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India's telecom story over? Six top executives of mobile companies hunting new jobs

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NEW DELHI: Six top executives of mobile phone companies are hunting for new jobs, signalling bad times for a sector that was once touted as the symbol of India's growth story. Those looking for a career change include the CEO of one of India's largest telecom operators and the heads of two new entrants.

"India's telecom story is over. Industry revenues have not gone up in two years," admitted the promoter of one of the largest mobile phone companies.

Funds have dried up, expansion is on hold, profits and customer additions have slowed even as the 14-player industry battles to recover from the fallout of the 2G spectrum scam.

"Most companies are battling high debt and stagnant revenues. Banks have refused to lend. 3G is making very slow progress. Many top executives are looking at changing sectors," a chief executive of the mobile phone company told to ET.

Three independent sources, including two of the six officials mentioned above, confirmed their intention to move out of the respective companies if alternatives became available.

A leading headhunter, who is aware of three CEOs heading telecom companies looking for new jobs, said these officials now faced new challenges as the focus of their companies had shifted to cutting costs and increasing efficiencies, triggering job cuts across the board.

"Instead of managing growth, expansion and rolling out new service offerings, most chief executives are confronted with reducing head count, restructuring exercises, merging verticals and businesses," this headhunter added. He declined to be named as he is working with some of these CEOs who are looking for greener pastures.

The two officials looking for new jobs who head new entrants face an additional complication because these firms bagged mobile permits in 2008 under controversial circumstances. Most of the companies that received their licences during the tenure of the former telecom minister [A Raja](#) have put their expansion plans on hold as they are battling high debt and also face the possibility of the Supreme Court cancelling their permits.

According to data compiled by sector regulator [Trai](#), new entrants, with the exception of [Unitech Wireless](#) are also facing an exodus of customers as operators' reduce their ultra-low tariff plans and free minutes. Some of these operators are also awaiting an exit policy that would enable them to surrender their permits.

"Telecommunication was the lead industry in the last decade attracting top-tier leadership talent. Now that the telco era has ended, a natural exodus of talent is expected," explained Vibhav Dhawan, managing partner at the executive search firm Positive Moves.

Over the last couple of months, several leading telcos, including Bharti Airtel, Tata Teleservices, [Reliance Communications](#) and [Aircel](#), have undertaken major restructuring exercises while [Vodafone](#) and [Idea Cellular](#) are expected to follow suit.

ET had recently reported that Bharti Airtel's move to collapse its various business verticals is likely to trigger a large-scale job cut that will make about 2,000 executives redundant. [Tata Teleservices](#) has combined its GSM and CDMA business divisions, a move that may make about 15% of those employed by the company redundant. Last month, Reliance Communications had merged its three business divisions, forcing the company to hand out pink slips to about 700 employees and 'redeploy' another 2,000 executives to 'field functions'.

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