



THE HUMAN FACTOR

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More than 10 per cent of Hindustan Unilever's (HUL) managers today work for Unilever in various countries. A fact that led Chairman Harish Manwani to say at the company's AGM a couple of weeks back that HUL is the fountainhead for managerial and leadership talent for industry in India.

This stupendous success of Indian talent for Unilever globally is in no small measure on account of the strong foundations that were laid in the early years of the organisation, which is celebrating its 75th year in India. The Indianisation of the sen-

ior management staff took a while, but the process, chronicled by *A Company of People*, an HUL publication, is fascinating and shows how the erstwhile all-British management overcame its initial doubts about the ability of Indian managers.

It was in 1961 that the late Prakash Tandon became the first Indian chairman of HUL (then Hindustan Lever). In retrospect, 1961 seems too late for the installation of the first Indian chairman in a company which had thought about this way back in 1931. The vision was articulated by the then Chairman, Andrew Knox: "The India of today is only a chrysalis for yet another India which will develop tomorrow. An 'Indianised' India is at hand and we must adjust our policy. The part of the goodwill that rested merely on prestige and not on intrinsic value will disappear," Knox had said.

Knox's words, however, were taken with a lot of scepticism at that

'Hindustanisation' of Lever

How the former all-British management overcame its initial doubts about the ability of Indian managers

point. After all, it required a special audacity to propose that the best way for a British company to further its trading interests in India is by relinquishing a bit of its expatriate identity.

The company's dilemma at that point was as follows: Could the Indian managers, with their relative inexperience, guide the company ahead as its British owners might have?

Tandon captured this dilemma wonderfully in his book, *Beyond Punjab*. "The older Lever men shook their heads and doubted if it would ever be possible to train locals to take over

responsibility completely. There were natural limitations which, no amount of training could overcome, at least not in the foreseeable future".

This is despite the fact that Tandon was recruited in 1937 and recalls what the then chairman of Lever Brothers India, W G L Shaw, told him during his interview: "I don't see why you should not sit in my chair one day."

But people like Knox and Shaw were then in a minority. The majority mindset ensured that the Indianisation process took a long time. It was only in 1942 that Unilever "con-

sidered it desirable that Indians who prove themselves qualified to do so would enjoy privileges equal to the Europeans they substitute."

By 1944, 15 out of 57 people in the company's junior and senior management were Indians. Eleven years later, there were 97 Indians managers out of 149. But the perception about Indian managers having "natural limitations" ensured that all the members of the Management Committee and eight out of 11 senior executives were Europeans. So when Andrew Knox visited India in 1955, he recommended a rapid reduction in the

number of Europeans to 40 — roughly a quarter — within one-and-a-half years.

This time, Unilever listened to Knox. In 1955, Lever started its management training scheme for Indians. The quality of the training was recognised by S H Turner, who became chairman of the company in 1959. Speaking at the AGM that year, Turner said "these trainees are home-spun, but excellently spun."

Meanwhile, Tandon, who had already spent 24 years with the company, was feeling he had "come to a halt on level ground". But an element of destiny pushed him to the top slot. The plan had been that when Chairman Hoskyns-Abrahall retired in 1957, he would be succeeded by Vice-Chairman S H Turner, who would later be followed by David Orr. But illness forced Turner to return to England in 1961, by when Orr had left the Indian management to join the Overseas Committee. It was in

June that year that Tandon was called to London and offered the chairmanship.

Later that evening, Knox, by then chairman of the Overseas Committee, invited Tandon for a drink and spoke to him about the problems he saw ahead of the company's first chairman — a vision he had articulated 30 years ago. "It baffles us that even after your government has sanctioned a project, and we have approved it, you take ages to do it. What takes nine months to build elsewhere takes you five years."

Tandon left England, taking a BOAC flight, to return to his new assignment in India. When he took over the helm of Hindustan Lever, there were 205 senior managers in the company. Only 14 of them were Europeans. And the five years that Knox talked about were soon compressed to less than nine months.

Hindustan Lever had started living up to its name — finally.