



## Human Capital Development Programme

### CORPORATE OFFICE:

Vakrangee Corporate House

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## 1. Introduction

We recognize the valuable role of employees in building and running our organization. We are committed to respecting and grooming the talent of our employees for effective business operations.

Our Human Capital Development Programme is aimed at fostering socio-economic empowerment through inclusive growth. We are an equal opportunity employer and all decisions are based on merit and business needs.

This document covers the broad framework of the Human Capital Development Lifecycle and various initiatives taken for Human Capital Development in our organization.

## 2. Talent Recruitment

### 2.1 Recruitment Criteria

We are committed to become a truly diverse company. We are always looking for the best and brightest talent to join our organization.

We comply with affirmative action initiatives by focusing on employing underrepresented groups. We work to identify the best possible talent from all backgrounds. To develop future generations of talent, we are committed to holistic strategies. We intent to employ the best talent across the country from diverse cultures and races.

Due to our presence across the country in 30 states and union territories, we give equal opportunity to employees from diverse backgrounds and ethnic culture to work together towards achieving our organizational objectives.

In our business operations, we have zero tolerance for discrimination based on an individual's race, color, religion, disability, gender, national origin, sexual orientation, age, genetic information or any other legally protected status.

Our Recruitment criteria is based on the below parameters of the candidate:

- Aptitude
- Competency Mapping
- Skill Set Bench Marking
- Ability

The selection is not biased with respect to culture, race, ethnicity, age, gender, sexual orientation, physical or mental ability, and work-life situations.

## 2.2 Initiatives for Talent Recruitment

### 2.2.1 Hiring of Freshers

#### 2.2.1.1 Campus Recruitment Drives (Including partnership with Colleges/Universities)

More than 80% of our Outlets are in Rural India primarily Tier 5 & Tier 6 locations, therefore, our field team i.e. Territory Sales Officer which monitor these franchisees need to be well versed with the local community and local environment. We recruit fresh graduates from Educational Institutions such as Colleges, Regional universities, women's colleges, and tribal colleges in Rural Part of the country. By doing this, we generate local employment and provide skill development opportunities in rural India.

We have partnership with the following colleges/Universities for hiring staff at our field level –

- Indian Institute of Information Technology, Kota
- Management Development Institute, Mushidabad
- Regenesys Business School
- Chitkara University, Chandigarh
- GLA University

Apart from this, we have also partnered with following colleges/Universities for our Corporate and State Offices –

- Indian Institute of Information Technology, Kota
- Balaji Institute of Modern Management
- MIT School of Management
- ICFAI Business School
- Chandigarh University

We attend various seminars and placement drives at these institutes to encourage students to join our organization. We also closely work with institutes to align their curriculum with our job profiles at various levels. The advantage of hiring graduates from such universities is that they have the required skill sets such as passion, technical skills and soft skills which is aligned to our strategy. This also helps the universities in getting a higher number of their students placed right after graduating.

The benefit to the Fresh graduates is that they get exposed to a lot of learning as our operations cover various sectors such as ATM, Banking, Financial Services, Insurance, E-Commerce, Health Care, E-Governance and Logistics.

### **2.2.1.2 Internship program and Pre-Placement Opportunities (Including Partnership with Colleges/Universities)**

We believe that internship programs are a good opportunity for the organization as students provide a fresh perspective in business and work enthusiastically in a corporate environment. We provide multiple internship opportunities to students in graduate and post graduate institutes in various departments across our corporate office and state office.

We have an internship programme with the following institutions –

- ICFAI Business School
- Indian Institute of Information Technology, Kota
- Chitkara University, Chandigarh

A mentor is assigned to every intern to guide him/her in the assignments, help him/her in career development, and become the point of contact for queries/issues.

We further strive to onboard the intern as a full-time employee by providing them with Pre-Placement Offers provided our regular selection criteria and hiring parameters and processes are met.

### **2.2.2 Lateral hiring**

#### **Field Recruitment Drive**

We have an Employee Hierarchy right till the Block level in Rural locations. For field level recruitments, we prefer hiring people who are natives to the local district. This helps us create employment at the rural location, thus discouraging their reverse migration to the cities.

We notify about our field recruitment drive schedule in the following ways:

- Advertisement in regional newspaper
- Notification in company website
- Notification in social media platforms

**Hiring Fairs:** We also host hiring fairs at regional block level and specifically within underrepresented communities in these regions.

**Opportunity for specially abled & Retired Army Officers:** We also focus on creating opportunities for specially abled and Retired Army Officers.

### Job Portals

Job portals provide a ready talent pool with the required skill set and location of the candidate. We third party job portals for recruiting suitable talent. Our filtering criteria used in the job portals results in targeting the right candidate very efficiently. Also, we use cutting edge digital techniques such as search engine optimization by which the candidates with required skill sets can find us on the job portals.

The recruitment managers usually get the required candidate in maximum iterations of filtering.

### Walk-in Camps

We schedule walk-in camps for hiring of territory sales officers and customer relationship managers across the country at local regional level to ensure equal opportunity to all and social inclusion.

We notify about the walk-in camps in the following ways:

- Regional newspaper advertisement
- Job portal references
- Notification in company website
- Notification in social media platforms

### Corporate Website

We post our vacancies in the careers section in our corporate website. This section is optimized for organic search results allowing job seekers to find our current openings.

### Internal Referral Scheme

We encourage our existing employees to leverage their existing professional network for the suitable openings in our organizations. We have an internal referral scheme whereby the employees are monetarily incentivized to onboard the required talent. The referral amount is based on the open position and level in the hierarchy referred.

### Internal Job Posting

We give our employee an opportunity to move from one department to another, to enhance the professional growth of the individual. The process is carried out through Internal Job Posting. Internal Job Posting is important for continuous skill acquisition and it creates a fair opportunity for employees to apply for the open positions at zero

cost. Internal Job Postings help us to promote internal recruitment within the organization and recruit internal employees within the ranks.

### Networking events

We believe that networking and building strong alliances is of critical importance. Employees that demonstrate skills, behaviors and attitude which already make a great fit will likely know other people with similar profile. We actively participate in various cross industry events organized by industry associations such as ASSOCHAM, CATMI etc. to scout for leadership and management roles.

### Customized Email Campaigns

We also do customized E-Mail campaigns to directly reach out to the eligible candidates in the industry.

## 2.3 Initiative taken for Talent Recruitment

We believe that people require a workplace which provides them great opportunities and good culture, while supporting them during challenges faced in life. Keeping this in mind, we constantly take initiative which help us in recruiting the right talent. These initiatives are reviewed at regular intervals and enhanced to meet the requirements of employees in this constantly changing times.

These initiatives include the enhancing the culture of our organization, providing the required benefits to employees and supporting them in building a strong career path.

### 2.3.1 Benefits Offered to Employees

In order to encourage new people to join our organization, we consciously work towards improving the benefits offered to our employees and keep them at par with the industry best practices. These benefits attract new talent to the organization in various roles and positions. A few benefits we currently offer are as follows –

1. **Work-Life Balance:** Our leaves policy is designed in such a manner that employees get can maintain a good work-life balance. These leaves help the employees unwind and take time off from their daily routine.
  - 21 days of Annual Leave
  - 9 days Public Holidays
  - 6 months (184 days) Maternity Leave with Full Pay
  - Up to 30 days of annual leave can be carried forward at the end of every calendar year
  - Leave encashment - Pending leaves over 30 calendar days get encashed to employees



2. **Insurance Benefits:** Employees are entitled for Group Medclaim policy which includes Self, Spouse and 2 Children. Employees are also covered under Life Insurance Coverage (Group Term Life) based on hierarchy levels. Additionally, Accidental Cover Insurance is also taken for all employees as per band
3. **Stock Option (ESOP Benefits):** We share our success with all our employees. We have ESOP Scheme for all employees of the organization at discounted rate. Involving our employees in the Organization's accomplishments gives them a sense of belonging, thereby motivating people to join the organization.
4. **Parental Support Benefits:** 6 Months (184 days) Maternity leave with full pay to expectant mothers. Along with this, maternity claim is also provided to women to cover their hospital expenses during their pregnancy.
5. **Wellness Program:** We believe in the saying – 'Health is wealth' and carry out various initiatives for our employees to help them stay fit physically and remain stress-free. This involves the following benefits –
  - Medical Room facility with company doctor
  - We promote health and Fitness Initiatives
  - Free registration to employees at Marathon
  - Employee Happiness and motivational sessions from industry experts
  - Free Zumba sessions for employees
6. **Complimentary Lunch Services:** We provide complimentary lunch to employees. Along with this, complimentary meals are also provided to employees whenever they have to work beyond working hours at office.
7. **Mobility/ Other Benefits:** In case of relocation of an employee, travel allowance is provided as per eligibility. Also, lodging and boarding is taken care of as per the entitlement for seven days. Baggage allowance for the transportation of household goods of employees is also provided as per employee eligibility.
8. **Career Break Policy: Employees have an option of** getting time away from work in order in case they require to fulfil the following:
  - Medical Emergency
  - Higher Education
  - Paternity/Maternity
  - Take care of parents/spouse/ children
9. **Retirement Benefits:** Gratuity is provided to employees at the time of separation on completion of 5 years of continued service

We strive to ensure that benefits offered at our organization are world-class and this helps us attract the right talent to apply and work with us.

### 2.3.2 Culture at our Organization

Our values define our culture, and these guide us to take our daily decisions and define our actions. We have an open culture which is driven by integrity and respect among our employees. This helps us attract right talent in the organization as we believe in complete transparency.

We believe that achievement is an 'after-effect' of fostering talent, building capabilities and nurturing accomplishments. We offer exceptional opportunities to our team to advance their careers through challenging responsibilities. We support them in promoting their personal growth by making them available the right academic and on-the-job training opportunities. Being a rapidly expanding organization, we offer lateral and vertical growth paths to our employees.

Right culture with great career opportunities serves as an attractive opportunity for people to apply and provides the organization a chance to recruit talent from across the country.

### 2.3.3 Diversity and Inclusion Initiatives

We are committed to become a truly diverse and inclusive company. We embrace and encourage different perspectives and believe we are made stronger by our unique combination of culture, race, ethnicity, age, gender, sexual orientation, physical or mental ability, and work-life situations.

Our organizational culture is based on mutual respect and admiration between peers. We believe in valuing our employees for who they are and thus, create high-performing teams that value colleagues from different backgrounds and with different perspectives to build a sustainable business.

We value diversity and thus take multiple initiatives to assure equal employment opportunity at our workplace. These initiatives help us attract best talent across all geographies and roles. A few of our initiatives include –

- **Targeted Recruitment** - We comply with affirmative action initiatives by focusing on employing underrepresented groups. We have programs in place to encourage qualified women, minorities, individuals with special abilities and war veterans, etc. in our organization. We encourage recruitment from the Armed forces recruitment board and the Indian Army Recruitment Board.
- **Mentorship Programs** – We have multiple mentorship programs in place such as New Joinee program, minority group program, women mentorship program, differently abled program and military mentorship program. These programs

help people across organizations align with their career goals and excel in their roles.

- **Employee Affinity Groups** – Employees with common interest are given the freedom to form affinity groups in the similar area of interest. These groups are also known as Networking Groups. Employee resource groups aid in recruitment by helping companies gain perspectives on techniques that appeal to target. Employee resource groups can help to increase the percentage of women and minorities throughout the organization. Membership helps create an inclusive environment and foster retention. Role of Affinity Group is to act as a “voice” for identity group; actively attract, develop, and retain talent; develop new business opportunities; promote the Brand; and community outreach.

### 3. Initiatives for Talent Development

We continuously train our employees to help them gain right skills to move to higher and more challenging roles. We conduct training sessions for our employees to enhance their existing skills and develop new skills which will help them stay relevant in the ever-changing times.

#### 3.1 Training Programs

We believe that successful employees result in a successful organization. With the help of multiple training programs, we offer our employees an opportunity to learn how to grow in their career and obtain the necessary tools to increase efficiency in their daily tasks.

- **Leadership/Managerial Training** –  
The transition from an employee to a leader can be a tough task to accomplish. We ensure that our employees are well equipped with the required skills to become a leader and these skills can be acquired through leadership development programs. Managerial and leadership skills are developed to serve two purposes.

- To offer employees a clear pathway for taking up managerial roles
- To help existing leaders hone their skills

Seminars and events are regularly conducted with an aim to promote knowledge sharing and more engagement amongst employees. We undertake training programs across the organization to improve the knowledge base of our employees. Also, we encourage all our business heads to attend various industry seminars to enhance their skills.

- **Soft Skills Training** –

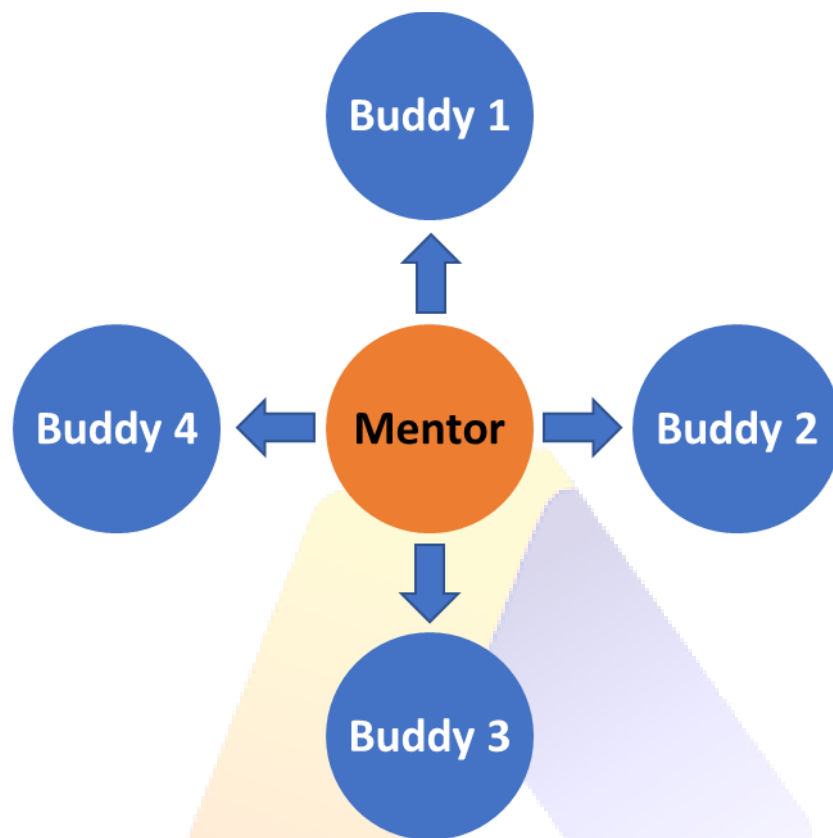
In order to enhance their communication skills, we conduct multiple soft skills workshop across all level of the organization. These training sessions help employees gain confidence and communicate effectively with stakeholders within and outside the organization.

- **Diversity Training** - We provide multiple training programs for all our employees at all levels to gain understanding of themselves, grow our collective knowledge, and give us practical tools for being more inclusive in our actions and decisions. Their formal trainings are conducted on regular basis by our Diversity and Inclusion council.

### 3.2 Mentorship Programs

We provide our employees an opportunity to seek advice through a mentorship program that is a part of our organizational culture. The role of the mentor is guiding the employees using their experience to help them align with their individual goals or career development. We believe that success of an employee in the organization greatly depends on their mentor and support groups. Hence, we ensure mapping of mentors to each employee, particularly for those who come from underrepresented groups. Our mentorship programs include the following -

- **New Joinee program** - This mentorship program comes into action for every new employee who has joined the organization. The mentor mapped to the new employee plays an important role in helping the employee to understand the organization culture and take up their new role more effectively.
- **Mentor and Buddy program** – This mentorship program is defined for those State Heads who are new to the organization (also known as Buddy) and require assistance in understanding the operations of the State. Each State Head is linked to a senior State Head who has been working with the organization for more than 5 years. The mentor state head plays an important role in knowledge transfer and guides the buddy in achieving their targets.



- **Minority Group Program** - This mentorship program is applicable for employees belonging to minority groups in India. The role of the mentor is helping the members of minority group get a sense of belongingness in their workplace and help them excel in their career.
- **Women Mentorship Program** - As a part of this program, 100 percent of women working in the organization are mapped to another senior women mentor who has vast experience and insights. The mentor supports the mentee by helping them grow their knowledge and professional experience.
- **Differently Abled Mentorship Program** - In this mentorship program, we match persons who are differently abled with a mentor who has a similar job profile and activities. This helps the mentee to quickly grasp their role and learn how to work effectively without any kind of difficulties.
- **Military Mentorship Program** - In this mentorship program, the mentor supports and guides former military employees and their spouses. The mentors help these professionals with a smooth transition from military life to corporate life. The mentors also help them utilize their existing skills in their current role and acquire the required skills to succeed in their career.

We also conduct training programs on semi-annually basis for skilled employees interested in becoming mentors to employees of various groups.

## 4. Initiatives for Talent Retention

We believe that talent retention is extremely important. Hence, we keep the employees engaged by assigning them challenging work, setting up achievable and cross-functional targets which further allows them to take initiatives and empowers them to channelize their careers even further.

We train the employees in cross-disciplinary skills and create succession planning avenues for mission critical roles in the organization.

We provide multiple benefits to the employees which help us in a long way to retain talent. We have Wellness Programs to promote health and fitness in the organization. We provide Parental Support Benefits, Retirement Benefits, Insurance Benefits, Mobility benefits with the perks of Work Life Balance to keep the talent engaged and actively retained. We have built in social and performance recognition platforms for employees to feel appreciated and recognized in the organization. We have also studied the skill gaps of low performers and identified the cause of poor performance and helped them to improve by building a career development plan and bringing them back on the track.

Apart from this, we also encourage formation of various employee affinity groups which helps create an inclusive environment and foster retention.

Some of our Employee Resource Groups are for the following –

- **Women Professionals:** This affinity group in Vakrangee comprises of 35 percent of employees. In our Core Strategy Team, we have 50 percent female employee who are mentors in this affinity group. The main objective of this group is over all well-being of the female workforce. They also go the extra mile in helping women employees have a work-life balance as well as effectively manage their work.
- **Regional Affinity Groups:** India is a huge country with vast land scape, where people from different states and communities speaking various languages come and work. Similarly, the work force of Vakrangee also has affinity groups which are formed based on different geopolitical landscapes. At Vakrangee, we have affinity groups for employees based on the places that they come from (Northern India, Eastern India, Western India, South Indian, and Central Indian)

- **Working Families:** This is also referred as working parents support group. Parenting is a fulltime activity, and therefore at Vakrangee we have a group of Working families who come together to discuss their needs and support each other. This has enabled Vakrangee to attract as well as retain the best talent. We also have an in-house creche facility for the working parents, with required facility and resources to take care of their young ones.
- **Minority in India:** This affinity group represents the minorities of the country. They are the ones who have been underrepresented in various walks of life. This group of employees is represented by a coordinator who communicates to the management about their opinions. This group helps us to attract talent from various parts of the country, especially unserved and underserved districts.
- **Differently Abled Professionals:** We have a very talented pool of differently abled resources whom we are very proud of. This group helps create awareness, drive opportunities for growth in the workplace (and beyond) to create more and better inclusive spaces. Members of this group mentor and support each other in realizing their full potential and overcoming everyday challenges to outperform in the role assigned to them.
- **Ex-Military Professionals:** This group connects ex-military professionals with each other, creating and fostering an environment of support and empowerment.
- **Young Professionals:** As we recruit resources fresh from educational institutes, we realize the need to having a group for them as well. This group comprises of employees who are 'freshers' and are in the organization for less than 500 days. This group takes initiatives to providing trainings to freshers for required skills and help them develop their career path.

## 5. Performance review as per Career Development

Employees are important assets of the company and hence their productivity and efficiency is of utmost importance.

### Evaluating Employee Performance

Employee performance is evaluated as per below:

- We have well defined KRA and KPI for analyzing and evaluating performance of employees
- There is periodically review of employee basis the KRA and KPI by Reporting Manager and the HR department
- In case of gaps in performance, we take appropriate steps such as Mentorship and training programs



- The Nomination and Remuneration Committee conducts a review of the key managerial personnel

In order to improve productivity of our employees, below measures are taken:

- Alignment: Aligning employees' assignments with organizations targets
- Pay parity: Paying employees a fair salary on a regular schedule
- More opportunities: Create opportunities for employees to do what they do best
- Safety: Developing a safe office environment, providing quality health benefits, and offering a pension plan
- Belongingness: Embracing and celebrating diversity, promoting collaboration across teams, offering equal access to programs and employee initiatives
- Esteem: Recognizing team contributions, providing employee feedback, and rewarding exceptional employee performance
- Self-actualization: Creating personalized training plans, offering custom management tracks, and providing high-level mentorship from executives on a regular basis
- Wellness Program: Consider implementing a workplace wellness program

## 6. Quantitative Targets for Career Development

Development in career-enhancing skills leads to employee motivation and retention. A well-trained employee is an asset to the company and thereby increases the efficiency and effectiveness in performing their assigned roles and responsibilities.

On the other hand, Training & Development means those learning opportunities designed to help employees to grow. Training & Development programs are regarded as specific framework for helping employees to develop their professional and interpersonal skills, knowledge, behavior and consequently improve their abilities to perform specific task in the organization.

It provides knowledge about business environment, management principles and techniques, human relations, specific industry analysis and the like is useful for better management of company.

Mentioned below are the quantitative targets for training and development:

### 6.1 Training and Development:

Depending on the headcount of the organization, we plan to conduct the training sessions annually based on the training hours assigned to every employee per year. As per the training plan, every employee is subjected to at least 2 training



workshops or training programs per year. The duration of the training workshop/ course is 6 hours each session and the trainings were according to the technical, behavioral, and soft skills. [Employees could be subjected to more trainings in the financial year based on the business requirements from time to time].

The quantification is as given below:

- a. Number of employees in the organization: **1900**
- b. Number of Workshops/ Training Programs planned per employee per year: **2**
- c. Hours allocated to one Workshop/ Training Program: **6 hours**
- d. Hours allocated to two Workshops/ Training Programs: **12 hours**
- e. Number of Manhours planned per year for 1900 employees =  
**Number of employees x Hours allocated to two Workshops/ Training Programs**
- f. Number of Manhours planned per year for 1900 employees = **1900 Employees x 12 Hours**
- g. Number of Manhours planned per year for 1900 employees = **22,800 Hours**

Out of the 6 hours training allocated to each employee for every training program / workshop, we plan to provide 1 hour of training on diversity is provided to help us be more inclusive in our actions and decisions.

## 6.2 Onboarding and Induction

New Joinees are added to the organization as and when the position requirements are created either for replacement cases or for newly created positions. It is mandatory to onboard and induct the employees based on the organizational culture, policies, Code of conduct and processes.

Our Onboarding and Joining Process has been successful in curbing attrition amongst the new joiners by 8%. The Early Interventions Team which is a part of the training team focused on the new joinees and conducted meetings periodically at 45 days, 90 days, 125 days and 180 days intervals to understand any gaps in their orientation process and departments. There was therefore a significant reduction of 8% in the attrition rate of the new joinees in the first 180 days from the date of joining.

### 6.3 Retention Rate

Employees who receive training periodically are likely to stay motivated and engaged in the organization for longer duration. An effective training and development program help to reduce the attrition rate and retain employees. We monitor the retention rates of our organization and strive to improve it on a regular basis.

The annual attrition rate in the last three years has been:

- FY 2017: 15%
- FY 2018: 12%
- FY 2019: 10%

It was observed that employees who underwent training workshop per year were able to perform better in their teams and stay focused in their job roles and responsibilities.

**With effective training and development program planned for every employee per year, the attrition rate has been reduced to 10% and 12% in the last 2 years.**

### 6.4 Customer Service Results

Customer Service is both for the internal as well as for external employees. We were able to resolve the customer service-related issues by our training programs specific for the customer service department. The constant ongoing issues were addressed in the training programs which increased the internal and external customer satisfaction levels by 15% and 9% respectively.

### 6.5 Managerial and Senior Positions Promotion:

The training and development programs for the managers and senior positions helped them to upskill their skillsets and we were able to fill the managerial and senior roles from within the organization rather than hiring from external sources and has helped us in cost-saving.

250 employees were promoted to managerial and senior roles in the last year and we could link this to our training and development programs.

On an average, we were able to save INR 1,00,000 per position because of promotion. Totally, we were able to save  $1,00,000 \times 250 = \text{INR } 2,50,00,000$  per year because of targeted leadership program trainings.

## 7. Open Feedback Culture

One of the best ways to raise employee morale and create a more positive and happier workplace environment is with an open feedback culture. At Vakrangee, employees feel that they have right to give feedback of any of their colleagues in the organization irrespective of the hierarchy levels.

Managers are encouraged to give feedback to employees and vice-versa. The employees also can give feedback to their respective managers in the right forums. Peer to peer feedback also make employees feel valued and help improve the performance of underperforming employees.

Also, high performing employees mentor other employees to help them succeed and improve their morale.

A continuous Open Feedback Culture has helped us nurture a growth mindset in the organization.

## 8. Reporting on Human Capital Development Metrics

In order to effectively measure Human Capital Development, we have defined metrics which are reported to the Nomination and Remuneration and Compensation Committee on quarterly basis who further presents it to the Board of Directors in the Board meetings held quarterly.

These parameters include the following –

- **Employee Turnover rates –**

This metrics is measured by the Head - People, Performance and Culture and reported to the Nomination and Remuneration and Compensation Committee

- **Gender Workforce Ratio –**

This metrics is measured by the Diversity Council and reported to the Nomination and Remuneration and Compensation Committee

- **Gender Pay Ratios –**

This metrics is measured by the Pay Equity Committee and reported to the Nomination and Remuneration and Compensation Committee

- **Talent Development Metrics –**

This metrics is measured by the Head - People, Performance and Culture and reported to the Nomination and Remuneration and Compensation Committee

Also, these metrics are also updated on our website on annual basis to provide this information to all relevant stakeholders. The link for the same is - [Vakrangee HR Ethics and Targets](#)

## 9. Reporting on Human Capital Risk Assessment

Our Human Capital Risk Management framework broadly follows the below steps:

- Identification and Classification of actual and potential risks related to human capital/talent
- Creating an elaborate action plan to avoid each risk and to mitigate each risk
- Implementation, Monitoring and Measurement of the detailed action plan
- Reporting on Human Capital Risk Assessment

It is necessary to formalize Human Capital risks and rank them according to the degree of influence on the employee security of the organization and we have used the method of peer review.

### 9.1 Human Capital Risk Identification and Classification

We carry out Human Capital Risk assessment on a regular basis. The first activity in this is identification of the actual and potential risks related to Human Capital/Talent. Post their identification, we classify the risks as per the following levels:

- Low: factors affecting the organization's Human Capital risks are not very significant
- Medium: factors affecting the organization's Human Capital risks are important
- High: factors affecting the organization's Human Capital risks are highly critical

After carrying out Human Capital risks assessment, the following risks have been identified in case of our organization:

Sr. No	Human Capital Risk	Risk Level
1	Shortage of people with right skillset at the field level	High
2	Shortage of people with right skillset at our Corporate and State Offices	High

3	Risk related to attracting people with right skillset	High
4	Lack of adequate training programs for Talent development	Medium
5	Lack of Staff motivation Program	Medium
6	Lack of incentive to retain staff	Medium
7	Moral Risks related to misuse or misapplication of organization's resources	Medium
8	Different standards for employees performing the same work	Low
9	Biological Risks	Low
10	Economic Risks	Low

Post classification of various risks related to Human Capital, we have identified that for our organization, one of the most critical risks are involving the identification of people with the right skillsets to join the organization. Since our organization requires manpower not only in the Corporate and State Office locations but also in the field till the ground level, we require to give high importance to hiring of people with the right skillset. We need focus on this risk factor while formulating our recruitment activities to find the right people.

Another risk factor which holds high importance is related to attracting the right people identified at all locations. We need focus on activities which would make our organization a place where the best people aspire to work.

Once hired, the risks which comes next in importance are related to talent development and retention. Talent development is an important angle to address as output of the organization is affected if the employee is not progressing and growing in their role. Also, risk related to retention needs to be managed efficiently since the costs of replacing an existing employee is very high. It includes direct losses such as separation costs, replacement costs, and training costs. Apart from this, the organization faces indirect impact such as lost productivity in the transition phase, learning curve of the new employee, reduced morale of employee associated, and lost knowledge.

These risks need to be addressed in a timely and holistic manner with the help of an action plan.

## **9.2 Creating an elaborate action plan to avoid each risk and to mitigate each risk related to skill shortage and attracting, developing and retaining talent**

The evaluation of the Human Capital risks makes it possible to identify factors that have a significant negative impact on the activities of personnel and entire organization.

Post this, an elaborated action plan is developed for each Human Capital risk and a consolidated plan of activities to manage Human Capital risks in the organization

Further, an action plan for managing Human Capital risks is developed for Head – People, Performance and Culture which contains the following information:

- Human Capital risk identification
- Classification of Human Capital risk
- Description of losses from Human Capital risk
- Description of the Human Capital risk management strategy
- Sequence of actions necessary to implement the Human Capital risk management strategy
- Timing of the implementation of the Human Capital risk management strategy
- Officials responsible for implementing the Human Capital risk management strategy

This detailed action plan is prepared by Head – People, Performance and Culture and approved by the Risk Management Committee of the Board.

The action plan created at our organization covers various aspects such as

- Process of finding the right talent including career fairs, tie-up with universities for freshers, lateral hiring, etc.
- Selection process, especially background check
- Review of benefits and compensation offered by our organization
- Work Culture of the organization
- Training sessions and workshops at various level for various skillsets
- Processes to avoid any kind of misappropriation of organization's resources and assets
- Mentorship programs and Employee Affinity Groups to encourage employees
- Retention mechanism in place

### **9.3 Implementation, Monitoring and Measurement of the detailed action plan**

Once this plan is prepared and approved, it is put into action by the respective stakeholders. The officials responsible for each activity along with their timelines is defined in the action plan.

Head – People, Performance and Culture monitors the implementation of each activity and measures the outcomes of the activities.

Annual activity Calendar is created for all activities pertaining to the mitigating any kind of Human Capital Risks. Measurement of various parameters helps the teams

identify the effectiveness of the activities conducted . A few parameters are listed below –

- Number of candidates who applied for a role
- Number of candidates who appeared for a role
- Number of candidates selected for a role
- Feedback of benefits offered to employees
- Feedback of work culture by existing employees
- Number of people recommended for promotion by their reporting managers
- Outcome to periodic reviews conducted post training sessions
- Feedback of effective on mentorship program given by mentees
- Number of incidents of employee misappropriation
- Number of employees retained

#### 9.4 Reporting on Findings of Human Capital Risk Assessment

In order to ensure Human Capital Risk Assessment, our Board has given this responsibility to a sub-committee formed with the Board members. ‘**Risk Management Committee**’ is an independent sub-committee which is also responsible for Human Capital Risk Assessment. It comprises of the following members –

Sr. No.	Name of Members	Designation	Board Designation
1	Mr. S N Kaushik	Chairman	Non Executive Independent Director
2	Ms. Divya Nandwana	Member	Chairperson
3	Ms. Savita Keni	Member	Non Executive Independent Director
4	Mrs. Sujata Chattopadhyay	Member	Non-Executive Independent Director

The responsibilities of the Risk Management Committee for Human Capital Risk Assessment include the following –

- To evaluation actual and potential risk identified related to Human Capital
- To approve the action plan created as per the risks identified
- To monitor implementation of the detailed action plan
- To report the findings of Human Capital Risk Assessment to the Board of Directors

The reporting of the findings of Human Capital Risk Assessment is carried out by the Head – People, Performance and Culture on regular intervals to the Risk Management Committee of the Board. The Risk Management Committee then reports the same to the Board of Directors in the Board meetings held quarterly. A detailed review and discussion are done on the Human Capital Risk assessment and

the outcome of the activities stated in the action plan. This helps the Board measure the effectiveness of the activities and provide inputs on ways to mitigate any further risks pertaining to our organization.







**Thank You**

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