

Cross-culture management - the breakdown of industrial relations at hmsi and hrm ...

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Cross-Culture Management - the Breakdown of Industrial Relations at HMSI and HRM Strategy

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Key Factors that Led to the Breakdown of Industrial Relations at HMSI

There are various basic problems that rooted from the happenings at the shop floor. However, the most important factors that led to the collapse of Industrial Relations at HMSI are as follows:

Retrenchment of Employees

Following the disturbances in the shop floor, a number of employees were retrenched by the management of HMSI. The management could have initiated other measures for resolving the problems but cutting down the number of employees at such a stage ignited the situation and thus Industrial Relations melted.

Violence and Indiscipline

The scenario in the company was as such that everybody went on being undisciplined and grew violent. Be it the top management or the external

parties involved in the issue (police), none were disciplined.

Charter of Demands

Following dissatisfaction from one of the top managers (Vice President of Manufacturing from Japan and a few others), the workers came up with a huge list of demands. This outcome resulted due to the malfunction of both management as well as the workers. The ultimate effect was on the breakdown of the Industrial Relations.

HRM Strategy Used by Management and Factors that Led to its Failure

The company characterized itself to be unique and followed the following HRM strategies before the collapse of company's image (in the broader perspective):

Respect for Individual Workers

The failure of the company stemmed from breakdown of strategic sustenance. The environment in the shop floor was made harsh by the behaviour of the top executives. For instance, the VP from Japan kicked off a worker in his leg, another worker was not allowed to go to the toilet. These instances show the failure of following the HR strategies which was to have respect for each worker stemmed from equality, trust and initiative. The strategy was to avoid partiality on workers but the scenario was formed as such that it violated the norms of this strategy (Saini, " People Management Fiasco in Honda Motorcycles and Scooters India Ltd.").

Three Joys

Among the three joys that the company provided, the most important one was the joy of producing high-quality products. Along with these joys, an extension was made to its mission and that was joy of creating which was to

help workers obtain happiness in their daily work. Somewhere justice was not provided to the workers due to the prevalence of cross-cultural issues (Saini, “ People Management Fiasco in Honda Motorcycles and Scooters India Ltd.”).

Cross-Cultural Issues Critical to the Turnaround of the Company

The following cross-cultural issues are vital for a company that deals in cross-cultural environment. These below mentioned issues have to be realised by the parent organization:

The target company’s (host company’s) policies of compensation have to be reviewed for the purpose of comparing cultural fit and philosophy of the organization.

Education and training to the operating and financial executives are required for making them realise the possible costs and risks.

Planning is required for job descriptions at the company which is targeted. Matching up the pay system in the target company is essential because it affects the organizational culture and success of the firm.

Above all, training to the expatriate sent for handling responsibility in the cross-culture is the most required aspect for a company like HMSI at this stage (Luque, “ Cross-Cultural Management”).

Management of the above cross-cultural issues is essential for a firm’s success but the most important trait of an organizational success is the communication portrayed at the right time in the right form. The communication approach leads to reduction of trade union violence within the companies.

References

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