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THE ENGINEER WHO IS KEEPING IT IN THE FAMILY

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By Dina Medland

Sajjan Jindal is puzzled to hear that he was once called “the cerebral boss of JSW” by the FT’s Beyond Brics emerging markets blog. He has no idea how he might have earned this description: he sees himself as an engineer.

A modest, under-stated and immensely practical man, the chairman and managing director of JSW Steel, one of India’s largest private integrated steel-makers, says he is driven “more by engineering than by commercial acumen”. It is his engineering perspective, he says, that makes him want “to make things more sustainable – to survive”.

JSW Steel is part of The Jindal Group, a family-run conglomerate valued at \$15bn and founded in 1952 by Mr Jindal’s father, Om Prakash Jindal, a first-generation entrepreneur.

As one of four boys, did the young Sajjan always assume that, like his brothers, he would make his career in the family business?

“When I was growing up in the small town of Hisar in Haryana state, my father’s business was not that big. As children we weren’t exposed to it that much. But seeing my father working so hard made a big impression on me. He wasn’t a qualified engineer himself, but his ability to absorb things was very high. I learnt so much from him,” he says.

After initially training under his father, Mr Jindal was awarded a degree in mechanical engineering at the University of Bangalore, and then spent a year working directly under his father in Hisar.

But his career really started to blossom when, at the age of about 26, he was given an independent assignment to look after a small steel factory in Bombay in 1984, with a chance to grow the business.

“This was pre-1990, before the government removed the need for licences to build in any industry – so we couldn’t import machinery, or anything we needed to build a very sophisticated plant. I had to develop the design for the plant myself. It took me two years to turn it into a success, but we built it ourselves. I spent a lot of time on the shop floor,” says Mr Jindal.

More positively, he says there was “a huge demand then for galvanised steel sheets”. Today, JSW Steel has diversified into power, cement, aluminium, software and infrastructure operations. The conglomerate in which it sits is a “family business”, with each of the other three brothers also heading an operation.

But the calm and softly spoken Mr Jindal says: “The way our group functions, we brothers are at the helm of affairs, but it is a very professionalised company. None of us

sits on each other's boards. We have a pretty independent structure but we share the wealth among the four of us equally.”

Asked whether family-run businesses pose particular challenges he says: “Whether it's a family business or not, ultimately it depends on the quality of the leadership. The style of the company grows with you. Being a member of the family brings a longevity to your job, and allows you to grow the company, which helps.”

Mr Jindal has been managing director of JSW Steel for 20 years and since the 2008 financial crisis, he has undertaken a significant change of direction: “Just before the financial crisis, we had made some big investments in the US, Latin America, Africa and Indonesia but we realised that India was a much better place to invest. Here, we have direct control and India is very fast growing and will continue to grow for the foreseeable future.”

JSW Steel, he says, will continue to grow in India “organically and by acquisition”. “We will invest in minerals abroad but concentrate on the manufacturing sector in India,” he says.

Recent coverage in the Indian business press suggests that Mr Jindal has stolen a march on many other steel magnates and now controls the largest steel capacity in India (greater even than Sail, the government's Steel Authority of India) following his takeover of Ispat Industries at the end of 2010. Mr Jindal nods, confirming this is true.

With the World Steel Association expecting India to become the world's third biggest consumer of steel, after China and the US, Mr Jindal is clearly being exceptionally modest about his commercial acumen.

But he is also passionate about sustainability: “India has great potential in the next 10 years and will need steel. But without sustainability we will all suffer and we must leave the world better than we inherited. With the price of energy going up, our designs must be future-proof.”

For him, engineering, once again, is the answer: “I love being an engineer because I see it as a natural phenomenon. It's physical, and interesting – and about seeing a logical way for things to happen.”

JSW Steel, like many other large Indian companies, develops its own people, rather than hiring from outside. “In India, there is no shortage of candidates, but to get high-calibre people is a real problem. We take them straight from university and train them while they are working and we have a fast-track programme,” he says.

How does he find the pace at the top of the company?

“I travel within India a lot but I try to keep it to a minimum because I really enjoy being with family at home,” he says, talking about his wife and three children based in Mumbai.

Having just returned from Davos at the time we met, Mr Jindal is enthusiastic about the record snowfall there – he goes skiing in France or Switzerland every year, and trekking to the Everest base camp annually, if possible.

He also plays squash on a regular basis, and supports the game with the Jindal Squash Academy, located just outside Mumbai.

“India isn't as strong at the game as Pakistan, but a fair amount is now being played and the academy has produced many Indian champions,” he says, with an unmistakable – if under-stated – note of pride.

Secret CV

Who were your mentors?

My father was a huge influence. But in the business world within India I would have to say JRD Tata, with his value systems and his philanthropic activity, also influenced me. I met him in his late days when I was very young and he was such a nice man.

Your first big break?

Being given the chance to design and operate my own plant starting in 1984. It gave me huge confidence and I never looked back.

What else might you have done?

I would have worked as an engineer in another organisation. I love being an engineer.

Best career advice to others?

From a career perspective in India there is such a shortage of good quality people that anyone who is willing to work hard can be a success. Being an engineer with a finance or a marketing background could make someone an excellent manager in global terms.