

Infosys Limited Analyst Meet 2022

May 31, 2022

CORPORATE PARTICIPANTS:

Krishnamurthy Shankar

Group Head – Human Resources and ILI

Krishnamurthy Shankar

Good afternoon everybody and welcome to this event.

I think you heard some very interesting sessions pre-tea and now let us look at this post tea, where we are going into this whole session on people management. What I am going to do is, in the first few slides I am going to talk about some of the key highlights and then I will go into how we are looking at into the future because over the last 2 years we have seen big changes happening in the whole people area and we are going to talk about what some of the things that we are doing and looking forward to.

The first thing is our headcount and you can see that this has been growing consistently. Last year we have had almost 21% growth of our headcount, but this has been something which we have been growing very consistently over the last 3 years. Significantly huge growth in headcount last year. That has been supported by huge amount of hiring.

The hiring that we have done is something that we have never done before, huge amount of hiring 142,000 people - almost 2.2 times of what we did in FY2020, which was pre-COVID. In a normal year like we did 65,000 and currently this is 2.2 times, that is huge amount of hiring. This is really what this industry and what Infosys have seen in the last year.

As I look into hiring, I just want to give you some color about the kind of thing that has been happening in hiring. Our objective really is to strengthen our talent and also ensure that we manage our pyramid pretty well, so that has been the whole objective and that is what we have been doing. We have hired large amount of freshers, almost 85,000 freshers, both here as well as onsite and lateral hiring. I think if you are looking at this never ever done before kind of hiring that has been done due to many things, lots of use of technology because all the hiring has been completely remote, completely virtual and managing all of that has really meant lot of new technologies that we have got in. Looking at all our processes, looking at newer sources of candidates, doing things for freshers- we have something called 'HackwithInfy' which is like a coding competition. We have got lots of people almost joining in and that has been a great source of hiring for us. We have also gone done off campus last year, normally we go to about 300 engineering colleges, but we also went off campus to really get into a wider pool of people.

We also have something called the Infy TQ. Now Infy TQ is what Mohit spoke about - based on Wingspan, which is our internal Lex platform, where engineering graduates, final year students can really go through and up skill themselves to be industry ready. They also do a test and once they pass the test, they can really get fast tracked into our training and then offer. So, I think that has been another great source of hiring for us. So overall I think a lot of work which has gone on into hiring and that has really expanded how we have really hired.

Given the high demand that you have seen, we have also seen little high attrition. If you look, our attrition in Q4 was about 27.7%, but that has actually come down by about 5 percentage points from Q3 on quarterly annualized basis. Attrition has already come down from a high of Q3 also because a lot of things that we did. We have been looking at compensation corrections. I will talk about that in little more detail in the next chart, in terms of what are the kind of things that we have done. Faster career growth - because as the industry is growing, we have got greater opportunities, we have been able to grow our people much faster. Skilling has been a big focus area and I will talk about some of the things that we are doing. In this industry, our focus has been to really make our people ready for the future, so that has been a key focus. We have really done a lot of work around the whole reskilling area. And of course engagement and we have seen that

our engagement has probably been very high and sometime may be a figure that we have not seen before. So all these have come together and if you look at what we have done in compensation, I think from January last year and now in April we have rolled out three compensation increases. So we did one in January, we did one in July last year and now in April we have rolled out the compensation. So three general increases in compensation, but in addition we have done various other things. We have done a skill based compensation increase because we found that was one area, we had to take care of and that was something that we did towards middle of last year. Lot of retention and budgets across various geos - Australia, US, and Europe. So, I think those are areas we have looked at and various other things retention bonuses were needed. We spoke about promotions and ensuring that we increase the stock grants over last year, so I think all these have been the investments in people, given the high demand for talent and the kind of people that we have been hiring. So, a lot of work that has really gone on in how we have invested in our people over the last year.

So, this was just a quick idea of huge amount of work force growing, hiring growing and all the work that we have done in managing attrition and in the whole compensation area. If you just look into what has happened over the last 2 years, there has been a huge change. This working from home or working remotely was a big thing in this industry and that is changing many things around. So, what we have done is we sat together and re-imagined everything. How is work going to be done? What is the change in the work place that is needed because there are some elements of work place that needs to change and also our work force because given this change, given the high growth, what are the kind of things that we want to really work with our people. So, these are the three key things and I will just talk a little bit about each of those.

If you look at work, I think clearly in the industry we are now looking at what we call as the Hybrid work- so what are the key considerations, I think one is what the clients wants. I think we have got to put the client needs first. Then there is the employee need. The employee needs more flexibility. There are some people with different needs. We have got to keep that in mind but there is also a need for the team to come together. The whole social capital, the team and the organization connect that really is a fuel to get teams working and engaging them better. So, that is also another need that we see. And lastly there is this regulatory need - where there may be a need from either SEZ or something for people to be present. So, I think we have to keep of all this together and based on that we say what is going to be our Hybrid work kind of a model. In the end, we are going to end up with a group of people who are going to be permanently working from the office. There could be a group of people who may be working permanently remotely - may be come once a quarter or so. And there will be a significant group which will probably come flexibly within the week, so that is how it is going to be. This is evolving. As we go forward and I think what is going to be the key is for people to toggle seamlessly between home and work and that is where the whole work model as well as technology will have to enable that. I think, given this flexibility we will also get a staggered return to work. We are seeing increasingly people coming back to work and we will see how it evolves over the next couple of quarters.

The other thing is, we have a lot of people and because of the pandemic they have gone and we have hired people from across the country. We have got people staying in different parts of India. So what we are doing is to actually reach out and we are now setting up four new development centers in Coimbatore, Vizag, Kolkata and Noida. There is a huge captive people, our employees, there and that will help them really make it easier, plus we have our other centers. We have one in Indore, we have in Nagpur, we have in Mohali, but these have all been centers where people have moved to and therefore they have all grown in numbers. So, I think all these centers, given the wide spread, will enable us to really get more people connect with each other.

Of course, in the US similarly we have six hubs and these hubs have been a great source for getting talent, training talent and also deploying them. The last part as we look into this hybrid model, when we are looking at return to work it also needs a lot of technology and I think our team

has really worked on it. Various things I spoke about - recruitment to on-boarding to engagement, how can we do it in a better way and in a virtual way is something that we have worked on and we have invested in. Learning is another big area.

So I think all this together is what we have got to really look at as this new hybrid model evolves. If I also look at a more macro level what we have also seen is couple of things. There is growth of our nearshore centers. We have had huge growth in Canada and Mexico over the last year. Also Eastern Europe is another area we have seen our headcount growing because of talent, as well as Philippines. So these areas - Bulgaria, Romania, Poland, Slovakia, Croatia, Lithuania, Mexico, Canada and Philippines are areas where our nearshoring has increased.

In India, I have spoken about the new locations that we are going to go. Four new locations where we are going to be setting up centers. And increasingly with our clients, human capital is becoming a great part of our engagement - either reskilling or rebadging or helping them build a captive on a BOT basis so various things are coming up and I think that is area we see greater engagement with our clients.

Now let me move on to our work place. The work we have discussed, Hybrid work model and how it will be. Now let us move on to the work place. I think the work place also has to change. This is, because in a hybrid way how to get people engaged and how do we work with each other. I think what we did together is recraft the purpose. We also had a very strong purpose as the heart of Infosys, but we kind of articulated it much more clearly and you can see that here. I think the whole idea of this is for us as Infosys is to amplify the human potential to create the next opportunity for our employees, clients and everybody. And we are now using this purpose. C-LIFE values are there at the heart of what Infosys and every Infoscion does. And that is something which has been there and the part of our culture which we have been building over the years. So, I think these are important building blocks of looking at the work place of the future and this work place will be the foundation of that and we have got to have newer focus.

I think there has got to be greater focus on flexibility that I have spoken about and greater focus on well-being. With people working remotely, how do we get better connection and focus on well-being. I will talk a little bit about that and getting diverse and inclusive organization. So those are some of the things that we will build as we go forward in this new kind of hybrid way. I think wellness is very important. During COVID this really came into the forefront. We, as Infosys have been actually doing a lot of things leading the way on it. For example vaccinations- we have got almost 96% of our employees vaccinated as well as five of their dependents at company's cost and we have set up vaccination camps within our centers as well as in many towns across the country in partnership with hospitals. Various hospital tie ups, dedicated COVID care centers where people could stay and various other things. We have been really supporting that.

But that has just moved on and now I think there is a lot more focus on how do you create mental well-being? How do you create emotional well-being? The stronger social connect with people and therefore you can see a lot of things that we have been working on. We have something called Samaritans where employees are trained to really be kind of a first hand, first aid kind of counselors to people. So, we have really grown that. We have wellness coaches that people can reach out to at a call and various online tools, for example, people can do a test about any anxiety levels or their stress and once they get a feeling or something they can really reach out to us and we will help them with that. And of course various training programs that have been done.

At the same time what we are trying to do is get people to connect. What we have started is events where people can come to the campus. We have been encouraging small team huddles to happen and virtual communities have been built. We have also had times where we are saying 'no call' hour so that people can have time to do things. They do not feel overworked and stressed. So I think all these are there, and also we have left it a lot more with each team and their manager to

say what is best for them. That is how we have built around it, so this has been an area of focus. And I think as we move into the Hybrid business this is really important for us to work on.

The other part is diversity. You can see the growth that we have had in diversity. Thanks to a huge amount of hiring and the extra efforts that we have done to really retain women and hire women. We had a program called return to work after maternity. About 3 years back, only 60% of women came back. Now we have reached the stage of almost 90% of people who are coming back after maternity, so that is a big thing and that is one big focus with us. We have another program called restart with Infosys. These are people who have taken a break and gone on for a break of more than 2 to 3 years, so we are getting them back. They could have been in any company. Getting them back and retraining them. Giving them a couple of months of training so that they can then be deployed, so that is something that we have had. We have got a program called Orbit Next, which is ensuring that we develop our engineers to become managers, so therefore we have now got about 350 enrolled next year. That is going to go up to almost 1,000.

Hiring diverse leaders at the leadership level, that has been another great focus. We have got a very strong LGBTQ network across India and globally as well. Various employee resource groups. There is one on Infiability which is about people with disabilities. There is the pride group which is on LGBTQ network. So we have got all these groups that have been really very vibrant and we have really helped them actually have a voice and engage with each other much more. And of course, as a company we have got 156 nationalities working for us. So, I think in line with the ESG vision, diversity is the priority for us. And I think you can see that our focus has continuously helped us grow it and this is something that we will continue to keep.

So, in this work place of the future while we see a flexi thing, I think the culture, the focus on wellbeing and diversity and inclusion are got to be important as we go forward.

I will then move on to the work force, because now we have got to really talk about what can we do for our people and how do we keep them ready for the future. I think the first thing is our focus on training. Infosys has always been well known for their training right, six months, any fresher who comes from any engineering college goes through a very rigorous training. I think that continues. We now have Lex and Lex is our internal platform which is really quite world class and you can see that number of people that have really come on to Lex. Almost 295,000 people are on Lex. We have got almost every day about 22,000 people coming on and learning there. They spend more than 34 minutes average learning time a day. So, you can see the kind of focus that Lex has had and we have created various programs. People can learn a skill, and not only learning, something they can work on the Cloud so they can really do hands on work on the Cloud which will help them build that skill.

In addition to Lex, we have also had a great program for our managers where we have tied up with Cornell. We call it the great manager program because managers are critical to our growth because they hold the team. They kind of manage the group and that is another one that we have really worked on. So our focus is to get our people trained for the future, invest in them a lot more so that they can be ready for the whole transformation that is happening.

The other part is, what we call as create more agile careers within the organization. What does this mean? This means that we want people to really grow faster because there are greater opportunities for them. We want to ensure that there are not only faster growth opportunities, but also more predictable. I think that is something that we have really worked on. We want to ensure that people see faster and more predictable growth up to the middle management level.

The other thing that we have introduced is what we call as a Bridge program to really ensure that there are greater opportunities for people to move around. So this Bridge program takes people who are software engineers in the project management stream to do this program get selected

and move on as a consultant. So therefore they can move to the consulting stream or they can move to what we call as digital specialist stream or our power programmer stream. These help them to really multi scale and expand and grow. So, I think the Bridge program has really been very successful and we want to ensure to give greater career opportunities for our people.

You can see the number of promotions that we have had, almost 3.5 times of what we did last year and greater internal movements and our focus is open up, create an internal market place so there are greater internal jobs for people they get trained, they can also move around and ensure that they see a greater career within the company.

The other thing is, our focus is on skills as we spoke about it I spoke about training etc., but we have got a clear framework of how do we look at skills. We have something called a Skill Tag and a Skill Tag really comes in- suppose I want to be a Cloud architect. I do various courses on Lex, I do something some hands on work on the thing and I pass the test, then I got a work on the job and if I work for six months on a job then I get a Skill Tag, I can call myself a cloud architect. So therefore that is how we create a unique way of identifying people with skills. It is quite a rigorous process and we have then created a framework of how we look at skills. So we have these Skill Tags depending on the skills of premium skill or a normal skill, but then we have created what we call as Digital Specialist. These are really premium kind of digital transformation people who we select after very rigorous training and test; and then the Power Programmer or the experts. So these transformation specialists command higher billing rate and we select them based on very tough test and a rigorous internal process.

And to drive this whole growth, we have created something called a Digital Quotient which measures the skill level of individuals. Each one can have a DQ and we say listen your DQ is now 40 you take it up to 60. That really helps people go up and our focus is on getting them interested in improving the DQ. So I think our focus on skills along with Lex has really made this a powerful engine of helping our employees upskill themselves.

While we are speaking about skilling, there is also a big focus on leadership. One of the key things we have seen in Infosys is stable leadership. In the last 5 years we have got very stable leadership with Salil leading it. Now we had Pravin, our COO - after the transition, I think we have seamlessly moved on and we have really managed that transition. How has that been done? I think our focus on leadership development, a strong focus on succession where we identify key roles, we identify who are the people, based on assessments, career conversations and also coaching- where needed we provide some coaching and this has really helped us retain our leaders in a significant way. For all our leaders we have programs, both at Stanford and with Harvard and these are really top of the world programs which really help them. In the pre-COVID era they use to go to Stanford twice a year for a week and then one week in Bangalore, that has now become virtual and we are trying to get back to our things. So those kind of programs really helped up skill our people and we have invested in them.

What we have also done is do a lot of what we call as organization moon shot projects people have worked on it. For example, how do we grow Cloud and our leaders, our emerging leaders have worked on it and that has really helped them develop themselves but also contribute to the company. All of this is also helped us get an award for Excellence in Leadership.

While we are looking at diversity, we also have a big program for improving the diversity of our leaders. We have a program called "I am the Future" where more than 350 of our women have been enrolled. They have gone through a program that Stanford in addition to mentors, senior leaders have become mentors and helping them. I think this is really helped ensure that we invest in our women and also grow them into bigger positions within the company.

At the heart of all of this is our value proposition to our employees. So what is it - I think there are three key things that we are really looking at. The first one we say is we want to inspire you to make an impact - it is meaningful, purposeful job where you can feel that you are making an impact you can make an impact with your client and whatever you are doing and create what is next. So that is the first thing that we have been working on. The second one is to ensure that we are continuously learning, and we call it your career will never stand still. So they keep on learning and they can move around and grow within the company. That is the second part of our value proposition. And the third part is our culture, where we say listen, together you navigate further which is about the employee experience that they have, the culture the teams that they work with and all that I spoke about inclusion, wellness everything. So I think these are three are at the heart of our employee value proposition that really that is something that we have been working on.

Some of the awards that we have won - we are a global top employer I think among the 11 top employers which are globally certified, a great place to work in various countries, among the LinkedIn top companies and various other awards for things on leadership, on our on-boarding and hiring, we have got an award SHRM award on analytics, "Best Employer for Diversity" and "Best Company for Women". So I think significant recognition there.

To summarize, I think there are the four or five key things that are there. Number one, you can see that our headcount has been increasing- in last year more than 21% increase - so great growth in our headcount. Our recruitment has been at all time high and that engine is really working in a smooth gear and that is helping us grow all across. A great focus on training and you can see a great infrastructure and how we have been training and reskilling people and the whole framework of training and skilling that we have got. I think that has been very strong. Diversity at the heart of what we have been doing and that is something that we are passionate about and growing.

To sum it all, a huge growth in our employee engagement I think engagement early in the past it use to be in the 70s, now it is about 79 which is pretty good and I think we have seen a phenomenal engagement through various things that we have done.

So that is all I have to say. I can summarize that there has been a lot of action, a lot of change, but at the same time we have really ensured that we are clear on what we want to do, focus on growth, focus on recruitment and reskilling and ensure that our culture is there which really takes the company forward.

Thank you.
