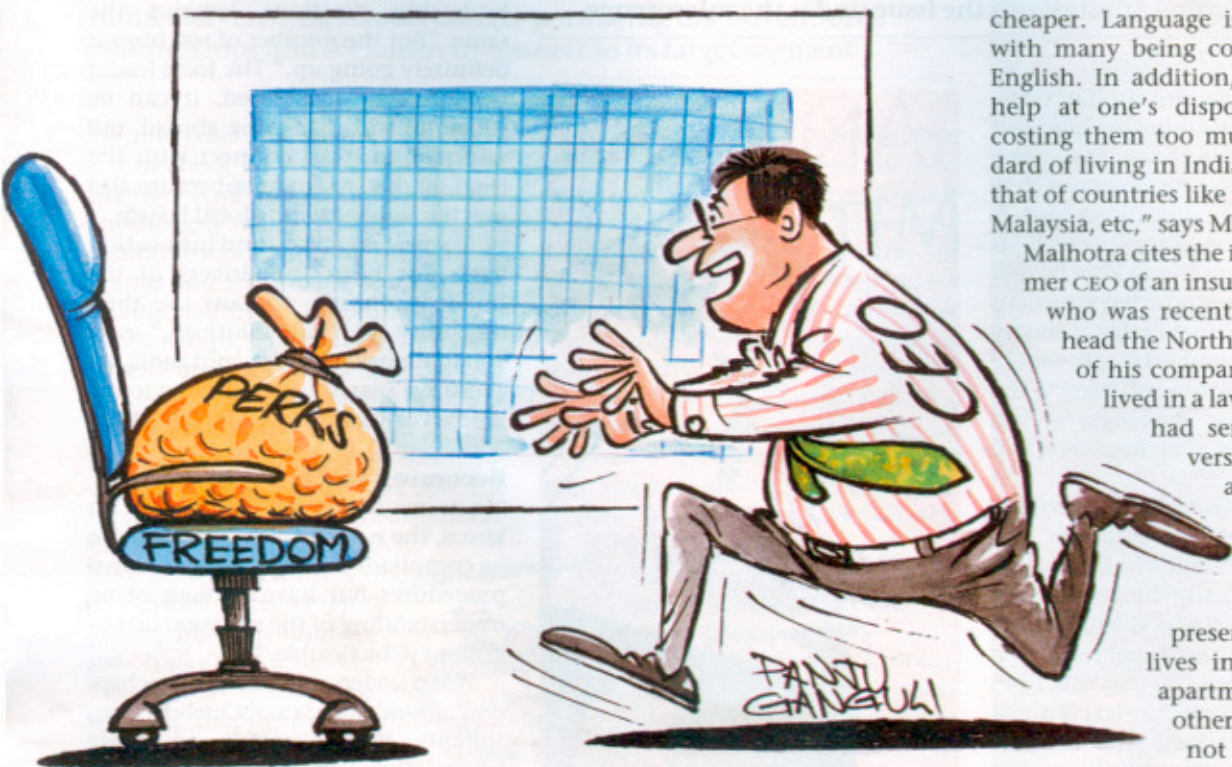


Scouting with a difference



The search for talent is back, but the norms have changed

It's official. No longer is the industry courting prospective CEOs with 100 per cent salary hikes and sign-on bonuses; they are instead luring them with entrepreneurial opportunities and greater freedom to make and execute decisions. "The linkage between shareholder wealth creation and CEO compensation has become far more tangible. Compensation deals are now characterised by wealth creation and long-term retention," says Praveen Malhotra, managing partner, Positive Moves, an executive search firm. This is in contrast to the trends of yore, when people were given a lump sum or a sign on bonus, which was an immediate or short-term gain for employees, though it may or may not have resulted in long-term retention.

Another trend that has emerged from the recent executive hires in the country is that expats are willing to

work in India at local salaries and are not demanding the erstwhile hardship allowances that included adequate housing, children's education, business-class return fares, etc. "This essentially means that salaries in India are good and are comparable to the rest in the region," says Malhotra. "Salary levels in India are benchmarked against the best in the world, so there is no longer a case for demanding the additional perks," adds Govind Iyer, managing director, Egon Zehnder, India's largest executive search firm.

There is an increased inclination among foreign expats to work in the country. The reasons for the above are not hard to explore. The cost of living index in India is less than that of countries like Singapore and Hong Kong, so one ends up saving more. Even housing is not more costly; in fact, they sometimes come even

cheaper. Language is not an issue, with many being comfortable with English. In addition, one can have help at one's disposal without it costing them too much. "The standard of living in India is higher than that of countries like the Philippines, Malaysia, etc," says Malhotra.

Malhotra cites the instance of a former CEO of an insurance company, who was recently promoted to head the North Asia operations of his company. In India, he lived in a lavish farm house, had servants and drivers and also the added comfort of everybody communicating in English. In his present posting, he lives in a 3,000 sq ft apartment and the other perks are either not there or are

available at significantly higher costs. So, he is now raring to come back. Even Anil Dua, senior vice-president, sales & marketing, Hero Honda, quit his job with Gillette in Germany to join Hero Honda, because the lifestyle in India is better.

It would appear that the wheel has spun a full circle as far as the perception of working for Indian companies is concerned. More important is also the job content. Most Indian companies have challenging assignments. The companies are large in size; the market is competitive. And, of course, many want to go global.

Indian companies are perceived to be cash-rich and are known to take good care of their employees; they are not fly-by-night operators and can afford to make long-term investments, which means that, apart from the better salaries, employees can now look forward to more empowered jobs and better decision-making opportunities. The sectors witnessing this trend include solar energy, paper, mining and power.