extensive knowledge is expected at this level.

**Support staff:** The study analysed job titles under this category at a granular level and categorised them into KFHRL 14, 13, 12, 11, 10, 9, and 8. Support staff have the widest spectrum of job titles compared to others. At KFHRL 14, typical designations include project assistant, conservation consultant, among others. The jobholder works independently within the standard procedures and should be able to find a solution for a new task.

At KFHRL 13, typical designations include assistant project coordinator, programme coordinator, Coordinator–M&E, among others. The jobholder works independently within the standard procedures and should understand the theoretical principles of their own work, and have some work experience in the field.

At the KFHRL 12, typical designations include account assistant, assistant teacher, project executive, research associate etc. This can be an entry-level professional (complete higher education in the field with minimum work experience) or a jobholder without the higher education, but with extensive work experience.

At the KFHRL 11, typical designations include care giver, community mobiliser, field coordinator, and so on. This level demands deep practical knowledge of work methods and techniques. This knowledge is typically acquired through specialized training and practical work experience. Furthermore, **field staff is regarded highly valuable among all types of SPOs** as the implementation of programmes depends on their talent and capacity.

At KFHRL 10, typical designations include data administrator, data entry operator, clerk, technical assistant, and so on. At this level, knowledge is required for applying practical methods, techniques and work processes and proficiency in the specialised use of tools, materials, and equipment.

At the KFHRL 9, typical designations include housekeeping, helpdesk operator, among others. This level demands an understanding of the whole process and practical knowledge of standard work operations, processes, and skills in using special tools and materials.

At the KFHRL 8, typical designations include driver, office assistant, field coordinator, etc. Basic knowledge of standardised, often repetitive, work routines and general facts is often expected and/ or acquired through training on the job.

**'Others':** This category of roles includes key talent segments like consultants, interns, volunteers, and fellows. Consultants are the experts who bring subject matter expertise to the organisation or a certain project. They work full-time or on a retainer contract. On the other hand, the title consultant is also used as a common designation in a few organisations where the consultants

are regular full-time employees. 'Consultant' is the only job title which has appeared across all the archetypes.

## 3.4.2. Functional descriptions of roles

The study also classifies the job roles based on the functional description. Module 1 of the study identified 17 different functions across SPOs in India, which are further divided into one or more sub-functions. The function is a broader department encompassing multiple roles and subfunctions. A sub-function is defined as a sub-department assigned to roles within a function.

For example, Project management is a function that relates to implementing the project activities as per the agreed terms with the donors. It refers to an array of activities related to project implementation, managing the external risks, communication, resources and budget. Therefore, under the project management function, there are multiple sub-functions and roles for different aspects of the operation. These functions and their definitions are described in Figure 2.

## Figure 2. Functional descriptions of job roles

| | |
|---|---|
| **Programme Content Development** <br><br> • Content Design <br> • Project / Programme Plan Design | Content development is the process of researching, writing, gathering, organizing and editing information for publication or providing knowledgeable fillings to the users for specific programmes |
| **Social Service / Helpline** <br><br> • Social Counsellor <br> • Coordinator | A telephone line operated by a charitable organisation / govt. for people in distress, worried or unhappy. It works with the mission to provide telephonic advice, information and guidance to empower and support them |
| **Logistics / Supply Chain** <br><br> • Warehousing <br> • Delivery/Transportation <br> • Purchasing/Procurement | A processes of acquiring, storing and transporting of goods / resources along the chain |
| **Project Management** <br><br> • Project Governance <br> • Capacity Building <br> • Monitoring & Evaluation <br> • Community Mobiliser <br> • Field Work <br> • Project Coordinator | Project Management relates to implementing the project activities as per the agreed terms with the donors. Project Management refers to an array of activities related to project implementation, managing the external risks, communication, resources and budget. |

| **Fundraising** | Fundraising is the process of seeking and gathering voluntary financial contributions by engaging individuals, corporations, charitable foundations, donors or governmental agencies. |
|---|---|
| • Proposal Writing<br>• Managing Events<br>• Donor Management<br>• Resource Mobilisation | |
| **Research** | The creation of new knowledge and / or the use of existing knowledge in a new and creative way so as to generate new concepts, methodologies and understandings. |
| • Data Entry<br>• Analysis<br>• Primary & Secondary Research<br>• Advocacy | |
| **Marketing & Communication** | Marketing & Communication refers to activities and strategies that spread the message of the organisation, as well as solicit donations and call for volunteers. It also involves the creation of logos, slogans, and the development of a media campaign to expose the organisation to an outside audience. Helps in sharing information, tell stories, protect the brand's reputation, and engage in conversations both internal and external that inspire others to join their organisation in fulfilling its mission. |
| • Report Writing<br>• Internal Communication<br>• External Communication<br>• Social Media Management | |
| **General Management** | Management is responsible for all aspects of an organisation as well as ensuring that activities are being properly funded. |
| • Leadership 2<br>• Leadership 1<br>• Governance<br>• Financial budgeting<br>• Strategy planning | |
| **Education** | Imparting and acquiring of knowledge through teaching and learning. It refers to the development of learning and thinking process. It goes beyond the four walls of the classroom and is also about gaining experience. |
| • Principal<br>• Teacher<br>• Doctor<br>• Therapist<br>• Counselor | |
| **Administration/Support/Service** | These are ancillary or non-core activities that an organisation carries out in order to facilitate its main programmes and functions. |
| • Kitchen<br>• Clerical Services<br>• Secretarial<br>• Support Service<br>• Documentation/Knowledge Management | |

| Finance and Accounting | Field of accounting is concerned with the summary, analysis and reporting of financial transactions related to an organisation. This involves the preparation of financial statements available for internal or public use. |
|---|---|
| • Accounting<br>• Audit<br>• Taxation<br>• Financial planning and analysis | |
| **Human Resources** | Human Resource is a department that is involved in employing personnel, training them, compensating them, developing policies related to them and strategies to retain them. |
| • HR Generalists<br>• Learning and Development<br>• Recruitment and Talent Acquisition | |
| **Engineering** | Use of scientific principles to design and build machines, structures, and other items, including bridges, tunnels, roads, vehicles, and buildings |
| • Interdisciplinary Engineering | |
| **Health and Environment** | Refers to aspects of human health (including quality of life) that are determined by physical, chemical, biological and social factors |
| • Health and Safety | |
| **Information Technology/Digital** | Information technology is the use of computers to create, process, store, retrieve, and exchange all kinds of data and information. |
| • Software Development and Implementation | |
| **Legal** | A department or a person nominated in the organisation to provide legal support to the members of the group. |
| • Legal Counsel | |
| **Quality Assurance** | It is about improving services, systems and processes, to making sure that the whole organisation is fit and effective. |
| • Quality Assurance | |

# 4

# COMPENSATION AND BENEFITS IN THE INDIAN SOCIAL SECTOR

## 4.1 UNDERSTANDING COMPENSATION

**Compensation** is defined as the level of pay/salaries of the employees in an organisation. Competent compensation positively affects talent attraction, retention and motivation of personnel in SPOs. Despite the positive effect of proper compensation on talent motivation, very little attention is paid to studying the prevalent compensation practices in the social sector. A gap exists between the organisations' needs and the candidates' expectations in terms of compensation and benefits. These gaps originate from many factors, including the inability of the organisation to match compensation demands, alignment of roles vis-à-vis the available talent pool, skill sets and experience and others.

The study revealed that **compensation in SPOs constitutes monetary & non-monetary components** as well as benefits. SPOs offer various benefits to their full-time and contractual employees. The typical Indian reward structure includes the following components of pay: basic salary + allowances + benefits & retirals + variable pay. However, considerable diversity exists in how different categories of SPOs define compensation. While some define compensation purely in monetary terms, such as salary/cash transactions, others also include intangible benefits like investments in learning opportunities as part of the compensation.

## 4.2 COMPENSATION BENCHMARKING

**Compensation benchmarking** is largely an informal process in SPOs. In general, SPOs set the compensation of personnel by comparing their salaries with other SPOs working in a similar domain and location. Most SPOs across categories face resource constraints to benchmark compensation practices through a proper benchmarking exercise.

**The present study benchmarked** the Indian social sector's compensation against general industry[6] (GI) compensation. The key insights from the benchmarking survey are as below:

**Pay in the social sector has four components**: basic salary, allowances, benefits, and variable pay/short-term incentives. Basic salary constitutes 33% - 64% of the total cost to company (TCTC), allowances are 25% - 49% of the TCTC, and benefits form 7% - 12% of the TCTC, while the variable pay is paid mostly by FOs.

- The study reported that **compensation in the overall social sector needs improvement**. Personnel in SPOs are being paid lower than the GI across all Korn Ferry Hay Reference Levels (KFHRLs). SPOs have an average compa-ratio[7] of 43% at fixed cost to company (FCTC) and 42% at TCTC with GI market, i.e., **compensation in the social sector is 57% lower at FCTC and 58% lower at TCTC than GI**. Overall compensation for FOs is leading the overall social sector by a significant margin but is still lower than the GI market. Average compa-ratio for FOs is 175% at FCTC and 185% at TCTC, i.e., 75% and 85% higher than the social sector.

- The analysis of the effect of **functional differentials** on compensation showed that the average salaries paid in 'Education' (average compa-ratio being 74 % at FCTC) and 'Project management' (average compa-ratio being 98% at FCTC) functions are lower than the average salaries paid in the overall social sector, while 'Programme & Content Development' and 'Fundraising' are the highest paid functions with average compa-ratio of 174% and 138% (as compared to the overall social sector) respectively.

- Organisations with **funding size**[8] ≥ **INR 2000 lakhs to <INR 3500 lakhs** are paying the highest compensation among all other categories of funding size as compared to overall social sector. The average compa-ratio at both FCTC and TCTC is 126%. This implies that the compensation paid in organisations with funding size ≥**INR 2000 Lakhs to <INR 3500** Lakhs is 26% higher than the compensation paid in overall social sector.

- Organisations with **headcount size** ≥**50 to 75** and **above 500** have a lower average compa-ratio, 94% and 72% at FCTC respectively as compared to overall SPOs. Average salaries paid in the organisations with headcount size ≥**150 and <250** are 25% higher than what is being paid in the overall social sector.

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6 General Industry (GI) in this study has been defined as the general India market covering the local corporates, MNCs and other organisations across industries like High Technology, Industrial Goods, Retail, not for-Profit, Fast-Moving Consumer Goods, Oil and Gas, etc. Korn Ferry studied compensation in 786 organisations in 2021 General Industry market that has been used in this study for different comparisons.

7 Compa-ratio compares the compensation of a personnel to the midpoint of the compensation range for their position or similar positions at other organisations. Compa-ratio reveals how far a personnel's pay is from the market midpoint. For example, the annual compensation of a personnel is INR 20,000 for his/her role, while the median compensation for a similar role in the market is INR 30,000. Here, the compa-ratio will be calculated as (20000/30000)*100 = 67%. This implies that the personnel is getting 33% lesser compensation than the median compensation in the market for his/her role.

Average compa-ratio is calculated as an average of compa-ratio for each level in the analysis tables.

8 The sample organisations were categorized according to these funding sizes (INR): ≥1 lakh to <20 lakhs; ≥20 lakhs to <75 lakhs; ≥75 lakhs to <150 lakhs; ≥150 lakhs to <500 lakhs; ≥500 lakhs to <1000 lakhs; ≥1000 lakhs to <2000 lakhs; ≥2000 lakhs to <3500 lakhs; ≥3500 lakhs to <7500 lakhs; and above 7500 lakhs

- Personnel with both rural and urban **scope of role** are the highest paid (average compa-ratio of 117% at FCTC and 119% at TCTC), followed by those with only urban scope of role (109% at both FCTC and TCTC). Personnel with rural scope of role are the least paid.

- The average salaries paid at FCTC in organisations working in **thematic area** 'governance & accountability' are 14% lower (at FCTC) than what is being paid in overall social sector. Organisations with thematic area 'welfare, rights and empowerment' are paying the highest compensation as compared to overall social sector. The average compa-ratio at FCTC is 124% and 123% at TCTC.

## 4.3 BENEFITS BENCHMARKING

The study also explored the benefits being offered across typology of roles and organisations; and benchmarked them against the benefits offered in the GI. The most prevalent benefits in the social sector are insurance, flexibility in working arrangements, leave, and training for development. The least prevalent benefits are joining bonus, late retirement, child day care, wellness, and car allowance.

### Other key insights from the benefits benchmarking survey are as below:

The market positioning of social sector is based on the overall prevalence of benefits, which includes a comparison of percent organisations offering the specific benefits as well as the range/type of benefits offered.

**Insurance benefits:** The overall trends show that social sector is **below GI** trends in providing insurance benefits. However, majority of the organisations in the social sector provide insurance benefits across all employee groups. As many as 86% of the organisations provide fully sponsored insurance benefits.

a. **Health insurance** (81%) emerges as the most prevalent type of insurance benefit in the social sector followed by Personal Accident Insurance (59%). Life Insurance, Long Term Disability and Short-Term Disability Insurance benefits emerge as the least prevalent insurance benefits across the sector.

   Overall, in social sector, under Health Insurance policy, 39% of the organisations cover only personnel across all employee groups and 32% of the organisations cover personnel, spouse and children across all employee groups, 24% of the organisations cover personnel, spouse, children and parents, while 5% of the organisations cover only personnel and spouse.

   The median coverage amount provided under Health Insurance benefit is INR 3 lakhs across all employee groups in the social sector. Sixty-nine per cent of the organisations include maternity hospitalisation cover in Health Insurance Plan.

   A little over half (55%) of the SPOs **cover contractual employees** under insurance benefit plans.

b. **Life insurance benefit:** The maximum value of coverage amount provided under Life Insurance benefit varies by employee groups and ranges from INR 30 lakhs to INR 100 lakhs. Overall, in the social sector, under Life Insurance policy, 88% of the organisations cover only personnel across all employee groups. For middle management employees, 14% of the organisations cover personnel and spouses. Fourteen and 17% organisations

cover personnel, spouse, children and parents for senior management and leadership level employees respectively.

**Retirement benefit:** Social sector emerges **at par with GI** in providing retirement benefits to its employees.

a. Twenty-five per cent of the SPOs offer retirement benefits (over and above, what is mandated by the government). Overall, in the social sector, all organisations provide retirement benefits to full time personnel. 27% of the organisations provide retirement benefits to contractual personnel and only 13% organisations provide it to part-time personnel.

b. Eighty-seven per cent of the organisations provide provident fund to the full-time personnel, 93% of the organisations provide gratuity and only 20% of the organisations offer superannuation.

**Leave benefit:** Social sector emerges **above the GI trends** in providing leave benefits to its employees.

a. Ninety-eight per cent of the SPOs have a formal leave policy. Out of the 59 organisations, all NGO & SEs (48) organisations, ESOs (6 out of 7) and FOs (4) have a formal leave policy.

b. The three most prevalent types of leave in the social sector are Maternity leave (100%), Paternity leave (72%) and Annual Paid leaves (70%). The least prevalent leave across the social sector is Hospitalisation leave (19%).

**Healthcare benefit:** Healthcare benefits cover medical check-up/health screening, employee assistance programs (EAP) and other wellness initiatives or programs focused on improving the health of employees, also known as well-being and health management programs. Social sector is **at par with GI** in providing healthcare benefits. Overall, in the social sector, 37% of the organisations provide healthcare benefits to full time personnel. These benefits are provided by the majority of the organisations across all employee groups.

## Other benefits:

a. Social sector is also **at par with GI in providing night shift allowance; remote work flexibility; Learning and Development allowance; Hardship allowance; Childcare support allowance; Transportation allowance; Meal subsidy allowance; and Mobile allowance**.

b. Overall, seven per cent SPOs provide night shift allowance.

c. As many as 83% SPOs allow remote work arrangement for their employees. Of the organisations which allow work from home, 78% provide additional benefits to facilitate work from home.

d. Majority of the SPOs (85%) provide learning and development opportunities to their employees. Most of these opportunities are on the job learning and short-term workshops. More than half (54%) of the organisations also have specialised programs catering to critical skills for personnel.

e. Overall, only 10% of SPOs provide hardship allowance to their employees.

f. Childcare Support (Day-care facility & Education Allowance) offered by social sector is also at par with GI. Twelve per cent SPOs providing a child care / day care centre to their employees.

g. One in every two SPOs provides a **transportation allowance** or commuting assistance to personnel.

h. Only one-fifth of the SPOs (19%) provide a canteen/meal subsidy to their employees.

i. More than half (66%) of SPOs provide their employees with a **mobile allowance**.

## 4.4 FACTORS AFFECTING COMPENSATION IN SPOS

**Factor affecting compensation in SPOs** can be classified into **organisational and employee-level factors**. The organisational level factors include the organisation's size, governance quality and presence of volunteers. The employee-level elements encompass intrinsic motivation, human capital, and managerial performance. **Availability of funds** is the most critical factor that influences compensation practices across SPOs, followed by the pay practices of peer organisations.

# PERSONNEL PERCEPTION OF TALENT MANAGEMENT IN SOCIAL PURPOSE ORGANISATIONS

# 5

Besides exploring existing practices vis-à-vis TM and compensation (including benefits), a survey was rolled out to understand the perception of SPO personnel towards these practices and their sense of affiliation to their organisations.

Overall, social sector personnel **voice a lack of fair compensation, benefits, and recognition**. Seventy-three per cent of social sector personnel prefer a fine balance between compensation and benefits offered, while 54% expect average fixed compensation but a better work-life balance. About as many as 49% prefer higher fixed compensation and fewer benefits; only 23% prefer higher fixed compensation and less social security benefits (Insurance- Medical, Accident & Life, Retirals); a higher proportion of incentives is not preferred by personnel across different organisations. Personnel's **expectations** and preferences vary based on age, work experience, gender and type of SPO.

Specific key insights from the survey findings are as below:

## 5.1 PERSONNEL PERCEPTION TOWARDS AFFILIATION WITH WORK AND ORGANISATIONS

a.   There is a strong sense of purpose, association with the organisation and relationship with leader/ manager. Almost all personnel (96%) reported to be aligned with the mission and vision of the organisation and take pride in working with the organisation.

b.   ESO personnel feel relatively less connected to the purpose of making a difference in society; NGOs/SEs and FOs have a higher sense of purpose when compared with ESOs.

c.   As compared to other categories of SPOs, personnel in NGOs and SEs display high intent to stay unlike other types of organisations. Personnel from FOs and ESOs display low intent to stay when compared with the overall social sector.

## 5.2 PERSONNEL PERCEPTION TOWARDS TRUST & COLLABORATION, AND WORK STRUCTURE

a. Lack of effective communication between departments within the organisation and fair assignment of promotions and tasks emerge as key concerns for the personnel. ESO personnel express concern about lack of fair distribution of work and work structure and many also feel that there is lack of clear and regular feedback.

## 5.3 PERSONNEL PERCEPTION TOWARDS COMPENSATION

a. As mentioned above, compensation is a low scoring dimension in overall social sector organisations suggesting discontent among SPO personnel about their compensation level.

b. FOs and ESOs display greater discontent in this aspect. NGOs & SEs perceive their compensation to be fairer as compared with the overall social sector.

## 5.4 PERSONNEL PERCEPTION TOWARDS BENEFITS

a. Social sector personnel give high importance to insurance, leave and training for development which are also the most prevalent benefits in the social sector.

b. Benefits like joining bonus, marriage leave, meals, child day care and hardship allowance which are not very prevalent in the social sector are also perceived as low importance benefits by personnel.

c. About three-quarters (73%) of social sector personnel prefer a fine balance between compensation and benefits offered to them while 54% expect average fixed compensation but a better work life balance.

d. Higher proportion of incentives is not preferred by personnel across any type of organisations.

# TALENT MANAGEMENT LIFECYCLE

6

The **TM lifecycle in SPOs** typically has five stages: Talent attraction and recruitment; talent induction and integration; learning and development (L&D); performance appraisal; and talent transition and succession planning.

## 6.1 TALENT ATTRACTION AND RECRUITMENT

Talent attraction and recruitment is the first step in identifying, screening, and selecting talent for a particular job role in the SPOs. Organisations adopt multiple strategies to attract and mobilise talent pools, including referrals/word of mouth, recruitment from academic institutions, and targeted advertisements using multiple online (e.g., social media) and offline platforms (e.g., newspaper advertising). The most critical requirement in the recruitment processes is not merely the competency or skills of the individual but their purpose/reason/motivation to work in the sector. Ethical tenets like Diversity and Inclusion are at the core of SPO recruitment.

## 6.2 INDUCTION AND INTEGRATION

Recruitment is followed by talent induction and integration, which typically lasts 30-90 days. The induction process in SPOs can be summarised as a way to ensure that the new hire has clarity over organisational culture and mission, builds connections with relevant stakeholders and feels cared for. Induction also serves as a platform to assess the learning and development (L&D) needs of the talent and build their capacity so that the talent is geared to drive the organisational vision forward.

## 6.3 LEARNING AND DEVELOPMENT

SPOs invest in **learning and development (L&D)** activities to enhance their employees' knowledge and skills. These initiatives aim to build the capacity of organisational talent to meet the organisational/ project objectives and increase the internal competence of the organisation. Training and grooming

also help prepare the next line of leadership in SPOs. L&D emerged as a strong practice meant to keep the personnel motivated. Both formal and informal learning channels are adopted to nurture a learning culture. However, **most organisations focus their L&D opportunities on middle and senior management employees.**

## 6.4 TALENT PERFORMANCE APPRAISAL

Talent performance management/ appraisal practices at SPOs include using criteria and metrics to assess performances. The values espoused by the SPOs are at the centre of performance appraisal in SPOs. Chances for promotion in SPOs vary with the employer. While acknowledging achievements and improving employees' motivation are the foremost objectives of appraisal in SPOs, employees' skills development and preparation for the next line of leadership is also core objective. Appraisal happens both vertically and horizontally. Employees are promoted to a higher position in the vertical appraisal, and their roles are expanded in horizontal appraisal.

## 6.5 TALENT TRANSITION AND SUCCESSION PLANNING

Most organisations expressed **challenges in ensuring effective talent transition and succession,** while all acknowledged the potential of investing in retention and talent transitions. This problem is amplified in small organisations with limited growth potential for personnel, given the context of a short hierarchy in the positional ladder. Most organisational leaders also struggle with finding the right people to hand over the leadership baton.

Several strategies are adopted across SPOs to retain appropriate talent and reduce turnover. These include creating L&D opportunities, job enrichment, job rotation, clear and open communication, establishing a career growth trajectory, and ensuring mutual respect and compensation negotiations.

# DRIVERS OF TALENT MOTIVATION

# 7

The study has found a number of pull and push factors that drive **the motivation of talent** to work in the Indian social sector. **Pull factors** are the factors that attract personnel to work in the social sector. They include:

- intrinsic motivation,
- personal experiences,
- shared vision,
- purpose and meaningfulness of the work,
- organisational leadership style,
- L&D opportunities,
- individual needs – acknowledgment and appreciation,
- organisational culture and work environment,
- diverse work opportunities,
- autonomy and voice,
- feedback,
- well-being initiatives of the SPO,
- organisational structures and processes,
- opportunity to work with diverse stakeholders,
- challenging and exciting work,
- skills match,
- and association with the organisation.

**Push factors** are the constraints that force people to work in the social sector. These include poor educational background, lack of work opportunities and desperation to earn a living which force individuals to join the social sector.

# 8 TALENT MANAGEMENT FRAMEWORK

Effective TM strategy helps organisations attract and retain talent. Based on the qualitative and quantitative responses received from SPO leaders and personnel, a framework (figure 3) is developed that the organisations can leverage to develop people centric TM practices and drive organisational performance.

## Figure 3. A people centric TM framework
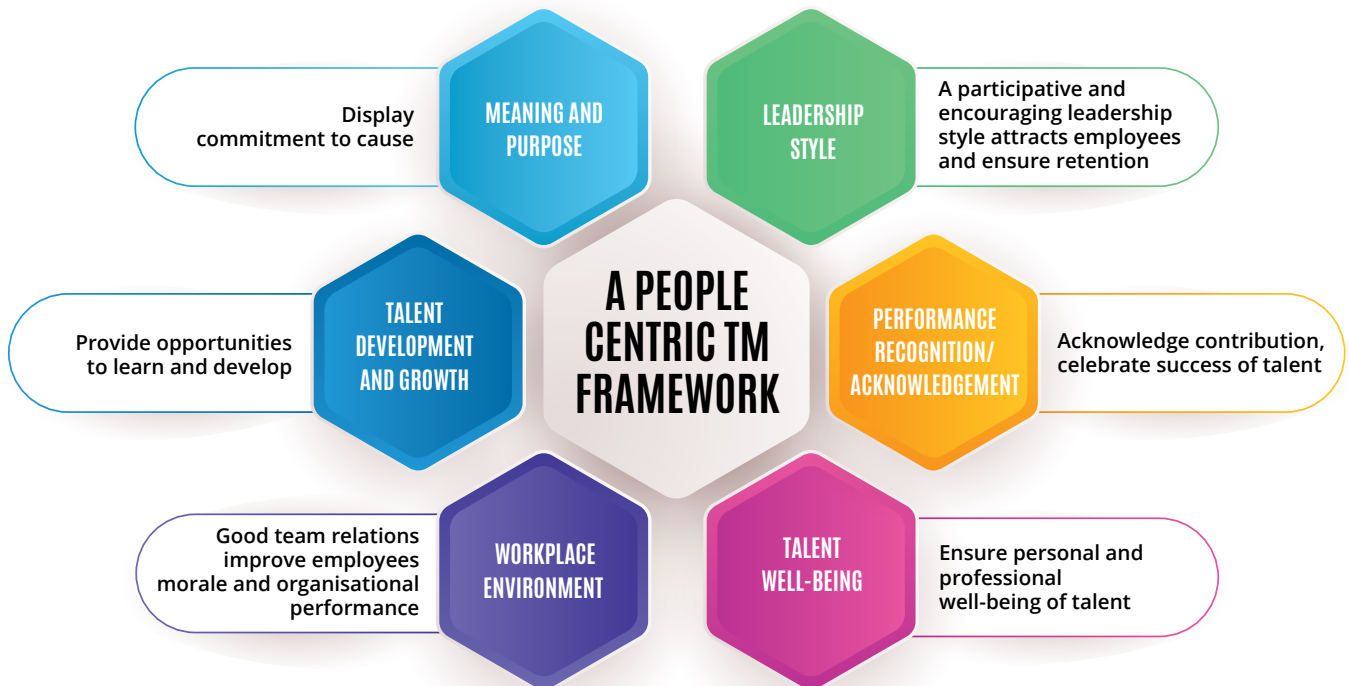
# TALENT CHALLENGES FACED BY SOCIAL PURPOSE ORGANISATIONS

# 9

The study captured several **talent management challenges faced by SPOs**. These challenges are divided into challenges due to external factors and internal factors. **TM challenges due to external factors** include the challenge of projectisation, talent attraction and acquisition, competition for talent, lack of interest in a social cause, hiring for middle and senior management positions, finding the talent with the right skills set, competition for talent with other sectors, compensation expectations, corporate crossovers and participant's expectations. **TM challenges due to internal factors** include paucity of funds, low brand value, delay in decision making, competency mismatch, performance-based promotions, poor incentives, misalignment with organisational mission and approach, team management, unclear career trajectory, traditional performance management, administrative work, the monotony of work, attrition and succession planning.

# 10 CONCLUSIONS

This study fills the gap in the literature on TM in the social sector, particularly in Indian SPOs. By utilising a mixed methods approach and analysing responses from 18 FGDs (with 57 participants); 98 in-depth interviews (with 104 participants), a compensation survey with 75 organisations, benefits survey with 59 organisations; perception survey with 92 personnel and a motivation survey with 477 employees from three categories of SPOs, it provides insights into the existing themes and dynamics of TM practices in Indian SPOs. Built on the existing literature on TM practices in the SPOs, the study is the first of its kind and serves the sector and researchers by co-creating (with SPOs) compensation benchmarks across a typology of roles and organisations.

The study draws attention to TM practices across a typology of SPOs and roles therein. SPOs can utilise the findings of this study to formulate people-centric TM practices that could enable them to attract and retain talent, thereby driving organisational effectiveness and performance.

However, the study is not statistically representative of a gigantic Indian social sector.  The insights on TM have mainly come from the top leadership and vertical leads of the SPOs. A further sense of the perspective of employees working at different levels will give a more nuanced understanding of TM practices. Generalisations of the results demand further exploration of the TM practices across a few other organisations, particularly ensuring geographical and organisation size representation. Furthermore, a natural extension of the study is to analyse the effect of socio-economic and cultural aspects/ backgrounds of employees on the motivation of talent to work in the Indian social sector. Understanding talent motivation in the social sector associated with demography and specific and active features of the region would add granularity to the understanding of talent motivation.

# NOTES

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