Massacre in Manesar- Maruti Suzuki’s Plant
A Peek into the Conflict of Work Culture and Hubris of Management.

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Abstract
One of the most delicate and challenging job of the Human Resources Management Department in modern day organisation and MNCs is effective and efficient management of work culture. Due to the amazing inventions and innovations in the field of technology the world has become a global village, which brought a bouquet of advantages and problems for the industries as the work force now comprises of people not only of different hues and colours but also from different nationalities, religions, beliefs and social background which are diametrically and radically opposite of each other. The canvas and scope of Industrial Relations has also expanded encompassing into its fold the work culture management. Dealing with Trade Union leaders has been always an uphill and hazardous job particularly due to their political affiliations, arrogance, corrupt and blackmailing tactics and nuisance value and the situation has remained the same even in today’s changed scenario. The carnage in the Maruti Suzuki’s Manesar- Plant on July 18, 2012, was really unfortunate, rare but not unavoidable which will go down the annals as one of the most spine chilling, heinous act. The article examines the work culture and other related issues involved in the violence.

Key words:- Human Resource Management, Industrial Relations, Maruti Suzuki’s Manesar Plant, Work Culture.

1. Prologue, Significance and History of the Organisation:
1.1 Introduction:- One of the most delicate, sensitive and challenging job of the Human Resources Management Department in any modern day organisation and more particularly in the MNCs or Companies having good chunk of market share with regular profits is effective and efficient management of work culture. Due to the amazing inventions and innovations in the field of technology, the world has become a global village, which brought a bouquet of advantages and problems for the industries as the work force now comprises of people not only of different hues and colours but also from different nationalities, religions, beliefs and social background which are diametrically and radically opposite of each other. The canvas and scope of Industrial Relations has also expanded encompassing into its fold the work culture management. From the late 1970s there were very regular instances of violence and carnage particularly in industrial cities like erstwhile Bombay, Jamshedpur, and Calcutta where the HR personnel were regularly losing limbs and sometimes life; during wage negotiations, strikes, lock-outs and bonus time, but the context was totally different then. The reasons being mainly the militancy of union leaders, multiplicity and rivalry of trade unions. Dealing with Trade Union leaders has been always an uphill and hazardous job particularly due to their political affiliations, arrogance, corrupt and blackmailing tactics and nuisance value and the situation has remained the same even in today’s changed scenario. The carnage in the Maruti Suzuki’s Manesar- Plant on July 18, 2012, was really unfortunate, rare but not unavoidable which will go down the annals as one of the most spine chilling and heinous act.
1.2 Significance and Research Methodology:- The topic is of great significance as it has sent shivers in the industrial sector so much so that Maruti Suzuki had to think of an extreme step to close down the plant and shift to Gujarat a safer heaven for the industries. The company lost at least Rs 1,600 crore due to strike by workers at its Manesar plant. It is an eye opener for the industry and particularly HRM Department/Top-brass to read the signals in time, tread cautiously in future and how to handle the work culture issues if any. It also has lessons in IR for the budding HR managers. This being an analytical study secondary data collected from various sources has been used in conjunction with more than three decades of vast experience of the researcher in industry both at plant and corporate level, dealing with union leaders, IR and court cases, meetings with ministry officials and government authorities and interaction with peers from other industries. This had therefore a good impact on the study and conclusions.
1.3 The History of Maruti Suzuki: The Company was set up by the Government of India and incorporated under the Companies Act 1956 in 1981. It was initially called Maruti Technical Services Private Limited. The first Managing Director of the company was Sanjay Gandhi. During the period of 1985 to 1996, a few other significant developments took place including Suzuki taking up 50% stake in Maruti, leading to a 50-50 joint venture. The first car that the company produced was a four-door Maruti 800 and the second car was a Multi-Utility Vehicle Omni and later Gypsy.
Presently the company offers 15 brands and over 150 variants. The company has two manufacturing facilities located at Gurgaon and Manesar, with an combined annual capability to produce over 1.5 million, passenger car units. It has rolled out more than 10 million cars and sold 1.13 million cars in 2011-12 including exports to Europe, Asia, Latin America and Africa etc. The company employs more than 9000 workforce. The name was changed to Maruti Suzuki India Limited in July 2007 and is now a subsidiary of Suzuki Motor Corporation of Japan.

1.4 The Transition: It will be most pertinent to ponder over the transition of Maruti Suzuki India Limited, now a private sector leading car maker from the erstwhile Maruti Udyog Ltd the 100% Central Public Sector Enterprise(CPSE). This is relevant as the makeover witnessed some work culture clashes i.e. between the Japanese work culture prevailing in the Public sector. Traditionally the work culture in Public Sector is totally different from Private sector in India and far more different when the comparison is to be made with Japanese work culture. The first and foremost the Public sector offers job security even in the present scenario. Secondly there is poor and lower productivity as compared to private sector. Thirdly due to overstaffing, which is a common feature in Public Sector, the work load is less. Fourthly the perquisites and facilities are provided on a liberal scale even in case of loss making PSEs. The workers enjoy more sumptuous holidays and fringe benefits. This changes the complete mindset of a person when he enters the PSE job. It is possible that the transition may have caused lot of inconvenience to the employees and there might have been resistance to change time and again.

2.Manesar Carnage and the Strategic Issues:
2.1 The Chronological events that culminated in the grisly incident are briefly delineated below for better comprehension of the case. Manesar plant has a history of violence since inception, and the July mayhem was like a last straw which broke the camel’s back. On July 18, an angry mob of workers had assaulted senior officials of the company, torched the security control room at the entrance and damaged more than 40 vehicles parked inside the company premises. The incident started after a supervisor abused, a worker Gia Lal, and passed derogatory remarks about his lower caste, known as Dalit. The worker got into an altercation with three officials of the Human Resource department. He allegedly punched a supervisor at the plant and hence was suspended. However according to Maruti Suzuki Workers’ Union President, the management instead of taking action against the supervisor suspended the worker which led to aggression. The violence at Maruti Suzuki India’s Manesar plant left a trail of wounds and injuries, a senior HR official, Awanish Kumar Dev was killed and more than 100 Professionals and workers injured. Gia Lal, was later arrested by the police. His suspension had sparked the workers’ protest, which snowballed into large scale violence as a workers mob attacked company officials. More than 91 workers have been lodged in the Gurgaon Central Jail.

2.2 Strategic Issues that rocked Manesar: Manesar is an excellent example of smouldering labour turmoil. The Plant has a history of problems and this was the fourth incident of labour unrest within a couple of years. The Management failed to read the signals of brewing unrest not only among the workers but also the managers. Even the deceased HR manager wanted to quit the job. The Factory was put under lock out following the violence. The 3000 and odd workers went into hiding due to the fear of getting arrested by police. The villages and surrounding areas depicted a picture of gloom. The place once vibrant with activities is stinking with mistrust and uncertainty. Although the main cause of aggression followed by arson is still shrouded in a mystery, the following major issues seem to have lead to the unfortunate incident in July.

- Total mismatch of work culture:- The Japanese have a different work culture and they always insist on following the same in their plants across the world. This creates lot of problems of understanding and merging of cultures and Manesar plant became a natural victim.
- Misplaced HR strategies: - It appears that in Manesar plant the labour trouble was simmering since a long time and management failed to read the signals and took things for granted, as a result corrective action could not be taken which would have probably avoided the killing.
- Mishandling of IR:- Although the management vehemently denies this, but according to the version of the workers the IR was not properly dealt with. S. Y. Siddiqui COO, administration blames other factors for the violent behavior.
- Exploitation of workers:- The factory had two major categories of workers namely permanent and contract labour. The later were being exploited physically, mentally and financially.
- Poor wages:- There was a huge gap between the wages paid to the permanent and contract workers. The later were paid very low wages almost one third in some cases, though work done by both the categories of workers was the same. This disparity was the main cause of violence.
- Hostile working conditions:- The supervisors were abusive, the working conditions were bad. The contract workers were treated almost like slaves.
- Unfair and unethical labour practices:- Although time and again there were demands of absorption of contract workers in to the permanent cadre, the decision was postponed for an unduly long period, making the workers suspicious about the intentions of the management. As the time passed the workers grew restless and the issue snowballed. It is also said that the company appointed bouncers in the factory who often misbehaved with the workers.
More workload: - The greed of the management for higher production without adding more machinery and manpower put lot of pressure on both the supervisory staff and the workers. The continuous stress to achieve the targets finally took its toll.

Discriminatory Labour practices: - The have been lot of anomalies and disparities in the Gurgaon and Manesar plant of the company. The discrimination was also one of the causes of discontent among the workers.

Role of Haryana Government: - The labour department authorities of Haryana Government were in know of the disputes but did little to ensure the smooth running of the plant.

3. Clash of Work Cultures:

3.1 Public Sector v/s Private Sector the Indian Scenario: It is a well established fact that the work culture is totally different in public and private sector in India. Further the work culture also varies between two public sector companies depending on the top leadership, market position and future prospects. There are no prescribed norms for work culture in private sector and the position will drastically change from one company to another company. It varies as per the philosophy of the founders and their family values, so the comparison between two similarly placed private sector companies become irrational. Of course in case large companies and particularly those operating like MNCs, there are several similarities as they have to adhere to the international practices e.g. IT companies. Social fabric of any culture is shaped by their history which in turn influences the way different countries or cultures conduct their businesses. In this backdrop it is worthwhile to make a comparison between work culture of Indian and Japanese businesses.

3.2 Japanese Work Culture v/s Indian Work Culture:

Under the Japanese system the job passes from one generation to another, so the employee turnover is very less. Unlike in India the loyalty factor in Japan is indisputably very high.

Japanese are also quick decision makers while in India the decision making process may take unduly long time. Again in Public Sector in India, due to the RED TAPE the decision making may sometimes take several years.

Involvement of all the stakeholders in a decision making is at the heart of Japanese system, whereas in India only top people are involved. In case of public sector the position is even worse than the CMD and in few cases the Government official form part of the process.

Japanese believe in participative management in letter and spirit involving workers and management equally on the same platform. Though in India there is a statutory provision to involve workers like- Works Committee, Quality Circles, Joint Management Council and at the top most level in the Board of Directors, but the whole hearted approach is lacking and in most cases it seems just fulfillment of the formalities.

The workers in Japan always strive for self improvement and improve all aspects of organisation. In sharp contrast in India the focus is less on organizational development and quality.

Japanese believe in effective time management like punctuality while in India late coming is taken for granted as a routine matter.

Japanese are ardent followers of safety norms and more prominently cleanliness in the work place. In India the scenario is very poor as the safety norms are thrown to wind and the workplaces are always dirty and messy.

As per Japanese culture time is the essence, it is never wasted and optimum utilisation is the among the first priority. On this front the position in India is very pathetic, the workers are often found gossiping and wasting time. This is deliberately done in many organisations in India as there is a system of paying overtime which is twice the normal wages.

In Japanese complete their day`s job in the workplace while in India there is a tendency to keep the work pending or to take it at home.

In the nut shell Japanese are more productive; promote innovativeness and experimentation, while in India workers are lethargic and impervious to change. Of course both the cultures have their merits and demerits.

3.3 Suzuki's work culture:
The company follows typical Japanese and also its own work culture which is probably hard to adapt for the Indian workers.

<table>
<thead>
<tr>
<th>Japanese</th>
<th>English</th>
<th>5 S Improvement of Shop-floor Efficiency</th>
<th>Meaning in Japanese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seiri</td>
<td>(Sort) Neatness</td>
<td>Throw away all rubbish and unrelated materials in the workplace.</td>
<td></td>
</tr>
<tr>
<td>Seiton</td>
<td>(Arrange) Orderliness</td>
<td>Proper place for everything, and everything in proper place-for quick retrieval and storage.</td>
<td></td>
</tr>
<tr>
<td>Seiso</td>
<td>(Clean) Spotlessness</td>
<td>Clean the workplace.</td>
<td></td>
</tr>
<tr>
<td>Seiketsu</td>
<td>(Standardise) Cleanliness</td>
<td>Standardise the way of maintaining cleanliness</td>
<td></td>
</tr>
<tr>
<td>Shitsuke</td>
<td>(Self-Discipline) Obedience</td>
<td>Obedience- ’ make 5-S as a way of life;</td>
<td></td>
</tr>
</tbody>
</table>
Muri | Overburden | Overburden, is at opposite end of the spectrum from MUDA. Overburdening people results in safety and quality problems, and machinery is a direct cause of breakdowns and defects.

Muda | Uselessness | Futility; waste reduction is necessary.

Mura | Unevenness | It is an effective way to increase productivity.


Kimeraareta Koto Ga | What is decided. | Respect the decision.

Kihon Dori | As per exact Standard. | Strict compliance.

Kichin to Mamoru | Must be followed. | No deviation is accepted.

Japanese | English | 3 K Understanding Shop Floor Orders.- | Meaning in Japanese

Genchi | "The actual place". | This is where work takes place and value is created for the customers.

Genbutsu | "The actual thing". | This could be a piece of equipment, a product, etc.

Genjitsu | "Actually-The facts". | For decision consider the actual facts.

4. Other Noteworthy Instances of Labour Unrest in Auto Sector:

4.1 Hyundai Motor Company: The South Korea's biggest car maker having presence in USA, Asia, Europe and Middle East, was incorporated in 1967, achieved 1 Million landmark in 1989 and exported more than 10 Million cars in 2004. The company also encountered many problems which resulted in several strikes and lockouts, adversely affecting the profits. Major causes of the labour disputes has been wages and the working conditions according to the union leaders of the company. The Company had a system of two 10 hours shifts which is being now replaced with eight to nine hours and the wages are also being increased substantially. In the last year the company faced 28 strikes resulting in reduced production and 30% slump in the sales and 31% drop in exports.

4.2 The Pal-Peugeot Fiasco: Pal Peugeot was a joint venture incorporated in October 1994, between Indian car maker Premier Automobiles Ltd and the French automaker Peugeot, situated at PAL-Peugeot plant in Kalyan, north-east Bombay (now Mumbai). The JV ran into rough weather due to differences between the two companies and the labour problems and even before work could really start and there was five-month strike followed by lockout. The strike came to an end, after lifting of lockout in November 1995, and a new union was formed in the plant. Disaster, however, struck again when the supply of CKD (completely knocked down) kits began diminishing rapidly in the plant. The government was not prepared to renew PAL-Peugeot's import licence. While PAL-Peugeot was grappling with this new obstacle another problem emerged when PAL decided to spin off its Kurla Automobile business as a separate joint venture with Fiat Auto, in a clear violation of the non-competition clause in the PAL-Peugeot JV agreement. This was a clear cut case of mess created by the workers in the plant which got murkier due to the irrational attitude of JV partners and partially that of the Government, which left hundreds of workers in lurch.

4.3 Toyota Motor Corporation: The conglomerate was founded in 1867, with diversified interests in Housing, Electronics, Machine Tools, Rubber and Plastics. The Toyota Motor Corporation was set up in 1937, and is the largest car maker of Japan. The company employees 325905 strong, manpower worldwide. Toyota formed a Joint Venture in 1997 with Kirloskars at Bidadi, Bangalore named “Toyota Kirloskars Motor Pvt Ltd” (TKM). Though the plant is now operational this JV also faced labour problems in past and witnessed strikes followed by lockouts. The reasons were mainly low wages and poor working conditions. Toyota Motor also encountered labour problems in its plant at Durban, South Africa mainly due to lower wages. There was a wildcat strike resulted into loss of production and sales.
5. Conclusions and Suggestions:

5.1 Conclusions: The main cause of the carnage at the Manesar Plant has not been known till date as the case is sub-judice and under investigation. The management and the union leaders are busy overtime to blame each other. The Management has strongly denied that there was an IR problem or has to do anything with the poor wages and the working conditions, and claimed that both the issues were being sorted out. The workers on the other hand are blaming the management for various issues like lower wages, hostile working conditions, bad working environment, poor facilities and insulting treatment by the superiors etc. The Japanese companies have a history of paying poor wages even in their own countries. As early as in February 1898, engineers and stokers at the Japan Railway Company successfully struck for an improvement of status and higher wages. In the same year, ships’ carpenters in Tokyo and Yokohama formed a union, and a dispute followed with demands for higher wages. The major and underlining factor that emerges is lower wages and poor working conditions if we take a glance at some of the labour disputes in recent years encountered by the Japanese Auto makers’ world over. Further Japanese companies have faced labour unrest in many countries like India, China, South Africa and Indonesia, due to the system of contract labour which is the second most prominent cause. These companies are routinely following the policy of recruiting contract labour which comes very cheap. Work culture is the third most important culprit in labour problems. Japanese management believes that “only the Japanese can manage the Japanese companies even in overseas”. Most of the Japanese subsidiaries prefer Japanese as the heads of their divisions and very rarely local people are appointed on the Board of Directors. Their work culture, *gembaisu*, embraces life- long employment, loyalty, promotion by seniority, not clamoring for higher wages and late sitting. The grievances are sorted out within the company itself. Though this work culture was the backbone for Japanese economic miracle but it did not succeed when practiced overseas. According to Professor Noato Sasaki of Tsukuba University, “Japanese management lacks international outlook. Japanese do not want to manage their business operation in overseas in any new special way.” Group culture, another common method of decision making process in Japanese company, is imposed on Japanese subsidiaries in overseas. These clashes with the individual decision making processes, which is a common management practice in Indian, US and several European companies. Group decision is time consuming and requires approval from their head quarters.

5.2 Suggestions: It is not yet clear what went wrong in the Manesar Plant as the investigations are still in progress. Further the possibility cannot be denied that the truth may never see the light of the day as all the stakeholders-management, workers and the Government are blaming each other. Work culture may be one of the issues but it is only like tip of the iceberg and the real causes lie deep buried underneath. It is not humanly practicable for any country to fully adapt the work culture of other country but due to globalization the options are limited. Every effort has to be made to understand the nuances of the alien work culture and the local work force should be trained in that direction. In fact it is the responsibility of the top management to ensure that the services of the experts from the field of cross culture management, which are available, JV agreement to avoid the unpleasant situations like Manesar. Due to the invasion of the technological advancements no country can thrive on its own and no country can remain or treat others as untouchables in any field and specifically in Industry. As the collaborations and JVs have become the order of the day and way of our modern life, it is imperative for the HR and top industry bosses to manage the work culture properly. At the same time the foreign industry partners should not follow unfair labour practices under the garb of work culture conflicts. As per latest estimate, there are about 44,096 labour unions in Japan, with a combined membership of 7,895,666 workers. The trade unions which emerged during *Meiji period* (1868-1912), in Japan are much milder and levelheaded compared to India and other countries. In India it is the general experience that the trade unions leaders are arrogant, black mail the management and behave like militants mainly because of their political affiliations. The need of the hour is to inculcate professional approach in Trade Unions, so that the Industrial Relations remain cordial, industries can work smoothly and prosper.

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Journals and Periodicals:


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