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30 HUL managers face layoff or redeployment

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Hindustan Unilever Ltd (HUL) has shed or reassigned 30 managers as part of a plan to link revenue and profits to headcount, which, a retired top executive of the company said was “unprecedented” in the history of India’s largest consumer goods company. Two people familiar with the matter told ET NOW that some of these staff — including managers with 5 to 10 years of experience in the company — have been redeployed to functions such as research and development, while the rest have been given a severance package and laid off.

“HUL has eased out one or two employees on the basis of nonperformance in the past, but this is unprecedented,” said the former executive who worked in HUL for more than a decade.

These 30 jobs were mostly in supply chain management, a function where the company has undertaken a massive restructuring to identify redundancies. HUL employs more than 1,000 managers across its operations. An HUL spokesman said the company, the maker of Lux soaps and Surf detergents, was going through a reorganisation that will lead to some 30 managerial roles being “greenfielded.” “It will not have any significant impact on people as the released resources will be expatriated to existing and new roles within the wider Unilever organisation, and very few who will be affected are being managed through a generous package,” he said.

HUL’s parent company Anglo-Dutch Unilever Plc announced a salary freeze for all managers including CEO Paul Polman as part of its cost management strategy for 2009, citing uncertain trading conditions in the US and Latin America. While the move has been implemented in developed markets, which contribute 44% of the company’s revenue, it has not been implemented in India.

Delhi-based **executive search firm Executive Access'** **partner Charul Madan** said his firm has seen an influx of job applications from various HUL senior managers, especially in allied businesses. "I'm not surprised if employees have decided to take the severance package and move on, because after a certain level of seniority they are entitled to a pension plan, which can be monetarily lucrative if they have to leave the company," he said.

An official at another executive search firm, who asked not to be identified, said several executives from HUL's middle management ranks have been enquiring about job opportunities.

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