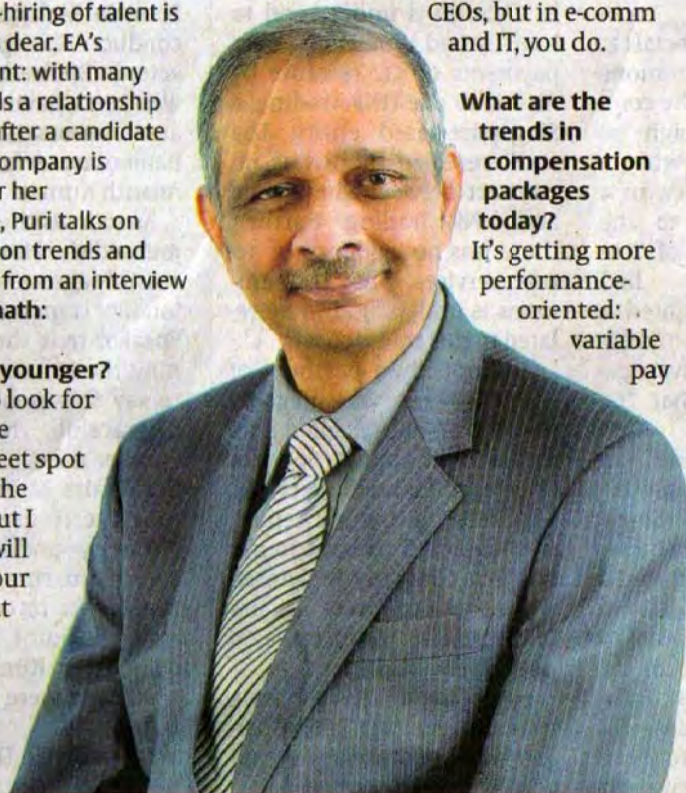


# 'Hire-and-fire is the reality of corporate life today'

Interview with Ronesh Puri, Managing Director, India affiliate of Executive Access

**R**onesh Puri is Managing Director of the India affiliate of Executive Access, a global search firm for top talent. Puri, who has interviewed over 5,000 candidates during his career and placed at least 500 people in CEO/CXO positions, says mis-hiring of talent is costing companies dear. EA's approach is different: with many companies, it builds a relationship and its fee is paid after a candidate is placed and the company is satisfied with his or her performance. Here, Puri talks on hiring, compensation trends and coaching. Excerpts from an interview he gave **Vinay Kamath**:

**Are CEOs getting younger?**  
It's fashionable to look for younger CEOs. The mid-40s is the sweet spot now, down from the mid-50s earlier. But I doubt the trend will sustain. It's not your biological age that counts, but your mindset. Energy and passion are not necessarily age-related: I see a lot of 'old'



people at 35, and others who are 'young' at 55. Overseas, age is not a criterion; in the US, you can't ask a candidate his age. A job shouldn't be governed purely by age. It's also industry-specific: in manufacturing, you don't find young CEOs, but in e-comm and IT, you do.

**What are the trends in compensation packages today?**

It's getting more performance-oriented: variable pay

has gone up, from 20 per cent earlier to 35 per cent. At the CEO level, it has gone up substantially. The world is becoming flat, and you can't have geographical differentiation in salaries as talent flies. Still, Indian CEOs get paid far less than CEOs overseas. Companies don't fight shy of paying more if they find the right talent. Greater flexibility is being built in, and it differs from candidate to candidate. The more evolved companies offer flexible packages. More for more is better than less for less.

**Are Indian companies looking for short-term/interim CEOs?**

It is quite common overseas, but in India it hasn't evolved, and is six to seven years away. Interim CEOs in India are a rarity, an exception.

**Is an executive coach important for today's CXO?**

Every professional requires a coach, but the notion is still evolving in India. If CXOs have to get the best out of their careers, and their own

potential, it is imperative for a coach and a mentor to help and guide. I have placed over 500 candidates in senior positions and over 100 CEOs; I have seen bad career decisions being taken by intelligent candidates. With a coach or a mentor, they would not have taken those decisions. In a dynamic, intensely competitive world, one bad decision can set a candidate back by four steps. I've seen careers of stable people destroyed because of one bad decision.

**Will exit clauses get tighter?**

If they do, it will be sub-optimal for both candidates and companies. If a candidate wants to go, he will stop working even if you bind him. It's a free world, and binding a candidate will be counter-productive. If you're getting a person to stay just because of a clause, his tendency to pull negative energy into the company will be high.

**Are companies now into hire-and-fire policies to a greater degree?**

The hire-and-fire policy has crossed geographies: it's a reflection of the times. I know companies that never believed in it, but have now taken to it. Companies need to do it to survive; it's a hard call, but they have become imperative. It's not good from a candidate's standpoint and it can be misused, but it's the reality of

corporate life today. You have to always be performing; no one can take a job for granted.

**Which are the growth sectors where jobs will be created?**

There will be growth in infrastructure, healthcare, FMCG, consumer, services, energy, and some new sunrise industries. But there isn't an adequate supply of talent. The mismatch between companies' expectations and talent availability will need to be corrected. Today, companies are constrained by employable talent. They are also becoming leaner, and no longer have the luxury of working with more people. They are looking to improve productivity and looking at what they can outsource. The business ecosystem has changed and the magnitude of change will only increase. It makes our job tougher and the companies' job tougher.

**How will disruptive cycles affect companies?**

Disruption is a reality; no business is insulated from it. In five years, the whole world will be different, corporate life will be different, and the skills required for the same job will also be different. Today, many people say they don't want to be a CEO. They say they value their health and their peace of mind.

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**RONESH PURI**  
MD, India affiliate of Executive Access