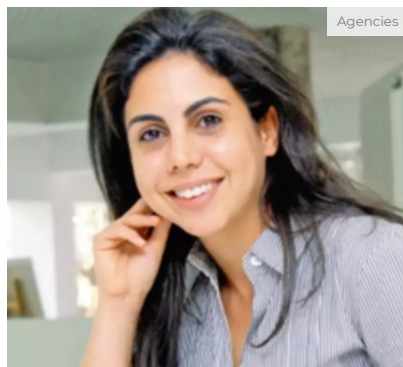


We must look to the future and reset with courage and not fear: Nisa Godrej, chairperson GCPL

Synopsis

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Nisa Godrej had stepped in to take over the reins of GCPL in June 2020 when Vivek Gambhir stepped down for personal reasons.

We must look to the future and reset with courage and not fear says Nisa Godrej chairperson GCPL in an exclusive interview with ET's Kala Vijayraghavan. Godrej said the company needs to grow much faster organically and that is the mandate given to its new CEO, former Unilever [NSE 0.47%](#) talent, Sudhir Sitapati who takes charge in October 2021. Nisa Godrej had stepped in to take over the reins of GCPL in June

2020 when Vivek Gambhir stepped down for personal reasons.

Was GCPL's move to hire an external CEO a year after you had taken charge in 2020 led by the SEBI directive of separating the Chairperson and CEO roles? How different was the CEO role for you?

No, this wasn't led by the SEBI directive. In the last decade GCPL always had the Chairperson and CEO roles separated, and that was the intention going forward. But then COVID-19 happened and I needed to step in as CEO also. Given I'd worked for GCPL for 15 years, this was quite seamless. We also have business CEOs with P&L accountability and they manage the daily operations very well. I think the big difference was COVID-19 with the turbulence it brought, and I felt better holding the reins tighter during this time. I also didn't plan to do this role long-term. We started the process of identifying a successor early on and that moved faster than expected.

What is the mandate for your new CEO in these turbulent times?

We need to be growing much faster organically, and I wanted someone could add both strategic and operational excellence. Sudhir is that person. He can think clearly and long term, but also rolls up his sleeves and gets things done. He is also a very good cultural fit; down to earth, honest and to the point.

GCPL has seen some strong growth spurts in the past. Like in 2010, when we merged GCPL with Godrej Sara Lee, went global, and started building our household insecticides category. In the couple of years before the pandemic,

with growth slowing down, and some of the issues in Africa and household insecticides, we needed to reset our thinking. We have started making some changes and delivered a strong performance last year. Sales increased by 11% and EBITDA by 14%, we turned around performance in Africa, and household insecticides grew by 15%. But we need to do more. I will be looking to Sudhir to take growth to the next level, with his significant experience and passion for building sustainable and profitable businesses.

What will your focus shift to when Sudhir takes over as CEO?

I will still be focused on GCPL's growth, success and purpose, but watching from the balcony versus the dance floor. Apart from my other responsibilities in the Group and on philanthropy, at GCPL I will be personally invested in governance, our values, very material decisions on capital, and building a purposeful legacy in Africa.

When I first joined GCPL 15 years ago, it was wonderful to have an outside-in lens. And at the same time I was able to make bold changes because I had my father's backing. I hope to do the same for Sudhir; let him come in with a transformation agenda and help enable it. I'll also be asking the tough questions. A CEO's job is lonely. So, I want to be a friend. And I'm looking to learn a lot from him.

You said last year that COVID will lead a second beginning for GCPL. How is the company reimagining portfolio and category strategy?

Godrej started in India's freedom movement and our profits went back to support the cause. We first made soap during the 1918 Spanish Flu pandemic, the world's first soap to be made from vegetable oil and not animal fat. As a company we have always been purposeful, but we are only as good as we do next.

COVID-19 was a free masterclass in health and hygiene. People are becoming more vigilant about their health, and handwash penetration is increasing. So, we are scaling up our Magic handwash as our first global hygiene product. The first powder-to-liquid handwash in the world, it is very sustainable and affordable, and I hope will democratise sanitation and handwashing. Protection against disease is a big focus; not just viruses, but also insect borne diseases like malaria and dengue. Our hygiene business grew by 24%, and household insecticides, by 15% last year.

Our innovation engine is in full throttle. In India, we launched over 10 new products across five categories. We scaled up Godrej protekt into an entire range of home and personal hygiene products, and entered toilet cleaners with ProClean. Our Indonesia businesses built Saniter, a new brand with a range of hygiene essentials, to an INR 150 crore portfolio in just a year.

How we work has changed. We shifted our Global Category Direction & Innovation team from a geography-led structure to a global category-forward structure to deepen focus on core categories globally, promote category

learnings and fuel long-term growth. Market research moved online and we started doing consumer connects through WhatsApp and Zoom.

We must look to the future and reset with courage and not fear. Hopefully we won't see another pandemic in our lifetime, but there are other curves to flatten. Beyond product impetus, we also need to grow with inclusion and address climate change.

What are your thoughts on the new work life order post pandemic and vaccinations?

We have seen significant shifts in how we work. A majority of our team members are in factories and sales. COVID-19 showed us that they are our most important people. They kept our business running and ensured our consumers and communities got what they need.

In the first couple of months of the pandemic I joked with my team that shutting the office seemed to make us more agile, so maybe that's the way to go. But no, on a more serious note, I don't see working at office going away. There's a lot of in-person sharing that you can't replicate online. And it is critical for building culture. They say it takes 3 weeks to form a habit now. Work from home is a habit, and people want it in different combinations. Some want to return to office full-time, some for a few days, some not at all. General Motors' CEO, Mary Barra's strategy - to "work appropriately" - really resonates with me. I don't see a one-size-fits-all solution. We need more flexibility and trust; to focus on the outcome of work, not where you do it from.

Do you have any worries about the impact of the pandemic on your team?

I really worry about the mental wellness of our people, especially after the brutal second wave of COVID-19 in India. How do we lead when our people have been battered? How do we keep them safe and staying motivated? Godrej is only as healthy as our people. So, it is critical to get them the help they need to take care of their mental and physical health. We are encouraging open conversations around mental health and making counselling and other resources freely available. Leadership is doing check-ins, one-on-one, and in smaller groups. We are leveraging technology for continuous listening, to respond quickly to suggestions and concerns. I personally reach out directly to everyone through our Emerge Stronger app. We ramped up safety infrastructure, made medical policies more comprehensive, extended medical support and insurance to channel partners, and are helping with vaccination. Keeping people motivated is harder because we don't know when this will end, and have to take it one step at a time.

Leadership and decision making in a crisis must be distributed. We realised this early on. We have to trust people to make the right calls. Whether it is safe for a salesperson to go to the market or not for example is not a decision for a CEO in Mumbai. It's for the local team. This approach made our big shifts in the last year possible.

How has GCPL's leadership included ESG in its operations?

ESG is part of our DNA at Godrej. It's intrinsic to who we are and the right thing to do, especially in emerging markets where companies like ours must drive change. Take category penetration. We need to offer consumers the good things in life, but in more sustainable ways. If we upgrade a consumer from a bar soap to a handwash, it must be a handwash that is cheaper and with a lesser environmental foot print. We can't be selling sugared water in big, plastic bottles and then advertising how we are going to use a little less sugar and a little less plastic.

I also think we tend to talk about our 'best selves', but when it comes to something as critical as ESG, we have to talk about our 'true self'. At Godrej, we say we are only as good as what we do next. There's lots more to do on ESG.

Our performance on global sustainability indices has improved. We achieved our goals on zero waste to landfill, water positivity and renewable energy. We are 100% EPR compliant and plastic neutral. But green manufacturing performance remained flat after fluctuating in the first half last year due to intermit operations. Water usage spiked and remains high due to increased sanitation and domestic usage demands.

We have the highest number of women of any listed company on our board in India, but it's still 40% and not 50%. And we have a way to go on senior leadership. We have always been inclusive and I want us to be a company with a soul, one that takes a real stand on issues like on LGBTQ+ rights.

On the governance front, while family ownership is high, I think our track record on governance is extremely strong. But we need to be stronger in governing categories and protecting consumers, like building industry action against harmful, illegal incense sticks in household insecticides.

ESG also really makes good business sense. Our hair extension products recently got listed at Walmart in the USA, and the reason for that was not just strong brands and quality, but equally how we run our factories and treat our people who make these products.

Who did you lean on for leadership advice in COVID?

Internally at Godrej, I turned to my brother, Pirojsha. Our GCPL board has also been very supportive. I reach out regularly to Ireena Vittal, Sumeet Narang and Ndidi Nwuneli, who are always just a call away. I also got in touch with Nancy Koehn, a Harvard Business School professor, and asked her to coach me. I had watched a webinar where her call to action on how you show up in a crisis really resonated with me. I've been working closely with her and find her perspectives really useful.

My personality is also suited to crisis. I tend to stay calm and don't get ruffled easily. I also like challenging situations. I'm an introvert, so working from home and connecting with people one-on-one worked well. I also focused on

self-care because I believe you need to give yourself oxygen before you can give it to others. I ride horses and found my sanity there. I exercised more in the last year than ever before, and I tried to be there for my children as much as I could.

It's important that I offer our people hopeful realism instead of naïve optimism. We don't know when this pandemic will end, but we have to move forward with the belief that things will get better, even if the path won't be easy. We will navigate point to point and be honest with each other. Our attitude and perseverance will determine our altitude.

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