

# Maruti Manesar lockout: the flip side of people management

Gopalakrishnan Narayanamurthy, Pradeep Kumar Hota, Surya Prakash Pati and Manoranjan Dhal

Gopalakrishnan Narayanamurthy and Pradeep Kumar Hota are pursuing Fellow Program in Management and Surya Prakash Pati and Manoranjan Dhal are Assistant Professors all are based at the Indian Institute of Management Kozhikode, Kozhikode, India.

On July 18, 2012, a nightmare unfolded at the Manesar[1] plant of Maruti Suzuki India Limited (MSIL) that transformed the company premises into a battlefield. Mr Awanish Kumar Dev, General Manager (Human Resources) of MSIL, was burned to death, while 100 other managerial staff were seriously injured in violence allegedly triggered by workers (*Times of India*, 2012a)[2]. This tragic and highly visible incident considerably diminished the reputation of Gurgaon district as a safe manufacturing haven. It even had the potential to jeopardize India's efforts toward scaling up its manufacturing sector (*Business Standard*, 2012a). The incident, which eventually led to a lockout of the plant, was the worst ever for Suzuki since the company began operations in India in 1983 (*Times of India*, 2012b). Shinzo Nakanishi, Managing Director and Chief Executive of MSIL, observed that this kind of violence was unprecedented in Suzuki Motor Corp's entire global operations spread across Hungary, Indonesia, Spain, Pakistan, Thailand, Malaysia, China and the Philippines (*The Economic Times*, 2012a). However, a prolonged lockout would hurt the business of the carmaker, as the company manufactured its diesel cars in the very same plant (*The Wall Street Journal*, 2012a) and a financial analysis revealed that the company had been losing INR 750 million per day during the lockout (*The Economic Times*, 2012b). Moreover Osamu Suzuki, Chairman of the Japanese parent company Suzuki Motors, was due to visit India on August 22, 2012 (*Business Standard*, 2012b). With all these stresses and uncertainties surrounding the business and its future, MSIL announced that it would begin operations in the Manesar facility on August 21, 2012 (*The Hindu*, 2012a), but comments made by analysts at the time were not supportive of this move by the firm. One analyst observed, "Even if the factory reopens, there shall be simmering tension between workers and management" (*The Wall Street Journal*, 2012a). Across various circles, there had been strong voices urging to understand the reason for such violence before beginning operations (*The Hindu*, 2012b). Some of the generic questions that were raised amidst the strong voice of various circles were: Who were the beneficiaries of the violence and lockout – the union or the management? How legally compliant are the manufacturing companies in India? What was the contribution of industrial relations system in the outbreak of the violence and how different actors in the system had a role to play in it?



This case study is published in partnership with the Asian Society of Management and Marketing Research (ASMMR) as part of the 2014 ASMMR - Emerald EEMCS Teaching Case Competition.

Disclaimer. This case is written solely for educational purposes and is not intended to represent successful or unsuccessful managerial decision-making. The author/s may have disguised names, financial and other recognizable information to protect confidentiality.

## Company background

MSIL, formerly known as Maruti Udyog Limited, is presently a subsidiary of Suzuki Motor Corporation of Japan, and is headquartered in New Delhi, India. Maruti Suzuki has been engaged in manufacturing passenger vehicles for over three decades. The company was incorporated as Maruti Udyog Ltd. under the provisions of the Indian Companies Act, 1956 in 1981 and signed a license and joint venture agreement with Suzuki Motor Corporation (SMC) in Japan in 1982 (D'costa, 1995; Hamaguchi, 1985). A year later, the company started their productions and launched Maruti 800. Maruti 800 was an 800-cc hatchback

and India's first affordable car (Hamaguchi, 1985). It must be noted that initially SMC held 26 per cent equity in the joint venture, which enhanced to 40 per cent in 1987. However, in 1992, owing to liberalized economic policies, the Government of India allowed SMC to raise its stake to 50 per cent, which eventually rose to 54.2 per cent in 2007, thereby making it the majority stakeholder. Subsequently, the name of the company was changed from Maruti Udyog Limited to MSIL. The company went public in 2003 and was listed on the Bombay Stock Exchange (BSE) as well as India's National Stock Exchange (NSE) (Aggarwal *et al.*, 2013). MSIL formed the only Indian company to have crossed the 10 million sales mark since its inception[2]. In 2011-2012, the company sold over 1.13 million vehicles including 127,379 units in exports[2].

Beginning in 2007, Maruti witnessed two important changes. First, Shinzo Nakanishi, the current Managing Director of Maruti Suzuki, took over the reins from Jagdish Khattar, and R.C. Bhargava, who was the Director at the time, was made the Chairman. Second, Maruti and the Indian market became increasingly important for Suzuki Motors, as they contributed more than half of the parent company's profit. This resulted in Suzuki motor's increasing influence on its India operations with Japanese voices dominating crucial decisions (*The Economic Times*, 2012c).

The company's manufacturing facilities were located in two places, namely, Gurgaon and Manesar in the Indian state of Haryana. Maruti Suzuki's Gurgaon facility was where the company started its production of the Maruti 800, which reached a capacity of 900,000 units per annum in 2012. The Manesar facility, started in February 2007, forms one of Asia's most advanced auto hubs and houses three fully integrated plants with a capacity of 550,000 units (Chakraborty, 2014). Plans were also underway to scale up the production to turn out 700,000 diesel cars annually (*The World Street Journal*, 2012). Maruti Suzuki produces several models including the Maruti 800, Alto, Wagon R, Estilo, A-star, Ritz, Swift, Swift DZire, SX4, Omni, Eeco, Gypsy, Grand Vitara, Kizashi and the newly launched Ertiga[3]. While Swift, Swift DZire, A-star and SX4 are manufactured in Manesar, Grand Vitara and Kizashi are imported from Japan as fully built units. The remaining models are manufactured in Maruti Suzuki's Gurgaon plant[4]. The company continued to record a steady growth in sales, increasing from INR 120,034 million in 2005-2006 to INR 347,059 million in 2011-2012[5] (Exhibit 1 displays the Net Sales and Profit after Tax (PAT) from 2005-2006 to 2011-2012).

On June 2, 2012, the company announced its plans to invest INR 40 billion in the Gujarat State of India to manufacture four-wheelers at its proposed Hansalpur unit. The State Government of Gujarat, anticipating the creation of 2,000 new jobs, allotted a combined 700 acres of land to Maruti. Maruti was expected to produce 250,000 cars annually by 2015-2016 in the first phase at Hansalpur. Over the decade following 2012, it planned to invest nearly INR 180 billion in the Hansalpur facility, ramping up output to 750,000 units in the subsequent two phases (*Business Line*, 2012a).

### Industrial relations in MSIL

The India operation was one of Suzuki's prominent profit zones and the Japanese company was targeting to maintain its growth consistently in the country. Consequently, the company initiated numerous programs to engage its employees and their families (Exhibit 2 shows the Suzuki's employee engagement activities)[6]. However, with increased competition in India due to the entry of global automotives, as well as increased local and import costs, Maruti Suzuki was gradually feeling the threat of expulsion from its comfort zone[7]. The management was under pressure to increase profits and hence was pushing workers by continuously making demands to increase their productivity through increased workload (Exhibit 3 shows the MSIL guidelines on manufacturing practices for the workers)[7]. However, while production figures and profits increased, workers remained more or less in the same place as far as wages were concerned, with the last wage revision undertaken in

2009[7]. Thus, it is not surprising that Maruti's Manesar plant workers and management had an uneasy relationship since 2011 (*The Hindu, 2012c*).

Further, to reduce the wage bill as well as to outsmart India's archaic labor laws that prevent companies from easily hiring and firing employees, contract workers formed the major portion of the company's workforce[8]. However a huge disparity in salary between contract and permanent workers existed. Because both groups do the same work, the demand for pay parity was going strong with every passing month, given the rising prices and inflation in the country[9]. It must be noted that 40 per cent of workers of the Indian automobile sector comprised contract workers (*Business Standard, 2012c*). In the Maruti Manesar plant, contract workers formed 50 per cent of total number of employees (*Business Standard, 2012c*). According to sources, contract workers were paid only INR 7,500 per month and only after marking attendance every day (*Business Standard, 2012c*). They worked on the same floor, performing the same job as that of the permanent workers, yet permanent workers were paid more than twice that of the contract workers (*Business Standard, 2012c*). A significant amount of the monthly income of contract workers was spent on house rent, which was often shared by four people (*Business Standard, 2012c*). Other expenditures included the cost of food, medicines and toiletries; the remaining balance was sent to their families.

Sources also mentioned many incidents of contract workers being fired for missing a day's work (*Business Standard, 2012c*). Further, there were no concessions provided for illness or any unproductive absence. Adding to their woes was the absence of channels for communicating with the management, and hence they always ended up speaking to the only point of contact – the contractors (*Business Standard, 2012c*). One of the contract workers stated that:

No holidays were provided and we worked even on Sundays. A fine of INR 950 per day was deducted for absence and at the end of six months a week's stand down was given when all go home. Permanent workers are paid twice more than us and they impose their authority on us.

Not surprisingly, in all the previous strikes called by the permanent employee union, i.e. Maruti Suzuki Workers Union (MSWU), contract workers got stuck having to make a decision between obeying the management or their colleagues (*Business Standard, 2012c*).

On the other hand, Mr S.Y. Siddiqui, Chief Operating Officer (COO) of Administration, Maruti Suzuki India Limited (MSIL), contended that each contract worker at Maruti received about INR 11,500 per month, while a permanent worker received about INR 12,500 per month in the beginning, which increased in three years to INR 21,000-22,000 per month (*The Wall Street Journal, 2012b*). The contractor who was providing contract workers to Maruti also claimed that the company gave its contract workers the best wage, allowances and benefits package in the region (*The Sikh Times, 2012*).

On April 18, 2012, the worker's union of the Manesar plant demanded for all permanent workers a five-fold increase in basic salary, a monthly conveyance allowance of INR 10,000, a laundry allowance of INR 3,000, a gift with every new car launch and a house for every worker who wanted one or cheaper home loans for those who wanted to build their own houses. In addition, the union also demanded the number of sick and casual leaves to be doubled, besides 35 days of privilege leave, instead of 20 – altogether 75 days of leave in a year (*Hindustan Times, 2012a*). Had all these demands been implemented, it was estimated that a permanent worker of Maruti Suzuki India would have seen a fourfold hike in his gross pay to more than INR 100,000 a month (*Hindustan Times, 2012b*).

Problems also existed between supervisors and laborers. The supervisors, influenced by the motive of getting highest possible profit, extracted as much work as possible from the laborers, and this, ultimately, resulted in abusive behavior from the supervisors, which, in

turn, led to retaliation from workers when matters reached a saturation level ([The Autopsy Report, 2012](#)). One of the workers said that:

If someone is late for a shift, supervisors behave abusively with them. It amounts to a big mental stress for all of us.

The workers also alleged that working conditions were getting worse. The usual day at Manesar lasted eight or nine hours of shift with a 30-minute meal interval and two 7.5-minute tea breaks ([Business Standard, 2012d](#)). The workers were often unhappy about the insufficiency of the 7.5-minute breaks to fill one's water bottle, have one's tea and snacks (although provided by the company), go to washroom (which were again insufficient in number) and report to work before the 1-minute warning (hence the actual break granted was 6.5 minutes). In reply, Mr M.M. Singh, Managing Executive Officer (Production), contends that such long hours of standing in the assembly line is the nature of the job. He asserts that workers ought to be mentally prepared for standing for four hours required to produce a car ([NDTV, 2011](#)). The workers were also dissatisfied with the leave policy and alleged that leave applications were rarely approved even for one to get married ([NDTV, 2011](#)). In an attempt to sum up the company's culture, an ex-employee had the following to say:

Maruti is an insensitive and inhuman organization. The management treats everyone like slaves. Even if they decide to shift to Gujarat they will continue to face the same issues because the DNA and culture of the company will never change. How would you feel if: (1) the managers of the company use all sorts of language while talking to you, search for opportunities to fire you left right and centre? (2) You are not allowed to even go to the loo even after standing and working eight to 10 hours? (3) Your day's salary gets cut for reporting one minute late? (4) You are not allowed to take any leaves? Maruti treats even one leave as crime (even if it's planned) and remember Maruti is a full six-day a week working organization. (5) Your four-day leaves get cut for taking one unplanned day off? (6) You have to spend 20 minutes out of 30 minutes commuting from your shop floor to the canteen for food? The company is so vindictive that they withdrew the pick and drop facility just to teach workers a lesson. They just boast of Japanese culture, but they have implemented only the worse parts of it. Maruti feels that the harder you make an employee's life, harder he will work ([Times of India, 2012a](#))[10].

Also there was no effort from the management to impart additional skills to the contract workers, despite hiring them in large numbers[11]. In 2011, the management even pushed the workers to sign a "Good Conduct Bond" where they had to agree that they would follow discipline, would not get involved in absenteeism, not resort to go-slow tactics, follow the production principle and not sabotage production or indulge in activities that might hamper production ([Business Standard, 2012e](#)). Such moves were mentioned to be not sound legally as per Schedule 5 of the Industrial Disputes Act 1947 ([Business Standard, 2012e](#)). In the past, such attempts have been held to be an act of "force" and "coercion" by the courts ([Business Standard, 2012e](#)).

### Sequence of strikes

Clashes between management and workers were becoming frequent occurrences in the Manesar–Gurgaon belt. In fact, the last decade was rampant with clashes in Honda Motorcycles (in 2005), Maruti (in 2001 and 2011), Hero (in 2006) and their suppliers such as Rico (in 2009) ([The Hindu Business Line, 2012a](#)).

Since its inception, Maruti Udyog Limited (MUL) had a trade union, namely, the Maruti Udyog Employees Union (MUEU), which was affiliated with the Indian National Trade Union Congress (INTUC). In 1987, the union curtailed its political affiliation and did not appoint any external office bearer. In October 2000, MUEU called for a strike that prevailed for 90 days, ultimately, leading to termination of 39 workers. The remaining workers accepted the incentive scheme proposed by the management and signed a good conduct bond. Following the incident, MUEU was de-recognized and replaced with another union, i.e. Maruti Udyog Kamagar Union (MUKU), which was independent from any political affiliation

and was devoid of any external office bearer. Currently, MUKU continues to be the sole representative of employees in the Gurgaon plant (Aggarwal *et al.*, 2013).

MSIL was facing its fourth successive labor–management problem since June 2011 (Business Standard, 2013a) when the first strike began with 13-day standoff between the management and the workers at the Manesar plant. The workers were demanding recognition of a new trade union named “Maruti Suzuki Employees Union” (MSEU) (Aggarwal *et al.*, 2013), and the strike was supported by the local trade unions of Gurgaon–Manesar area. The company lost production of 12,600 units valued at an estimated INR 63 billion. The strike was finally called off following a deal between the workers and the management that was brokered by Haryana Chief Minister Bhupinder Singh Hooda. As part of the deal, MSIL agreed to reinstate all the sacked 11 workers. The management also agreed to take a lenient approach to enforcing the no-work-no-pay rule of eight day’s salary being cut for every single day of the strike. On the other hand, the workers conceded to the management’s demand of not forming a second union in the company and they also agreed to stop pressurizing the management toward recognition of a new union (Business World, 2011).

In August 2011, Maruti was again rocked by nearly a month-long strike over the “good conduct” issue. Specifically, on August 29, 2011, the management prevented workers from entering the factory premises unless they signed a “good conduct” bond, after alleged sabotage and deliberate compromise on the quality of cars being produced. The bond required the workers to declare they would “not resort to go slow, intermittent stoppage of work, stay-in-strike, work-to-rule, sabotage or otherwise indulge in any activity, which would hamper normal production in the factory”. In the standoff that followed, the office bearers of MSEU, i.e. Sonu Gujjar, Shiv Kumar and Ravinder Kumar, were detained by the police, while the management refused to talk to the rebel union. Before long, the strike had spread to other units of the company, such as Suzuki Powertrain India Ltd. and Suzuki Motorcycle India Pvt. Ltd., which triggered a fall in the share price of Maruti. The management steadily hired new employees to get production to return closer to normal output (DNA India, 2011; Reuters, 2011).

In October, the same year, business was hit as workers resorted to a third strike demanding reinstatement of their colleagues who had been fired during the previous strike (Mail Online India, 2012). The situation soured when the management refused to recognize the union of the workers’ choice and imposed one of its own. This led to a protest by workers and subsequently a two-week closure[12].

As a result, the management decided to pay off the union leaders with a motive to end the series of labor unrests. According to the settlement, the strike leader left the company by accepting INR 4 million and taking with him another 30 union leaders (IBN Live, 2011). This included Sonu Gujjar, former President of MSEU and Shiv Kumar, its former General Secretary. Consequently, a new set of leaders, i.e. Ram Meher Singh (new President of MSEU) and Sarabjit Singh (new General Secretary) applied for re-registration of the union to the Haryana Labor Department, but their application was rejected on technical grounds (Business Line, 2011). Finally, the Haryana Government intervened and a tripartite agreement was signed between the workers, management and the government. In the said agreement, the company agreed to the formation of Maruti Suzuki Workers Union (MSWU) by the workers (Firstpost.Business, 2012).

## Day of violence

According to Ram Meher, the President of MSWU, the dispute that led to violence began with a member of the management passing casteist remarks to a worker named Jiya Lal, as well as suspending him when he objected to the remark (The Hindu Business Line, 2012b). According to the management, Jiya Lal was suspended on the grounds of “beating up a supervisor” (Times of India, 2012c). The workers union demanded reinstatement of the

suspended worker and, while negotiations were on, a mob forcibly shut the main gate and attacked supervisors, managers and executives (*The New Indian Express, 2012a*). Company sources claimed that about 500 employees from the permanent cadre along with trainees, after finishing their shift at 3 p.m., stayed inside the factory awaiting the outcome of the union-management meeting regarding the suspension of the worker (*The Economics Times, 2012*). The succeeding shift staff, whose work began at 3 p.m., and would have ended at 11 p.m., continued producing cars at the plant until 7 p.m., a clear indication that most of them were on the job when the violence started in the factory (*The Economics Times, 2012*). Senior company officials stated that hordes of workers came up the stairs to their office between 6.30 and 7 p.m. and started attacking with rods, car components and tube lights (*The Hindu Business Line, 2012b*). They believed that the attack clearly presented the intention of the workers to attack the senior staff and make the plant near defunct (*Times of India, 2012d*). At least 26 senior executives sustained fractures and several had multiple injuries. The violence reached its nadir when Awanish Kumar Dev, General Manager (HR), was left helpless by a group of workers after fracturing both his legs and beating him unconscious in the conference room of the plant located in the administration wing that was set in flames (*Times of India, 2012d*) and he died of burns and suffocation (*Times of India, 2012c*). Approximately 3,000 workers were involved in the clash. The fire created by workers led to the destruction of the main gate and the first floor of the site office building which housed the HR and supply chain departments and a conference room (*The Hindu Business Line, 2012b*). A company statement said that the Maruti violence was not an industrial relations problem in the nature of management-worker differences over issues of wages or working conditions. Rather, it was an orchestrated act of mob violence at a time when operations had been normal over the past many months (*The Hindu Business Line, 2012b*). At least 100 individuals were reported to be injured in addition to several top-level managers that included five Vice Presidents, six General Managers and seven Deputy General Managers. Others injured included Vikram Khazanchi (Manesar Factory Head), P.K. Roy (General Manager, Vehicle Assembly), Vikram Verma (Vice President, Utilities), Birender Prasad (Vice President, HR) and nine policemen (*Times of India, 2012d*). According to one MSIL supervisor, several injuries were incurred from the resulting stampede while escaping the rioting workers. For example, it was mentioned by a supervisor that one of the officials jumped out of the window and landed flat on the heavy machinery to save himself from the onslaught of the attackers (*Times of India, 2012c*).

### Post violence

On July 21, 2012, citing safety concerns, the company announced a lockout under The Industrial Disputes Act, 1947. The company requested the Haryana government to look into the causes of the disorder (*The Economic Times, 2012b*). In a press conference in New Delhi on July 21, 2012, R.C Bhargava announced that Maruti would not start operations until the management was confident about the safety (*The Hindu Business Line, 2012*). He stated that the company could not afford to risk further the life, safety and health of its managers, supervisors and workers (*The Economic Times, 2012b*) and that he could never have imagined that Maruti workers would display such violent behavior (*The New Indian Express, 2012b*). It was reported that only managers were hurt in the incident and there was no instance of a single worker being hurt (*The New Indian Express, 2012b*) and Bhargava stated that Maruti would not employ contract workers from March 2013 in production-related operations, although they would be hired for “non-value-added” work including cleaning, security, canteen services, loading and unloading. Further, beginning in March 2013, hiring of contract workers would be directly done by the Human Resource Managers of specific divisions rather than contractors (*Times of India, 2012e*).

On the other side, the workers from the Gurgaon plant of the manufacturing giant were pressurizing their union, the Maruti Udyog Kamgar Union (MUKU), to support the Manesar Plant workers (*The Hindu Business Line, 2012a*). Further, workers across companies in the

Gurgaon–Manesar industrial belt scheduled a solidarity meeting on July 25, 2012 to decide on “how and when” to support the Manesar employees. Apart from that, the All India Trade Union Congress (AITUC) planned to hold a meeting on July 27, 2012 with other trade unions in Gurgaon to discuss the situation (*The Hindu Business Line, 2012a*). The AITUC was of the opinion that, although the violence was condemnable, the workers ought not to be fully blamed for the situation (*The Hindu Business Line, 2012a*).

### Legal actions

The Haryana Chief Minister promised a fast-track probe into the Manesar incident and appointed Mr K.T.S. Tulsi as the public prosecutor. He also mentioned that this violence would be treated under criminal proceedings and not under industrial unrest (*The Hindu Business Line, 2012*). Accordingly, the government announced the formation of a Special Investigation Team (SIT), headed by the Assistant Commissioner of Police, Ravinder Tomar, with six inspectors to probe the incident (*Business Standard, 2012f*). The police, in its First Information Report (FIR), claimed that Manesar violence might be the result of a planned violence by a section of workers and union leaders. Using various recordings, captured through close-circuit cameras, of the workers’ actions, they tried to determine the sequence of events and people involved (*The New Indian Express, 2012a*). Initially 97 workers were arrested, including Yogesh Kumar, the organizing secretary of the MSWU, and arrest warrants were issued for the remaining 11 members of the workers’ union (*Business Standard, 2012g*). The arrested employees were produced before a local magistrate who remanded them to judicial custody for 14 days. They were accused of various charges including rioting with weapons, murder, attempt to murder, unlawful assembly, assault and trespass (*The New Indian Express, 2012a*).

Although there was a murmur of Naxal or Maoist hands possibly being behind the violence, no evidence supporting this was obtained (*Business Standard, 2012g*). On August 1, 2012, police arrested 10 office bearers of the Maruti Suzuki Workers Union, including its President Ram Meher and General Secretary Sarabjit Singh, taking the total number of workers arrested to 114 in relation to the incident (*Business Standard, 2012f*).

### Post lockout

Mr Siddiqui stated that the company received instructions from the parent Suzuki Motor Corporation to refuse any compromise on issues of violence (*Business Standard, 2012h*). CEO Nakanshi announced that employees behind violence would be fired while the new union MSWU would be derecognized. Specifically Maruti mulled over sacking every one of its A-shift workers, who were suspected to have played a key role in the incident perpetrated on July 18, 2012. However, the exact number of workers involved in the violence was not known as most attackers had camouflaged themselves. Nevertheless the carmaker had put in place a process of identifying the culprits with the help of some of its employees (*Times of India, 2012f*). Thus, despite the request from the Haryana Government to wait until investigation results were released (*Business Standard, 2012i*), the company dismissed more than 500 permanent workers (*Business Standard, 2013b*). A team comprising of 25 members was also formed from various departments to take care of the injured employees (*Business Standard, 2013b*). Police investigations too pointed to a large-scale involvement of the morning-shift employees in the violence (*Business Standard, 2013b*).

The net sales of Maruti in the first quarter of 2012 were up by 27 per cent, thanks to a good product mix and higher export realizations. In the same vein, the domestic product sales in the first quarter of 2012 increased by 5 per cent to 263,000 units and exports rose by 6 per cent to 32,632 units. But Maruti Suzuki’s net profit for the first quarter ending in June 2012 slipped as the rupee was devalued, most notably against the yen (*The Hindu Business Line, 2012e*). Specifically, it slipped by 23 per cent with respect to the previous quarter. On the day after the violence, the share price of the company fell initially by 9 per cent,

finally closing 8.7 per cent lower at the end of the day. The decrease of 8.7 per cent in share price was the biggest drop for MSIL in two years (graph plotting the drop can be referred from the link mentioned in the endnote reference “*civ*”) (NDTV, 2013)[13]. However Maruti Suzuki India (MSI) Chief Operating Officer (Production), M.M. Singh, maintained that the dispatch operations from the Manesar plant would not be affected for its stockyard contained 26,000 units (*Times of India, 2012e*). But senior analysts had opined that Maruti would take a significant hit in the second quarter, ending in September 2012, due to the lockout (*The Hindu Business Line, 2012e*). In terms of monetary analysis per day, the loss due to the lockout was calculated at about INR 700 million. Hence, total loss after a month of lockout was estimated to be INR 22,400 million (*Business Line, 2012b*).

As per Maruti’s CEO, the incident had led to damage of shop floor area and administration office and it had to be completely rebuilt to start operations. Due to the lack of experienced personnel at the Manesar plant, as some of them had been hospitalized, the CEO devised a strategy of hiring fresh employees at the Gurgaon facility, while shifting some experienced management executives and senior workers from there to form a nucleus at Manesar and commence production (*Business Standard, 2012h*).

### Looking ahead

Previously, despite the labor issues and consecutive strikes at Maruti, the automaker had been able to maintain the image of being a worker-friendly company. However the brutal violence completely erased this image and changed the perception among the people on the working conditions prevalent in the plant as well as the relationship between the management and the laborers (*Business Standard, 2012j*).

On 13 August 2012, Siddiqui, along with a team of 70-80 people from both the company and the state agencies, evaluated the situation in order to decide on the commencement of production towards the end of that week (*IBN Live, 2012*). On completion of all assessments, it was announced the day after that the partial resumption of production in the Manesar plant would likely to be on 21 August 2012 (*The Economic Times, 2012d*). It was also announced that, as manpower and confidence over safety and security of its staff increased, the company would gradually ramp up output (*Times of India, 2012*). Since labor issues remained a factor, initial work was expected to be done in the automated divisions of the plant (*Times of India, 2012*). Moreover, it was also decided to deploy multi-layered security to avert recurrence of incidents synonymous to that of 18 July 2012. The company even approached the Central Industrial Security Force (CISF) for the same, though no decision was taken over its deployment (*Times of India, 2012g*).

According to analysts and industrial experts, MSIL was more likely to face an uphill task in scaling up the production at Manesar plant, for the carmaker could face resignations at the officer level, from those wary of returning to work after the violence (*Business Line, 2012c*). A company official also stated that families of officials would be unwilling to let them return to work and, if forced by the company, some might even choose to quit (*Business Line, 2012b*). Further, many workers involved in the violence were suspended by the company and this might lead to unavailability of requisite manpower upon commencement of operations (*Business Line, 2012b*). On July 25, 2012, Mr S.Y. Siddiqui stated that the resignations so far had not surfaced in their discussions, as they were focusing on rehabilitating the injured and supporting their families and that he expected the investigation to be conducted faster (*Business Line, 2012b*). Further, he also forecasted the chances of adopting alternatives such as asking component suppliers to pitch in with labor as well as shifting workers from the Gurgaon facility (*Business Line, 2012b*). Despite the projected optimism and attempts to restore normalcy in production, it will be a long road for Maruti to shed the shadow of events that had rocked its world.

## Notes

1. Manesar is an industrial town in the Gurgaon district of the State of Haryana (India). It also forms part of the National Capital Region of India.
2. Accessed from Maruti Suzuki True Value Web site on 29 August 2013 from [www.marutitruevalue.com/aboutus/aboutus\\_msil.aspx](http://www.marutitruevalue.com/aboutus/aboutus_msil.aspx)
3. Accessed Maruti Suzuki Company website on 29 August 2013 from [www.marutisuzuki.com/our-cars.aspx](http://www.marutisuzuki.com/our-cars.aspx)
4. Maruti Suzuki Manufacturing Facilities accessed from [www.marutisuzuki.com/manufacturingfacilities.aspx](http://www.marutisuzuki.com/manufacturingfacilities.aspx) (accessed 19 June 2013).
5. Net Sales as quoted in Maruti Suzuki Company, available at: [www.marutisuzuki.com/about-us.aspx](http://www.marutisuzuki.com/about-us.aspx) (accessed 22 July 2012).
6. Maruti Suzuki Sustainability Report, available at: [www.marutisuzuki.com/sustainability-report1.aspx](http://www.marutisuzuki.com/sustainability-report1.aspx) (accessed 2 December 2014).
7. The Autopsy Report, Outlook, dated 6 August 2012.
8. The Autopsy Report, Outlook, dated 6 August 2012.
9. The inflation rate in India was recorded at 5.52 per cent in October of 2014. Inflation Rate in India averaged 9.23 per cent from 2012 until 2014, reaching an all-time high of 11.16 per cent in November 2013 and a record low of 5.52 per cent in October of 2014. Historically, the wholesale price index (WPI) has been the main measure of inflation in India. However, in 2013, the governor of The Reserve Bank of India, Raghuram Rajan, had announced that the consumer price index is a better measure of inflation, available at: [www.tradingeconomics.com/india/inflation-cpi](http://www.tradingeconomics.com/india/inflation-cpi) (accessed 27 November 2014).
10. Comments by an ex-employee on this news article (which is available in the same link) is quoted in this study. There were grammatical errors in the original quote, and it has been modified in this case.
11. The Autopsy Report, Outlook, dated 6 August 2012.
12. The Autopsy Report, Outlook, dated 6 August 2012.
13. Plot constructed on 30 August 2013 using the data available at Google Finance, available at: [www.google.com/finance?chdnp=1&chdd=1&chds=1&chdv=1&chvs=maximized&chdeh=0&chfdeh=0&chdet=1347012000000&chddm=19928&chls=IntervalBasedLine&q=NSE:MARUTI&ntsp=1&ei=2lQgUjFFYWsKAWL6AE](http://www.google.com/finance?chdnp=1&chdd=1&chds=1&chdv=1&chvs=maximized&chdeh=0&chfdeh=0&chdet=1347012000000&chddm=19928&chls=IntervalBasedLine&q=NSE:MARUTI&ntsp=1&ei=2lQgUjFFYWsKAWL6AE)

### Keywords:

Manufacturing industry,  
Employer–employee  
relationship,  
Industrial relations system,  
Labour law,  
Lock out,  
Maruti

## References

- Aggarwal, R., Singh, H. and Kaur, R. (2013), *Maruti Suzuki Limited: Industrial Relations*, Richard Ivy School of Business Foundation.
- Business Line* (2011), "Maruti's Manesar workers apply for re-registration of union", available at: [www.thehindubusinessline.com/companies/marutis-manesar-workers-apply-for-reregistration-of-union/article2606627.ece](http://www.thehindubusinessline.com/companies/marutis-manesar-workers-apply-for-reregistration-of-union/article2606627.ece) (accessed 22 July 2012).
- Business Line* (2012a), "Maruti Suzuki to invest INR 40,000 million in Gujarat car plant", *Business Line*, 2 June.
- Business Line* (2012b), "Maruti's Manesar plant closed for third day", *Business Line*, 21 July.
- Business Line* (2012c), "Maruti Manesar plant output may halve after restart, say analysts", available at: [www.thehindubusinessline.com/companies/marutis-manesar-plant-output-may-halve-after-restart-say-analysts/article3683113.ece](http://www.thehindubusinessline.com/companies/marutis-manesar-plant-output-may-halve-after-restart-say-analysts/article3683113.ece) (accessed 29 August 2013).
- Business Standard* (2012a), "The lessons of Manesar", *Business Standard*, 23 July.
- Business Standard* (2012b), "Osamu Suzuki to take stock of Manesar plant post violence", available at: [www.business-standard.com/article/companies/osamu-suzuki-to-take-stock-of-manesar-plant-post-violence-112082100171\\_1.html](http://www.business-standard.com/article/companies/osamu-suzuki-to-take-stock-of-manesar-plant-post-violence-112082100171_1.html) (accessed 29 August 2013).
- Business Standard* (2012c), "Devoid of rights, Manesar's contract workers caught in management-union crossfire", available at: [www.business-standard.com/article/companies/devoid-of-rights-manesar-s-contract-workers-caught-in-management-union-crossfire-112073000001\\_1.html](http://www.business-standard.com/article/companies/devoid-of-rights-manesar-s-contract-workers-caught-in-management-union-crossfire-112073000001_1.html) (accessed 29 August 2013).

*Business Standard* (2012d), "Devoid of rights, Manesar's contract workers caught in management-union crossfire", available at: [www.business-standard.com/article/companies/devoid-of-rights-manesar-s-contract-workers-caught-in-management-union-crossfire-112073000001\\_1.html](http://www.business-standard.com/article/companies/devoid-of-rights-manesar-s-contract-workers-caught-in-management-union-crossfire-112073000001_1.html) (accessed 29 August 2013).

*Business Standard* (2012e), "Shyamal Majumdar: Maruti could've done better", available at: [www.business-standard.com/article/opinion/shyamal-majumdar-maruti-could-ve-done-better-112080300036\\_1.html](http://www.business-standard.com/article/opinion/shyamal-majumdar-maruti-could-ve-done-better-112080300036_1.html) (accessed 29 August 2013).

*Business Standard* (2012f), "Maruti to take decision on Manesar plant on Monday", *Business Standard*, 10 August.

*Business Standard* (2012g), "No evidence of red hand in violence at Manesar plant", *Business Standard*, 24 July.

*Business Standard* (2012h), "Maruti Gets tough with workers but won't close plant", *Business Standard*, 20 July.

*Business Standard* (2012i), "Maruti may not derecognize union", *Business Standard*, 26 July.

*Business Standard* (2012j), "Maruti's 'low road' to trouble", *Business Standard*, 7 August.

*Business Standard* (2013a), "Has Haryana's auto industry run its course?", *Business Standard*, 6 February.

*Business Standard* (2013b), "147 Maruti workers to stand murder trial", available at: [www.business-standard.com/article/news-ians/147-maruti-workers-to-stand-murder-trial-113082201054\\_1.html](http://www.business-standard.com/article/news-ians/147-maruti-workers-to-stand-murder-trial-113082201054_1.html) (accessed 29 August 2013).

*Business World* (2011), "Workers' strike at Maruti's Manesar plant called off", available at: [www.businessworld.in/news/business/auto/workers-strike-at-maruti-s-manesar-plant-called-off/312099/page-1.html](http://www.businessworld.in/news/business/auto/workers-strike-at-maruti-s-manesar-plant-called-off/312099/page-1.html) (accessed 22 July 2012).

Chakraborty, S. (2014), "Impact of changing socio-economic context on business: case study on Maruti Suzuki India", *International Journal of Research in Commerce and Management*, Vol. 5 No. 2, pp. 39-43.

D'Costa, A.P. (1995), "The restructuring of the Indian automobile industry: Indian state and Japanese capital", *World Development*, Vol. 23 No. 3, pp. 485-502.

*DNA India* (2011), "Maruti Suzuki crisis: talks between management and workers break down", available at: [www.dnaindia.com/money/report-maruti-suzuki-crisis-talks-between-management-and-workers-break-down-1588896](http://www.dnaindia.com/money/report-maruti-suzuki-crisis-talks-between-management-and-workers-break-down-1588896) (accessed on 22 July 2012).

*Firstpost.Business* (2012), "Maruti unrest live: Manesar plant shut indefinitely, 99 workers arrested", available at: [www.firstpost.com/business/live-marutis-manesar-plant-shut-20-arrested-and-50-detained-382523.html](http://www.firstpost.com/business/live-marutis-manesar-plant-shut-20-arrested-and-50-detained-382523.html) (accessed 29 August 2013).

Hamaguchi, T. (1985), "Prospects for self-reliance and indigenisation in automobile industry: case of Maruti-Suzuki project", *Economic and Political Weekly*, Vol. 20 No. 35, pp. M115-M122.

*Hindustan Times* (2012a), "Maruti back in business, Manesar plant reopens", available at: [www.hindustantimes.com/autos/htauto-topstories/maruti-back-in-business-manesar-plant-reopens/article1-917055.aspx](http://www.hindustantimes.com/autos/htauto-topstories/maruti-back-in-business-manesar-plant-reopens/article1-917055.aspx) (accessed 2 December 2014).

*Hindustan Times* (2012b), "Maruti workers want lakh a month", available at: [www.hindustantimes.com/india-news/newdelhi/maruti-workers-want-lakh-a-month/article1-895806.aspx](http://www.hindustantimes.com/india-news/newdelhi/maruti-workers-want-lakh-a-month/article1-895806.aspx) (accessed 27 November 2014).

*IBN Live* (2011), "Maruti strike ends; 30 workers leave company", available at: [www.youtube.com/watch?v=92VXmQb7XVY#!](http://www.youtube.com/watch?v=92VXmQb7XVY#!) (accessed 12 July 2014).

*IBN Live* (2012), "Maruti to decide on Manesar reopening this week", *IBN Live*, 13 August.

*Mail Online India* (2012), "Manesar violence has state on edge", available at: [www.dailymail.co.uk/indiahome/indianews/article-2177349/Manesar-violence-state-edge.html](http://www.dailymail.co.uk/indiahome/indianews/article-2177349/Manesar-violence-state-edge.html) (accessed 8 September 2013).

NDTV (2011), "Truth vs hype – Maruti- trouble at the plant", available at: [www.ndtv.com/video/player/truth-vs-hype/truth-vs-hype-maruti-trouble-at-the-plant/214402](http://www.ndtv.com/video/player/truth-vs-hype/truth-vs-hype-maruti-trouble-at-the-plant/214402) (accessed 29 August 2013).

NDTV (2013), "Maruti Manesar plant: HR manager was burnt to death, 91 arrested", available at: [www.ndtv.com/article/cheat-sheet/maruti-manesar-plant-hr-manager-was-burnt-to-death-91-arrested-244971](http://www.ndtv.com/article/cheat-sheet/maruti-manesar-plant-hr-manager-was-burnt-to-death-91-arrested-244971) (accessed 24 July 2013).

Reuters (2011), "Maruti Suzuki to stop production on Friday as strike spreads", available at: <http://in.reuters.com/article/2011/09/15/idINIndia-59360520110915> (accessed 22 July 2012).

The Autopsy Report (2012), "Outlook", available at: [www.outlookindia.com/article/The-Autopsy-Report/281775](http://www.outlookindia.com/article/The-Autopsy-Report/281775) (accessed 27 November 2014).

*The Economic Times* (2012a), "Maruti to stay put at Manesar, planning new plant", available at: [http://articles.economictimes.indiatimes.com/2012-07-21/news/32776704\\_1\\_manesar-plant-security-office-and-fire-office-and-fire-safety](http://articles.economictimes.indiatimes.com/2012-07-21/news/32776704_1_manesar-plant-security-office-and-fire-office-and-fire-safety) (accessed 29 August 2013).

*The Economic Times* (2012b), "Maruti Suzuki declares lockout at Manesar factory", available at: [http://articles.economictimes.indiatimes.com/2012-07-22/news/32777528\\_1\\_manesar-plant-rc-bhargava-maruti-suzuki](http://articles.economictimes.indiatimes.com/2012-07-22/news/32777528_1_manesar-plant-rc-bhargava-maruti-suzuki) (accessed 29 August 2013).

*The Economic Times* (2012c), "Four reasons behind Maruti Suzuki's Manesar problems", available at: [http://articles.economictimes.indiatimes.com/2012-07-22/news/32777541\\_1\\_maruti-suzuki-s-manesar-maruti-s-manesar-shinzo-nakanishi](http://articles.economictimes.indiatimes.com/2012-07-22/news/32777541_1_maruti-suzuki-s-manesar-maruti-s-manesar-shinzo-nakanishi) (accessed 2 December 2014).

*The Economic Times* (2012d), "Maruti to resume partial production at Manesar plant next week", available at: [http://articles.economictimes.indiatimes.com/2012-08-14/news/33201378\\_1\\_manesar-plant-president-ram-meher-partial-production](http://articles.economictimes.indiatimes.com/2012-08-14/news/33201378_1_manesar-plant-president-ram-meher-partial-production) (accessed 9 September 2013).

*The Economics Times* (2012), "Maruti Suzuki may sack all workers involved in Manesar violence", available at: [http://articles.economictimes.indiatimes.com/2012-07-31/news/32961874\\_1\\_manesar-plant-awanish-kumar-general-secretary-sarabjeet-singh](http://articles.economictimes.indiatimes.com/2012-07-31/news/32961874_1_manesar-plant-awanish-kumar-general-secretary-sarabjeet-singh) (accessed 8 September 2013).

*The Hindu* (2012a), "Maruti Suzuki sacks 500 workers; to start operations from August 21", available at: [www.thehindu.com/business/companies/maruti-suzuki-sacks-500-workers-to-start-operations-from-aug-21/article3779770.ece](http://www.thehindu.com/business/companies/maruti-suzuki-sacks-500-workers-to-start-operations-from-aug-21/article3779770.ece) (accessed 29 August 2013).

*The Hindu* (2012b), "Message from Manesar", *The Hindu*, 23 July.

*The Hindu* (2012c), "Message from Manesar", *The Hindu*, 23 July.

*The Hindu Business Line* (2012a), "Gurgaon-Manesar belt workers to meet in show of solidarity", *The Hindu Business Line*, 22 July.

*The Hindu Business Line* (2012b), "Maruti Shuts Manesar Plant after clashes; 88 workers arrested", *The Hindu Business Line*, 19 July.

*The Hindu Business Line* (2012c), "Maruti declares lockout at Manesar; Swift Production hit and Gujarat may gain from Maruti's stir in Haryana", *The Hindu Business Line*, 21 July.

*The Hindu Business Line* (2012d), "Haryana CM promises fast track probe into Maruti Incident\_ Appoints KTS Tuli as public prosecutor", *The Hindu Business Line*, 24 July.

*The Hindu Business Line* (2012e), "Maruti Q1 profits skid on weak rupee", *The Hindu Business Line*, 28 July.

*The New Indian Express* (2012a), "Maruti general manager (HR) killed in violence", *The New Indian Express*, 20 July.

*The New Indian Express* (2012b), "Maruti not to quit Manesar but declares indefinite lockout", *The New Indian Express*, 22 July.

*The Sikh Times* (2012), "Violence at Maruti's Manesar plant: bloodlust had taken over, eyewitness says", available at: <http://thesikhetimes.net/index.php/business/5158-violence-at-maruti-s-manesar-plant-bloodlust-had-taken-over,-eyewitness-says> (accessed 2 December 2014).

*The Wall Street Journal* (2012a), "Riot hits big India auto maker", *The Wall Street Journal*, 19 July.

*The Wall Street Journal* (2012b), "Maruti Suzuki to stop using contract workers in direct manufacturing", available at: <http://online.wsj.com/article/SB10000872396390443343704577550231319101386.html> (accessed 29 August 2013).

*The World Street Journal* (2012), "Maruti may raise diesel engine production", available at: <http://online.wsj.com/articles/SB10000872396390444506004577616521122528112> (accessed 2 December 2014).

*Times of India* (2012a), "Maruti's Manesar plant GM(HR) burned to death, 91 workers arrested; government says business confidence intact", available at: <http://timesofindia.indiatimes.com/india/Marutis-Manesar-plant-GMHR-burned-to-death-91-workers-arrested-government-says-business-confidence-intact/articleshow/15045097.cms?referral=PM> (accessed 20 July 2012).

*Times of India* (2012b), "Maruti Suzuki seeks help of astrologer to correct vastu at Manesar plant", available at: [http://articles.timesofindia.indiatimes.com/2012-07-31/india-business/32960464\\_1\\_manesar-plant-maruti-suzuki-vaastu](http://articles.timesofindia.indiatimes.com/2012-07-31/india-business/32960464_1_manesar-plant-maruti-suzuki-vaastu) (accessed 9 September 2013).

*Times of India* (2012c), "Maruti's HR general manager Awanish Kumar Dev dies of suffocation", *Times of India*, 20 July.

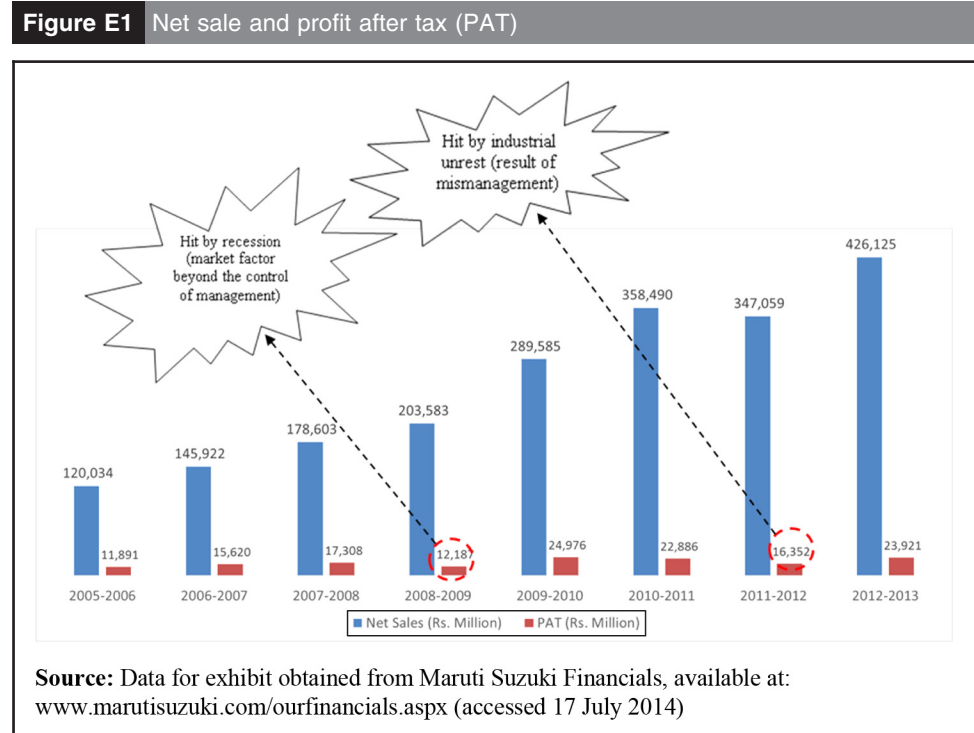
*Times of India* (2012d), "Maruti Suzuki workers brutally hunted company brass", available at: [http://articles.timesofindia.indiatimes.com/2012-07-21/india-business/32776530\\_1\\_manesar-plant-maruti-suzuki-workers-s-y-siddiqui](http://articles.timesofindia.indiatimes.com/2012-07-21/india-business/32776530_1_manesar-plant-maruti-suzuki-workers-s-y-siddiqui) (accessed 8 September 2013).

*Times of India* (2012e), "Lockout at Manesar not to affect dispatch operations: Maruti", *Times of India*, 22 July.

*Times of India* (2012f), "Maruti Suzuki may sack all morning shift workers at Manesar", *Times of India*, 31 July.

*Times of India* (2012g), "Maruti to reopen Manesar plant under security", available at: [http://articles.timesofindia.indiatimes.com/2012-08-14/indiabusiness/33200823\\_1\\_manesar-plant-maruti-s-mansar-maruti-suzuki](http://articles.timesofindia.indiatimes.com/2012-08-14/indiabusiness/33200823_1_manesar-plant-maruti-s-mansar-maruti-suzuki) (accessed 9 September 2013).

## Exhibit 1



## Exhibit 2

**Table EII** Employee engagement practices at MSIL<sup>a</sup>

Activity	Activity details
Divisional Communication Champions and Meetings	A robust communication tool used for two-way communication between top management and employees
Human Resources Initiatives Development Committees (HRIDC)	HRIDC consists of employees picked from various levels. All policies impacting employees are discussed and evaluated by HRIDC before final approval and implementation
Employee counselling, coaching and mentoring	Senior management mentors new employees by providing them with guidance and support. Besides, senior team members help new members adapt to the new work culture
Parivar Milan	To promote a feeling of mutual trust, families of supervisors and technicians are invited to visit the factories and interact with the management
Family Connect Programme	This program aims at familiarizing the spouses of executives with the organization and workplace. Interpersonal communication is promoted through Transactional Analysis and an innovate method of Image Theatre
Inter-divisional cricket, football and badminton tournaments	These tournaments are aimed at helping employees to showcase their talent and preempt any monotony of the everyday routine
Motor sports events	Employees are encouraged to participate in motor sports events of their choice, namely, Maruti Suzuki Desert Storm and Maruti Suzuki Raid-de-Himalaya
Family day function	Family day celebrations are held each year to provide an opportunity to entertain employees and their families
Suggestion Scheme and Quality Circles (QCs)	A structured program that empowers employees to improve their work place and contribute to the company in its improvement activities
360 Degree Feedback	A leadership development tool for feedback, training, job rotation and succession planning. The tool covers top management as well

**Source:** <sup>a</sup>Maruti Suzuki Sustainability Report, available at: [www.marutisuzuki.com/Sustainability/Report/labour-practices-and-decent-work-place.html](http://www.marutisuzuki.com/Sustainability/Report/labour-practices-and-decent-work-place.html) (accessed 22 July 2012)

## Exhibit 3

**Table EIII** Guidelines on manufacturing practices in MSIL<sup>a</sup>

Suzuki's 5-S formula <i>What employees should do to improve shop floor efficiency</i>	Suzuki's 3-G Sutra <i>What employees must consider for problem-solving</i>
Seiri (proper selection)	Genchi (actual place)
Seiton (arrangement)	Genbutsu (actual thing)
Seiso (cleaning)	Genjitsu (actually)
Seiketsu (cleanliness)	
Shitsuke (discipline)	
Suzuki's 3-M Recipe <i>What employees should eliminate on the shop floor</i>	Suzuki's 3-k Mantra <i>How employees must interpret shop floor orders</i>
Muri (inconvenient)	Kimeraareta Koto Ga (what has been decided)
Muda (uselessness)	KihonDori (exactly as per standard)
Mura (unevenness)	Kichin to Mamoru (must be followed)

**Source:** <sup>a</sup>The Autopsy Report, Outlook, dated 6 August 2012

### About the authors

Gopalakrishnan Narayanamurthy is currently pursuing his Fellow (Doctoral) Program in Management in Quantitative Methods and Operations Management (QM & OM) in Indian Institute of Management Kozhikode (IIMK), Kerala, India. He completed his Bachelors in Engineering from Sri Sivasubramania Nadar (SSN) College of Engineering (affiliated to Anna University), Tamil Nadu. His research interests include lean thinking in services, health-care process improvements, services operations management and global supply

chain management. His case studies are published in EEMCS and indexed in Case Centre. His case study titled “*Providing Access to Water in Remote Areas: Trunz Water Systems in India*” also won the Strategy & General Management track award at The Case Centre 40th Anniversary Conference.

Pradeep Kumar Hota is a Research Scholar in Strategic Management at the Indian Institute of Management Kozhikode. He completed his Bachelors in Engineering from National Institute of Science and Technology, Berhampur. Prior to joining IIMK, he has worked for over five years in Information Technology industry. His research interest lies in Social entrepreneurship and small business.

Surya Prakash Pati is an Assistant Professor at the Indian Institute of Management Kozhikode. He completed his Masters of Science from the Sri Sathya Sai Institute of Higher Learning, Prasanthinilayam, and is a Fellow of Indian Institute of Management Lucknow. Prof Pati is actively engaged in researching contemporary HR concepts such as employee engagement and workplace spirituality. He also teaches Human Resource Management and Organizational Behaviour to the Post-Graduate and Executive Post-Graduate students. Surya Prakash Pati is the corresponding author and can be contacted at: [spp@iimk.ac.in](mailto:spp@iimk.ac.in)

Manoranjan Dhal is working with Indian Institute of Management Kozhikode as Assistant Professor in the Organizational Behavior and Human Resource Management group since April 2010. He has completed his PhD from IIT, Kharagpur, and MA in Industrial Relations and Personnel Management (IR&PM) from Berhampur University, Odisha. Prior to joining IIMK, Manoranjan was working as Manager – HR for GE Capital and handled the functions of Employee Relations, Compensation and Benefits Management and Learning and Development. In his career of more than 11 years, Dr Dhal is active in teaching, training, research and consulting. His areas of research include trade unionism, industrial relations, labor laws and competency-based human resource management.