

Now, CEOs Go In For Extended Breaks

LONG HOLIDAY: Job opportunities, a growing entrepreneurial culture and a rise in top-level salaries are giving chief executives the cushion to take sabbaticals

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NEW DELHI

When Punita Lal, CEO of NourishCo Beverages, left the JV between Tata Global Beverages and PepsiCo India in February, she made her intention clear: a one-year sabbatical. Yogesh Bhattarai spoke the same three words last month, when he resigned as partner from prestigious law firm AZB & Partners. And though Anand Mehta didn't quantify it, his thinking was similar to that of Lal and Bhattarai when he announced he was leaving as VP of marketing at Schneider Electric to take a "short break for self-discovery and to reinvent himself".

The tribe of top jobless Indian CXOs on a break is growing (see table). They are leaving plum positions for obscurity, trading a hectic professional life of 20-plus years for personal quietude — temporarily. "There's no stigma attached to CEO joblessness any more as breaks and sabbaticals are becoming common," says K Sudarshan, MD of EMA Partners International, an executive search firm that specialises in top-level placements.

This is a change from the past, when the unwritten corporate rule was that continuity was essential to preserve job prospects. Ample employment opportunities at the top, a growing entrepreneurial culture and a steep rise in salaries at that level are shaping this attitudinal shift. "There's no insecurity today among most CEOs as there's a clear shortage of talent at the top," says S Raghunandan, who spent five months out between his departure as MD of Reckitt Benckiser and his new assignment as CEO of Jyothy Laboratories.

According to Varun Berry, who quit as CEO of PepsiCo Foods India in January, top executives are beginning to mirror — even learn from — their younger colleagues in their thinking. "Young leaders easily break conventional wisdom and follow their heart," he says. "They (young leaders) do what they want to do. And if they don't, they would like to move."

CXOs on a break say and headhunters confirm, that there's no dearth of job offers. Berry says some "very interesting" corporate and entrepreneurial assignments have come his way but he's still "three to four months away" from returning to work. "I haven't lost anything staying five months out of a job. Opportunities are still coming," Raghunandan told ET, before his Jyothy appointment was announced on May 23.

The departure of both Berry and Raghunandan from their respective companies was sudden. Raghunandan left within three

Executives on a Break

Rajiv Gupta Executive

MD, Carlyle Private Equity
NOV 2011

Last Assignment
Date of Leaving

Anand Mehta

VP-Marketing, Lifespace B2 unit, Schneider Electric
FEB 2012

Varun Berry

CEO, PepsiCo Foods
MARCH 2012

Manisha Girotra

MD, UBS India
NOV 2011

Yogesh Bhattarai

Partner, AZB & Partners
MAY 2012

Punita Lal

CEO, NourishCo Beverages (Tata Global Beverages-PepsiCo India JV)
FEB 2012



TIPPARNA

weeks of taking over as MD of Reckitt Benckiser, while Berry's exit left the Rs 6,500-crore PepsiCo's foods division headless.

Berry declined to comment on the circumstances of his departure, but said it was "unplanned". "I decided to utilise this break to do things that I couldn't possibly have had time for in corporate life," he says. Berry has been spending his time reading, travelling, listening to music and catching up with friends to discuss, among other things, his future options.

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Similarly, former Schneider executive Anand Mehta is working on a blueprint for a potential business in automobile servicing. "I had been in the industry for a very long time, handling the same function — marketing — and fatigue had started setting in," he says. "This break has allowed me to follow a different schedule and begin work on my area of interest."

Most executives welcome the break and the slower pace of life. "Corporate life is like running on a treadmill. A long corporate innings takes its toll and business leaders face burnout," says Ronesh Puri, MD, Executive Across, a Delhi-based executive search firm. "Therefore, a respite is never a bad idea." When ET called on Raghunandan, he was vacationing with his family in Srin-

agar. "You do need a break in your hectic high-pressure corporate life of 20 years," says Raghunandan. "I have spent these five months addressing my health issues and spending quality time with the family."

Such a decision is easier today because top executives have the financial security to stay out of a job for an extended period of time. Mehta says money, beyond a point, starts to matter less than happiness. "During my 20-year stint at Schneider, I have built up reasonable savings," he says. "Considering I don't have any loan liability it should last me a couple of years."

A recent study by HR consulting firm Aon Hewitt says CEO compensation in India has increased at a compounded annual rate of 13% to 15% over the past decade, and is inching closer to global levels. In many instances, the increase has been more. "There are wealth-creation possibilities for CEO such as stock options in most big companies," says Puri of Executive Search.

At times, there are other factors for staying away. According to one headhunter, some CXOs may have quit because they did not think it was appropriate to "look around" while in their current job. "These are mainly people who were strongly identified with their current assignment," says the Mumbai-based headhunter who does not wish to be named. Whatever their reason, most say, a break is welcome.