

# Oberoi-Translating Dharma into Best practices in HR a retrospective view

According to HVS India reports, India ranks 41<sup>st</sup> in world tourism arrivals and has the potential to be in the top 20. About five million tourists visit India, annually. This number is projected to increase to 18 Million by 2016. India's national market is also growing with 540 Million domestic travellers a year. As a result, the hotel business is going through major changes in the country, which with the entry of several international chains has led to a competitive landscape.

The Oberoi Group was established 75 years ago by the founding Chairman, M.S. Oberoi, on the core values of persistence, humility and a strong belief in people. The organisation now has 13,280 employees worldwide with a female to male ratio of 1:2.35, working across thirty hotels, five luxury cruisers and the Group's other business activities.

The key challenge in the hotel industry, which operates 24 hours a day, 365 days a year, is to engage a diverse group of employees through specific initiatives and participative efforts constantly and consistently. The Oberoi Group has based its people practices on its core values, which it refers to as its *Dharma*. This case study is a walk through the *Dharma*-based people practices and initiatives that the Oberoi Group uses to engage, nurture and retain its talent.

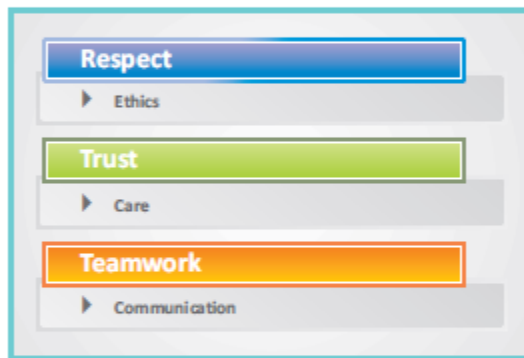


Fig 2.1: The Oberoi Group's Dharma

The company's Dharma - is the starting point for everything the organisation undertakes. The adoption and evolution of the Dharma was a participative process across all hotels in all locations. This exercise validated the core values endorsed by the founding Chairman, which include the conduct that applies to all aspects of the Group's business.

#### The Oberoi Group's Dharma comprises:

- Highest ethical standards in everything the organisation does
- Teamwork
- Customer first, company second and self last

- Care for the customer
- Two way communication
- Respect for every employee
- Safeguarding safety, security, health and the environment
- Avoiding short-term quick fixes in favour of long-term healthy precedent

So, how does an employee know that he or she is doing the right thing? *By making every decision and basing every interaction on the company Dharma.*

The Oberoi Group's *Dharma* has been expressed in the form of specific conduct expected from every employee and the organisation has put in place robust mechanisms to enable and make it easy for employees to practice it.

#### Dharma in Action

*"Conduct, which exemplifies care for the customer through anticipation of need, attention to detail, excellence, aesthetics and style and respect for privacy, along with warmth and concern".*

The Oberoi Group does not view itself as being in the business of hotels but as being in the **business of memories**. Although guests check in and out with just their baggage, the aim of the company is to create memories that stay with them, bring them back and encourage them to recommend the chain to others.

The company empowers its people to believe – “I don’t just work here. This is *my* hotel.” Employees are therefore happy to go the extra mile to help guests, as demonstrated by the following incident: *A lady arrived late and checked into the hotel with a terrible cold. She placed a waste paper basket next to her bed, took the tissue box from the bathroom and went to sleep. The next morning the housekeeping staff cleaned up the room and replaced the waste basket by her bed, put another one under the study table, where it was meant to be, and added an extra box of tissues in the bathroom. Then in a special gesture the staff member placed three containers labelled honey, ginger and lemon with a note that explained her mother’s remedy for magically curing colds.*

Stories such as these happen everyday. These are the memories that stay for a lifetime, are shared over and over again and are also the reason why people keep coming back.

### **The Power of 1500**

Any employee in the hotel can offer anything at a cost value of INR 1500 without seeking prior approval, any number of times, to any number of guests – no questions asked. The objective is to create guest delight.

*How does this translate to the bottom line?*

The organisation has found that 85 to 100 percent guests, who have received the power of 1500, say that the service has exceeded their expectations. The real power of this initiative lies in the fact that by empowering employees to wow guests, guests end up spending more money at the hotel, they come back and they tell others. This has a direct impact on the bottom line.

*“Conduct which eschews the short-term quick fix for the long-term establishment of a healthy precedent”.*

The Oberoi Group takes pride in having the best service professionals in the industry. Throughout the year, the organisation stimulates and rewards exceptional performance that best exemplifies outstanding service. Some of these awards are:

**Leading Quality Assurance Champ** – Leading Quality Assurance (LQA) is an external auditing firm that audits hotels of The Oberoi Group on the standards laid down for guest service. Mystery guests conduct this audit and the hotel learns of it only once the subsequent report arrives. The LQA report mentions, with employee names, areas where excellent guest service was and was not provided. After the report reaches the hotel, “The LQA champs,” employees who have given exceptional service to the guest auditors are given certificates of appreciation. Their photographs with the auditor’s comments are put up on the hotel notice board for all employees to see.

**Appreciation Tree** – Team members are encouraged to plant an appreciation leaf on the appreciation tree displayed in the team cafeteria. This is to promote peer recognition for a job well done, irrespective of department affiliations. It also encourages on the spot recognition and interdepartmental co-operation.

*“Conduct which demonstrates a two-way communication, accepting constructive debate and dissent whilst acting fearlessly with conviction”.*

Communication is viewed as critical across the Group. There is a move towards using technology with an equivalent emphasis on face-to-face communication. Senior management regularly visit different hotels to spend quality time with employees. Be it a brief address or lunch in the cafeteria, management makes an effort to be visible and accessible.

The ideas that have emanated from these interactions have directed several new initiatives within the organisation. For instance, the need expressed by employees to understand the business has been translated into regular updates from these senior management.

In addition, the organisation recently launched an electronic employee newsletter called **Communiqué** for internal communication and sharing of best practices across the company. The company also has an open door policy where employees have unfettered access to Hotel General Managers, Business Heads or members of senior management to address any issues or give feedback about the workplace.

*“Conduct which demonstrates that people are our key asset, through respect for every employee, and leading from the front regarding performance achievements as well as individual development”.*

The establishment of the Oberoi Centre for Learning and Development (OCLD) in 1966 has been a true milestone for the organisation. The Centre provides its students with technical training and the opportunity to be groomed as Managers in a two year programme. The average age of OCLD graduates, who join as Assistant Managers in the company, is between 25 to 30 years.

As validation of its success, eighty percent of the current General Managers of the chain and senior management are alumni of the OCLD.

In an effort to enhance management skills across all levels of the organisation, the company supports Management Development programmes in collaboration with premier business schools for senior and middle management, in-house Executive Development and Supervisory Development programmes for Junior Managers and Supervisors. The company has also recently extended its eLearning platform. In the context of an industry where it is difficult to find isolated hours for trainees to gather in a room, this technical platform frees individuals to learn at their own pace.

*"Conduct which builds and maintains teamwork, with mutual trust as the basis of all working relationships".*

The Oberoi Group is committed to being a fun place to work. Since the service industry faces long working hours, giving people the opportunity to relax and rejoice is very important. The company celebrates many occasions and festivals in their business units and hotels.

In addition, the corporate office hosts two Wellness Weeks each year where employees get together for healthy cooking lessons, salsa dancing, exercise and meditation at work classes among other team activities.

As a demonstration of the trust the Group places in its employees and its view of staff as brand ambassadors, the company has instituted an 'Each one, bring one' referral programme, which allows employees to recommend like-minded candidates for opportunities within the Group.

*"Conduct which at all times safeguards the safety, security, health and environment of our customers, employees and the assets of the Company".*

The Oberoi Group's vision clearly articulates its commitment to the environment and the community. As an organisation, it supports social needs and ensures employment from within the local community, uses natural products and recycles items, thus making proper use of diminishing natural resources. The Oberoi employees expressed a desire for greater involvement in Corporate Social Responsibility (CSR) activities, which the organisation has wholly endorsed and encouraged. Each of the Group's hotels participate in a variety of CSR efforts in their local communities, which include planting trees, building schools, volunteering at shelters and clothing and literacy drives. Furthermore, all Oberoi hotels have water harvesting, water recycling and energy efficient technology. The Group is also seriously contemplating wind and solar power as alternative energy sources.

The Oberoi Group is a member of the International Tourism Partnership that looks at everything from sustainable development to youth training, especially in developing countries. In keeping with this and its drive for CSR, the Group will soon pilot a programme for disenfranchised youth without access to education or finances in partnership with an NGO. In its Mumbai Hotels, these youths will be taken into operations for a period of six months, where they will shadow staff and learn life skills that will ultimately help them gain fruitful employment.

*"Conduct which is of the highest ethical standards - intellectual, financial and moral and reflects the highest levels of courtesy and consideration for others".*

Safeguarding guest privacy and maintaining confidentiality in all company matters is of prime importance. The following incident is just one of many examples of employees conducting themselves with complete integrity and honesty:

*While servicing a departure room, a housekeeping attendant found a diamond necklace and an envelope containing INR 50,000. She immediately submitted the guest belongings to the lost and found section and informed her Supervisor about the incident. The jewellery and money was later handed over to the guest, much to her delight. Such acts of ethical conduct are recognised and rewarded in the company as an act of Dharma.*

Given the 24x7 nature of the industry, the Group takes special care to provide a safe and rewarding environment for its female employees. Women working for the Oberoi Group are provided extra care in the form of a pickup and drop facility, furnished hotel accommodation in addition to equal opportunities for growth.

The company also has back of house areas where employees are offered excellent gymnasiums, recreation rooms, hobby classes, on-site medical facilities, periodic health camps, wellness cafeterias and an employee concierge facility for running employee errands while they are at work. During the summer holidays, camps are organised for the children of the employees. The company has also instituted The Oberoi Care Fund through which it offers financial support to employees affected during a crisis like the Mumbai terror attacks.

#### SHRM India's Conclusion

Rated 33<sup>rd</sup> out of 471 companies in the Great Place to Work<sup>®</sup> Survey 2010, the Oberoi Group was placed second in the hospitality industry. Being an Indian organisation with an international presence, it has leveraged the Indian concept of *Dharma* to bring to life its core values in a language that employees can easily imbibe and practice. Using a number of high value initiatives and a new age approach to its HR practices, the Group has succeeded in creating an engaged workforce that drives its bottom line. As competition increases, the key challenges will continue to be recruitment and retention of talent. While the Group makes a significant effort to retain key employees, it views talent that has left the organisation as ambassadors of the Group and proactively continues to nurture relationships with them. In the final analysis, it is important to note that despite being guided by values, the organisation is making every effort to align itself with the changing business environment and demographics and constantly measure its progress in this direction through innovative mechanisms.

