

Rai Bahadur Mohan Singh Oberoi: Father of the Indian Hotel Industry

By Prakash K. Chathoth, Ph.D. and Kaye K.S. Chon, Ph.D.

Introduction

A good majority of the hotel graduates from institutions in hospitality education in India would rate the Oberoi Group as their most preferred hotel company for launching their career. Such is the regard aspiring hotel professionals have for this firm that it has remained one of the most preferred hotel companies in India over several decades. It takes leadership and vision on the part of the firm's management to achieve this status, and without doubt, the Oberoi professional would pay tribute to its founder, the late Padma Bhushan Rai Bahadur Mohan Singh Oberoi for setting the foundation on which India's premier hotel firm has surged to its heights. In fact, the Indian hotel industry has recognized M. S. Oberoi as one of its founding fathers, often referring to him as the Conrad Hilton of India (ehotelier.com). India's great industrialist, the late Padma Bhushan J. R. D. "Jamsetji" Tata, under whose auspices the Taj Group of hotels blossomed, himself called M. S. Oberoi "the country's only exclusive hotelier" (ehotelier.com).

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("The Padma Bhushan is an Indian civilian decoration established on January 2, 1954 by the President of India. It stands third in the hierarchy of civilian awards, after the Bharat Ratna and the Padma Vibhushan, but comes before the Padma Sri. It is awarded to recognize distinguished service of a high order to the nation, in any field." This definition is extracted from http://en.wikipedia.org/wiki/Padma_Bhushan, verbatim.)

M. S. Oberoi's contribution as an hotelier is not only at the national level in India, but also extends to the international level, especially within Asia. He has contributed to the growth of the hospitality and tourism industry in various lands, encompassing countries such as Indonesia, Mauritius, Egypt, Saudi Arabia and Australia. Oberoi was an entrepreneur and a visionary, whose philosophy towards life is reflected in the following quote:

"When he was honoured with the Newsweek Award in 1978 for making significant contributions to the world of business, the editor asked what motivated him to become one of the biggest hoteliers in the world, Oberoi replied - The idea was never merely to make money. The compulsion was to think big, always to offer the best and let it happen. Name, fame and profits would automatically come in." (the-south-asian.com) (This quote was extracted from www.the-south-asian.com. See references for details.)

Every success tale has twists, and M. S. Oberoi's is no different. His story is inspiring to every professional, irrespective of his/her domain of expertise. His life story, his traits as an entrepreneur, a leader, a visionary and his legacy are detailed in the sections that follow.

M. S. Oberoi: Life Story

Rai Bahadur Mohan Singh Oberoi was born in Chakwal, Punjab (now in the Punjab province of Pakistan) on August 15, 1898. He was barely six months old when his father passed away. He grew up under the auspices of his grandfather, in Bhaun (now in Pakistan) who made sure that he received the best education and upbringing. At age 15, he moved to Rawalpindi (now

in Pakistan) for higher education, which he later abandoned to pursue a career. As a student in Rawalpindi, Mohan Singh was mesmerized by the beauty of the best hotel in town in the early twentieth century - Hotel Flashmans- that he later acquired.

His quest to start earning drove him to Lahore (now in Pakistan), where he joined his uncle's shoe business. Although he was successful in establishing himself in his uncle's business, the factory closed down due to the Indian independence movement in the late 1910s. Mohan Singh returned to Bhaun where he married Ishran Devi and had his first child during this time. However, in 1922, as fate would have it, Mohan Singh, with not much money in his pocket, had to flee Bhaun for the sake of his child as plague broke in the township.

The pursuit of a government job in the Public Works Department drove Mohan Singh to Simla, India but he failed to qualify for the job. However, the visit to Simla introduced him to the Cecil Hotel, where he landed his first hotel job as a clerk, a hotel he would later call his own. Despite being overqualified for the job, he carried out his job task with ardor of looking after the hotel's coal supply and to ensure that each guest had sufficient hot water. His work ethics and dedication were traits that saw him grow on the job, influencing Ernest Clarke, the Manager, to promote him to guest services clerk.

Driven by his ambition to own a hotel, Ernest Clarke bought the Carlton Hotel in Simla, which he renamed the Clarke Hotel, while offering Mohan Singh the job of manager. Mohan Singh's success as the Manager led him to become the working partner, and later, the owner of the hotel. Ernest Clarke went back to England due to his wife's illness while selling the hotel to Mohan Singh (the-south-asian.com).

An Entrepreneur who "Dared to Dream"

("Dared to Dream" is reflected in the title of the book by Karkaria, B.J., 1992, "Dare to Dream: A Life of Rai Bahadur Mohan Singh Oberoi," Viking.)

"You think of money and you cannot do the right thing, but money will always come once you do the right thing, so the effort should be to do the right thing." (ehotelier.com) (This quote was extracted from www.ehotelier.com. See references for details.)

The opportunity to own the Clarke Hotel was not easy to pass for M. S. Oberoi even though he did not have the resources to own it. With his wife's support (she mortgaged her jewelry) and money borrowed from his uncle, M. S. Oberoi founded the Oberoi Group in 1934 by buying the Clarke Hotel for 20,000 Rupees (equivalent to USD 500 in today's conversion rate). In 1937, he acquired the Grand Hotel in Kolkata, India which had shut down due to the outbreak of Cholera. He took calculated risks while investing in this hotel, and its success and his service to the Crown led the British Government to bestow the title of "Rai Bahadur," in 1943 (ehotelier.com). He acquired the Associated Hotels of

India, in 1944, which included the Cecil Hotel in Simla that had once introduced him to the world of hotels. He then acquired the Flashmans Hotel, the first hotel he had laid his eyes on as a young lad growing up in Rawalpindi.

Oberoi realized the importance of managing the travel business and to integrate backward in the value chain. India received its independence from the British in 1947 and soon after, M. S. Oberoi set up his own travel agency firm - the Mercury Travels - in 1948. It is one of India's leading travel agencies today (ASIA Travel Tips.com) with over 300 employees in 15 offices in India and 2 marketing office in New York and Frankfurt (Mercury-india.com). He founded the East India Hotels (EIH) in 1949 as the flagship company of the Oberoi Group to diversify his business (India Infoline.com). In 1959, the company started flight catering operations, the first Indian company to do so. The flight services facilities, located in Delhi, Mumbai and Chennai, provide in-flight meals to airlines of repute (ASIA Travel Tips.com).

The multinational corporation was a new concept to Indian business in the sixties, which Oberoi was able to establish when he bought the group's first international hotel in Nepal, the Soaltee Oberoi (the-south-asian.com). In 1965, Oberoi opened India's first modern five star hotel, the Oberoi Intercontinental, Delhi. This was a unique venture, in that it was the first Indian hotel to ally with an international chain (The Hindu Business Line, Internet Edition, 2002). This was followed by the Oberoi Sheraton in Mumbai in 1973, this time allying with another chain of international repute, the Sheraton. While he succeeded to grow his business into a chain of hotels, there were setbacks he suffered in his ventures. Due to the partition of Punjab and the creation of Pakistan, he had to forego four hotels that he had acquired in the Punjab province before India's independence.

His entrepreneurial spirit has seen the hotel company grow to a level where it today manages over thirty hotels and five luxury cruises across six countries (oberoihotels.com). Such is the management expertise of the firm today that it includes hospitality operations pertaining to hotels, airline catering, management of restaurants and airport bars, travel and tour services, car rental, project management and corporate air charters. His approach to converting old historical monuments - especially old palaces and monuments of repute - into hotels was unique to hotel development

in India at the time (the-south-asian.com). He was known for refurbishing undervalued properties and converting them into hotels (e-hotelier.com), which he used as a vehicle to grow overseas. This is evidenced in the acquisition of properties in Katmandu Nepal, Mena House in Egypt, and the Windsor in Melbourne, Australia.

M. S. Oberoi's entrepreneurship skills are reflected in his strategy to diversify into the up-scale/mid-market segment in the late 1980s, at a time when the demand for first-class hotels in India was on the verge of increasing. The Oberoi Group was one among the first hotel chains in India to diversify into this segment. He launched the Trident Hotels in 1988 by opening the first hotel in Chennai, India. Since then, the group has grown into a chain of nine hotels including two in the Middle-East. Further, the Group has allied with Hilton International to co-brand the product while combining the marketing expertise of Hilton International with the management expertise of the EIH (Trident Hotels.com).

The philosophy of the firm to achieve excellence has been the cornerstone of its growth and development instilled by its founder. This is reflected in the fact that nine of its hotels are listed as a member of the Leading Hotels of the World while seven other hotels are members of the Small Luxury Hotels of the World (Oberoi News Archives, 2002). Table 1 details Oberoi Group's 'Mission and Vision Statement.'

A Leader and a Visionary

M. S. Oberoi's pursuit of excellence is engrained in the Oberoi School of Hotel Management that

Table 1

The Oberoi Group's Mission and Vision statement was extracted on-line from http://www.oberoihotels.com/corporate/corporate_mission.asp

The Oberoi Group's Mission and Vision Statement

MISSION

- **Our Guests**
We are committed to meeting and exceeding the expectations of our guests through our unremitting dedication to every aspect of service.
- **Our People**
We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.
- **Our Distinctiveness**
Together, we shall continue the Oberoi tradition of pioneering in the hospitality industry, striving for unsurpassed excellence in high-potential locations all the way from the Middle East to Asia-Pacific.
- **Our Shareholders**
As a result, we will create extraordinary value for our stakeholders.

VISION

- We see an organization which aims at leadership in the hospitality industry by understanding its guests, and designing and delivering products and services which enable it to exceed their expectations. We will always demonstrate care for our customers through anticipation of their needs, attention to detail, distinctive excellence, warmth and concern.
- We see a lean, responsive organization where decision making is encouraged at each level and which accepts change. It is committed and responsive to its guests and other stakeholders.
- We see a multi-skilled workforce, which consists of team players who have pride of ownership, translating organizational vision into reality.
- We see an organization where people are nurtured through permanent learning and skill improvement, and are respected, heard and encouraged to do their best. Oberoi is recognized as best practice for training and developing its people.
- We see a more multinational workforce which has been exposed to different cultures, problems and situations and can use its experiences to enrich the local employees whether in India or overseas.
- We see the world dotted with hotels of The Oberoi Group, in strategic commercial and resort locations.
- We see user-friendly technology enhancing value for our customers and helping our personnel by making information more accessible.
- We see an organization which is conscious of its role in the community, supporting social needs and ensuring employment from within the local community.
- We see an organization which is committed to the environment, using natural products and recycling items, thus ensuring proper use of diminishing natural resources.

aged school in the World (Oberoi News Archives, 2002). His vision of embracing the young aspiring graduate, irrespective of his/her area of educational qualification, and training them to become operating managers, is a standard that few other firms internationally have been able to parallel. This is reflected in the Group's 'Corporate Training and Development Vision,' which states, "we see an organisation where people are nurtured through continuous learning and skill improvement, and are respected, heard and encouraged to do their best." (Oberoihotels.com) (The International Hotel and Restaurant Association was previously known as the International Hotel Association (IHA).

While Oberoi was a pioneer in laying the standards for training hotel managers in India, he was also a true leader in managing the workforce. He was the first to employ women in the Indian hospitality industry and set the standards of employment in the industry (Oberoi News Archives, 2002; ehotelier.com). His leadership traits include empathy and humility, qualities that were engrained in him from his childhood days. This is reflected in the following quote:

"I have been able to accept the challenge and make good – there is comfort in knowing that whatever little I have achieved, has also helped to raise the prestige of my country" (e-hotelier.com) (This quote was extracted from www.ehotelier.com. See references for details.)

Oberoi expected his employees to achieve perfection in their day-to-day work with an eye for detail. He led by example, and there is

came into being in 1966. It was recently renamed as the Oberoi Center for Learning and Development. His contribution to hospitality education is witnessed in the quality of education provided by the School, which is considered to be one of Asia's premier hotel education centers that graduates approximately 100 students every year (ehotelier.com). In fact, it is the only International Hotel and Restaurant Association (IHRA) recognized, privately man-

a story that goes to support this. While working for the Cecil Hotel in Simla in 1925, the late Barrister Motilal Nehru, the father of India's first Prime Minister, the late Pundit Jawaharlal Nehru, who was staying at the hotel that night, approached Mohan Singh at the front desk and asked if he could find somebody to type hundred pages of a manuscript by 5 a.m. the next morning. Mohan Singh, who had learned typing and stenography, volunteered and had the manuscript ready by 4.45 a.m. the next morning. What amazed the Barrister was that Mohan Singh did not make a single typing error (the-south-asian.com). Such was his level of perfection, dedication and sincerity to his work.

Oberoi's service was not limited to the stakeholders of his firm, rather it extended to the national level, evident from the fact that "he was among the first to recognize the potential of the tourism industry, its ability to contribute to India's economic growth and generate direct and indirect employment" (Oberoi Hotels Archives, 2002). The standards of excellence set by the firm are benchmarked by not only Indian firms but also international firms.

Awards and Honors

M. S. Oberoi was the recipient of many prestigious national and international awards such as the admission to the Hall of Fame by the American Society of Travel Agents (ASTA); Man of The World by the International Hotel Association (IHA); Order of The Republic - First Class conferred by the President of Egypt; Honorary Doctorate of Business Administration by the International Management Centre, Buckingham, UK; named by Newsweek as one of the "Elite Winners of 1978" and

the PHDCCI Millennium award in 2000. His unparalleled achievements in the Indian Hospitality Industry led the President of India in 2001 to confer upon him the Padma Bhushan (Oberoi Hotels Archive, 2002), the highest national award for excellence in service. As noted earlier, prior to India's independence, M. S. Oberoi was bestowed the title of "Rai Bahadur" by the British Government for his service to the Crown. During the latter half of his life, Oberoi served Indian politics and the society by being a member of the Parliament. He was elected to the upper house, the "Rajya Sabha" of the Indian Parliament in 1962 and 1972, and to the lower house, the "Lok Sabha," in 1968. (Awarded by the PHD Chamber of Commerce (PHDCCI) in India. A description of the award is available at <http://www.phdcccimail.com/awards>)

His Legacy

"My life has been achievement-oriented. I started off as a coal clerk at the Cecil Hotel in Simla. But I always had dreams and I worked my way at fulfilling those dreams." (the-south-asian.com) (This quote was extracted from www.the-south-asian.com. See references for details.)

While his shoes are difficult to fill with his passing away on May 6, 2002, he has left behind a legacy that underscores entrepreneurship and leadership, especially in the service business. His son, P. R. S. Oberoi is currently the Chairman of the Board of EIHL and has helped keep his father's vision and values of entrepreneurship flying high with the success of the Oberoi Group. This is evident from the fact that one of its hotels, the Oberoi Rajvillas, Jaipur, India was ranked the third best hotel in the world by the Travel and Leisure Magazine in 2005, behind only to the Four Seasons Resort, Bali and Singita Private Game Reserve, South Africa (Oberoi News Archives, 2005). In addition, the Oberoi Amarvilas, Agra, India was ranked 8th best in Asia in 2005, while being ranked the 22nd best in the World by the Travel and Leisure Magazine. In fact, the Oberoi Group boasts of having 12 of its hotels listed in the "300 best Hotels of the World" list by the Harpers and Queen magazine (ASIA Travel Tips.com). While he "Dared to Dream" (Karkaria, 1992) as a young lad growing up in Punjab hoping to be a businessman someday, with the continued success of the Oberoi Group, it can be said that the late Rai Bahadur Mohan Singh Oberoi, has indeed fulfilled his dreams.

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