

BOOK EXCERPT

## How the government took Air India from JRD Tata, asked him to run it, and then took it away again

As the current government tries to make Air India go full circle with its attempts to disinvest in the company, this book recounts how it was privatised.

by *Shashank Shah*

Published Dec 05, 2018 · 08:30 am



JRD Tata | [Facebook.com/Vistara](https://www.facebook.com/Vistara)

Nationalisation was hotly debated since Independence. JRD [Tata] opposed it on several platforms but wasn't invited by the government to present his views. The decision was a fait accompli. Communications Minister Jagjivan Ram, who supervised modalities of nationalisation, did consult JRD, but that was about compensation to be given to companies getting nationalised. JRD was disheartened.

At a luncheon meeting with Prime Minister Nehru in November 1952, he expressed his anguish that the government had intentionally treated the Tatas shabbily, and that it was a planned conspiracy to suppress private civil aviation, particularly the Tatas' air services. Nehru reassured him of no such intentions. In fact, in a personal letter to JRD, he placed on record the high appreciation he had for the Tatas, who had pioneered several projects, and the excellent services rendered by Air India International.

### **In his reply, JRD expressed his disappointment at the government's decision to proceed with such a major step without any consultations with the Tatas, who were pioneers in Indian civil aviation.**

He emphasised his conviction that nationalisation would not result in an efficient and self-supporting air transport system. All along, JRD's contention was that the new government of India had no experience in running an airline company, and nationalisation would mean bureaucracy and lethargy, decline in employee morale and fall in passenger services.

The government maintained that nationalisation would bring order to the industry, and that the Congress Party had a policy to nationalise all modes of transport since two decades. In hindsight, the communication between the two stalwarts of Indian polity and Indian business represents perspectives belonging to two ends of the spectrum. It would take six decades to reveal whose viewpoint stood the test of time. For the time being, the discord seriously impacted the warm relationship between India's first prime minister and the leader of India's largest business house.

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To employ his expertise, the government invited JRD to lead Air India and Indian Airlines as chairman. After protracted conversations at Tata Sons, JRD accepted the chairmanship of Air India, and a directorship on the board of Indian Airlines. He was particularly concerned that the high standards of Air India International should not be adversely affected by nationalisation.

His remarks at the end of Air India's first annual general meeting seemed prophetic, "...Unless the greatest attention continues to be paid to the high standards of training and discipline amongst flying and ground crews, the resulting deterioration might destroy the good name of Indian civil aviation." Over the next twenty-

five years, through personal commitment, he maintained high standards of service at Air India, which enjoyed excellent reputation among passengers.

## **JRD micromanaged the carrier's operational aspects. He would take great personal care of passengers, even when flying as a passenger himself.**

Many a time, he wandered about on flights, making notes of tiny details that needed to be fixed, from the level to which wine was poured into a wine glass to the hairstyle of air hostesses. If he saw a dirty airline counter, he would shame everyone by requesting a duster and wiping it himself. On one occasion, he rolled up his sleeves and helped the crew clean a dirty aircraft toilet.

From the inside decor to the colour of the air hostess' saris; from wordings on Air India hoardings to the availability of toilet paper in lavatories on-board, JRD set high benchmarks in hands-on leadership. He once remarked that to attribute his interest in airlines to his interest in air hostesses was only a slight exaggeration!

In the 1970s, when the Government of Singapore commenced Singapore Airlines to attract global tourists into the little island nation, it chose to collaborate with Air India for learning world-class service standards. Air India had been the inspiration for East Asian carriers such as Cathay Pacific and Thai Airways that began to dominate the skies in 1970s. After all, it was the first Asian airline to induct a jet aircraft in its fleet – a Boeing 707 named Gauri Shankar – that was acquired in February 1960.

In 1955, when Chinese premier Zhou Enlai was to travel to Indonesia for the first conference of the Non-Aligned Movement, China did not have the required long-distance aircraft. So, an Indian Airlines flight was chartered to fly the Chinese prime minister and his team from Hong Kong to Bandung!

JRD inspired employees to consistently delight customers through safety and service excellence. “When your excellence comes from the top, it becomes the ethos of the organisation,” remarked Bakul Khote, founding member of the customer service department at Air India. In the later years, JRD even admitted that during the vital years of his chairmanship at Tata Sons, he was effectually dedicating nearly 50% of his time to Air India, an entity that provided no financial rewards to him or his fifty-plus companies. Yet, through his personal example, he wanted to communicate that all public-sector undertakings could be profitable by maintaining world-class standards. He epitomised his oft-quoted advice, “Always aim at perfection for only then will you achieve excellence.”

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## **On January 1, 1978, Air India's first Boeing 747 plunged into the sea off the coast of Bombay, killing all 213 passengers and the crew on-board.**

One of the greatest air tragedies of its time, the fatal fall was attributed to pilot error. A month later, the Prime Minister Morarji Desai-led government dropped JRD from the chairmanship of Air India and the directorship of Indian Airlines. A year earlier, he had already been removed from the board of the Atomic Energy Commission on which he had served since its inception in 1948.

JRD, who was then at Jamshedpur, came to know of this development on February 3, 1978 from Air Chief Marshal Pratap Chandra Lal (Retd), who was appointed the new chairman of both carriers. Interestingly, Lal was serving as MD of a medium-sized Tata company at Jamshedpur. The radio news on the evening of 3 February conveyed the development to the public, and most dailies carried it the next day. On his return to Bombay House on 9 February, JRD found a letter from the prime minister dated 4 February and dispatched from Delhi on 6 February. The press reports on 11 February finally clarified that he had been removed from the position with retrospective effect from 1 February.

In his letter to JRD, Prime Minister Desai placed on record his distinguished services to Air India and clarified that the change was not because of any lack of appreciation of his conspicuous work. In his reply, a terribly upset JRD who had served Air India for a quarter-century without remuneration of a single rupee, stated:

“I hope you will not consider it presumptuous of me to have expected that when the government decided to terminate my services and my forty-five years' association with Indian civil aviation, I would be informed of their decision directly, and if possible, in advance of the public...”

The decision had a deep impact on the morale of Air India employees. The MD resigned, and the cabin crew and officers' associations protested. The country was outraged at this sudden development as Air India was, at that time, a matter of deep national pride, and JRD was synonymous with Air India's success and service. London's *Daily Telegraph* dated February 27, 1978 carried the headline "Unpaid Air India Chief Is Sacked by Desai". Desai's decision had brought him some of the worst publicity since he took office as prime minister.

Irani recalled the day when the news became public. JRD was in Jamshedpur and there was dinner at Russi Mody's bungalow that night. He came in looking a bit glum. One among the twenty people present there picked up the courage to ask, "Sir, we have heard about your exit on radio. How do you feel about it?" JRD's exact words were, "I feel as you would feel if your favourite child was taken away."

**In 1980, when Indira Gandhi came back to power, she reappointed JRD on the board of both airlines, though not as chairman.**

He continued to serve on the boards till 1986, the year in which Ratan Tata was appointed as chairman of Air India by Prime Minister Rajiv Gandhi. In the concluding decade of JRD's association with his favourite company – Air India – he re-enacted the solo flight aboard a Puss Moth from Karachi to Bombay to commemorate the golden jubilee of the first flight. The only difference was that in October 1982, India's foremost pilot was seventy-eight years old, and had even suffered from angina pain the previous month. The solo flight was a feat applauded by one and all.

When he landed at the Juhu airstrip in Bombay, the governor, the chief minister and several dignitaries were present to greet him. JRD had acted as a goodwill messenger between the two countries and carried a mailbag with messages from the president of Pakistan to the president of India, and from the mayor of Karachi to the mayor of Bombay. Of the battery of journalists gathered to report the historic event, BBC correspondent Mark Tully asked him if he expected to be around for the centenary year of Indian civil aviation. "Of course. I will be there," was JRD's spontaneous reply. "You see, I believe in reincarnation," said the septuagenarian in witty repartee.

'A well-written narrative of the Tata way of business'  
Ratan N. Tata, chairman, Tata Trusts



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SHASHANK SHAH

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