

Honda Motorcycles and Scooters

1. Who are the actors in the case and what are their interests?

All Indian trade union, employees at honda and managers at honda. A guy from Japan who hit a worker.

Police, Haryana government (delstat).

Workers from other unions.

Japanese owners in Japan.

Communist party AITUC chief who is also member of the parliament.

The media.

The families of the workers.

Chief minister of the state Haryana.

The firm did some lobbying so the government does not want Union at the firm even though that the state theoretically should want it.

For most companies a union is not attractive. Therefore, it is important for the state not to create a strong union to attract companies.

2. What were the tactics adopted by the actors to exert power to protect/fulfil their interests in the unfolding of the case? Please proceed in chronological sequence as far as the various tactics are concerned.

In November 2004 there were a Dwali bonus which was small so the employees refused the gifts. Rumors spread and a competing company were giving out refrigerators. It might be the workers who created the rumors to create satisfaction among the workers. This is a way to gain power among the workers.

A Union's interest is to job secure their members. However, local union leaders have connection with organizations.

The workers initiates steps to create a union formation. Union wing of the communist party. The management respond to that is that they suggest that the workers instead should form an internal comitte. Also, there were a negotiating about giving the workers compensation for not creating a union. The workers refused the compensation and started to collect money for the union. A new rumor started where the managers took individual workers into the office and threatened them. The management is now lobbying with the government. The union was not created in the first round. Then the workers put precure on the management and the workers uses a go-slow strategy. Then the management

suspends workers and do not hire the trainees anymore. Then, the workers and trainees get together and goes to physical violence, and one the executive managers were beaten up. Then you have further suspensions of the people committing violence. The communist power is helping the congress and last they help the workers to form a union. The managers will have a statement creates a conduct to the workers that tthey should come to work and the managers would behave nice. However, the workers refuse to sign the conduct, so the managers hire outside people to do the job. The managers tries to regain power by hiring new temporary power.

The company only allow smaller amount of the workers to come back. The management bring in the police to control the law and have order. The workers have a union flag inside the organization. It is a very polarized situation. Then the workers create a rally and some of the protestors become violence. The deputy in the police gets injured. The media is now covering this and is shining a negative light on the workers because the injured the police. The police also engage in violence and arrest people. Now the dynamic shifts. The factory closes and there is now a shift in the sympathy and the media started to have empathy with the workers because of the police brutality. The congress president, Sonia Dandi, a very powerful person, gets involved and put pressure on the government t over Hiranya The police is now forced to apologize. Eventually the organization must give in.

There is complexity and chaos in the environment. Use a Chaordic system thinking.

They could let the workers form a union and then have some managers also inside he union. There are difference fores that are pulling the firm in a specific way. The firm has to be able to balance on the edge of chaos. However, the firm slips into explosive instability. The kind of relationships to balance in chaos is not there.

They escalate commitment. The managers block negative information.

Bounded rationality-Carnegie model.

Political model: Could the managers predict that the workers would gain power through the union, properly not.

Just because you have high power distance in the country is should still be possible to create a flatter hierarchy. However, the empathy might be a challenge.

Strong welfare policies should be implemented. Like, hospital insurance for the whole family. Unions representatives should be on the board. The workers should be given power.

The managers threatened to fire the workers if they did not listen to the rules.

The workers refused to accept a the first Dwali gift on 600 rp.

The co-workers started a go-slow strategy, this is their way to exert power.

3. What were the problems the workers at HMSI were facing that led to the charter of 50 demands in March 2005? What were the demands? Were the problems and the demands aligned? How would you explain this?

The workers could not take a day off if there were any problems with their family. People got stress for having to many tasks. If the workers does not hit the target they would need to work overtime.

The worker does not have a voice in the firm.

The managers will threaten the employees. Certain workers will get better jobs according to their relationship with the managers.

National culture from the Japanese culture is an issue.

Japanese man kicks an employee. In Japan it is a sign of comradery. However, in India it very unpolite.

Also, he kick of a hat of a Indian worker, which is super rude in Indian. The Japanese guy is insensitive towards the Indian culture.

Movement sheed.

Their demands were that the firm should facilitate a library and higher wages. The problems and demands do not seem to align, because the higher salaries do not help them getting better managers or work environments. They want milk, which is a culture thing in India.

The want commission for a Union office.

It is concrete and rational the demands they want. It is hard to demand higher respect. ERG theory, tend to overcompensate. They want lower needs.

Garbage can model. You can bring new and creative solutions.

4. Who were the people that played a critical role in causing worker disaffection? What were the ways in which HMSI tried to implement its stated value of respect for individuals and equality? What could be its implications in the Indian cultural context? Why were the Indian managers behaving so authoritatively?

The managers and the workers have the same outfit. Their philosophy, respect for the individual, translated into independence of spirit and freedom, equality, and mutual trust. They had also a TQM training program, Total quality management for building team leaders.

The managers are threatening. The reason the Indian managers behave like this is might because the managers and employees have the outfits and all have the same title, all are called associates, ate in the same canteen. In India there is high power distance, this goes against the power distance. So the manager need another way to express authority. The workers deny symbols of authority.

The managers are further dividing the organization because they prevent the workers to talk to the top management.

Iceberg. Look at slide 24. The firm is actually behaving differently compared to what the firm tries to visualize.

There was culture problems between Japan leaders and the Indian workers. The also was a language barrier.

5. What was the eventual outcome of the whole process of union formation for HMSI? How was the business affected? What should the organization focus on to reach its business objectives and what levels of the organization should be looked at for that? Which level of the organization has been ignored so far?

The business was negatively affected and the production line was also closed for a while. The organization should give the workers more power and influence. The firm should be more like Tata.

Create a structure where the managers host the meeting and in that way express their authority.

We need to reinterpret the values. Can the Japanese culture of values of equality be reinterpreted in India?

The union workers should be integrated into the organization and might be a member of the board.

Salmon

You need to create structures, do give back symbols. The organization have gone through trauma and perhaps firing people might be a good idea to send a signal. You need to engage in trust building.

Oxford model of industrial relation; looks at the relationship between workers and managers.

Notes while reading

The president of Honda motorcycles had to repair the company's image and develop a long-term strategy for cooperation with its employees. The company had suffered a production decline due to a strike and go-slow tactic by the workers

HMSI: Products and Workforce

HMSI was a wholly-owned subsidiary of Honda motor. HMSI followed the same principles as all Honda companies worldwide. HMSI was seen a good paymaster

Human Resource Policies at HMSI

HMSI's philosophy advocated two fundamental beliefs: respect for individual differences and th "Three Joys" that it wanted to promote for all member in the organization.

Their philosophy, respect for the individual, translated into independence of spirit and freedom, equality and mutual trust.

HMSI conducted thee Joys: The joy of buying, the joy of selling, the joy of manufacturing.

HMSI induction program involved acclimatizing the employees to the Honda Philosophy. There was a "Honda way" to do things, which was a way of thinking based on Honda philosophy. One of the Honda ways was to secure safety. The HR was expected to organize training programmes and internalization of culture-building to promote the Honda way. They had also a TQM training program, Total quality management for building team leaders.

Performance Appraisal System

HMSI had a Performance Appraisal System. The leaders graded the employee on a rating scale. HMSI had an incentive plan called "ex gratia".

Works committee

The committee included people from many sections of the company.

Employee Welfare

All employees and managers wore similar uniforms. HMSI had canteens and transport facilities to and from work for the employees.

Most workers did not qualify for the employees state insurance scheme due to their salaries had crossed the max salary limit. HMSI covered this instead. The company paid for the birth of a child and marriage and death.

Seeds of Unionisation and After

In 2004 a worker expressed resentment at receiving Diwali gifts valued 600 Rs. 99% of the workers refused the gift, because other companies implemented greater gifts.

Other resentment was festering. The worker need to sign a “movement sheet” whenever they took a break or go to the toilet or drink water. Workers were often required to attend more than one machine simultaneously, which increased stress levels. Every day a worker would get a threat of termination. There was fear of management’s authority, nobody dared to speak up.

The production line had the biggest problems. The top management knew little about these problems. The middle managers would not let the workers meet the top management.

The workers was unhappy with the vice-president of manufacturing. He did not have any sympathy and empathy. The VP was physical.

HMSI workers began to form a Union while the managers tried their best to stop the union. The workers could not create a union but instead they resorted to a slow-down of work and refused to put in overtime. One manager was beaten up. When the worker’s application for registration was supported by AITUC, the HMSI labour union registration took place. The newly formed union adopted the demands the workers had earlier, like a wage raise, and also added additional demands.

Conciliation Failure and the intensity of Workers’ Action

Conciliation proceedings were initiated on may 26 2005. the conciliations proceedings failed due to “the uncompromising stand adopted by both the union and the managers”. In June 2005 the managers and the union reached an agreement.

The management would only allow 0 of the workers to enter the factory premises.

The dance of violence and its aftermath

The workers began to protest and a violent action to place against the police. There was police brutality and corporate tyranny.

The HMSI union said it was not part of the violence.

The Truce and the Role of the state

On July 2005 an agreement arrived and said that the striking workers would resume duty and would not raise any demands during the next one year. The union will however continue to operate. Both parties would maintain cordial relations.

Union management Dynamics in the post-violence Scenario

Managers began to operate with the workers and the union. People who were injured receive their salary.

They monitor the worker-supervisor relations to ensure workers were treated better.

Workers are now able to ask for a leave. The union made an achievement which was coverage of the workers and their family members under the medical insurance scheme.

Another development was that, whenever there was a workers-related problem or issue, the management invited all seven of the union office-bearers for discussion. Over time was scraped.

In the assembly line they achieved to hit its target and the general manager and the vice-president came to the shop floor and commended on the achievement.

Looking back and planning for the future

The company had a lack of direction on the people front. Management does not know how to overcome the shock of July 25. The firm has a lot of problems of hierarchy consciousness. The Japanese do not understand the workers' language. The director could not understand the employees' point of view. When workers resorted to go-slow, Japanese managers did not know what to do. Indian managers did not know how to handle industrial relations issues. The Japanese had not given the Indian managers much power to take major initiatives in different dimensions.

HMSI was busy in an image-building exercise. HMSI used henna tattoos of the HMSI logo on women's hands.

In 2005 all union office-bearers were trained on building co-operative industrial relations. Also, the company created a committee consisting of seven workers who would bring the workers' grievances to the notice of the management and the union leaders.