

Cross-industry hiring may double in a year

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WIDENING THE TALENT POOL

> From just 10% of all recruitment 2 years ago, hiring from across sectors now accounts for over a quarter of placements

> The practice has become more mainstream now instead of just being restricted to sunrise sectors earlier

> A major reason is the limited talent pool within an industry, especially at the leadership level where quality is needed



> Microsoft India, Google & Nestle are some cos that went in for cross-industry hiring to fill corner offices

> At other levels, recruiting talent from a different industry may be cheaper than within same segment

Mumbai: Cross-industry hiring is expected to double in a year or two with organisations increasingly looking for talent outside the home turf. At present, cross-industry movements form about a quarter of overall lateral hiring, according to HR industry experts. A key reason fuelling this trend is the rate of disruption across industries. Innovative strategies and a fresh perspective about ways of doing business are the two major benefits from cross-industry hiring.

Executive Access India MD Ronesh Puri said nearly 30% of his firm's client companies are keen on cross-sector hiring. This number was merely 10% a couple of years ago.

"Organisations are looking at diversity, not just with respect to gender but also from the perspective of management constructs. We see cross-industry talent-hiring picking up pace and the change could be substantive in nature in the next six-12 months."

Earlier, this trend was restricted to companies starting out in sunrise sectors like telecom, retail and outsourcing. Today, it is visible across industries with greater prevalence in healthcare, technology, education, financial services and consumer markets. BTI Executive Search/PersolKelly MD James Agrawal said, "The need for innovation, talent shortages, emerging industries and, increasingly, high-demand skill-set is pushing growth of cross-industry hiring. While, on the one hand, introducing a fresh perspective in an increasingly competitive world is encouraging cross-industry hiring, on the other, the limited pool of candidates is driving the need to look across industries for great talent, especially in emerging industries that haven't been in existence for long."

Apart from addressing shortage of talent from home industries, Agrawal said there are also other benefits, such as freshness in thoughts and ideas, promoting a different culture with

a sense of creativity, and inclusion of diversity. “Also, talent coming from different industries might come at a lower cost when compared to someone from the same industry,” said Agrawal.

In India and across the globe, cross-industry hiring has been particularly prevalent for leadership roles. Pramod Solanki, a consultant CHRO, said there are examples of cross-hiring in companies like Microsoft India, Google and Nestle. “There are reasons why some organisations prefer cross-hiring for certain positions. In most cases of leadership level cross-hiring, it’s about the strategic fit and the company has a long-term view and is willing to take risk. Google was clear that they needed someone with strength in data and investments to steer the investment side of their business. They hired Ruth Porat as CFO, a veteran from Morgan Stanley, and have had tremendous success. The CEO of Nestle, Ulf Mark Schneider, was hired from a European healthcare company, Fresenius, as he fitted into the growth strategy of Nestle to focus more on healthier products,” said Solanki.

However, companies that do not have a long history, for example cyber security and many other startups in the digital space, need to do cross-industry hiring as quality of leadership talent within is limited. “It’s not that every company looks at cross-industry hiring as a preferred option. Actually, a large majority still prefer hiring from within the industry. Reasons are obvious – faster turnaround and lesser risk – since the person would have worked in the similar ecosystem. Some functions have an inherent advantage when you hire from within, like sales. When companies hire sales leaders, they expect them to bring their business relationships to the new organisations,” said Solanki.

Cross-industry hiring is also difficult for roles like chief commercial officer that require in-depth industry knowledge.
