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Lemon Tree Hotels: Opening doors for everyone

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On January 1, 2017, Aradhana Lal, head of sustainability initiatives at Lemon Tree Hotels Ltd. (Lemon Tree), reflected on the company’s inclusion and diversity initiative. Over the past five years, she had seen her inclusion strategy and action plan implemented in multiple hotels and departments across Lemon Tree. Her immediate concern was developing a roadmap to ensure that Lemon Tree remained on course to achieve its goal of mainstreaming opportunity-deprived Indians (ODIs), comprising mainly persons with disabilities (PwD). The goal was to increase the share of ODIs from approximately 23 per cent of the workforce in 2017 to 45 per cent by 2025.

In 2014, Patanjali Keswani, chairman, managing director, and founder of Lemon Tree, had set this ambitious target as part of his vision of creating a socially inclusive workplace. He was eager to demonstrate that for-profit organizations could be socially inclusive while continuing to be profitable. He wanted Lemon Tree to be the pioneer in becoming a socially inclusive organization, within and outside the hotel industry and for society at large.

In 2012, Lal was entrusted with the responsibility of leading the sustainability mandate, which included the recruitment, onboarding, and training of PwD, as well as sensitizing other employees to work with them. The initiative, which began in 2007, had grown over the years in both size and impact (see Exhibit 1). In 2017, PwD comprised 13 per cent of the employee base at Lemon Tree, making it the highest PwD employer (by proportion) in the Indian corporate sector.

Lal, although happy with the progress, was aligned with Keswani’s larger vision for this initiative. With a mandate to reach the goal, she focused her attention on some of the key areas of concern in expanding the initiative beyond its current level. From where would Lemon Tree source and recruit PwD? What costs would be incurred in doing so? What kind of disabilities would the initiative need to open itself up to? Given the demanding nature of work, how well would integrated teams work, given that they would comprise a range of employees? What roles and departments would PwD be hired for? How could the company stem the attrition of the more skilled PwD? And most importantly, while expanding the initiative, would Lemon Tree be able to preserve the sustainability framework that rested on three key pillars of profit, planet, and people (i.e., the triple bottom line)? The company’s success in hiring ODI employees in the past few years belied the magnitude of the task ahead.

THE LEMON TREE STORY

Keswani, an alumnus of the Indian Institute of Technology Delhi and the Indian Institute of Management Calcutta, started his career with Tata Administrative Services in 1983. He advanced quickly to become the senior vice-president and chief operating officer of the Vivanta brand. After 15 years with the Taj Group of hotels, he took a sabbatical and worked with A.T. Kearney for two years on the mid-market hotel segment. Then, in 2002, having realized that there was a huge white space in the hospitality industry, he launched the moderately priced brand Lemon Tree Hotels.

In the 2000s, hotels in India were categorized into a luxury segment at one end and unorganized, low-end accommodations such as guesthouses and service apartments at the other end. The organized hotel sector comprised mainly luxury hotel chains, which focused on high-end deluxe hotels. Keswani saw a gap in the offerings—a lack of prominent national chains in the upscale, midscale, and economy segments. With a growing middle class and, consequently, growing disposable income, Keswani concluded that an opportunity lay in the mid-market or economy hotel segments.

In May 2004, the first Lemon Tree hotel opened in Gurgaon, a fast-growing office hub close to Delhi. Most of the initial funding came from Keswani’s savings, friends, and acquaintances. But with more than 15 years in the hospitality industry, Keswani decided to do things differently. Situated on a quarter acre[[1]](#footnote-1) of land, his first hotel had 49 rooms with three different room categories. It was a small hotel but reflected Keswani’s vision. The rooms were 240 square feet[[2]](#footnote-2) in size, in contrast to the norm of 320 square feet. The rooms were installed with built-in beds and did not provide stocked mini-bars. The built-in beds reduced the cleaning time required since the housekeeping staff did not have to clean under the beds. The result was greater employee utilization since each member of the housekeeping staff could clean 16–19 rooms per shift, greater than the industry norm of less than 15 rooms per shift. Within a year, Lemon Tree had opened its second property, also in Gurgaon.

The hotels were positioned then as three-star budget hotels and were popular with value-conscious business travellers. The brand also evolved based on customer feedback. Early on, customers had perceived the offering to be either too little or too expensive. In response to feedback, Keswani decided to diversify the portfolio (see Exhibit 2). The Lemon Tree properties evolved into a midscale, or a four-star, offering; and in 2006, Lemon Tree launched a three-star economy offering, Red Fox Hotels. Then in 2011, it launched the upscale, four-star plus offering, Lemon Tree Premier. In 2006 and 2008, Lemon Tree further expanded operations with leisure hotels by developing two resorts, namely Lemon Tree Amarante Beach Resort in Goa and Lemon Tree Vembanad Lake Resort in Kerala.

Between 2006 and 2008, investments from global private equity firm Warburg Pincus LLC, Japan’s Shinsei Bank Limited, and Kotak Realty Fund further drove Lemon Tree’s growth, providing the funds needed to fuel a pan-India expansion. In 2012, Lemon Tree formed a joint venture with Netherlands-based pension fund APG, becoming its first Indian investment. This joint venture valued Lemon Tree at more than US$500 million.[[3]](#footnote-3) In 2017, Lemon Tree decided to pursue a listing on the Indian stock market within 12–18 months.

In 2012, Keswani also expanded Lemon Tree’s presence, managing hotels through a joint venture, Carnation Hotels, with another hotel industry veteran Rattan Keswani (not related). Rattan was at the time the president of Trident Hotels (Oberoi Group). By 2017, Lemon Tree was operating across the value chain, from building hotels to owning and managing them (see Exhibit 3). Managing hotels meant more effort, on the part of Lemon Tree, in terms of getting multiple owner-partners to understand, appreciate, and execute the Lemon Tree brand standards, including its human resources (HR) strategy and its focus on mainstreaming PwD to build inclusion.

Having started with 49 rooms in 2004, Lemon Tree owned and operated 40 hotels across 23 cities with 3,400 rooms and 3,700 employees 13 years hence, making it the third-largest owner of hotel rooms in India, after Taj Group and ITC Hotels (see Exhibit 4). With properties spread across 23 cities, the company generated nearly $94 million in revenue.

Keswani had pioneered Lemon Tree as the first truly mid-market hotel chain, creating a brand that was “fresh, spirited, and youthful.” His vision for the organization was to stand for more than profit, and he built Lemon Tree around the concept of the triple bottom line (i.e., profit, planet, and people). From Lemon Tree’s beginnings, this vision of sustainable and responsible growth translated into its operational and HR policies. Policies adopted by the organization focused on reducing the company’s harmful impact on the environment (e.g., by recycling and reusing water at all its hotels). Lemon Tree also concentrated on reducing energy consumption by implementing energy-saving solutions. The initiatives undertaken at one hotel became processes and practices to be implemented across all of its hotels. As part of the business model, Lemon Tree successfully managed to minimize its energy and staffing ratio to half of the industry average (see Exhibit 5). These policies further translated into sound financial gains, as the company could offer much higher returns on capital investment to its shareholders in comparison to other listed hotel companies in India (see Exhibit 6).

THE INITIATIVE

Early Steps and Lessons

The year 2007 marked the completion of three years of operations for Lemon Tree’s first property in Gurgaon. Meanwhile, two more hotels had been opened in Pune and East Delhi. Having received a sizable investment the previous year, Keswani and his team at Lemon Tree appeared set to execute Lemon Tree’s pan-India expansion plans. Amid these plans, Lemon Tree started building a socially inclusive work environment. In line with its underlying philosophy of creating sustainable and responsible growth, the initiative to mainstream PwD was first undertaken as an HR trial and then streamlined into Lemon Tree’s HR strategy and its business model.

“Initially, it was all about providing an opportunity to those who were economically, socially, physically, or educationally disadvantaged. It was never triggered because of any personal reasons,” explained R. Hari, general manager, human resources (who had started this initiative with the operations team in 2007).

This vision to develop a more socially inclusive organization, however, came with a clear overarching requirement. Recalling Keswani’s own words, Lal asserted, “Customers were always at the core of our business. Customer service had to either improve or at the very least remain the same. Whenever we hired PwD, we had to revisit our Standard Operating Procedures [SOPs] wherever required, provide the required training, and monitor their performance.”

Even with the ever-expanding requirements of a young and rapidly growing company, the sustainability initiative moved along steadily. Within a year, Lemon Tree had grown to more than 680 employees, comprising 21 PwD (see Exhibit 1). Lemon Tree first hired two speech- and hearing-impaired (SHI) individuals in Gurgaon; in approximately two years, this number had increased to 20–25 SHI employees across four to five hotels. This journey involved all employees (SHI and otherwise) being sensitized about how to communicate with SHI individuals, which included being taught Indian Sign Language (ISL). As a result, the employee base could communicate in three languages—English, Hindi, and ISL. The initiative was further expanded in 2010 to include orthopaedically handicapped (OH) and physically handicapped (PH) individuals. Employing OH and PH individuals required a careful allocation of roles and tasks where minimal movement was involved and where a large part of the work could be done on a laptop, computer terminal, or a telephone. To ensure unrestricted workspaces, Lemon Tree’s corridors, doorways, washrooms, workstations, and other employee areas were built according to the concept of universally accessible design.

By March 2012, Lemon Tree’s PwD employees had grown to 117, and the overall employee base had grown to 1,953. At the time, a Government of India directive required all public sector undertakings and government bodies to reserve 3 per cent of their staff positions for PwD. This directive was not applicable to the private sector. With nearly 6 per cent of positions filled by PwD, Lemon Tree had already moved beyond this benchmark (see Exhibit 1).

For the initial few years, the inclusion initiative was an added responsibility for two senior managers, R. Hari (the HR head) and Nikhil Sharma (then the operations head), who were to be supported by the general manager and HR lead at each property. As the initiative grew, Keswani realized that to truly drive inclusion and diversity in the company, a dedicated resource was needed to focus exclusively on the initiative.

Keswani had known Lal for several years. As a young graduate, Lal had, in 1991, joined the Taj Mahal Hotel (The Taj), New Delhi, a five-star deluxe hotel located in the heart of the city. Reporting directly to Keswani, her senior at The Taj, Lal had worked closely with him during this initial stint. She had started as an executive and moved through the ranks to become deputy manager of sales and marketing before leaving in 1997 to pursue her master’s in business administration (MBA) at the Indian Institute of Management Ahmedabad, India’s premier business school. After achieving her MBA, Lal completed a four-year stint as the head of sales and operations of a direct-selling business at Hindustan Unilever Limited, the Indian business arm of Unilever. In 2003, she left Unilever India to team up with Keswani once again. She became a part of the founding team at Lemon Tree and took charge of its sales and marketing function. Over the course of the next nine years, she established the brand from scratch and built the sales network.

Until 2013, the proportion of PwD within Lemon Tree had been hovering around the 4–6 per cent mark. Keswani wanted someone to drive the initiative aggressively and make it the best in its class. Keswani insisted,

We had to delve wider and deeper in terms of how we were approaching things but we didn’t necessarily need an external subject matter expert [SME] to do that. Instead, what we really needed was someone to build on Lemon Tree’s existing knowledge and capabilities. This could have been acquired by meeting and engaging with special educators and SMEs, whenever required, and building the desired support system around the initiative.

Lal had successfully built the Lemon Tree brand, and Keswani felt that she could successfully build on the inclusion concept and take it to its end goal. With this belief, Keswani put Lal in charge of the initiative.

2012–2014

Prior to Lal taking charge in 2012, her association with the initiative had been limited to responding to media queries, ensuring public relations coverage, and conducting social media marketing. These tasks had kept her informed about what was going on in terms of the initiative. However, it was only after she had come on board as the head of the initiative that she truly understood the real challenges and opportunities that lay ahead.

First on the agenda was to devise a strategy to increase the PwD strength from the existing 120–130 employees to 250 employees within one year. Lal recognized that doubling the number required focus; company-wide sensitization; job mapping for new roles and new disability types; building strong partnerships with non-governmental organizations (NGOs), schools, colleges, and even the government; and conducting new trials and traineeships.

As she took up the charge, Lal realized that connecting with PwD could be a challenge. There was no robust system of employment exchanges and training partners to work with the disabled people in India’s population. The population of PwD was relatively small (see Exhibit 7.) Further, the qualification of the available pool was restrictive. For instance, it was difficult to find and hire a PwD candidate who had a bachelor of commerce degree for a finance role (see Exhibit 8). The agencies that did exist typically operated locally, were restricted in their outreach and capacity, and had a limited focus on employability as an end goal for PwD. This situation had become a real challenge, considering that Lemon Tree needed to have this initiative working smoothly across 27 cities and multiple locations.

From 2012–2014, Lal travelled across India and to Lemon Tree’s key cities, including the Delhi/National Capital Region,[[4]](#footnote-4) Bengaluru, Hyderabad, Chennai, and Ahmedabad, with the aim of engaging with partners in NGOs, schools, colleges, vocational resource centres, and government skills-upgrading agencies working with PwD in the identified cities and to understand their capacity to upgrade vocational skills and their throughput of successful employment. During these interactions, however, Lal encountered a bigger problem: a lack of support from families who were unable to get past their disability bias and their overly protective attitude toward their disabled family members. Also, most cities did not have fully accessible, safe public transportation and infrastructures to support PwD. As a result, families felt the need to support their disabled family member’s daily travel to and from work. For many, the distance to be travelled from home to the hotel was seen as an important criterion of accepting a job.

Lal was also aware that Lemon Tree would face additional unprecedented challenges while executing this initiative. Across the industry, she had noticed that when PwD were hired, they were often recruited into back-end roles where they had minimal interaction with customers and other employees. Lal wanted to confront such marginalizing policies head-on and ensure that PwD received equal opportunities at Lemon Tree. She reached out to organizations that had previously undertaken or were currently focused on similar initiatives, including KFC (a global fast-food chain), Accenture (a global consulting giant), McDonald’s (a global fast-food chain), and Vishal Mega Mart (a mid-sized retail brand in India). These interactions helped to further build Lemon Tree’s knowledge base and aided the process of creating benchmarks regarding policies, training methodologies, and corporate approaches and strategies for the employment of PwD.

In 2013, Lal began expanding the initiative to include people with additional disabilities. Lemon Tree started working with people who had intellectual disabilities (e.g., those with Down syndrome and those classified as slow learners). Five young adults were taken on as interns for six months at Lemon Tree’s Aerocity hotel. The traineeship was run by restaurant managers, supervisors, and a special educator from Muskaan, a partnering NGO. This collaboration worked well, and Lemon Tree hired all five individuals as full-time employees on completion of their traineeship. The traineeship model for people with intellectual disabilities served a unique two-fold purpose: (1) training the PwD and developing their skills, given their nearly complete lack of education, training, and exposure to others; and (2) simultaneously training the hotel operations team regarding how to engage with and train people with Down syndrome, those classified as slow learners, and those with autism. The traineeship program also helped sensitize the PwD employees to their own requirements, as the special educator (from the NGO partner) spent almost all of their time on the Lemon Tree premises, especially early in the traineeship. The traineeship helped bring about important workplace adjustments demanded by the very nature of the disability. For example, Lemon Tree did not assign PwD employees to night shifts; for the afternoon shift, the start and end times were advanced by two hours, which helped to ensure that these employees had a complete night’s rest so that they could function at their best ability, every day. This intense traineeship further helped in creating buy-in from the operations team, who had the final say in terms of the “go–no go” (i.e., the hire–not hire) decision.

During this period, mainstreaming a person with an intellectual disability proved to be complex because of three key issues. First, persons with an intellectual disability were observed to have very low exposure to working with others and responded poorly to traditional methods of peer learning. For example, they often found it difficult to work alongside other team members or to complete a task without leaving it midway. Second, the intellectual capacity of such persons was found to be far more constrained. This led to the need for alternative training modules that conveyed information visually or pictorially, through verbal briefings or demonstrations of tasks. Third, the families of candidates often were unable to offer their complete support.

Another area of work that required great focus at this stage was job mapping. This mapping required an understanding of both the nature of disability and the tasks one could ideally perform to ensure simultaneously a superior quality of service and an excellent customer experience. For example, Lemon Tree’s food and beverage service was marked by great uncertainty in tasks and volumes (due to the variable layout and changes in food service), making it infeasible for an autistic employee to be integrated into this department. In contrast, hotel housekeeping comprised a set of highly predictable tasks, which made those jobs more suitable for employees who had autism. More strikingly, although Lemon Tree had worked with SHI employees over a period of six to seven years, these employees required additional job mapping as the company considered them for roles in the banquet and conferencing areas. Given the learning curve involved in the exercise, staying aligned with the objective involved constant redesigning of some of the SOPs. The outcome was the creation of integrated teams that had joint responsibility, whereby PwD employees were paired with other employees.

The food and beverage manager at Red Fox Hotel-Delhi Airport, Aerocity, Vijay Sharma, elaborated:

To run a shift efficiently, we needed to plan the staffing to include a mix of different disability types like SHI, Down syndrome, etc., and employees without disability. This helped to ensure that great customer service was delivered every time. For example, on a particular shift, the SHI or non-PwD employee could do the billing, which could not be done by a person with Down syndrome. Similarly, an in-room dining order on the telephone could be handled by a non-PwD employee because an SHI could not do it and a person with Down syndrome was unable to understand too many instructions and speak with clarity.

In March 2014, of a total of 2,561 employees, the number of PwD had nearly doubled to 256. Keswani welcomed this significant jump in the percentage of PwD from 4–6 per cent of all employees to nearly 10 per cent. No other hotel in India’s mid-market segment could match these figures. He further noticed an overall increase in employee satisfaction and PwD employees’ lower attrition rates (less than half), as compared with the industry average. “PwD employees had a higher sense of pride and engagement and appeared to be creative problem solvers,” observed Keswani. The significant increase in PwD numbers, coupled with all other factors, provided him the impetus he needed to take inclusion to the next level. At this stage, Lemon Tree set an audacious goal of 45 per cent of its employee base comprising ODIs by 2025.

2014–2017

Lal realized that, going forward, many Lemon Tree areas required extensive work, and a few needed a substantial overhaul. During this period, Lemon Tree started incorporating people with new disability types into the company, including people who were visually impaired (VI) or had low vision (LV), acid attack survivors, those with special learning disabilities, individuals with mild cases of cerebral palsy, people who had been cured of leprosy, and people with mental retardation. Lal highlighted these concerns:

To bring in new disability types, we needed to first understand the nature of each disability and how it impacted the person’s capacity to do a particular task. It was essential for us to get job mapping done for each new disability type vis-à-vis each department in the hotel [subject to education required]. This took a lot of patience and groundwork along with the relevant subject matter experts/NGOs. I had to keep in mind the nature of their disability. Take for instance people with cerebral palsy. Integrating them became difficult because their disability impacted both physical movement and speech. So, should I have assigned them to a role in the back area where more physical work was required, or in the front-of-the-house where clarity of speech [or using sign language] was important?

As Lemon Tree added more disability types to the employee base every year, one need clearly emerged—the integration of different types of specially abled employees alongside employees without disability. To ensure a successful integration, training needed to be more accessible and done in a manner relevant to each disability type. Lal said,

If a coffee shop team member was speech and hearing impaired, he needed to be trained separately on all SOPs through Indian Sign Language and/or through a written manual/instructions and not through a spoken training session. For instance, adding a picture-in-picture in an audiovisual with the SOP explained in ISL side by side. On the other hand, a person with Down syndrome in the same coffee shop needed to be trained on all SOPs through simple verbal instructions, demonstration/role play, and very simple written material such as a Me Book, a visual memory timetable aid [see Exhibit 9], and not through a 10-day 101 training program.

Furthermore, sensitizing employees needed far greater attention and understanding. Recalling an instance from the initial days, Lal highlighted,

Employees with disability must be welcomed on an equal footing by the employees without disability and treated with equal respect and dignity. More persistent efforts toward cultivating a culture of true inclusion may help in ensuring that any bias, bullying, marginalizing, or unfair treatment does not happen towards PwD.

In a related instance, the executive assistant manager at Lemon Tree Premier-Delhi Airport, Aerocity, Utsav Garg explained:

Whenever we brought in a PwD employee fresh into the team, we had to be patient with them, allow them time to learn all their tasks, provide the required training and gradually build their confidence. As managers in Operations, sometimes we ended up speaking with less patience with the PwD employees, especially in high-pressure situations. We realized very soon that this did more harm than good, and that we needed to be far more patient, nurturing and focused on productivity in order to make inclusion work.

He further added, “It was difficult to keep an eye on every supervisor on an ongoing basis. Sensitivity and empathy toward PwD had to become a part of the DNA of a supervisor and every other employee without disability in Lemon Tree in order to attain the larger goal [of reaching the 45 per cent mark].”

Apart from integration, Lemon Tree faced challenges on other fronts too. The chief information officer, Ajai Kumar, shared his concerns:

We needed to resolve any technology hurdles so that some disabilities; Fore example, VI/LV, could be considered for regular employment. This was an important challenge in driving inclusion. How could we get the technology to “work for us”? Could we make software platforms accessible? If the hotel software was not already designed in an accessible manner, the cost associated with making it accessible was prohibitive. Maybe some strategic partnerships could help solve this problem.

Over the years, as the inclusion initiative had grown, Lemon Tree had also witnessed an increase in the attrition rate of PwD employees. The more skilled PwD employees often left for higher-paying jobs (even if higher by only ₹1,000[[5]](#footnote-5) per month). For some PwD employees, especially those working in Finance, HR, and Sales, the decisive factor for leaving Lemon Tree was the opportunity to work at a company seen as a leader in its field. As a consequence, Lemon Tree needed to find ways to stem the attrition.

Apart from this issue with attrition, the intensive work done through the traineeship model showed mixed results. Having begun the sixth structured traineeship in four years, Lal and her team had thus far trained 23 people who had either Down syndrome or had been classified as slow learners. Kuntal Vegad, head of learning and development (L&D), pointed out,

Each of these traineeships were run for six months to a year. Fifteen of the 23 trainees successfully completed all training modules. Of these 15, all were made job offers and subsequently hired. Later, two of them left, one on account of excessive aggression and the other due to clinical depression.

R. Hari, head HR, further added,

Of the four autistic people trained, we saw a small degree of success and were able to hire only one candidate. The three who left the program were either not able to work in a highly interactive and busy environment or were disinterested in pursuing a job seriously or needed regular instructions (every 25–30 minutes). In the case of the individual needing constant supervision, we had a genuinely hard-working person whom we could not hire because our manpower planning could not afford the opportunity for a supervisor to give an employee instructions 18 times a day.

Lal recognized that for true mainstreaming of PwD, it was not only important to hire and train PwD on a regular basis but also imperative to plan their career growth so that they could keep pace with their team members and peers. From 2012 onward, the team worked on creating skill-based role assignment (see Exhibit 10). To aid career growth, the focus subsequently became the strengthening of soft skills, building people management and leadership skills, and creating financial acumen. This work was led by the L&D team and HR, and was executed in partnership with the Operations team in the same manner as for employees without disability. While Lemon Tree hoped to expand PwD roles to those involving managerial and leadership responsibilities, the efforts undertaken thus far allowed PwD employees to slowly move up the ladder. A few, for instance, were seen to acquire positions such as the guest service executive (a step up from the entry position of guest service associate) at no real additional costs to the company (see Exhibit 11 for PwD-related costs). Lal pointed out, “We did NOT assign any specific cost to training PwD; it was clubbed together under L&D expenses for all employees. And isn’t that the idea of real inclusion?”

WHAT NEXT?

As Lal contemplated the road ahead and tried to work through some recent problems, she realized it had been five years since she had started working on this initiative. Lemon Tree was trying to change not just the face of the hospitality industry in India but also how businesses ought to be run.

She had been mulling over two possible routes for the future. One option was to pursue the ambitious target of 45 per cent of employees being ODIs and working out an action plan to support this goal. Such a plan would need to cover becoming open to many more disability types, sourcing NGO partners (to feed recruitment), sensitization, training, monitoring, and performance evaluation. Here the risk was being able to manage all these interwoven tasks for almost half the company based on a total expected employee size of 10,000–12,000 or more employees. Could Lemon Tree build capacity for this increase in employees in the next eight years? What policy changes would be required? Would a separate career policy be required for PwD employees? How would the Sustainability and L&D teams need to be enhanced or grown to meet the challenges ahead? What technology changes (and associated costs) would need to be planned for? Would all such changes still allow the initiative to be a part of the business model, or would these changes eventually end up tweaking that very premise?

The other way forward was to grow the initiative gradually from the current 20 per cent mark by continuing, at a steady pace, to recruit PwD (among other ODIs). This approach would allow Lemon Tree to consolidate the learnings and inclusive culture-building efforts made so far. The focus needed to shift toward creating more impactful sensitization modules; addressing pain points (of PwD and non-PwD) through deeper training and process changes; and most importantly, focusing the senior team’s time and resources on defining and executing career growth for all PwD employees, which had thus far been done only on a small scale. While this new focus would require much deeper analysis of the training needs, the subsequent creation of a training methodology, and possibly new content to get PwD ready to lead teams of 10 people or more, these efforts might help Lemon Tree to build the inclusion initiative in a qualitative manner and thereby build better buy-in for all employees and the leadership team for future expansion and growth.

Lal had been sitting for a while at Citrus Café at Lemon Tree Premier, Delhi Airport and decided to head back to her office upstairs. Having considered the benefits and challenges associated with these options, she realized she needed to meet with Keswani and the senior leadership team (see Exhibit 12) to discuss and plan the road ahead. As she walked toward the door, her attention was immediately caught by Rahul, an SHI, whom she had personally recruited. Lal greeted him with a warm smile and signed, “Hi” in Indian Sign Language. Rahul smiled back and rushed toward the door, signing the words, “Let me open the door for you.”

EXHIBIT 1: Lemon tree hotel’s EMPLOYEE STATISTICS, 2007–08 to 2015–16

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2007–08** | **2008–09** | **2009–10** | **2010–11** | **2011–12** | **2012–13** | **2013–14** | **2014–15** | **2015–16** |
| **Total Employees** | 682 | 983 | 1,092 | 1,940 | 1,953 | 2,140 | 2,561 | 2,724 | 3,636 |
| **PwD Employees** | 21 | 32 | 46 | 79 | 117 | 128 | 256 | 390 | 471 |
| **PwD as % of Total Employees** |  | 3% | 4% | 4% | 6% | 6% | 10% | 14% | 13% |
| Speech and Hearing Impaired (SHI) | 21 | 32 | 46 | 78 | 113 | 124 | 240 | 342 | 404 |
| Orthopaedically Handicapped /Physically Handicapped | 0 | 0 | 0 | 1 | 3 | 3 | 15 | 43 | 52 |
| Intellectually Disabled | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 5 | 11 |
| **EcoSoc Employees** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 391 |

Note: All figures as on March 31; PwD = persons with disability; EcoSoc = economically and socially marginalized segments; the EcoSoc category of individuals were also part of the opportunity-deprived Indian (ODI) group. The ODI group, therefore, included both PwD individuals (i.e., SHI individuals and those who were orthopaedically or physically handicapped, visually impaired, had low vision, or Down syndrome) as well as members of economically weaker segments and socially disadvantaged groups, often deprived of adequate educational opportunity and in minority such as widows, abandoned women, orphans, and various ethnic minorities.

Source: Lemon Tree Hotels Pvt. Ltd.

EXHIBIT 2: LEMON TREE OPERATions IN UPSCALE, MIDSCALE, and ECONOMY SEGMENTS

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Hotel Category** | **Luxury** | **Upscale** | **Midscale** | **Economy/**  **Budget** | **Classified** | **Unclassified** | **Total** |
| **% of Total** | 46% | 17% | 30% | 6% |  |  |  |
| **Number of Rooms** | 35,815 | 13,515 | 23,108 | 4,824 | 77,262 | 67,738 | 145,000 |
| **Lemon Tree Hotels Rooms (January 2015)** |  | 986 | 1,458 | 605 | 3,049 |  | 3,049 |
| **% of Rooms in Segment** |  | 7% | 6% | 13% | 4% |  | 2% |

Source: Lemon Tree Hotels Pvt. Ltd.

EXHIBIT 3: LEMON TREE HOTELS’ OWNED ROOM YEAR-END Inventory, 2004–05 to 2018–19

Source: Lemon Tree Hotels Pvt. Ltd.

EXHIBIT 4: India’s top five hotel chains, BY OWNED ROOMS, 2016

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Hotel Chain** | **Taj Group** | **ITC Hotels** | **Lemon Tree Hotels** | **Oberoi Group of Hotels** | **Leela** |
| **Year of Establishment** | 1903 | 1975 | 2004 | 1949 | 1981 |
| **Owned/Leased** | 6,491 | 3,339 | 2,726 | 2,132 | 1,519 |
| **Managed** | 6,406 | 5,142 | 323 | 661 | 595 |
| **Total** | 12,897 | 8,481 | 3,049 | 2,793 | 2,114 |

Source: Lemon Tree Hotels Pvt. Ltd.

EXHIBIT 5: INDUSTRY BENCHMARKS FOR Average NUMBER of Employees per Hotel (Permanent/Contract/Full-Time/Part-Time)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Type of Hotel** | **Five Star Deluxe** | **Five Star** | **Four Star** | **Three Star** | **Two Star** | **One Star** | **All India Average** |
|  | 2.1 | 1.9 | 1.7 | 1.6 | 1.3 | 1.2 | 1.6 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of Hotel** | **Five Star Deluxe and Five Star** | **Four Star and Three Star** | **Two Star and One Star** |
| **Delhi** | 2.7 | 1.3 | N/A |
| **Mumbai** | 1.7 | 1.6 | 1 |

Note: N/A = not applicable.

Source: Federation of Hotel & Restaurant Associations of India, *Indian Hotel Industry Survey 2015–2016*, 2016, accessed October 4, 2018, www.hospitalitynet.org/file/152007896.pdf.

EXHIBIT 6: Return On Capital Employed COMPARISONS WITH LISTED HOTEL COMPANIES IN INDIA, 2008–09 to 2013–14

Note: The return on capital employed percentages reported above are approximate figures, and have been disguised for the purpose of this case.

Source: Lemon Tree Hotels Pvt. Ltd.

EXHIBIT 7: Census STATISTICS ON india’s DISABLED POPULATION, 2011

Number of India’s Disabled Population, by Sex and Residence, 2011

|  |  |  |  |
| --- | --- | --- | --- |
| **Residence** | **Persons** | **Males** | **Females** |
| **Total** | 26,810,557 | 14,986,202 | 11,824,355 |
| **Rural** | 18,631,921 | 10,408,168 | 8,223,753 |
| **Urban** | 8,178,636 | 4,578,034 | 3,600,602 |

% Decadal Change in Disabled Population, by Sex and Residence, India, 2001–2011

|  |  |  |  |
| --- | --- | --- | --- |
| **Residence** | **Persons** | **Males** | **Females** |
| **Total** | 22.4 | 18.9 | 27.1 |
| **Rural** | 13.7 | 10.6 | 17.8 |
| **Urban** | 48.2 | 43.3 | 55.0 |

India’s Disabled Population as a Percentage of Total Population, 2011

|  |  |  |  |
| --- | --- | --- | --- |
| **Residence** | **Persons** | **Males** | **Females** |
| **Total** | 2.21 | 2.41 | 2.01 |
| **Rural** | 2.24 | 2.43 | 2.03 |
| **Urban** | 2.17 | 2.34 | 1.98 |

India’s Disabled Population as a Percentage of Total Population, 2001

|  |  |  |  |
| --- | --- | --- | --- |
| **Residence** | **Persons** | **Males** | **Females** |
| **Total** | 2.13 | 2.37 | 1.87 |
| **Rural** | 2.21 | 2.47 | 1.93 |
| **Urban** | 1.93 | 2.12 | 1.71 |

Source: Office of the Registrar General & Census Commissioner, India, “C-30 Disabled Population By Type Of Disability, Type Of Households And Sex (India & States/UTs),” and “C-20 Disabled Population by Type of Disability, Age and Sex (India & States/UTs - District Level)(Total, SC/ST),” accessed May 4, 2017, www.censusindia.gov.in/2011census/population\_enumeration.html.

EXHIBIT 8: ENTRY-LEVEL POSITIONS AT LEMON TREE HOTELS

|  |  |  |
| --- | --- | --- |
| **Key Tasks** | **Minimum Required Qualifications** | **Sub Tasks** |
| **Housekeeping** | | |
| Room Boy | Degree/Diploma in Hotel Management | Cleaning rooms/collecting laundry; cleaning; making deliveries; answering customers’ minor queries |
| Gardener | 10th Standard/12th Standard Pass\* | Maintaining lawns; answering customers’ minor queries |
| **Food and Beverages** | | |
| Kitchen Steward | 10th Standard/12th Standard Pass | Cleaning kitchen/cleaning utensils |
| Food and Beverage Production | Food Craft Institute (FCI) Degree /Diploma in Hotel Management | Preparing individual and bulk food and beverage items |
| Food and Beverage Services | FCI Degree/Diploma in Hotel Management | Service tables; in-room delivery; upkeep of dining area |
| **Front Office** | | |
| Bell Boy | 10th Standard/12th Standard Pass | Assisting with guest baggage/miscellaneous tasks |
| Front Desk | Degree/Diploma in Hotel Management | Checking guests in and out; foreign currency exchange; night audit; registration; record maintenance |
| Finance | Bachelor of Commerce/Master of Commerce | Daily revenue supervision; bank, credit card reconciliation |
| Stores | 10th Standard/12th Standard Pass | Routinely stacking material; maintaining purchase and usage records |
| Engineering Services- Painter/Polisher or Pool Boy | 10th Standard/12th Standard Pass | Routine repairs of electronic equipment; woodworking |
| Human Resources | Postgraduate/Master of Business Administration in Human Resources | Overseeing recruitment; hiring and resignation formalities; salary and leave administrations; employee notice work; social activities |
| Sales | Postgraduate/Master of Business Administration in Sales or Marketing | Tactical skills of maintaining relations with competitors; transactional skills of following up with customers; addressing customer complaints |
| Security | 10th Standard/12th Standard Pass | Guarding premises of the hotel property |

Notes: \*10th Standard or Class 10 in the Indian educational system was equivalent to the tenth grade, sophomore year, or grade 10 in North America and was equivalent to [Year 11](https://en.wikipedia.org/wiki/Year_11) in [England](https://en.wikipedia.org/wiki/England) and [Wales](https://en.wikipedia.org/wiki/Wales). 12th Standard or Class 12 in the Indian educational system was equivalent to twelfth grade, senior year, or grade 12 in North America. 12th standard was the final year of secondary school.

Source: Lemon Tree Hotels Pvt. Ltd.

EXHIBIT 9: THE Persons with DisabilitY STORY



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Notes:In addition to some of the practices highlighted above, the following practices were also in place: (i) Lemon Tree provided whistles to all persons with disabilities to use in times of an emergency to draw the attention of other team members; (ii) For all elements of their job roles in Housekeeping or Food & Beverage Service, training modules written for all employees (by the training arm of the group – HeadStart Institute) were also developed as visual aids (video/film) through the use of the Indian sign language.

Source: Lemon Tree Hotels Pvt. Ltd.

EXHIBIT 10: JOB MAPPING EXERCISE FOR A TYPICAL LEMON TREE HOTEL (staffing Plan | Roles Versus Ability)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Role** | **Speech & Hearing Impaired** | **Orthopaedically Handicapped)** | **Down Syndrome** | **Dwarf** | **Economically/Socially Weaker Segment** |
| Hotel Leadership (HGM, EAM) |  | **√** |  | **√** | **√** |
| Front Office (DM, GSE) |  |  |  | **√** | **√** |
| Front Office (AM, GSA) | **√** | **√** |  | **√** | **√** |
| Front Office (Bell desk) | **√** |  |  |  |  |
| Housekeeping (Manager, DM, AM, GSE, Room boys) | **√** |  |  | **√** | **√** |
| Housekeeping (GSA) | **√** | **√** |  | **√** |  |
| Housekeeping (Laundry, Painter, Gardener, Tailor) | **Outsourced** | | | | |
| Food & Beverage Service (DM, AM, GSE) | **√** | **√** |  |  | **√** |
| Food & Beverage Service (Hostess) |  |  |  | **√** | **√** |
| Food & Beverage Service (GSA) | **√** | **√** | **√** |  | **√** |
| Food & Beverage Production (Manager, DM) |  | **√** |  |  |  |
| Food & Beverage Production (AM, GSE, GSA) | **√** | **√** |  |  | **√** |
| Food & Beverage Production (Kitchen Stewarding) | **√** | **√** |  | **√** | **√** |
| Finance (Manager, DM, AM, GSE, GSA) |  | **√** |  | **√** |  |
| Human Resources (Manager, DM, AM, GSA) |  |  |  | **√** | **√** |
| Engineering Services (Manager, DM, AM, GSE, GSA) |  |  |  |  | **√** |
| Security |  |  |  | **√** | **√** |
| IT | **Outsourced** | | | | |
| Sales |  |  |  | **√** | **√** |
| Stores (AM, GSA) |  | **√** |  | **√** |  |

Notes: HGM = hotel general manager; EAM = executive assistant manager; DM = deputy manager; GSE = guest service executive; AM = assistant manager; GSA = guest service associate; IT = information technology.

Step 1: Each job was broken down into tasks. Each task was then assessed as per the physical and intellectual skills being used to perform those tasks.

Step 2: With experts, each disability was analyzed from the perspective of physical and intellectual skills that might be affected.

Step 3: These jobs were then mapped to the category of disability to create a job mapping document.

Source: Lemon Tree Hotels Pvt. Ltd.

EXHIBIT 11: lemon tree hotel’s COSTS AND EXPENDITURES RELATED TO EMPLOYING Persons with Disability, 2010–11 to 2012–13 (in ₹ millions)

At Lemon Tree, employing persons with disability includes (1) sourcing and recruiting these individuals; (2) inducting and training these individuals to perform their roles; and (3) providing remuneration, perquisites, and benefits. Each of these stages involves expenditures, which are captured in the table below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cost Area** | **Cost Item** | **Annual Costs** | | |
| **2012–13** | **2011–12** | **2010–11** |
| Sourcing and recruiting | Travel for corporate resources | ₹100,000 | ₹100,000 | ₹100,000 |
| Induction and training | Creation of a special visual aid; Travel for training resources | ₹800,000  ₹300,000 | ₹300,000 | ₹300,000 |
| Remuneration, perquisites, and benefits | Monthly income x number of employees | ₹23,040,000  (₹15,000 per month × 128 people) | ₹19,375,200  (₹13,800 per month  × 117 people) | ₹12,134,400  (₹12,800 per month × 79 people) |
| TOTAL |  | ₹24,240,000 | ₹19,775,200 | ₹12,534,400 |

Notes: ₹ = INR = Indian rupee; ₹1 = US$0.0223 on March 31, 2011; ₹1 = US$0.0202 on March 31, 2012; ₹1 = US$0.0182 on March 31, 2013. The costs reported above are not actual figures. These have been disguised for the purpose of this case. The 2012–13 costs and expenditures represented approximately 2 per cent of turnover and approximately 5 per cent of profits. In the following year, the number of persons with disability rose to 256, and the associated costs and expenditures increased to approximately 4 per cent of turnover and approximately 8–10 per cent of profits.

Source: Lemon Tree Hotels Pvt. Ltd.

**EXHIBIT 12: ORGANIZATIONAL HIERARCHY, Lemon TREE hotel company**

Chief Managing Director

President

Deputy Managing Director

Chief Financial Officer

Executive Vice President, Engineering

Vice President, Human Resources

Vice President, Operations or Chief Operating Officer

Vice President, Sustainability

Initiatives

Chief Information Officer

Vice President, Sales & Marketing

General Manager, Human Resources (or Head HR)

Assistant General Manager, Learning & Development

Note: The chart above includes all key stakeholders associated with or affected by the initiative either directly or indirectly.

Source: Lemon Tree Hotels Pvt. Ltd.

1. 1 acre = 0.404 hectares. [↑](#footnote-ref-1)
2. 1 square foot = 0.092 square metres. [↑](#footnote-ref-2)
3. All currency amounts are shown in U.S. dollars unless otherwise indicated. [↑](#footnote-ref-3)
4. The Delhi/National Capital Region referred to the metropolitan area comprising Delhi and its neighbouring states: Haryana, Uttar Pradesh, and Rajasthan. [↑](#footnote-ref-4)
5. ₹ = INR = Indian rupee; ₹1 = US$0.0151 on March 31, 2016. [↑](#footnote-ref-5)