

Book Extract: Grooming Employees

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Here's why character building and training potential leaders is important to the Tata Group

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There are hundreds of initiatives across Tata companies that elucidate the Tata way of grooming employees. Instead of attempting to list and elaborate them, I believe the best way to capture the core of the Tata culture would be to understand it from the employees' eyes. Through scores of interactions with employees across companies and hierarchies, I've curated first-hand narratives that provide an engrossing experience of being a Tata employee and the responsibility of being a Tata leader.

Igniting the spark. During conversations with senior Tata executives, I explored the aspect of mentorship they received in their formative years and its impact on their professional journeys. Executives who worked with Tata veteran Krishna Kumar in their initial years mentioned that they learnt several lessons in the Tata way of business as a member of his team.

I asked Kumar his approach of mentoring young talent. 'Wherever I have interacted with people who work with me, I've placed tremendous emphasis on character building. We needed to have a sense of idealism in the person, because we were not recruiting just another management trainee, but potential leaders for the group who believe in values,' pointed out Kumar. He gave the example of leaders he worked with through his five decades at the Tatas, and who had succeeded in difficult situations only through integrity. These included J.R.D., Leslie Sawhney, Darbari Seth and Ratan Tata. 'When the new recruits joined my office, nothing was kept from them. Discussions were open to senior managers and others, including my executive assistants.

They saw how we implemented integrity, respected values and compassion for the needy in practice. In my view, young people are idealists. That's how I lit them, and I believe those value systems continue to burn even today,' he shared.

Training a young workforce, for life. Sumant Moolgaokar was highly committed to labour welfare. This was at a time when TELCO's [Pune](#) plant was getting ready. The workers for the new factory were from villages, not acquainted with life in an industrial set-up. In such a situation, workers tend to involuntarily live in slums. Mumbai is a typical example of this situation. Moolgaokar insisted that in the new TELCO township coming up at Chinchwad near [Pune](#), the apprentices should stay in a proper hostel along with graduate engineers. He ensured a holistic personality development schedule for them in their formative years. He sent them uniforms, organized physical training programmes at 5.30 a.m., ensured discipline in attending theory and practical classes in the evening, followed by sports and games. He believed that once they were used to a disciplined lifestyle, they would not go back to the slums.

'That was the thought process that impressed us very much. I have seen many of them grow very high in stature, not only at Tata Motors but even when they went outside. We still see the benefit of those foundational initiatives. The focus on human beings is something we clearly learned from him,' recalled Telang, who rose up the ranks under Moolgaokar.

Remarkably, a 1973 World Bank report on Tata Motors had stated, 'The company's training programmes are among the best in the world considering scope, recruitment and facilities.'

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Promotion with permission. G. Jagannathan was serving as the chief value engineer at the MD's office in Tata Steel, Jamshedpur. Jaggu, as he was fondly called, used to play squash in the Beldih Club squash court. It was some time in the 1990s in July. It was raining and suddenly the lights went off in the court. With him were his kids. He was very worried about them because it was pitch dark, and nobody was around. While protecting them and manoeuvring through the darkness, he slipped into a ditch and broke his ankle bone. He somehow dropped his kids home and went to Tata Main Hospital. The diagnosis was a fracture. His foot was plastered, and he was recommended complete bed rest for six weeks. Around 11 a.m., he received a call from Irani's office. It was Krishna Rao, his secretary, who told Jaggu that the MD had called him in his office. Jaggu explained his plight. A minute later, Rao called back to ask if Irani could visit him. 'Why not; he is most welcome,' was his spontaneous reply. Sometime later, he received another call with a message that Irani would be accompanied by his wife, Daisy. 'Are they going to have lunch with me?' he enquired. 'No. Only south Indian coffee.'

Irani came, enquired about his injury and had his favourite coffee made by Lalitha Jagannathan, another lifer in the Tata ecosystem. 'Sir, what was the purpose for which you had called me?' Jaggu asked. Irani said, 'I have been thinking of promoting you as the head of total quality and reengineering.'

This is a new department and I wanted check with you if you are okay with it?' Jaggu was amazed. During our conversation he told me, 'Here was the MD of Tata Steel appointing me for a particular role. He doesn't have to check with me. He could have just issued the office order and given the letter to me. But he wanted to personally come, discuss and explain what that role was all about, and know my opinion. This is the kind of personal care that the Tatas take.'

'Managing' difficult situations. This is the instance when the Tatas and an international company set up a joint venture. The nature of the business was selling equipment to factories for automation and computers. After the construction of the factory, the CEO couldn't get a single order. Wherever he went to sell, there was some inducement involved. The newly hired CEO was from outside the Tata Group. During a meeting, he mentioned to Ratan Tata, 'We set up the factory, but we can't sell a single item. So, I hope it's all right if I, you know, deal with it.' 'No, it's not all right. How can you even ask such a question?' was Ratan Tata's astonished reply. 'Then the factory will close down,' was the CEO's nonchalant submission. 'For that, if you must close it down, close it down. But we have hired you because we thought you would get an honest order,' the chairman asserted. The CEO was nonplussed. He never expected that the chairman would agree to close a factory, but not indulge in any underhanded dealings. He went back and thought that if Ratan Tata has said, it surely must be possible to get honest orders. He tried again, and that company eventually flourished without having to give in to a backhander. Gopalakrishnan, who became the chairman of that company, shared this instance. 'The company is no longer in the Tata fold. But the sanskaar (culture) has been instilled there,' he observed.

Mischievous moments. Amid conversations on ethics and values, there were lighter moments too. Misra recalled one such incident when the jovial Russi Mody pulled a fast one on an unsuspecting general manager of the company. Mody called the general manager to his chamber in Kolkata and said seriously, 'I have got an invitation from the British Embassy. We have to go in an hour in ethnic attire. Since you are from Kerala, you wear your lungi and a T-shirt. I will be wearing pyjama-kurta. We will go together.'

The unsuspecting manager arrived at the venue that evening dressed in a lungi. He saw Mody and said, 'Sir, you are wearing a suit!' 'No. I am carrying that pyjama-kurta in a bag,' Mody responded while trying hard to hide his smile. He assured him that he would change his dress at the venue. It was only when they reached the embassy's dining area, where the dress code was 'formals', that the manager realized how effortlessly Mody had fooled him! The gullible man ended up interacting with the dignitaries in his lungi and T-shirt and introducing himself as the general manager of Tata Steel!

'...Was it on purpose?' I asked Misra. 'Ya! Practical fun,' he replied with peals of laughter as we both visualized the situation. 'What was the general manager's reaction?' I asked. 'What could he do, attending the dinner in a lungi as instructed by the MD!'

Follow the conscience. The lungi joke was in a lighter vein. But on matters of principle, the Tatas gave total freedom to their employees to disagree with the topmost leadership, as long as they knew that they did not have a personal agenda, and were arguing from a position of strength. Kumar shared the example of a fellow TAS officer, Shyam Chainani. A brilliant engineer from MIT, he founded the Bombay Environmental Action Group (BEAG) in 1975, while working with at the Tatas. BEAG focused on issues of sustainability and opposed companies doing things that were harmful for the environment. In those years, J.R.D. was the chairman of a committee exploring the construction of a bridge from Panvel that would land near [Taj](#) and link Mumbai's mainland with the island. Chainani opposed this project in his publications, speeches, and workshops as BEAG opined that it would harm Mumbai's ecology. The government also listened to the ideas of BEAG. J.R.D. was keen to meet Chainani and understand his perspective. He was called to the chairman's office. Chainani told Kumar, 'I am going to see J.R.D. I know what will happen. I'll have to leave.' He penned his resignation letter before the meeting.

J.R.D. began a genuine conversation. 'Young man, why are you opposing this project? It will be good for Bombay and will solve the problem of commuting.' Chainani argued against it. Later, he said, 'Sir, if you don't mind, I have got my resignation letter.' J.R.D. took it from him, tore it, came around the table, put his arm around him and said, 'People like you need to be with the Tatas.' 'Who would do this as a group chairman to a young TAS officer?' Kumar asked me. 'The encouragement to articulate your conscience and take the right decisions within the culture of the group has been a very powerful factor,' he emphasized. In 2011, when Chainani passed away, Guardian reported, 'Chainani worked briefly for the multinational group Tata, and astonishingly, much of his work thereafter was financed by the company, even when he was apparently acting against its immediate interests.'

The Tata way of business accentuated the importance of doing the right thing without worrying about the consequences or business results. 'That comes much later. First, it should be ethical. It should morally be the right thing to do. Means are sometimes more important than the ends,' Kumar told me.