

The Hyderabad corporate sector: At the cross roads

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In the past 10 years, Hyderabad has come a long way. A sleepy laid back city till recently, Hyderabad, led by the software boom is now rapidly embracing a corporate culture. The arrival of world class educational institutions like the Indian School of Business, expansion of R&D facilities by companies like Oracle, establishment of call centers by global corporations such as GE and the success of home grown companies like Satyam confirm that Hyderabad is becoming one of the most happening places in the country.

Many people like Hyderabad for its quality of life, climate and affordability. Roads are wide. So, the traffic moves quite fast. True, roads are getting busier these days, but one can still reach the work place in 15-20 minutes. Housing is affordable. The law and order satisfaction is satisfactory. People are generally friendly. Hyderabad is also well known for its business friendly political leadership and bureaucracy. Chandrababu Naidu's image is rivalled by few other leaders in the country. Even a person like Bill Gates is impressed by Naidu's vision.

However, it is one thing to be a good place to live in and quite another to be a vibrant business center, which can attract the best people. A recent survey of India's leading business cities by Gallup revealed that there is a big gap between perception and reality when it comes to Hyderabad. The city is still more hype than substance. Take the High Tech City. In spite of the best intentions and efforts of the Chief Minister and government bureaucrats, High Tech City has still a long way to go in terms of building a critical mass of software development activities. Similarly, the pharmaceuticals industry in spite of some big names like Dr. Reddy's has not grown as much as one would have expected for a city often referred to as the bulk drugs capital of India. Though Hyderabad has some excellent centres of higher education, not too many world class academics live in the city. So, cutting edge research is missing. Similarly, even though a few banks like Andhra Bank, State Bank of Hyderabad and Global Trust Bank are headquartered here, Hyderabad as a financial centre is nowhere near Mumbai.

To develop a strong cluster of industries, Hyderabad needs talented people. Attracting good people is not an easy job today. Indeed, this is the biggest challenge which Hyderabad faces. As Vipul Singh, Manager (HR) of Tata Tele Services, one of Hyderabad's most visible and employee friendly companies puts it, "Good people look for a combination of various factors including quality of life and professional satisfaction on their job." Vipul feels that one reason for the hesitation of good people to come to Hyderabad is the dearth of good educational institutions. This is a point on which S G Murali, V P (Finance) of Tata Tele Services also agrees. Especially at the college level, the city's educational infrastructure is crumbling. But Tata Tele has been very successful in attracting people from other parts of the country for its middle management levels.

The company's informal work culture (All employees from the CEO downwards call each other by first name), strong people orientation and heavy emphasis on training have undoubtedly been major attractions.

The short term orientation of Hyderabad entrepreneurs has also sent wrong signals to professional managers. Local businessmen have been quick to jump into new businesses in an opportunistic manner and equally quick to withdraw when things go wrong. The recent boom and bust in the software industry is a good example. The same phenomenon had earlier been observed in the case of Non Banking Finance Companies (NBFC). So, professionals from bigger cities like Mumbai are skeptical to come and work with Hyderabad entrepreneurs. Many of the exceptionally talented Hyderabadis do not stay in the city, frustrated by the lack of meaningful opportunities. They have sought greener pastures in places like Silicon valley, where many of them are doing extremely well. And this brain drain has been a heavy price which the city has had to pay.

In short, Hyderabad still has a long way to go to attract the best professionals to the city.

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