



Asia Jobs Outlook Oct 19 2011

Retail Execs Go Indian

By Amy Yee



Recession-weary retail executives are finding new opportunities in India, where the rapidly growing economy is spurring retail sales growth of close to 12% a year. With little homegrown managerial talent, many large retailers in the country have hired senior expatriates to help steer ambitious growth strategies.

In the industry's highest profile move, two executives left Wal-Mart China to take new positions in September at the retail division of Reliance Industries, one of India's largest conglomerates. Other executives have joined Indian retailers from South Africa as well as from foreign retailers such as Britain's Marks & Spencer that are trying to expand in the country.

"The recession is helping Indian retailers hire expats not only from the U.S. but also from U.K., South Africa and Australia," said Harminder Sahni, managing director of Wazir Advisors, a consultancy firm based near New Delhi.

The demand for managerial talent is being driven by the industry's growth as well as a fundamental reordering of the sector. The number of people employed in 'organized' retail -- modern, clean stores versus small hole-in-the-wall shops crammed with goods -- is expected to grow to 1.6 million by 2015, up from 325,000 in 2007, according to a 2008 report from McKinsey & Co. Total retail sales are forecast to grow 11.9% a year from \$411.28 billion in 2011 to \$804.06 billion by 2015, said Business Monitor International in an August report.

Although organized retail accounts for only about 5% of India's overall retail industry, large Indian retailers such as RPG Enterprises, Aditya Birla Retail and Future Group, which owns Big Bazaar and Pantaloon stores, have expanded across India. Aditya Birla Retail has about 11,000 employees, while Pantaloon Retail has a workforce of 30,000, according to their websites. Reliance Retail, RPG, Aditya Birla Retail and Future Group did not respond to requests for comment.

It's not just senior executives who are in demand. The retail industry also faces a shortage of middle managers, said a spokesperson for Bharti Walmart, based in India. To address that problem, the company is looking for talent from other service industries such as hospitality, consumer goods and telecommunications. It also looks to India's business schools and has partnered with the Indian School of Business in Hyderabad to groom managers.

Within retail there are job opportunities in supply chain, sourcing, operations, merchandising, and sales and marketing. Companies are also focusing on smaller Indian cities, "which offer huge business opportunities," said the Bharti Walmart spokesperson.

The move to India, however, isn't for the faint of heart. Lack of market research hampers the ability to understand Indian consumers and huge regional differences complicate the picture. "Understanding Indian consumers is very important. The learning curve becomes longer for expats," Mr. Sahni noted. "Sometimes either employer or expat may lose patience."

Companies need "talent who are hands-on, can adapt to the Indian environment and must demonstrate hunger for growth," said Arun Das Mahapatra, partner and head of the India practice for Heidrick & Struggles, the executive search firm. Job seekers must be open to unstructured, unpredictable work environments with irregular hours and duties that can go beyond their job description.

The most sought-after candidates are those who already worked in Indian retail or have experience in emerging markets. In India "the business jargon, style of delegation and interpersonal relationship management is very different and this may exhaust a lesser professional who might otherwise be extremely good technically," said Sahni of Wazir Advisors. "That's the reason the expats who have been in India for two to three years are becoming hot properties."

While technical experience is valuable, expatriates "should not try to force fit everything from their international experience," added Sahni. And because of India's potential for growth "they should look at India as a long-term career option" and not as a stopgap until their home markets improve.

Vikram Chhachhi, executive vice president in the New Delhi office of US search firm DHR International, noted that a big challenge of working for Indian companies is "lack of a completely supportive mandate" to make decisions.

To ease adjustment to India, he advised expatriates with families to settle in well with the new home, school and domestic help, along with plunging into the new job. "Absorb some of the challenges that you will be hit with up front – lack of infrastructure, support services, etc," said Chhachhi. "India is a land of extremes and the earlier you are sensitive to that, the easier it is on your senses."