

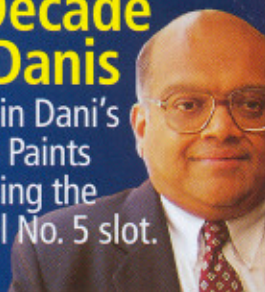
www.businessstoday.in

Fortnightly magazine

November 18, 2007 Rs. 15/-

A Decade of Danis

Ashwin Dani's Asian Paints is eyeing the global No. 5 slot.



BT Money

Does D-Street still have any undervalued gems?

BT money

The Best Bargain For Your Money



Euro RSCG's India Plans

Co-Chairman Stephane Fouks smells a huge opportunity here.



PLUS:

- The P-Note Scare
- The Great Telecom Rush
- NELP VII: Will it Hit a Geyser?



THE BEST COMPANIES TO WORK FOR IN INDIA

A BT-Mercer-TNS survey of India's best employers



THE
Best
COMPANIES
TO WORK
FOR IN INDIA

10
RANK

Dr Reddy's Labs

Nurturing Global Leaders

Change managers get a thumbs up at Dr Reddy's Lab.

E. KUMAR SHARMA



A. PRABHAKAR RAO

Prasad (bottom left) and S. Reddy (third row, left): Creating positive impact

FOR STUDENTS OF particle physics, the occasional movement of electrons to a higher energy state may be a matter of routine but, for employees of the Hyderabad-headquartered pharma major Dr Reddy's Laboratories, it is suggestive of a new management mantra. One that talks about the need to 'jump orbits'. "We need to identify and fast-track those leaders in the organisation who can change orbits and bring about significant change in the organisation and create a positive impact," says G.V. Prasad, Vice-Chairman and CEO. And it seems like this search is yielding results.

Consider Amit M. Patel, 32, and Cartikeya C. Reddy, 37. Both, like a few others, are seen internally as the

SNAPSHOT

- ▶ Total employees: 7,704
- ▶ Average age: 31 years
- ▶ Attrition rate: 17.5 per cent
- ▶ Male:Female ratio: 10:1
- ▶ Average career tenure: 6 years
- ▶ HR cost: Rs 267.2 crore*
- ▶ Promotion rate: 9 per cent
- ▶ Training budget: Rs 5 crore
- ▶ Training man-days: 25,000
- ▶ Revenues: Rs 6,509.5 crore* ^
- ▶ Net profit: Rs 1,122.4 crore* ^

*FY 2006-07 ^ Global figures



'quantum jump creators' and have been fast-tracked into important roles. Patel, who is Vice-President (Corporate Development and Strategic Planning), has been with the company for just four years. He has got four promotions in three years and has now been made part of the company's top executive body—the management council. Sitting in the US, he is the one who drove the company's authorised generics deal with Merck last year. The deal played an important role in pushing the company's overall North American generics business contributing to a record annual revenues of \$500 million (Rs 2,000 crore) from the region.

Similarly, Cartikeya Reddy, also a Vice-President, joined the company in 2004 and has now been inducted into the management council. Reddy, who joined as a director in Biologics Development Centre, became the head of the Biologics business in just three years. He drove the initiatives that led to the launch of Reditux, Dr Reddy's brand of rituximab, a monoclonal antibody (mAb) used in the treatment of Non-Hodgkin's Lymphoma, a type of cancer.

Going forward, Prasad is certain about the prescription for growth. "We need a larger number of global leaders. Hence, the challenge is to create a cadre of leaders who can build and create new businesses to maintain this growth tempo of over \$1.5 billion (Rs 6,000 crore) revenues."

Prabir Jha, Global Chief (HR) at Dr Reddy's, underlines this

Pathbreakers all: Chandrachud (below) with her team; and others showing they can play as hard as they can work



says Satish Reddy, Managing Director and COO of the company. In other words, they are allowed to take up challenging assignments, which they may not have handled earlier or don't have any proven experience with, but do seem to have the potential to handle them successfully.

In a parallel effort, the company is working on correcting the gender ratio, which is still skewed in favour of men at 10:1. At the recent campus hires, 33 per cent appointed were women. This apart, the company is prodding women employees to build informal network groups and also giving greater exposure to them. A case in point is Ritha Chandrachud, who joined the organisation in 2003 in its oncology division. She has arguably become the only woman in the Indian pharma space to head a national sales and marketing team, numbered 2,000 at Dr Reddy's.

However, despite these initiatives, Dr Reddy's faces a formidable challenge in the form of employee attrition. The company witnessed a slight increase in its attrition rate at 17.5 per cent, up from 16 per cent last year.

Explains Jha: "Talent from Dr Reddy's has a very strong appeal to any headhunter. As more companies get into the space, the challenge will get more severe. We are still overall better than the industry norms." This, he feels, would be around 20-22 per cent. Also, most of the attrition challenges, he says, are in the field than in research.

point and says: "Leadership development is a big agenda for us." Not surprisingly, the company is setting up a leadership academy at the cost of around Rs 15 crore in its Bachupally campus near Hyderabad.

The initiatives to nurture these leaders have, however, started in full swing already. For instance, promising young leaders are invited to share their breakthrough ideas before the management council at its quarterly meeting.

"We are taking risks on (promising) young talent and empowering them to take decisions,"