

## HIRING REVIVAL

# Infrastructure firms seek senior executives after two-year lull

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MUMBAI

After two years mired in a slowdown, top and mid-tier infrastructure firms are looking to hire senior executives, as they seek to reduce debt, turn around projects and win new ones from an expected pick-up in infrastructure growth.

Officials at executive search firms said they have been mandated to find suitable candidates for **GMR Group**, **KEC International Ltd**, **Larsen & Toubro Ltd** (hydrocarbon business), **L&T Infrastructure Finance Ltd** and **SREI Infrastructure Finance Ltd**, which have interests in power, roads, water and ports.

Search firms like **Executive Access Ltd**, **RGF Executive**, **EMA Partners International** and **ABC Consultants** each

have at least five mandates to hire senior-level executives with 'entrepreneurial skills' to support expected growth in the sector.

The Narendra Modi-led government's plans to build a high-speed train network, 100 smart cities, dedicated freight corridors and airports in smaller towns are expected to help infrastructure firms, which are beefing up manpower for growth.

"Last two years was a phase of consolidation and we did not see profit growth. But we are geared for growth now," said Hemant Kanoria, MD, **Srei Infrastructure Finance Ltd**, which is looking to add about five senior executives for its water, power, special economic zones and road businesses.

Infrastructure was among the worst-hit during India's economic slowdown, so much so that a March report by Inter-

national Monetary Fund (IMF) attributed the slowdown largely to infrastructure delays. Delayed clearances, heavy debt, high interest rates and a slowdown in demand had all contributed to stagnation.

As a result, senior-level hiring almost came to a standstill over the last two years and some companies even let people go, said headhunters and company executives, who did not want to be identified. Compensation also remained flat across the sector.

"Executives were given phenomenal compensation, but over the last three years, with the slowdown, there have been very slight salary increases and

very little incentives for the senior level, says Anandrup Ghose, Rewards Consulting Practice Leader at Aon Hewitt India.

Last year, while the average salary increase across sectors at the top management was 8-9%, infrastructure executives saw lower salary increases of 5-7%, said Ghose.

However, firms are now re-booting.

KEC, part of the **RPG Group**, created a new role and hired Rakesh Amol as president of its infrastructure business in April, where he would be responsible for railways, water and any future infrastructure verticals the company may get into.

## Infrastructure firms are buoyed by Modi government's plans for modernization and development

"We wanted someone who had the entrepreneurial trait of capturing and leveraging all opportunities. In the past, while we looked at people with leadership skills and project execution capabilities, this time, our focus was on someone with strong entrepreneurial capabilities," said Arvind Agarwal, president, corporate development & HR for **RPG Group**.

Headhunters agree. "Earlier, senior executives held a more maintenance role, but now, they are looking for stronger execution skills coupled with the ability to identify opportunities and deliver faster turnaround on projects," said Ronesh Puri, managing director, **Executive Access**.

The ability to deleverage balance sheets is also sought after, at a time when most infrastructure companies are burdened with debt.

"Infrastructure companies are heavily debt-laden and what they seek is expertise in financial turnaround skills and not just raising capital," said K Sudarshan, managing partner of **EMA Partners**, who has mandates to hire 10 senior level infrastructure executives, including at the CEO and CFO level.

"As part of the preparation for new projects in the coming year, we are looking at augmenting our talent pipeline in select and niche areas where specialized skill-sets are required for developing large, complex infrastructure projects and asset management, said Sanjeev Sahi, president, human resources, **GMR Group**.

Hiring by infrastructure firms is driving business for search firms, making it one of their fastest-growing segments. "Business in this sector has more than doubled as there is a real war for talent," says Puri.