

PART 5



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Case study 1: Taj Hotels talent development in association with the Institute of Hotel Management, Aurangabad

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The prelude

At the 46th International Film Festival of India (IFFI) held in Chennai, French filmmaker Nicolas Saada's version of the 26/11 attacks on the Taj Mahal hotel in Mumbai left the audience in tears (Kamat, 2015). This gripping film was screened as a tribute to those who lost lives in the terror strike on the 26th of November 2008. The film is about an 18 year old girl who endures this nerve wrecking ordeal but lives to tell the tale. Recounting the inspiration, Saada mentioned that a few days after the attack, he was talking to a friend whose niece was at the Taj Mahal hotel and had a first hand experience of this gruesome episode. Fortunately her survival instincts helped to return to the safety of her parents outside the hotel. She had good luck on her side, many did not. With the magnitude of global response evoked, this was termed as India's 9/11 (Svensson, 2012). Deshpande and Raina (2011) provide a detailed account of the strike and the associates' response to the guests. Within moments of this nefarious activity, the associates at the hotel quickly realized that something was wrong and swung into action to reduce casualties. The focus was clearly on guest safety rather than personal security. In this ordeal, associates sacrificed their lives to uphold the values of the Taj and looked after the interests of the guests in letter and spirit. These acts of valour were documented in both the academic and business press all over the world. This incident highlighted a unique aspect of the associates, which was their keen sense of customer-centricity that propelled them to go beyond the ordinary for the guests. This can also be traced to the values of the Taj and the Tata group that instil the values in every associate. Training and mentoring has always been a part of the Taj culture. Over a period of time training and mentoring may have become a process driven activity. But they remain a product of the Tata culture and ethos.

The Taj: Genesis and the Tata philosophy

According to a popular legend, Jamsetji Tata (the founder of the Tata group) was denied entry into a European hotel that flashed a signboard prohibiting dogs and

Indians. This led to the creation of the Taj Mahal, a hotel where Indians could entertain and be entertained without being affronted. Some chroniclers suggest that the lack of clean and safe hotels was a deterrent in attracting European and American visitors who were looking to invest in business opportunities in Mumbai, and that meeting this need was the *raison d'être* for the Taj, as conceived by Jamsetji Tata.

Whatever the motive, in an era when there were no luxury hotels in India and very few in Asia, the Taj was a bold statement that proclaimed that India was as good as anything in the world. After a successful stint in other businesses, Tata & Sons, a partnership enterprise, was formed as a vehicle for the Tata family to manage business ventures and interests (Witzel, 2010). However, the Taj Mahal hotel was not a Tata & Sons venture, but was funded by Jamsetji Tata. He had created this hotel as a gift to the city of Mumbai and not for any business gain. Since the group's inception, a diversified portfolio emerged through the creation of strategic talent in the business of steel, power, technology and financial services. However the group always restrained from any political interference, continuing to focus on philanthropy and nation-building activities. Some observers (e.g. Sen, 2009) believe that the group was hibernating and therefore in the 70s and 80s other younger companies raced ahead in markets and products that the Tata group had dominated for decades. Coupled with this, the Taj Group faced a different problem: the question of whether to be in the luxury hotel business. This could be attributed to the independence movement and perhaps key decision makers did not view a luxury aligned to Gandhi's nation building ideas. It remains an enigma as to why this jewel in the crown of the Tatas was almost liquidated and left unattended for a very long period of time. It is very fortunate that the successors of Jamsetji Tata held on the Taj and it is indeed a jewel that has been shining very brightly.

Around the same time, another hotel chain under the stewardship of M.S. Oberoi began emerging as a competitor to the Taj. With the acquisition of the Associated Hotels of India in 1934, M S Oberoi became the first Indian to own a high end hotel chain with properties all across British India (Leahy, 2010). Both these groups were uncommon in more than one way, but they shared the same penchant for hotels and people (associates).

Enter Ajit Kerkar

With customer-centricity at the core of the business model and with the aim of providing the best service for the customers, the Taj group under the stewardship of Ajit Kerkar, Chairman and Managing Director, started to develop firepower. Kerkar was very particular about the associates being recruited and would personally interview everyone, including cooks, bellhops and captains. This founded a sound tradition of mentoring, guiding and training to achieve the best operational and business results.

In an interview with a popular financial daily, a former Chief Operating Officer of the Taj fondly remembers Kerkar's charismatic leadership and sway over people, and attributes their success to Kerkar. (Lokesh and Chatterjee, 2015).

Kerkar changed everything about the business of Taj, including the approach to sourcing fruits and vegetables, the food and beverage menus, the interiors of the rooms and the design of the restaurants (Thomas, 2016). A new wing was added to the existing palace structure in 1972, and this gained the immediate patronage of the wealthy business class in India's financial capital. From a turnover of INR 4 lacs in 1941, IHCL was grossing 2.5 Crores by the mid 1970s. The Taj could now charge a premium and even the Oberoi, with a brand new hotel and the emergence of ITC could not stop the Taj from growing. With the hotel now charging Rs 100 for a room night, without complimentary breakfast, the Taj had finally arrived! Through the 1970s Kerkar took the company to new heights. The Taj was responsible for popularizing destinations like Rajasthan, Kerala, Goa and Chennai amongst foreign tourists Thomas (2016). The Taj was the first company to convert two real time palaces to luxurious heritage hotels in Rajasthan. The sales strategy was aggressive and used every trick in the book to boost the occupancy percentage. For instance, 80 international writers were flown in to cover all the Taj properties in India. It is rumored that this event unnerved the rivals and attempts were successfully made to dissuade Air India from extending gratis travel to these high profile writers. But fortunately some other carriers agreed, and these efforts led to Indian destinations receiving a wide coverage across the globe. New concepts and cuisines were tried out for the first time in India. The Thai Pavilion and the Golden Dragon restaurant are examples of Kerkar's game plan for growth.

The human resources agenda

This rapid growth of the Taj needed able human resources that could contribute to the success story. To ensure that the current and future human resources requirements were fulfilled, the senior management decided to create a hotel school that would enable the percolation of the Taj philosophy at the school level. This may not have been radical, but it was revolutionary thinking on the part of the Taj to aim for the creation of such a school facility. There were a couple of established models in India that the Taj could emulate.

The Oberoi group established the Oberoi Centre for Learning & Development in 1966 as a complete in-house training hub, to develop the talent that could assume higher responsibilities in the future within the hotel chain. This was a post-graduate effort to acquire high quality and committed human resources for operations. This meant that a very small number could be absorbed in this programme to be groomed as future leaders.

On the opposite end of the spectrum, India had established the National Council for Hotel Management, and Catering Technology Institutes in all the metropolitan cities that were producing hotel graduates in large numbers. While