

Hoard the Talent Pool

JUST FIVE YEARS AGO, PROFESSIONALS FROM OTHER SECTORS LIKE HOSPITALITY AND FMCG WANTED TO BE A PART OF THE MODERN RETAIL GROWTH STORY. HOW THINGS HAVE CHANGED! TODAY, MANY OF THOSE WORKING IN MODERN RETAIL ARE LOOKING TO BAIL OUT. THIS WILL LEAVE THE SECTOR TALENT-STARVED AND HARM THE INTAKE OF FRESH TALENT. THE RETAIL INDUSTRY SHOULD DO SOMETHING BEFORE THE TRICKLE TURNS INTO A FLOOD.

By Harminder Sahni



→ Over the last few months, I have received enquiry calls from not less than 10 senior retail professionals who have been looking for better career options outside the industry. We can safely assume that while most of them may be wanting to shift on their own volition, at least a few may be finding it difficult to continue with their current roles due to a lack of performance. On the face of it, there is nothing unusual about retail professionals wanting to change jobs for whatever reasons. It happens routinely not only in their work life but also in all other industries. So I am not really concerned about this.

What made me worry, however, was when I contrasted the situation with the 2005–2006 period. That time, I used to receive many more calls from professionals from all kinds of industries who were wanting to be a part of the modern retail sector that was seemingly to boom. Professionals from diverse sectors such as hospitality, FMCG, consumer electronics and even the

manufacturing sector used to call me all the time, seeking advice regarding the potential job opportunities for them in the retail sector.

I even received calls from professionals working with quality certification firms such as SGS and Intertek who wondered if there would be any job opportunities for them in modern retail. And it was not surprising that they quickly found jobs with companies that were wanting to become large modern retailers in a few years. Those were the times! It feels as if that is some long-gone era, when in reality a mere five years have passed. It is amazing how much the situation has changed since then in modern retail.

It is well understood that the growth of any industry is hugely dependent on the quality of talent it attracts. The most obvious attractions for professionals are the growth prospects of a sector, quality of employers and, above all, the compensation. There are many examples around us in India in which we have seen certain sectors

doing extremely well while others continuing to under-perform.

A deeper analysis of the various sectors clearly throws up the conclusion that confirms the above hypothesis. For example, the IT sector has attracted a lot of talent due to its tremendous growth, the presence of numerous excellent employers, and the often-repeated stories of successful professionals making millions through ESOPs. On the other hand is a sector like textiles manufacturing. Its entire industry has seen average growth over the years, there are very few good textile manufacturing companies in India and its compensation structures are below average. These two sectors – IT and textiles – are at the opposite extremes of attractiveness from a professional's point of view.

The Indian modern retail sector is currently at a critical juncture from where it can go in two different directions: either it can turn into the next IT sector or it can become like the textile industry. If we look at the growth prospects of modern retail in



India, there is no doubt it will emerge as one of the largest industries in the country in the next few years.

But if we consider the presence of quality employers in modern retail, we find there are only a few. Let me explain. For a professional, a quality employer is the one which offers them an opportunity for career progression and skill enhancement in a financially secure environment. To be able to do this, a company has to be growing at a rate faster than its peer companies across sectors. It should also be making reasonable profits on a sustainable basis. By this definition, we will find most organised players in modern retail falling short of being termed as excellent employers.

Let us now come to the last point: the compensation that a professional can expect for working in a sector. I think modern retail initially paid much better than many other sectors. But this may have been because in that phase, professionals were being lured from other sectors into modern retail. However, the growth

in the compensation for most retail professionals has been tardy since then. So while people were quite enthusiastic about joining modern retail earlier, the excitement seems to have abated over the years and hence the urge to look for opportunities elsewhere.

If this signals the beginning of an exodus from modern retail, leaders of the industry need to take immediate steps to stop it, otherwise its long-term prospects would be under serious threat. Talent drain not only leaves the sector talent-starved, it also creates a negative perception that stops fresh talent from coming in.

Modern retail industry has invested hugely in thousands of professionals in the last few years. These have learnt the nitty-gritty of retail business through its early stages as well as the recent turbulent times. These valuable learnings should be retained within the sector and not be allowed to walk away with professionals who are planning to leave modern retail.

The valuable learnings of retail professionals should be retained within the industry and not be allowed to walk away with those who are planning to leave modern retail.

MODERN RETAIL INDUSTRY SHOULD ORGANISE A COLLECTIVE PR EXERCISE SO THAT IT IS ABLE TO RETAIN, ATTRACT AND GROW THE OVERALL TALENT POOL FOR ITS FUTURE PROSPECTS

To save the situation from getting worse, I suggest that industry leaders should strive to collectively create a positive image about the prospects of modern retail in India. They should not allow negative developments like the FDI policy fiasco to play spoilsport. The manner in which the media has projected the FDI flip flop is extremely negative for the sector.

An impression has been created that if FDI in multi-brand retail is not allowed, the sector is going to collapse. Is it any wonder then that many retail professionals have started searching for the exit door?



While FDI would have given a great boost to modern retail, the sector's prospects are not bleak even without it. But somehow, the industry has failed to communicate this effectively. Industry bodies like RAI (Retailers Association of India) need to take cue from NASSCOM and its founding leader, the late Dewang Mehta, who by the sheer power of his positive talk about the prospects of the IT industry created a massive positive wave in its favour that has sustained over the years and still continues to draw talent in hordes.

The modern retail industry should learn from this and organise a collective PR exercise so that it is able to retain, attract and grow the overall talent pool to its immense benefit. ❏

ABOUT THE AUTHOR



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