

How to retain talent in the clothing industry?

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In their quest for low labour rates and low garment costs, apparel firms are increasingly coming up against a range of problems on the talent front, from a lack of skilled workers to poorly motivated employees and a high turnover of staff. What's more, concerns are now extending to the future, and how to encourage the next generation into the industry.

The issue is two-pronged according to Susan Jennion, director of product development and sourcing at Levi Strauss' Denizen brand: developing talent, and hanging on to it.

"We get frustrated by the factory because they can't interpret what we want; and they get frustrated when the buyer makes ridiculous demands or isn't clear in terms of what they want," she told delegates at the Prime Source Forum in Hong Kong earlier this month.

"The question is how are we going to develop talent in the clothing industry? I really see a need to raise the general skill level in the industry, at every single stage of the supply chain and in every department and area; the sewing workers as much as the creative and technical teams. There's also the issue of retaining talent.

"We need to start creating space within our organisations and within our supply chains to give people space to be able to develop themselves and to have access to knowledge and skills."

Edwin Keh, lecturer at the Wharton Business School at the University of Pennsylvania and former SVP,COO of <u>Wal-Mart</u> Global Procurement, agrees. "Why are we surprised there's a labour shortage in China and developing countries when we're offering people the opportunity to work for the minimum wage, in poor conditions and with no future?" he asks.

"What if we changed the way we recruit young people and instead offer them life skills, the opportunity to be promoted, and also earn a living?

"If we can offer not a dead-end job but a career, challenge and opportunity we'll get the best and brightest people. We need to be more thoughtful about labour challenges since we're working with the next generation and need to change the way we work with them."

From the supplier's perspective, Carlos Arias, president of Guatemalan jeans maker Denimatrix, believes retaining talent is down to hard work on the employer's part.

"If we want to make this industry attractive for young talented MBAs coming out of business school we have to show them they can be part of the solution for the future," he explained. "If they just think they're coming in to be taught on a very rigid model that they know is outdated, we're not going to retain talent.

He makes the point: "You have to treat your people with immense respect [throughout] their professional careers." It's about making them feel they have a vocation, discussing their options, and understanding what they're looking for.

"You have to actively work to retain them; it doesn't just happen because you're nice," Arias adds.

He also notes that "the way you retain talent is by asking questions and trying to understand your workers. And what really makes it work is to do things people suggest. Acknowledgement is very important.

"Listen as much as you can, and take serious consideration about what they're saying. This is what makes a company good, bad or indifferent."

Dr Andrew Sia, chairman and CEO of ACE Style Intimate Apparel, also describes training as "an ongoing process," as is keeping new and young designers in the company.

And in a high cost country like Germany, where Joachim Hensch is head of pattern design and technical development at Hugo Boss, training programmes in the product development and pattern design area last for four years.

"Because we're a country of high wages and face competition from around the world, we have to really care. You have to take a long-term approach and invest in people; and when you invest in people you get returns."

The final point goes to Arias who notes: "Companies compete; countries don't compete. And companies who are well managed anywhere in the world will compete with another company that is well-managed anywhere in the world. And that takes talent."