

Talk at Walchand Hirachand Hall on 14th
June, 1968, by Mr. M.R. Masani for the
Bombay Industries Association

Today I am not going to enter into anything very controversial or exciting. As the Chairman has told you, I shall be speaking in the same hall next Friday on a different and more political subject and so you will not expect me to talk on the controversies of the day this evening. This evening we have a rather more technical or limited subject of specific interest to you who are members of the Bombay Industries Association and that subject is the "Image of Indian Business" and how, if possible, to improve it.

Obviously, we start with the assumption that the image of Indian business is bad. If it were not so, you would not have asked me to come and lecture on the subject today. Undoubtedly it is bad. It has been so for some years now, and some of the things you have said have illustrated how kind of image has come to be attached to Indian Business.

In a way you are having competition from another class which is also going down in life like yourself, and that is the class of politicians. Some years ago it was for politicians to throw stones at people in business but now you find that more stones are thrown at politicians themselves and it is difficult to say today which class is more disliked or thought more poorly of by the general public. You might console yourselves with the thought that this class of new rulers who are putting on airs of self-righteousness as against you all these years are also now put in the same kind of bad company by the general public at large. It is difficult to say who, politicians or businessmen, are doing a worse job for itself. Till this year, I thought most people would have said that business was doing the worse job for itself. But, in the past twelve months, we politicians have done our best to outpace you. Politicians of all parties and all kinds. And now perhaps you will hope that in the coming months and years your crimes and sins will be forgotten when the crimes and sins of politicians are attracting more and more attention.

It is not true that both classes are as bad as is made out. It is not all charges that are made against politicians or businessmen that are true. It

It is true that neither side has clean hands, but it is also true that both classes are mixed, since there are good people and bad people among both.

The real point is that people expect a great deal more from public men as well as from businessmen in our country. This has been described as a revolution of unsatisfied expectations. People want to move fast. We have a lot of ground to cover from the unfortunately low level of economic and social existence in which we find ourselves and people are impatient. So they expect a great deal more from life both in the political and economic spheres, and so both get blamed very much.

It is no longer a case of the good boy against the bad boy as was sought to be made out in the days of Pandit Jawaharlal Nehru. There is a kind of feeling that there is little to choose between the two classes. Both have sins that can be attributed to them. Against business the profit motive is thrown as if it is something ugly and unworthy. But if profit motive is unworthy, party advantage is perhaps equally unworthy. Advertising is often attacked by politicians as unethical. If advertising is unethical, then political propaganda of the nature that prevails in our country is equally unethical. The point is there is little difference in one as against the other. Unfortunately, what I say is true of all political parties, including my own, which as you know behaved badly recently in the neighbouring State of Gujarat.

Neither businessmen nor politicians are in a position to cast a stone against the other, but I think it is unfortunate that this kind of sharp division exists between the two classes because each has a role to perform in a democracy. There are enough divisive trends in our national life: religious trends which we see erupting into communal riots as in the last few days in more than one part of the country; linguistic divisive trends of pitting one language against the other and so on. So we can do without this free fight as it were between public men and businessmen.

Now we come to a rather technical problem of communications between business and public life, because that is what you have asked me to talk about - the Public Image of Business. It boils down to a problem of

communications or, if you like, public relations. This communication between business and politicians has never been very strong or very good in our country. There has been antagonism and lack of sympathy /always or understanding between the Government on the one side and business on the other. This is a legacy we inherited from British Raj in our country. The British administration in India which had many good qualities, which some people appear to miss now, had one bad quality and that is it was not at all sympathetic towards Indian industry developing. This was partly due to its philosophy of laissez faire, of confining its administration to law and order and certain other aspects and also perhaps because of a national attitude of not wanting competition to catch up with their own developed industries in Lancashire and Yorkshire. Whatever it was, Indian industry was cold-shouldered by the British. If you read J.N.Harris' book on the Life of J.N.Tata, you will find that there is a very interesting chapter there about the attitude of the Government of India at that time. They tried very hard to smother the project of building a steel works in Jamshedpur which had inspired that great industrial pioneer. Every attempt was made to discourage him when it came to granting of licences, exploration of mines, etc. Then /Mr. Tata went to the London money market to raise capital /when because he thought he could not raise enough resources at home in Bombay, he got a very cold shoulder and one English industrialist told Mr. Tata : "I will eat every pound of steel you produce", meaning that Indians were not fit to produce steel. As somebody put it, had that gentleman been alive today, he would certainly have died of indigestion if he had carried out his promise! One is reminded of that when considering the strange way in which the so-called national government of our day is similarly cold-shouldering the Tata Fertiliser Project, an equally imaginative pioneering project which Tata want to put up in Mithapur. The same annoying, envious, resentful attitude is there and it is very interesting that what happened in 1905 under foreign rule is happening with our own national government 63 or 64 years later. This is how you can question the statement 'History never repeats itself' and we find this happening in this interesting example of the day as if it is a repetition of all that happened before as a bad nightmare. For twenty years now, those in authority have adopted the British attitude towards industry of how to keep it down, how to ~~ke~~ stop it from developing. They have played up the instinct of envy, which is a part of human nature in

any part of the world. I do not mind saying that the 'Socialism' which Pandit Jawaharlal Nehru preached all these years is nothing but a subtle form of putting the poor against the rich, of pulling down the rich and appealing to the instinct of envy in the poor and glorifying it by the good name of socialism. The results of which are to be found in the economic plight of our country today about which I think you would not like to speak to you today.

This dialogue has been going on for twenty years between politicians and businessmen partly because of what the President described as the needless importance you have been giving to your enemies all these twenty years. I refer, for instance, to the example of the Federation of Chambers of Commerce and Industry of inviting their worst enemy, which happens to be the Prime Minister of this country, to go and address them as the Chief Guest at their annual gatherings. It has never struck them, the so-called leaders of Indian Business, to invite any of their friends, either in India or abroad. Indian industry has a lot of friends both in India and abroad, but it has never even struck these gentlemen to invite anyone who in his own life has built up an industry, it may be in India, or may be in America or may be in Japan or Canada, to come and share their life experience with them. What they do is to call the Prime Minister who gives them a smart kick in their pants for which he or she is duly thanked and garlanded and sent away. This humiliating thing has been going on before our eyes for twenty years. I may mention that all these years I have never once attended this disgraceful function. But what is the use of all this? Has it led to a useful dialogue, has it led to an exchange of ideas, has it led to a cross fertilisation of ideas? The answer is 'No.' What goes on is a kind of cross talk between the two, one moving in one way, the other in a different way and never has the two met. There is no attempt to come to grips with the problems of the day, to come to any conclusions.

While this is true of the FICCI, the Prime Minister has also failed in her recent attempts to bypass established business organisations. For instance, the Prime Minister, early in her career, thought of a very good idea, of meeting young industrialists. She ignored all the senior industrialists and called the younger industrialists who she thought would be more progressive, more idealistic and more like herself. They met once

and promised to meet again, which they never did. The effort, unfortunately, did not last.

Again last year in June some young businessmen more like yourselves formed a National Alliance of Young Industrialists and they invited Mr. Fakhruddin Ahmed, the Minister of Industrial Development to go to their meeting and talk to them on 17th June last year. Here again I thought something good might happen but I found that the speeches made by the spokesmen of the young industrialists and the speeches made by Mr. Fakhruddin Ahmed were exactly the carbon copies of the speeches of what the President the Prime Minister told each other before that meeting and in the end, the meeting got nowhere.

Much of the responsibility for this is the attitude of government but let us examine our own attitude. What is the attitude of Indian business? I would say, confused, ambivalent, unconstructive attitude. Either you have grumbling unaccompanied by action - grumbling should be accompanied by strong action if it is to have any effect - or you have satellitism in an effort to get a quick rupee by obtaining licences, licking the boots of those in office and authority to get something for oneself and forgetting the collective interest. Both attitudes are there. Neither of them is very worthy. Today the Indian business class has been pushed aside, as you yourself put it, by a new class. The centre of gravity has shifted. Now to whom it has shifted? It has shifted to what Djilas ^{has} in his book "The New Class" called the new class in Russia and Yugoslavia where the Commissar is the boss of industry and business. So in India we have a new class and ours being a mixed economy and not a pure State Capitalist economy or a pure private enterprise economy, we have a mixed New Class and that New Class has three elements in it, the politician, the bureaucrat and the businessman to exploit the country. This is the only real vested interest in India today. The three get together to share the profits of exploitation. As an instance you have the case of K.M. Malaviya and Serajuddin, one a politician and the other a businessman. Such cases can be duplicated but not all of them can be mentioned without attracting the law of libel. In that case there is a judgement of a judge available. So you get this kind of combination of people getting together on the economic plane. The other day I was dining with a young industrialist, a

man with clean hands, who is dynamic, and we were discussing the relative guilt of the three categories. It was very interesting because I put the politician's responsibility highest, the bureaucrat's second and the businessman's last, but he put them exactly the other way round in the reverse order, putting the businessman first, the bureaucrat second and the politician last. It was good that it was so because it is good to be critical of one's own class and not the other man's class. Both of us were critical of our own class and more charitable to the other class but, as I was saying, it was a matter of opinion and you can ~~have~~ blame one or the other. All three are to blame. Members of all three classes are to blame, not the three classes as a whole. It is somewhat consoling that this kind of thing is not a monopoly or unique feature of Indian businessmen or politicians. We find that members of these classes in other countries also are guilty to some extent though not perhaps as much as here. I was in Britain recently and while I was there, on the 24th of May, Mr. Enoch Powell made a speech, a speech which did not attract world wide headlines for him. He is a great economic pioneer and a very constructive leader on economic subjects which ~~are~~^{is} normally his strong subject - He should stick to economics and not race. In a speech which was carried in the Daily Telegraph of 25th May, from which I quote, he confessed to:

"...a certain grudging admiration for the skill with which the Government had used the old device of 'divide and rule' to gain public acceptance of the need for prices and incomes control.

"The buyers of Labour hope to do the sellers down, and the consumers hope to do the producers down. While they are glaring at one another, the true culprit, the cause why wages and prices generally keep on rising -- the Government itself and its expenditure -- gets away with murder scotfree.

"This is the method by which tyrants have of ten risen in the past. They make each class in the community unpopular with the rest, so that they can always command a majority of power.

"It is the employers whose capitulation has been the more disgraceful in itself and much the more dangerous in its consequences. They have thereby thrown away the entire case, of which they ought to be the chief exponents for a free economy as against a State-managed economy.

"Whenever a politician or a Minister or an official has the impudence to question them about their prices, they immediately begin to whine and whisper in a way which would disgrace the victims of a revolutionary tribunal faced with the firing squad.

"The public has a very fine nose for humbug and is unimpressed by

private enterprise when it talks the language of Socialism."

When I read the speech, I thought he was talking in the wrong country, and if he wanted to see the real thing, he must come to India. Evidently, British Business also does not look very different in the eyes of a politician friendly to British Business.

I would like to say that the Public Relations of Indian Business are deplorable. It is not quite true of individual companies. Some of them have been doing an extremely good job of Public Relations. The bigger companies are well equipped in this respect and put across their image reasonably well. I am talking of business collectively, as a whole. Today Public Relations is the P Form to popularity. Just as you apply for a P form if you want to go out of India, similarly if you want to be popular, Public Relations is the P form that takes you to the land of ~~popularity~~ popularity. Everyone today is becoming conscious of public relations.

The Prime Minister is consciously trying to project a good image of herself and is very public relations minded. Film stars are public relations minded. Business has now joined it.

In the U.S. Public Relations is a major business. I happen to be a member of the Public Relations Society of America for twenty or thirty years. When I joined that association in the thirties, there were only ten firms practising as Public Relations consultants listed in the New York Classified Telephone Directory. By the mid-50's the list covered eight columns. That shows how rapidly Public Relations has grown in U.S. There have been many people who have tried to ridicule them by calling them "image merchants" or "psychoanalysts for troubled corporations" and so on. The fact, however remains that, leaving aside a certain amount of cynicism for Madison Avenue techniques, there is an awareness that the Public Relations have a real job to perform.

In the West, while it started with the Public Relations consultant or counsellor, in India it started with the Public Relations Officer, it started as a job. It really started with World War II with the military where every little department in the Defence Services had a PRO; then the

Railways took it up, the Post Office took it up, the Government took it up and Business took it up.

That brings us to the question of what is the primary task of Public Relations in India in the present context. How do you improve your image? I think the first task of public relations of business in India is to repel wrong criticism that you might not consider to be justified. For instance, there is criticism of high costs, high profits and prices, inefficiency, exploitation, concentration of power and monopoly - words that are bandied about quite often in an inaccurate way. Now it is the job of business to counter this wrong criticism to the extent that it is unfair. I would call it "Operation Counterattack". Business has to counterattack but I must confess I do not see any sign of such counterattack so long as business ~~has~~ is fighting with its back to the wall as our President mentioned. How can it counterattack? As it happens the best form of defence is attack, to counterattack. That is not being done. There is one honourable exception to this, the Forum of Free Enterprise which, under the leadership originally of Mr. A. D. Shroff, and now of its Secretary or Director, Mr. Pai, is doing an excellent job of Public Relations in the form of this counterattack. But this is only an exception that proves the rule.

Now that brings us to the question of lobbying. Lobbying is in some countries a bad word. In the U.S. it is not. In the U.S. it is a recognised profession. People go and announce themselves as lobbyists because the law requires it. If you are a lobbyist for a particular country or a government or a particular industry or business, you go to Washington and enter your name in the register as a lobbyist for such and such interest. Once you have done it, there is no shame and no limitation in your going round, meeting people discussing your problem and putting across your point of view. Then there is the British model, where lobbying is a little shameful and public men would wish not to be seen with lobbyists to the extent that is possible. I would say that we in India have accepted more or less the British point of view. For instance, most Ministers and Members of Parliament who would not mind being visited by lobbyists at home ^{and see nothing wrong with it} would be embarrassed if they were met in the Central Hall of Parliament if the view of other MPs. This would mean that it is good lobbying to see them at home but bad lobbying to see them outside.

There is nothing wrong with this. One has to respect the susceptibilities of the class with which one is dealing.

Too often business is frightened of provoking government or legislation. I think that is a wrong idea. Putting your case strongly does not provoke anyone. The fact is that provocation comes by allowing your case to go by default. As you know, appeasement always leads to aggression, and when a particular interest appeases government, they they should expect nothing except to be destroyed. As a Member of Parliament, I find that when a matter affecting business comes up in Parliament, nobody knows their case and there is nobody to argue their case. This kind of shyness is a mistake. There have been exceptions. I can think of two. The best lobbyists among business in India have undoubtedly been the goldsmiths, the Sonis. When the Gold Control Order and the Gold Control Act came into effect, the goldsmiths, small people with small workshops, put up a magnificent fight and they got a certain amount of concessions. Some of them even committed suicide, if you will remember, particularly in my part of the country in Saurashtra and Gujarat - they put up a magnificent fight. I have admired these small business people and have often said, why don't you Big Business learn from the small people who by their determination, their courage and their readiness to sacrifice showed greater political sense and maturity than the leaders of Big Business, than FICCI.

The other ~~xxxx~~ class of businessmen who have shown gumption as lobbyists is the pharmaceutical industry which organised itself as OPPI led by the very fine man, Dr. Nanji, who unfortunately died some time ago. They did a wonderful job of educating MPs about the proposed Patents law which should have been passed in 1966 but has still not been put on the Statute Book in spite of the efforts of Leftists and the Government who tried to get it through. When I was in the Patents Committee, they fed me with a mass of data on patents, about patent law in India and other parts of the world. They fed me with so much data about patents that I could have easily called myself a patent expert and got away with it - I have forgotten much of it now. This they did to a large number of politicians of all parties.

So, doing nothing is the worst alternative. Minding your own business results very often in having no business left at all. It is too late in the day for business to ask to be left alone. If you want to be left alone, you

have to fight and intervene actively in public affairs.

Now, how is lobbying to be done and who is to do it? There are many ways of doing it; there are many schools of thought. There are those who would leave it to the Bombay Industries Association or the Indian Merchants Chamber or Assocham or FICCI. Now, of course, there is room in a free society for such lobbying, by business or industrial associations. They play a very important part in U.S., Britain and so on. But I think that individual business companies are much more likely to get a response if they argue their case than if they leave it to the chamber of commerce or association.

A second line of thought would be to maintain a lobbyist in the Capital, to have a Liaison Officer in the Capital to establish contacts and to wine and dine the people concerned and by letting him loose to get your things done. Undoubtedly things are so bad in Delhi that, unless you can get someone to do your work in the corridors of the Secretariat, pushing a file up from Asst Secretary to the Deputy Secretary, from the Deputy Secretary to the Joint Secretary and from the Joint Secretary to the Secretary, nothing gets done. So some kind of pusher of files may be necessary, but to rely exclusively on such people to do the job would be a mistake, as the professional lobbyist or Liaison Officer is apt to exaggerate his importance, his contacts and so on.

The third way is for you to have a Public Relations Department which is what most enlightened companies in India are doing. I myself have been in charge of the PRD for many years of a leading corporations some thirty years back. I think that is better than either the trade association or the lobbyist in the Capital, but still do not think it is the complete answer. Every ~~big~~ big company should have a Public Relations Department but you cannot leave everything to the Public Relations Officer and expect to get results.

Then there is the fourth alternative of hiring a consultant. This is how it got started in America and many American corporations ~~may~~ rely on the

professional public relations consultant to do their job. Being a professional consultant myself, I would say it has ~~itself~~ some use and is an improvement on the other three but not quite adequate.

The answer seems to me to be that the Chief Executive of the Company, whether he called Chairman or Managing Director, who alone can do the whole job of maintaining communications with Govt., with Parliament, with politicians and with the public. The creation of the image depends on the Chief Executive, whatever his designation officially may be. Unfortunately, in India too many chief executives are immersed in detail because they have not developed the art of devolution of work and division of labour. They have little time ^{to} go to Delhi, meet ~~important people~~ people and cultivate public opinion. But this need not be so. If the Chief Executive leaves the detailed administration to others by motivating his group and keeping a general watch and frees himself from routine to attend to matters ~~of~~ of policy and to project his company in the public eye, he would be doing the right job.

This is not a fad I am putting before you, because the corporation or the joint stock company today has become a full fledged citizen. People expect corporations to behave like a good citizen. People now demand it. There was a great lawyer when the corporation came up in England, Sir Edward Coke, who wrote on corporation and company law, and who made the famous statement which became a maxim of law that "Corporations have no soul." We have come a long way from that. Today public opinion demands that it develop a soul. They are prepared to let it be a mere money making apparatus or a good producing apparatus. Enlightened self-interest is good but, as Nurse Edith Cavell said during World War II about patriotism: "it is not enough." The ~~any~~ corporation therefore has to be a good citizen and behave like a good citizen behaves. In other words, we expect business or corporations to accept the social obligations

of being a good citizen.

That brings me to the point that no amount of PR can make up for being a bad citizen. If your hands are not clean, no amount of Public relations will give you a good image. If your story is bad, if your image is bad, no Public Relations Officer can do anything about it, because people are not so easily fooled and it is not the job of public relations to turn a black image into white. The job of a PRO is to tell well a good story but, if you have no good story to tell, he can do nothing. You might as well save your money. This is true in all walks of life. Many times we find our Members of Parliament criticising our ambassadors and diplomats in foreign countries when public opinion there is against us. They say "What are our ambassadors doing? What is our P.R.O. doing?" I am reminded of what happened fifteen years ago when a well known citizen of Bombay, who was till then the Ambassador in Washington addressed a meeting at the Indian Council of World Affairs in the city and he was asked this question : "Why is America so much against us. What are you doing?" He got quite angry and said, "You are blaming me? So long as Delhi makes all the wrong noises which annoy and anger the Americans and send Krishna Menon there, what do you expect me to do?" Similarly in business, if your policies are wrong, if your image is ~~xx~~ black, no amount of PR can help to whitewash it and create a good image.

That is why the social obligations of business is something that merits attention. Jayaprakash Narayan who was devoted himself to Sarvodaya work has done great service to business by convening more than one seminar on this subject. I myself attended an excellent seminar in Delhi in March 1965 at the India International Centre on "The Social Responsibilities of Business", which adopted a declaration and it is available in printed form.

Some time ago my friend Duggie Sawhney and I had helped in putting together the manifesto and Code of Conduct of the Forum of Free Enterprise. I think it reads exceedingly well. But the question of how many people practise the code. It is no good drafting a code; what is important is that people should stand by it. There was at least one

company, the A.C.C. which published a series of advertisements some time ago and said ACC stood by the code. They used to take one para of the code, publish it in the form of an advertisement and say "ACC lived by the Code." It was a challenge to anyone to disprove it if they thought that ACC had broken any part of the code. I thought the claim that they lived by the code was first class public relations. It served two good purposes; it publicised the code and at the same time and projected a good image of the company.

Now all this requires a new class of managers in industry who will carry out enlightened business practices, whether of good management or good public relations. What is important is not whether he is running his own business or whether he is a salaries manager. The important thing is that he is the manager, the man at the helm, and it is the quality of the managers that is going to decide the future of Indian business. Andrew Carnegie, who made a great fortune for himself and gave it away in charity, once said : "Take away our factories, our trade, our means of transportation, our money, but leave me with our organisation and in four years I will have re-established myself." This is a very interesting statement. So long as he had a team of people he had built up, the men, the human resources, he was not defeated. In other words, it is the human element, the people at the helm, the managers, who count.

That brings me to the last point I want to make, the need for training business executives and managers for public life and leadership. In America, they have a thing called "Business in Politics" movement, which is going on for a decade. In India Mr. Charat Ram has brought out a series of booklets containing articles and stories about the movement in America, published in the last two or three years.

Now this Business in Politics movement is something that all enterprising people here among you should study. The American Chamber of Commerce, the American Management Association and private corporations like Ford, General Motors, Westinghouse - they all ran training courses for their managers to make them better citizens, some on company time, some on private time, some on company cost, some on private cost and in these courses they were exposed to members of the Republic Party and of the Democratic Party and educated on

citizenship, on how to approach your Congressman, how to write letters, how to canvass, how to get yourself enrolled, what to do during election campaigns, how to make a public speech etc.

In India we have a big vacuum on *p* this point. One of the few Indian industrialists who saw the need for leadership was the very fine man, a good friend of mine, Colonel Sawhney who embodied in his person excellent qualities of leadership. Unfortunately he passed away last December. Before he died, he and I were discussing this very idea of how to bring this about but before the idea took shape, he passed away. Some of us have broken this into institutional shape and early this year we have established a small memorial to his memory called the Leslie Sawhney Programme of Training for Democracy, or leadership, and we want this used as a non-partisan institution of training to groups of young men and women, middle class men and women, so that they can do better what they want to do - we do not want to tell them what ~~is~~ to do, but we want them to do it with some conviction and with better efficiency. This programme is open to all political parties who believe in the democratic way of life, except the communists; it is open to social organisations, women's organisations, youth leagues, students, etc., so that they can become better democrats and better citizens. I am glad to say that we have already run two camps and we are going to have many more courses in the coming months and years. It is a kind of thing that can be done ten times over without any overlapping. So far, business people have supported Management Training programmes to make managers better managers. But what I am suggesting is that is not enough. We have today to make managers better citizens, more active, more courageous - more leaders of business and leaders of people.

I think I would close on this that the kind of people we would like can be created only if we are conscious of the need and dedicate ourselves to the task. I have a very good friend in London, Graham Hutton, an eminent economic consultant doing very well and like me a liberal and some years ago he was asked by the British Management Association to come and address them and he ended his speech by some advice which I think is valid for business managers in India also: He said: "Better be bloody, bold and resolute than timidly trying never to be unpopular, never to lose a vote anywhere, never to go against the masses. The British people always respect leadership, guts, firmness

and a dash of eccentricity."

I think that this advice would be of value to you Sir and to your colleagues.