

THE ECONOMIC TIMES YOUNG LEADERS

THE YOUNG LEADER QUESTION Do you have to start your own business to be an entrepreneur or can you work with an entrepreneurial mindset in a large company?

Kalpna Morparia CEO, JP Morgan Chase India

I BELIEVE in this mantra: You don't need to set up your own business to become an entrepreneur. I have spent 36 years in the corporate world, and I think I am a big entrepreneur

Pramod Bhasin Former President and CEO, Genpact

IN DEVELOPED nations, many companies are set up process-wise, where you don't have much of an opportunity. But there are many things India needs...Solving those problems will force leadership out. Think before you join an organisation - many of them are bogged down by bureaucracy and processes

Harsh Mariwala Chairman & MD, Marico

IT'S OKAY if young leaders want to start something on their own as long as they add value. In an organisation, if the culture is not conducive to this, it is difficult. But if you have your own sphere of influence, you can play that role. So, choose your organisation well

Nitin Paranjpe CEO, Hindustan Unilever

PROFESSOR CK PRAHALAD once told me that the only difference between a managerial mindset and an entrepreneurial one is the relationship between ambition and resource. A managerial mindset sets an ambition equal to resource. An entrepreneurial mindset starts off with an ambition substantially greater than the resource

Adil Zainulbhai Managing Director, McKinsey (India)

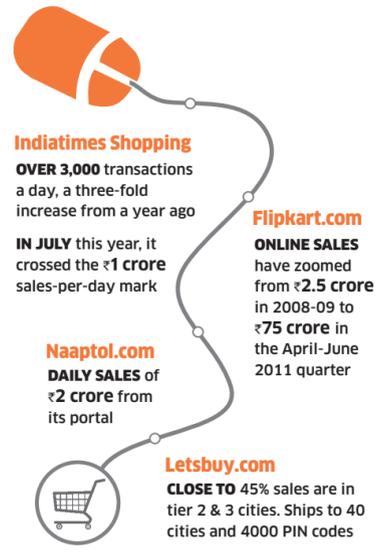
THIS IS a great time to work with an entrepreneurial mindset, because many companies in India are growing at 10% to 25% every year. However, entrepreneurship comes when the situation, your position and what you know come together

Brick-&-Mortar Pros Power Net Ventures

Offline Talent: Online retail sites rush to grab talent from old-economy firms for their core management, distribution & warehousing skills

Growth Tangent

Runaway growth is one of the main reasons for talent to move to e-commerce sites. Here's a break-up of the transactions that websites registered:



SHELLEY SINGH NEW DELHI

Nifty internet start-ups are the places to buy everything from lipsticks to laptops. Flush with venture funds, the alluring web stores dangle fancy discounts and promise doorstep delivery, making e-commerce sites the right avenues for the time-trapped shopper.

But behind the scenes, brick-and-mortar people are in charge. "Core skills like product sourcing, warehousing and logistics are not available at internet start-ups. We have to get them from brick and mortar players," says Kunal Bahl, chief executive director, snapdeal.com, a deals platform. Snapdeal.com ramped up to 500 people in 18 months and talent from offline retailers like Aditya Birla Retail and Future Group comprises about 10% of its manpower strength.

From an employee perspective, the future of retailing is a combination of both online and offline, and they want to be skilled in both areas. "Brick-and-mortar professionals are looking at online as there is a risk of being obsolete if you are only in one space. It also helps them enhance resumes," says Rishi Khiani, CEO, Times Internet.

Elsewhere, the list is equally huge: Electronics retailer letsbuy.com's head of supply chain Gagan Sethi, worked at Reliance Retail for four years and put in another seven years at Ikea, before joining the e-commerce start-up. Vinay Mangalji, head of buying and merchandising at baby product web store, babyoye.com, was with Walt Disney. Its head for buying toys, Sudhir Nayyar, handled buying at Crosswords.

Babyoye.com hired its vice president for logistics and operations Rajiv Shah from Proovogue. Naaptol.com, the virtual comparison shopping mall picked up Rahul Vohra from The Loot Store (a discount format brick-and-mortar re-

tailer) as VP for merchandising. Akshay Mehrotra joined virtual insurance distributor policybazar.com as CMO from Bajaj Allianz, where he spearheaded the marketing function. Similarly, Wasim Siddiqui, warehouse manager at letsbuy.com joined from Croma, the country's largest offline electronics retailer.

"Retail skills are fungible," says Sheen S Akkara, executive director, HR, Nielsen India. Getting a new person to understand sourcing, warehousing, logistics or distribution can easily take 12 months, forcing e-commerce sites to look at brick and mortar talent. "The pace at which e-commerce sites are growing, is too long a wait. Besides, retail professionals at bookstores or music outlets know the game is shifting to online. The early movers are taking stock options to shift to a more attractive growth sector," adds Akkara.

That was one of the attractions for Mehrotra to join policybazar.com. He was with Bajaj Allianz for almost eight years. "We created a full blown TV campaign at policybazar.com. I'm part of the fast growing action here. There are risks you take and it balances out with Esops you get," says Mehrotra.

For Sethi who joined letsbuy.com after 11 years with brick and mortar companies it was not just a promotion or the pay hike that attracted him but, "e-commerce is the next big thing."

What they bring to table is understanding of the retail space and negotiating with suppliers. "At The Loot Store, I was working with 70-80 brands. In retailing, pricing is the biggest challenge and it starts with sourcing at the right price to improving your company's margins. Here my offline experi-

ence comes in handy," says Naaptol.com's Vohra. While e-commerce start-ups have great technology talent, it's the brick-and-mortar people who bring in core supplier management to distribution and warehousing skills.

"Our site was up and running in two months. But we didn't have a clue how to negotiate with 200 different suppliers. This is what we got from brick-and-mortar retailers," says Arunima Singhdeo, co-founder and director, babyoye.com, The Tiger Global and Accel funded (both put in \$2.5 million in series A funding) company was started by Singhdeo, who earlier worked at Naukri.com and her husband, who worked at Bharti Airtel.

"Time to market was important and that accelerated our rush to get the right retailing talent," she adds. Part of the reason for the rush to grab off line talent is the fast growth that e-commerce sites are seeing. Indiatimes Shopping, the e-commerce portal from Times Internet, does more than 3,000 transactions a day, a three-fold increase from a year ago. In July this year, it crossed the ₹1 crore sales-per-day mark. Flipkart.com claims it sells 10 products per minute; its online sales have zoomed from ₹2.5 crore in all of 2008-09 to ₹75 crore in the April-June 2011 quarter alone.

The first six months of calendar 2011 saw 29 deals (venture investments into internet companies) worth \$208 million in the sector. That's a three-fold increase over the \$75 million, from 15 deals, in all of 2010, according to VCEdge. "Efficiency of e-commerce depends on how they crack some real issues of retailing - from inventory management to distribution. That's driving the scramble for the offline talent for online start-ups," says K Sudarshan, managing partner, EMA Partners, an executive search firm.

For now, the engine's running with a combination of old and new.

— talking heads

I am part of the fast growing action. You take risks and it balances out with Esops you get. AKSHAY MEHROTRA Chief Marketing Officer, policybazar.com

Early movers in retail know the game is shifting to online. SHEEN S AKKARA Executive Director, HR, Nielsen India

There is a scramble for offline talent to bring efficiency in retailing issues such as distribution. K SUDARSHAN Managing Partner, EMA Partners

CALLING INTERVIEWEES' BLUFF Companies Grill Candidates on Real-life Situations

Recruiters veer from usual line of questioning

OMKAR SAPRE PUNE

"So, tell me about yourself." Interview candidates are no longer intimidated by this opening line. If anything, it's the interviewer who's wary. To call candidates' bluff, companies are now working out new interviewing techniques at the time of selecting candidates. Beyond work and role, queries now relate to problem-solving and ask for evidence.

Says Manish Kumar, president, human resources & CSR, Dhanlaxmi Bank. "The maximum challenge is at the mid- and senior-level recruitments as they are intelligent, experienced in giving interviews and know how to cover up. That's where the role of a seasoned recruiter becomes critical."

Most of the candidates are well-prepared, says Nikul Shah, president, global HR and corporate services, Omnitel InfoSolutions. "Their answers are stereotypes and theoretically very good. Only when we grill them on real-life situations are they exposed," he says. Hiring is no longer a set formula, and recruiters have taken on the role of investigators. "We focus on a comprehensive process that includes competence-based interviewing and assessment testing, coupled with pre-screening, background and reference checks," says Surbhi Shweta, head, human resources, Mirae Asset Global Investments (India).

Companies used last year's slowdown to take a close look at all their processes, including hiring, says Bala Mahadevan, CEO-India, Orange Business Service, a global communications service provider. "Earlier, as long as the candidate was billable, he was absorbed. Now, most companies focus on what value he can bring in."

Organisations no longer want people who have mastered their theories; they would rather have real people who have suffered failures and worked on them. Candidates can no longer make generic statements like they are 'analytical' or 'team players' and expect to be hired. Says Sudakshina Bhattacharya, HR head, IL&FS Financial Services, "Our questioning is such that the candidate cannot bluff; he has to represent facts and give very specific answers."

Interviewers have begun to probe deeper into the candidate's personality and move beyond the 'strengths-and-weaknesses' line of questioning. Multiple interviews, pre-employment testing, scenario and behaviour-based questioning are increasingly used to zero in on the right candidate.

Yahoo!, which mostly recruits technical staff, uses puzzles and real-life situations during interviews. IT companies Omnitel InfoSolutions and Nihilent Technologies ask candidates to deliver a presentation to a group, often openly hostile. AEGON Religare often visits the homes of potential employees, while ICICI Prudential Life Insurance tells them the hard truths to check motivation levels.

IL&FS Financial Services prefers giving pre-placement offers to interns whose style of working and capabilities it has already seen on the job, while Ambit Group presents drafted scenarios to

We ask manager-aspirants for examples of how they handled a low performer. APARNA BALLAKUR, VP, HR, Yahoo! India

I move away from job details & dive into the ambitions, passions & goals of candidates. ALOK KEJRIWAL, CEO, Games2Win

Only when we grill them on real-life situations are candidates exposed. NIKUL SHAH, President, Global HR, Omnitel Solutions

A candidate may be prepared, but can't always be right during behavioural interviewing. SUDAKSHINA BHATTACHARYA, HR Head, IL&FS Financial Services

freshers to judge how they would work in such conditions. Nihilent Technologies observes candidates' behaviour closely. "We need certain skills in people; we can train them in technology, but cannot teach human evolution. So we observe how they speak, eat, sit, communicate; we look for listening skills, humility, willingness to explain; we tell them to present before a nasty group and see how they behave. We ask them to draw diagrams and explain, or write a letter," says Ravi Teja, senior associate vice president and country manager, India.

The company also looks for people passionate about non-work related pursuits, like music, social work and sports. "We believe professional and personal lives have to come together, because a person can only perform well at the job if he is happy in his personal life," says Teja.

When candidates come well-prepared, the quality of the interview and its outcome depend on the interviewer's skills, says Aparna Ballakur, vice president, HR, Yahoo!. She once asked a manager-aspirant an example of how he handled a low performer. "People are not prepared for such questions," she says.

There are times when interviewers take a completely different line of questioning. Alok Kejriwal, entrepreneur and co-founder of Games2Win, strays away from job details and dives into the ambitions, habits, passions and goals of candidates. "I hire 99.99% on gut and intuition - never by credentials," he says.

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Aviation Companies Back in Hiring Mode

Emirates, SpiceJet, and GMR firm up hiring plans on back of jump in air traffic

SHREYA BISWAS NEW DELHI

The aviation sector is hiring in full swing across levels as it rides an up to 16% yearly increase in air traffic and picks up the pieces, post an extended slowdown.

Among airlines, Dubai-based Emirates expects to hire nearly 4,000 cabin crew in the current financial year and over 500 pilots across geographies. Budget airlines SpiceJet, and IndiGo are hiring pilots and cabin crew, among others. In the aviation infrastructure space, GMR Airports is looking to hire people in various positions for Delhi and Hyderabad airports.

Online job portals confirm the hiring trend. Recruitex, TimesJobs.com's recruitment index, saw demand at 104 points in August 2011 compared with 100 in December 2010. The index reveals that the demand is most for candidates in engineering, logistics, supply chain management, procurement and, accounting and finance.

Off the runway, the aviation infrastructure

space is also looking for people. "We are planning to induct around 100 positions, mainly in airport operations, legal, finance and accounts and cargo screening," says a GMR Airports spokesperson.

Air traffic has gone up to 143.4 million in FY11 from 123.7 million in FY10, a 15.9% increase. "This is the key driver, thanks to rising disposable incomes and stable ticket prices. We are likely to see a doubling of traffic in the next five years," says Amber Dubey, director (aviation) at global consultancy firm KPMG.

Almost all airlines are expanding to meet 14-16% growth in air traffic every year, he adds. Foreign airlines such as Emirates are a major contributor to the demand for professional candidates in the aviation sector. "There is demand for qualified, professional candidates due to the airline's expanding fleet and route network," says Allison Ward, VP, recruitment.

Budget carrier SpiceJet plans to recruit 150 pilots and 300 cabin crew members. "We are hiring full time as we are adding 30 additional Boeings and 15 Bombardier Q400s to our fleet," says a spokesperson.

Frankfinn Institute, which runs courses in aviation, placed 2,500 freshers in cabin crew and ground handling jobs in 2011 - most of them in Jet Airways, Kingfisher, IndiGo, and SpiceJet, says chairman KS Kohli.

NEXT QUESTION

How important is work-life balance? How can you get better work-life balance?

Real PE Factor for Any Firm is People

Firms that have profit-earning ratios backed by strong people engagement succeed in long-term goals

People Pull

ADIL MALIA

While investment bankers have inducted 'PE' factor - the price-earnings ratio, which helps determine the valuation of an enterprise - into contemporary management lexicon, the real PE factor in the value journey of any enterprise from a leadership perspective continues to be its 'people' factor. "People" is the only PE factor capable of creating value for itself and unleashing value from the other factors. "Unleashing the 'low cost: high value' potential of the people factor in these volatile and challenging market conditions calls for special attention. Future-smart CEOs - the corporate skippers and proactive leaders who plan and insulate their enterprise against unpredictable future volatility - will have to evolve and take personal responsibility for their workforce strategies. They will need to develop a navigational map that will help them traverse a unique 'value-to-value' journey.

The HR department-led general people programmes barely succeed in exploiting more than the surface capabilities of these high-potential resources. Unless the CEO leads from the front and sponsors generating value from people resources, chances are that the enterprise will under-utilise these precious resources. The 'value-to-value' journey encompasses four critical value domains, and is linked to the CEO's performance contract: create occasions to offer unique value propositions, nurture critical values to evolve a genuine and flexible culture, energise the system to deliver value to customers and engage the system with relevant drivers to enhance its 'enterprise value'. Every organisation needs to have eight capabilities to thrive: a competitive landscape analysis and market intelligence, demand creation, demand fulfillment, going to market, supply chain, an order-to-remittances cycle, new product innovation and talent engagement and development. Future-smart strategic leaders build their organisation structures around these. They do not go the classical way of building their structures around

power centres in their enterprise. A firm's reputation is embedded in its capabilities, not in its structure. The value propositions that make a difference and attract talent to join and stay need to be developed around experiences and opportunities built around these capabilities and knowledge. Hence, key success factor No. 1 for the future-smart leader is offering unique value propositions and a market-competitive total rewards package to 'get' the best talent. However, the greater challenge is to ensure final delivery of this promise. Key success factor No. 2 is to build a flexible culture with non-negotiable ethical values within the enterprise to maximise business opportunities. Future-smart leaders will never shift their eyes from markets, customer insights and customer realities as defined by market conditions. The entire system needs to harmonise to deliver 'value-for-money' to customers. Key success factor No. 3 would be to build a delivery system within the en-

terprise that gives customers their desired value for money with an 'aha'. The purpose of business is value creation. Key success factor No. 4 is to ensure that focus on short-term profits does not make the enterprise lose long-term focus on its value creation, and that the people resources are fully engaged in this. The volatile markets have covertly indicated their preference. Enterprises that have their profit earning ratios backed by competent PPeople and strong people engagement succeed in sustaining and realising their long-term projected valuations. Others perish and peter out into obscurity. Adil Malia is Group President (HR), Essar Group

