

'We need another Green Revolution'

Vikram Doctor

MUMBAI

Dr Ashok Ganguly recalls a conversation he once had with Datta Samant. The trade union leader, at the height of his powers then, master of Bombay's mills and other factories, did not mince words with Ganguly, head of Hindustan Lever at the time. "My aim is to shut you down," he told him bluntly. "Thank you for telling me," Dr Ganguly replied. "Because my aim is to survive."

Dr Ganguly tells this story in the office of the technology firm he now heads, in a business park in the former mill lands. From his window, he can see the cranes building over Samant's old fiefdom. It's clear who won. But Dr Ganguly doesn't tell the story in a triumphalist tone. In fact, he says he rather appreciated Samant's toughness; besides, they had something in common. "I'm a Mumbaicha manus, I grew up playing gully cricket in Tardeo," he says proudly. It's a pride he combines with a clear distaste for those seeking to restrict this identity to certain ethnic communities, rather than to anyone who came to this city, and survived and made it their own.

The reason Dr Ganguly tells this story is to underline the hostile conditions of the '80s. It is our forgotten decade today: not far enough for nostalgia, but not close enough for regular memory, especially since it lies before the triumphal watershed of liberalisation. The '80s are a confused memory of Bofors, Mandal, coalitions and escalating economic crisis, and it was exactly this decade that Dr Ganguly's tenure at the head of HLL spanned.

He lists the challenges he faced: FERA, disastrous industrial relations, steady growth of low-cost competitors like Nirma—contrary to the perception that HLL only became aware of Nirma near the end of Dr Ganguly's tenure—and, above all, the problem of being India's largest multinational at a time when most MNCs had given up India.

Mastering all these called for an unusual set of survival skills, but then Dr Ganguly was hardly the usual kind of manager. Barely a decade before he took up the top job, he wasn't a manager at all. Nor was his family from the upper middle-class club-going, boxwallah community that occupied most professional jobs at that time. Originally from East Bengal, his grandfather had moved to Varanasi from where his father went to Bombay to get a job as an engineer with BEST, Mumbai's electricity and transport company.

Dr Ganguly went into science, going to the US to get a PhD in protein engineering. He could have become one of the pioneers of the Indian academic wave in the US if he had not taken the long ship ride home to see his parents. As the ship came to Bombay harbour, where his parents were waiting, he saw that his father's hair, jet black when he left, was now grey. "I realised then that I would have to stay to take care of them," he recalls.

At that time, Jawaharlal Nehru was trying to attract Indian scientists back home with the offer of becoming pool officers—Indian PhDs who could come home and get an assured Rs 400 a month and the chance to work in any laboratory they wanted. Dr Ganguly got a job in a dairy institute in Punjab, but he kept his options open, applying for other jobs. He wasn't particularly interested in the research opening that came up in HLL, but it did have one advantage: they agreed to pay for him to come to Bombay for the interview, so he could also see his family. "When they asked me why I wanted to join them, I said it was because they paid my train ticket!" he laughs.

Dr Ganguly did well within the HLL research system, getting to go to the US and the Netherlands on assignments. It was in the last place where the big change in his life happened. T Thomas, a future HLL chairman and then head of research, came on a visit, and was introduced to the Indian in residence. Dr Ganguly invited him for a meal, but Thomas, who had famously little interest in social niceties, declined. "He must have told this to his wife, who would have blasted him, because I then got a call asking if he could still come!" says Dr Ganguly. The two got on well, and Thomas asked why he was wasting his time in research. Soon after he got a call to come back to India, and was put in charge of the largest department, laundry packing, at HLL's flagship Sewri factory.

He may not have had the formal training for the job, but Dr Ganguly's Mumbaiyya survival skills and language helped him get on well with the 450 people under him, including the troublesome union officials. He was quickly promoted up the ladder, taking over Thomas' position as technical director in 1977 and, finally, as chairman after Thomas left in 1980. Dr Ganguly claims he was as surprised as anyone by his progress. "My driver knew I was going to get on the board before I did!" he says. "He told me one day, when I was being driven to office, and that day I was told myself! When I asked the chairman's secretary

how he knew before I did, she said that the company drivers always had the best information!"

Apart from this insight, Dr Ganguly also drew another, even more unorthodox one from his personal example, one which, he admits, doesn't go down well with his peers in management and academia: "My personal feeling is that you cannot make leaders," he says flatly. You can identify them, as Thomas did with him, and he himself would do with so many later HLL managers that the company would become the main recruiting ground for every company that came into India after liberalisation. But Dr Ganguly is adamant that one cannot create leadership where the basic skill does not exist: "All you can do is look, find and polish leaders."

Dr Ganguly took over just as Mrs Gandhi returned to power, triumphant, but never as secure as in those pre-Janata days. She was not easy to deal with, wary and isolated, but Dr Ganguly was one business leader who established a rapport. His research background helped. "She always saw me as a scientist rather than a manager," he says. Consequently, he became a fixture on advisory boards to the government.



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This rapport increased hugely in the Rajiv Gandhi years, during which, he says, he was repeatedly asked by Mr Gandhi to join the government and even fight an election. "I always declined, but if he had asked me once again after being re-elected, I would probably have said yes," Dr Ganguly admits. "The day he died was one of the very few times in my life when I have cried."

All this networking was not just for personal gratification—it had a definite benefit for HLL, if not in any direct way. "People may not have done us favours, and we didn't ask for them, but they did give us a fair hearing," says Dr Ganguly. This helped most in the battles with the unions, who were often supported by local politicians. Many companies did not survive them, but HLL managed, even when they finally shut down Sewri.

Dr Ganguly says this was critical not just for industrial relations, but also to deal with low-cost competition. "We knew by then that we would need entirely new systems, but how could we do them in our existing operations?" The answer was to shut Sewri, and build modern factories with the latest Japanese management techniques—another wave of that time—which Dr Ganguly is proud that HLL caught on before Unilever did internationally.

Dr Ganguly also had to manage most of the integration under the Levers umbrella of three very different companies, each with its own challenges—Lipton, the classic boxwallah company, Brooke Bond, a

stronger company built by a charismatic entrepreneur who had taken it into unviable extensions, and Pond's, a low-key American company.

In all this, Dr Ganguly was creating a professionally managed company for modern India. The old model was set by the British, and Independence saw Indianisation, but change had pretty much stopped there. The years of socialism and industrial stagnation gave little impetus to change, and the severing of international links during the '70s cut off that source of change.

During the '80s, Indian entrepreneurs like Dhirubhai Ambani did build a new kind of company, but for professionally managed companies, the model was set by HLL. Liberalisation would not happen on Dr Ganguly's watch, but he had already created a company with modern manufacturing, aggressive sales and marketing skills, a new focus on the vast low-cost consumer base in India and, above all, a crack corps of managers with extensive field experience who could meet the challenges to come.

By then, Dr Ganguly had moved to the Unilever board, taking on responsibility for research worldwide. It was a task he was well suited for, he admits, not so much because "I had a very ancient qualification in science, but because I had worked in the research system and so was seen by it as being one of them." An insider position is always the ideal one from which to launch radical change, and Dr Ganguly proceeded to do so.

In his many writings on business research, Dr Ganguly often criticises companies that he doesn't name, but which are pretty obviously Philips and IBM, where research was done for its own sake and didn't result in commercially useable innovations. But the truth is, he says, that Unilever was not that different in its time. "We had to tell scientists to give us a clear business plan for their research if they wanted to continue."

On Dr Ganguly's return to India, he took on the usual corporate advisory positions like his peers, though in a far less indiscriminate way. His focus was more on advisory roles to government, principally on the knowledge and investment commissions. In this interest in public policy, Dr Ganguly is a throwback to his predecessors Prakash Tandon and Vasant Rajadhyaaksha, who both gave up the HLL chairmanship to move into public service. It is hard to think of many private sector heads who would do this today. For all the talk of public-private partnerships, the two spheres seem to be increasingly diverging.

Dr Ganguly is an exception and it's probably because while unquestionably a corporate sector man, he's also willing to take unpopular positions in the corporate world. Politically, he says, he's left-of-centre, and has no hesitation talking forcefully about the corporate sector's need to create a more equitable society. The obsession with reservation, he says, is a bit misplaced; he feels that if caste surveys were conducted in factories, it would be found that many workers fall into categories like the BC. "The point is not reservation, but that enough jobs are not being created fast enough," he says.

Similarly, for all his background in research, he has little respect for the "minor tinkering that passes as industrial research in India." He's no patent basher; they are vital to protect real innovation, he says, but using patent laws to protect minor changes for business reasons is a mockery of the process. Since this is exactly what much of the pharmaceutical industry in India does, this would hardly be popular with his peers. "Do you think at my age I want to win popularity contests?" Dr Ganguly shrugs.

Dr Ganguly admits that the exposure he gets to issues in his work on the Commissions occasionally depresses him. Education is in a bad shape in India, and agriculture—another big interest during his HLL years—is worse. "We need a second Green Revolution urgently." He was an early enthusiast for genetically modified crops, the problems with which, he feels, have been miscommunicated by researchers.

Beyond particular issues, though, Dr Ganguly is not pessimistic. He says he is full of admiration for the current generation: "I call it the no-hang-ups generation." People today have none of the doubts and fears of his generation, and while those might seem odd words to apply to someone as confident and successful as Dr Ganguly, he points back again to those 'lost years' of the '80s.

"Why did liberalisation take so long to happen?" asks Dr Ganguly. "I think ND Tiwari first used the phrase early in the '80s, and the ideas were there, yet we had to wait till we faced a real crisis in the '90s before we could push it through. I can only think that we still suffered from the hang-ups of growing under the British—I can remember British policemen on the streets of Bombay—and that affected us in some way. We lost 10-15 years of development, but I do not think we will make this mistake again."

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