

Rightsizing or Downsizing - A Story of Dell

Dr. Ruby Sangar²

Dr. Narendra Singh Chaudhary³

Abstract

The case points out the issue of retrenchment followed by a strike in Dell International Services (DIL), Mohali. The case revolves around Mr Amit Malhotra, Senior Human Resource Manager, DIS, Mohali who was allocated a task to execute a retrenchment exercise due to continuous losses to the firm. It showcases the strategy adopted by him to successfully implement the plan keeping the reputation of the firm intact and handling the related issues. The case highlighted his expectations and dilemma while dealing with the issue of retrenchment and got a setback due to the ongoing strike. The case talked about his various experiences in the narrative form. It highlighted the attitude of the employees in uncertain situations and their approaches to dealing with them. It also revealed the hidden worries and tensions of the management while making tough decisions. It also gave food for thought for present and future HR practitioners and academicians to think about the options available to them to deal with such situations considering their repercussions.

Keywords: Culture, retrenchment, attrition, negotiation, industrial dispute, mediation, strike.

Note: The case is based on a real incident, the identities of the individuals are altered to maintain anonymity.

Introduction

One fine day Mr Amit Malhotra, Senior HR Manager, Dell International Services (DIS), Mohali was sitting in his office in a pensive mood after getting a call from his superior Mr. Bharat Bhushan, Head HR Dell India Limited (DIL).

"We have decided to close the Dell International Services (DIS), Mohali Office in a meeting with top management. The decision has been taken unanimously after looking at consistent adverse market conditions resulting in losses in the last three-quarters of DIS, Mohali. Now, the company is left with no other option but to close the operations at DIS, Mohali. Now, it's your job, to execute this decision and handle the entire situation amicably without any harm to our company's reputation. I am sending an email sent by Mr. Keanu Thompson, Chief Human Resources Officer (CHRO), Dell Global."

² Associate Professor, School of Management, Bennett University, Greater Noida
Email: - rubysengar@gmail.com ,

³ Associate Professor, Sparsh Global Business School, Greater Noida
Email: - narendraiet15@gmail.com

'It would be indeed a tough task,' Amit mumbled to himself as he sat on his armchair. He was perplexed and indecisive about how to execute the decision of top management. How to give this news to employees? How to handle the employee's reaction after hearing the announcement? How to handle the separation process?

Personal Computer Industry

The sales of personal computers (PCs) were plummeting. The last two years were very tough for the personal computer industry. The acceptance of smartphones and tablets as a key computing device by customers has led to substantial shrinkage of the market for personal computers. The industry's revenues decreased because of the decline in PC sales, which eventually had an impact on its earnings. It even raises concerns about their ability to remain in the market given that their industry rivals are already fighting for razor-thin margins that are declining quickly. Experts even expect that in the upcoming year, demand in the PC market will continue to decline.

A lot of company mergers broke up, and a small number of them ended in closure as a result of the PC industry's terrible status. Businesses such as Hewlett-Packard (HP) split into two distinct entities in an attempt to revive their faltering businesses. In a similar vein, Sony also became aware that their gains were steadily turning into losses. As a result, after seventeen arduous years in the sector, they decided to leave the PC company. Many PC industry players, including Microsoft, IBM, and others, have realized that, to survive, their business models need to adjust to accommodate changing conditions.

Challenger, Gray & Christmas, Inc., a renowned placement firm did a study on layoffs that have happened in the PC industry over the past two years, and the results were quite shocking ^[1]. Around 59,528 jobs were laid off whereas in the previous year, somewhere 32,136 positions were laid off. It indicates an escalation of 69% in the layoffs for the two years which is vast in number.

Dell: Company Background

At the tender age of nineteen, Mr. Johnson Page, the company's creator, founded Dell under the name PC's Limited with just a few thousand dollars. He had a vision of completely transforming how technology will be designed, produced, and vended. He renamed the corporation to Dell in 1984 while he was a first-year student at the University of Texas, Austin. He purposefully abandoned his dorm at the university in order to advance the business.

Exhibit I. Dell's Culture Code

Customers: We believe our relationships with customers are the ultimate differentiator and the foundation for our success.

Winning together: We believe in and value our people. We perform better, are smarter, and have more fun working as a

Innovation: We believe our ability to innovate and cultivate breakthrough thinking is an engine for growth, success and

Results: We believe in being accountable to an exceptional standard of excellence and performance.

Integrity: We believe integrity must always govern our fierce desire to win.

Source: Text drawn from Dell's Company Website^[2]

In the midst of 1985, he and his team successfully designed and constructed their first computer system which was called a 'Turbo PC.' He brought a revolution in the computer industry by creating a consumer experience that completely sets them apart from their competitors. They came up with the idea of risk-free returns in addition to assistance for the product at home. In the year 1986 at the Spring Comdex trade show, they introduced the market's fastest personal computer. In the United Kingdom, the first subsidiary of Dell came into being internationally in 1987. The company went public in 1988 and changed its name to Dell Computer Corporation and extended its products, over and above, its global presence using the newly attained funds. Slowly and steadily, Dell made it to the top five computer producers globally. In the race to secure the first position, the company targeted the unexploited souk, i.e., the network server. The company started selling online and expanded its global operations in the late 1990s. Finally, the company became the best computer systems producer in the world. Dell speeded up on its long-term progression strategy. The company came into being as an eccentric PC startup and now has turned into a global technology spearhead. The company has continually been following its legacy of a dogged vow to the customer. At present, the company is gearing up to become the world's foremost IT (Information Technology) infrastructure company.

Swot Analysis

Dell, like other companies, has its strengths and weaknesses. As a market leader, it excels in both the public and private sectors, particularly in product customization and direct selling business models^[3]. It has been recognized as a top healthcare service provider for six consecutive years. Dell faces weaknesses in customer services, patent portfolios,

retail locations, etc. Reliance on suppliers and low differentiation also poses challenges. Opportunities lie in expanding services and enterprise solutions businesses, strengthening presence in emerging markets, obtaining more patents through acquisitions, etc. However, Dell is not immune to threats such as growing demand for smartphones, slowing down of the laptop market, intense competition, etc.

History of DIS, Mohali

The government of Punjab and deputy chief minister (CM), Mr Sukhbir Singh Badal, decided to call for a summit that attracts substantial investments for the Punjab state. The summit proved to be a success. It has magnetized exciting ventures from the top honchos of the nation's service and IT (Information Technology) sectors (Indo Asian News Service - IANS). The deputy CM announced an investment of Rs. 6,50,000 million approximately will be made in the state by the summit (IANS) ^[4]. For instance, a critical IT industry, Infosys, declared that they are planning to invest an amount of Rs. 4250 million to come up with their primary centre in Mohali (IANS) ^[5]. Similarly, Dell, the world's second-largest PC maker, with a total valuation of \$4 billion approximately planned to open a centre for international services in Mohali, India ^[6]. Research and development (R&D), IT applications, and sales & manufacturing are a few other businesses of Dell in India which earned Dell revenue of Rs. 18,000 million in the year 2007. Dell's services and support section were taken care of by DIS. DIS has been operating in various countries namely the Philippines, America, India, Canada, and many more. Especially in India, DIS had offices in Noida, Bangalore, Gurgaon, and Hyderabad and employed around 15,000 employees. In 2001, DIS initiated its business in India and was the most significant Dell centre after US Dell centres ^[7].

In 2005, the corporation opened its Mohali centre near Chandigarh ^[8]. The centre's purpose was to provide technical help and customer care to US consumers. The town's young graduates were given significant employment prospects by Dell's Mohali facility. Johnson Page, the CEO of Dell, travelled Mohali to officially open the new facility. With about 1,300 workers, the business was regarded as the strategic branch of the global service delivery network.

The Major fall off: Going Private

After a quarter-century in the stock market, Dell found itself compelled to pursue a buyout due to the rapid decline of the PC market. Faced with this challenge, Mr. Page recognized that transitioning to a private company was the optimal path for securing a promising future for Dell. He kept on convincing his investors to go private to restructure Dell which can take the company away from the downfall. He kept traveling worldwide to reassure the whole world that the company was doing business as usual.

Finally, Dell was acquired entirely by Mr. Page and Silver Lake Partners, one of the leading global technology firms ^[9]. As per the merger contract, the company shareholders received \$13.75 in cash for every share in addition to \$0.13 per share as an

extraordinary cash dividend which made a total of \$13.88 per share in capital. So, the company made a deal of \$25 billion to take itself private.

This buyout was considered one of the biggest of its kind and was extremely risky for Dell during the recession time ^[10]. This buyout decision had further burdened the company with a new debt of \$15 billion which nowhere helped in averting the forces that had remodelled the technology industry and weakened Dell's business. The financial results of Dell for the second quarter of the year were shocking for Dell. The net income fell by 72% whereas the \$14.5 billion revenue was found to be flat year over year.

Dell, Mohali: Scenario

DIL globally was undergoing significant retrenchment and attrition continuously as the company's captive units across India, Philippines, El Salvador, and Canada were incurring losses ^[11]. The leading newspapers highlighted that Dell might restructure its Indian operations (in Bangalore, Hyderabad, Mohali, and Gurgaon) to make it more viable and sustainable. There were rumors that Dell would soon shut down the Mohali centre and exit their captive operations i.e. BPO services. The news rushed the panic waves among the employees at DIS, Mohali. They got worried about their future in the organization augmented with running speculations about the closure of the organization.

On the next day, employees approached Mr Amit to gain clarity and assurance about their future in DIS. Mr. Amit assured his employees that the company values its employees and will always protect their interests in every situation and advised them not to trust any such rumours going in the media. After having an interaction with employees, he got back to his work.

Suddenly, his phone rang, and he picked it up and found that the call was from Mr Bharat Bhushan. He briefed Mr. Amit about the company's decision to close the DIS, Mohali centre, and asked him to initiate the process as early as possible. He also hinted at him to ensure no harm to the company's reputation and handle the entire situation cautiously. Mr. Amit was tensed sitting in his chair trying to digest the news he received from his boss. His mind was baffled surrounded by unknown apprehensions regarding employees' reaction to the story of the closure. How will I communicate this news to everyone? What will be their reactions? How to initiate this task? Mr. Amit left for his home in the late evening after thinking about the various ways to carry out retrenchment activity.

In the next few days, Mr. Amit worked out and strategized the entire plan to be initiated and made necessary arrangements for its smooth execution. Mr. Amit put on notice stating that "The Mohali centre is permanently shutting down with immediate effect and from now onwards entire business of DIS; Mohali would be shifting to other Dell centres in India. This decision is part of our company's global rightsizing efforts. The company would like employees of DIS, Mohali to opt for shifting to other units of the company having suitable job vacancies or separate voluntarily. In an unfortunate event, the

employee not being able to find a suitable job option in another organization nor ready to relocate. The DIS will be constrained to separate such an employee unilaterally. All the employees are supposed to give their choices to the designated officer within two weeks."

The employees after getting news of the shutdown raised slogans against the authorities as most of the employees were working since the inception of DIS, Mohali. One of the team managers says, "It is unexpected that the authorities will take such an extreme step without any prior intimation." Another employee says "We were always ensured that no shutdown of the unit will ever take place despite the existence of the rumors. After a thoughtful discussion with each other, the employees decided to go on strike. The employees stopped working and raised slogans against the management to show their agitation and anger. The strike went on for five days putting the entire organization's work on hold.

Mr Amit was aware of the expected reactions of the employees. He had made all prior arrangements, essential to safeguard and protect the company premises. The government took note of the situation and appointed a mediating officer, Mr. Surinder Batra to take charge of the case and resolve the issues as early as possible. Mr. Surinder met Mr. Amit and representatives of the employees to resolve the matter amicably to show his willingness to mediate the issue. Amongst, all the chaos and confusion Mr. Amit and representatives of employees decide to fix up a meeting mediated by Mr. Surinder to resolve the matter put an end to the strike and restore peace. The meeting went on for a few hours under maximum pressure and a state of ambiguity involving negotiations between both parties. Finally, both parties reached a consensus and decided to resolve the matter amicably.

Mr. Amit made concluding remarks to striking employees saying, *"We value our employees and would like to continue your employment with the company. However, if you choose otherwise, we will respect your decision and offer a golden handshake to all of you. We care about you and understand your concerns. You all have to give your choices in two weeks to wind up the entire process in a stipulated period. Even we will be there to help people in getting relocated and getting new jobs."*

Mr. Amit was rolling in his armchair after the meeting and was feeling comfortable with a sigh of relief that he was able to manage the task assigned to him by the management. He said to him, "It was indeed difficult for me to implement the decision of closure of DIS, Mohali. I deliberately offered the employees to either opt for a 'relocation policy' or 'quit.' It was a terrible situation to deal with, but in the end, I made it and came out brave. As rightly, said fortune favours the brave.

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TEACHING NOTE

Teaching Objectives

The primary teaching objective of this case is to explore how organizations can address the issues of retrenchment or right size in their organizations. The organizations must understand that the kind of impact retrenchment activities has on the employees and the entire organization. The organization needs to understand the insecurities of the employees and deal with them humanely. The case also highlighted the causes of strikes and the role played by employers and employees in resolving industrial disputes. It gives food for thought to HR practitioners and academicians to think out ways to address industrial conflicts amicably in this era of the dynamic business environment.

Target Audience

The case covers a wide array of topics within Organizational Behaviour, Human Resource Management, and Industrial Relations, aiming to stimulate students' logical and analytical thinking. It's designed to prompt students to critically assess and apply the concepts they've learned in a real-world context. This case is versatile, catering to students at different levels of management education, from undergraduates to postgraduates, and even executives in organizations. By immersing themselves in the case, students not only deepen their understanding of theoretical concepts but also sharpen their problem-solving skills. They're encouraged to grapple with the complexities of organizational challenges, fostering a deeper connection between theory and practice. Ultimately, this case serves as a bridge between classroom learning and real-world application, empowering students to navigate the complexities of organizational dynamics with insight and empathy.

Number of teaching sessions needed

(Class Plan for 2 hours class)

1. 0-10 Introduction and sharing of previous experiences.
2. 10-30 Listing out options and rationale.
3. 30-50 Basic issues in the case
4. 50-80 Decision
5. 80-100 Action Plan
6. 100-120 Wrap up.

Analysis

The case lends itself well to analysis through discussions centered around fundamental concepts. It is suitable for various assessment formats such as written assessments, oral presentations, and group discussions, which can be enhanced with role-playing exercises. Students should commence their analysis by identifying and exploring the underlying reasons prompting the need for rightsizing activities. They should outline the significance of this organizational action and its impacts on both the organization and its employees, considering the dynamic nature of the business environment. Additionally, students should delve into the psychological factors influencing employee behaviour, including concepts of motivation, cognitive decision-making theories, perception, and the inherent dilemmas faced by individuals amidst insecurities and changing business scenarios. They should strive to analyze alternative solutions that management could have employed to address the issues at hand. This approach encourages students to critically engage with the case while integrating theoretical concepts with practical implications, fostering a holistic understanding of organizational dynamics.

Question for Discussions

1. Do you agree with the decision of the management to close the captive unit of Mohali keeping in mind the state of IT industry?

The instructor can help students can analyse the question from various perspectives that how changes in the external business environment can impact the functioning of the organizations. They can talk about the behavioural aspects of the employees and managers and evaluate the differences in their viewpoints. The instructors can ask students to discuss with the help of examples to gain a better understanding and assess whether the firm's decision to close the unit was right to move or if some other options could have been explored. The decision to close the captive unit of Mohali, considering the state of the IT industry, aligns with several organizational behaviour (OB) and human resources (HR) theories, particularly those related to strategic management, organizational change, and downsizing. The PC industry has been undergoing significant disruption due to declining sales and technological shifts, which have posed challenges to companies like Dell. The decision to close the Mohali center reflects a strategic response to these challenges, aimed at streamlining operations and mitigating losses amidst adverse market conditions.

From an OB perspective, the decision to close the Mohali center can be analyzed through the lens of organizational change theories. According to Kurt Lewin's three-stage model of change, organizations typically go through unfreezing, change, and refreezing stages during the change process. In this case, the recognition of adverse market conditions and the need for restructuring represent the unfreezing stage. The decision to close the Mohali center and shift operations aligns with the change stage, where organizational structures and processes are realigned to adapt to external pressures. Finally, efforts to

stabilize the organization post-change, such as offering relocation options or voluntary separation, represent the refreezing stage.

Furthermore, the decision to close the Mohali center underscores the importance of strategic human resource management (SHRM) in aligning HR practices with organizational goals. As part of the strategic decision-making process, HR managers must assess the impact of organizational changes on employees and devise appropriate strategies to manage transitions effectively. This includes communicating the rationale behind the decision, offering support and assistance to affected employees, and mitigating potential negative consequences on morale and productivity.

Moreover, the closure of the Mohali center highlights the role of HR in managing downsizing processes ethically and responsibly. According to research on downsizing, organizations that handle layoffs transparently and provide support to affected employees are more likely to maintain employee morale and minimize negative outcomes such as reduced productivity and increased turnover. By offering relocation options and voluntary separation packages, Dell demonstrates a commitment to treating its employees with dignity and respect during the downsizing process.

In conclusion, the decision to close the Mohali center aligns with strategic management principles and reflects a proactive response to the challenges facing the PC industry. From an OB and HR perspective, the decision underscores the importance of effective change management, strategic HRM, and ethical downsizing practices in navigating organizational transitions successfully.

2. Discuss the approach you might have adopted if you were Mr. Amit Malhotra?

The instructor should discuss here the kind of challenges, and decision-making issues managers may face in the organizations. He can initiate by asking their viewpoint by empathizing with the character in the case study. He can make them understand how terrible decision-making is and how managerial decisions are taken and executed along with its aftereffects. As Mr. Amit Malhotra, the Sr. HR Manager tasked with executing the closure of the Mohali center, adopting a proactive and empathetic approach is essential to managing the situation effectively. Drawing on organizational behaviour (OB) and human resources (HR) theories, the approach should prioritize clear communication, employee engagement, and conflict resolution.

Firstly, effective communication is critical in managing organizational change. Using Kotter's eight-step model of change, Mr. Amit should begin by creating a sense of urgency and communicating the rationale behind the decision to close the Mohali center. By providing transparency and clarity about the reasons for the closure, Mr. Amit can help employees understand the need for the change and alleviate uncertainty and anxiety.

Secondly, conflict resolution techniques are crucial in addressing the concerns and grievances of employees affected by the closure. Leveraging principles from negotiation

and mediation theories, Mr. Amit should facilitate open dialogue and constructive problem-solving between management and employees. By acknowledging employee concerns, actively listening to their perspectives, and collaborating to find mutually acceptable solutions, Mr. Amit can mitigate tensions and build trust between stakeholders.

Furthermore, Mr. Amit should prioritize employee support and assistance throughout the transition process. Utilizing Maslow's hierarchy of needs theory, Mr. Amit should ensure that employees' basic needs for security and belonging are met by offering practical assistance, such as career counselling, job placement services, and financial support. By demonstrating empathy and compassion for employees facing job loss, Mr. Amit can help mitigate the negative impact of the closure on morale and well-being.

In end, as Mr. Amit Malhotra, adopting a proactive and empathetic approach grounded in OB and HR theories is essential in effectively managing the closure of the Mohali center. By prioritizing clear communication, employee engagement, conflict resolution, and support, Mr. Amit can navigate the organizational transition with empathy and integrity.

3.Evaluate the decision taken by employees to go on strike was justified in your view to depict their aggression and disagreement with the management decision.

The instructor can ask the students to share their viewpoints and weigh its pros and cons in the light of interest of the employees. He can make students discuss the human insecurities and their retaliation in the light of consequences and uncertainty. The instructor should make them understand that the kind of role human sentiments plays and measures taken by them to justify/rationalize their acts. The decision of employees to go on strike in response to the closure of the Mohali center raises important questions about the effectiveness and justification of collective action in expressing grievances and influencing organizational decisions. Analyzing the strike through the lens of organizational behaviour (OB) and industrial relations theories provides insights into the dynamics of employee protests and their impact on organizational outcomes.

Firstly, the strike can be evaluated in terms of its alignment with theories of employee voice and participation. According to the voice theory, employees have a legitimate interest in influencing decisions that affect their work lives and well-being. Strikes and other forms of collective action can serve as mechanisms for employees to express dissatisfaction with management decisions and demand changes to policies or practices perceived as unfair or detrimental. From this perspective, the strike at the Mohali center can be seen as a justified response to the perceived injustice of the closure decision and its implications for employees' livelihoods.

Secondly, the strike highlights the role of power dynamics in labor relations and organizational conflicts. Drawing on social exchange theory, the strike can be viewed as

a manifestation of the imbalance of power between management and employees. When employees feel disempowered or marginalized in decision-making processes, they may resort to collective action as a means of exerting leverage and bargaining for their interests. In this case, the strike can be interpreted as a strategic move by employees to challenge management's authority and negotiate for better outcomes, such as enhanced severance packages or job relocation assistance.

Furthermore, the strike underscores the importance of effective communication and conflict resolution strategies in managing labor disputes. According to conflict resolution theories, strikes and other forms of industrial action can create tensions and disrupt organizational functioning, but they can also serve as catalysts for constructive dialogue and negotiation. By appointing a mediating officer and facilitating discussions between management and employees, the organization can create opportunities for reconciliation and resolution. In this context, the intervention of Mr. Surinder Batra and the subsequent negotiation process represent proactive steps towards finding a mutually acceptable solution to the dispute.

In finish, the evaluation of the employee strike at the Mohali center highlights the complex interplay of power dynamics, communication strategies, and conflict resolution mechanisms in organizational conflicts. While strikes can disrupt operations and pose challenges for management, they also provide a platform for employees to voice their concerns and advocate for their interests. By understanding the underlying dynamics of labour relations and employing effective engagement and negotiation strategies, organizations can navigate labour disputes and promote positive outcomes for all stakeholders.

4. Critically appraise the role of industrial players in this case and their approach to resolve the dispute.

The instructor can start the deliberations with the role assigned to all the players and difference in their approach to protecting their interests over any other thing. And motivate the students to share their viewpoints regarding the stance of involved parties to look at the issue and perceptual variations towards a common problem. The role of industrial players, including government authorities, HR managers, and mediators, in resolving disputes and facilitating organizational transitions is crucial in ensuring fair and equitable outcomes for all stakeholders. Analyzing their involvement in the closure of the Mohali center through the lens of organizational behaviour (OB) and industrial relations theories sheds light on their contributions to conflict resolution and dispute management.

Firstly, the appointment of a mediating officer, Mr. Surinder Batra, by the government reflects a proactive approach to conflict resolution and dispute management. According to negotiation and mediation theories, third-party mediators play a critical role in facilitating communication, fostering trust, and finding mutually acceptable solutions to conflicts. By providing a neutral forum for dialogue and negotiation, Mr. Batra helped to

de-escalate tensions and promote constructive engagement between management and employees.

Secondly, HR managers, such as Mr. Amit Malhotra, play a vital role in managing organizational transitions and mitigating the impact of change on employees. Drawing on HRM theories, HR managers are responsible for developing and implementing strategies to support employees through periods of uncertainty and upheaval. In this case, Mr. Malhotra's proactive approach to communication, employee engagement, and conflict resolution helped to alleviate concerns and build trust among employees.

Furthermore, the involvement of government authorities and industrial players reflects a recognition of the broader social and economic implications of organizational decisions. According to stakeholder theory, organizations are accountable to a wide range of stakeholders, including employees, communities, and government agencies. By engaging with stakeholders and seeking to resolve conflicts amicably, organizations can uphold their social responsibility and maintain their reputation and legitimacy.

In conclusion, the role of industrial players in the closure of the Mohali center illustrates the importance of collaboration, communication, and conflict resolution in managing organizational transitions. By leveraging their expertise and resources, government authorities, HR managers, and mediators can facilitate constructive dialogue, mitigate tensions, and promote positive outcomes for all stakeholders involved.

Teaching strategy

1. **Introduction and Discussion Starter:** The instructor initiates a class discussion by asking students if they have encountered issues of retrenchment and rightsizing in any organization. This exercise aims to familiarize students with HR practices like retrenchment, rightsizing, and downsizing, setting the stage for a deeper exploration of these concepts within the context of the case. By encouraging students to share their experiences or knowledge, the instructor creates a collaborative learning environment where students can draw on real-world examples to enhance their understanding.
2. **Experience Sharing and Questioning:** Students share their views on the topic, providing diverse perspectives based on their own encounters or observations of organizational practices. The instructor then guides the discussion by posing follow-up questions, such as asking students to reflect on the impact of retrenchment on employees or the factors that organizations consider when implementing rightsizing strategies. This interactive exchange of ideas encourages critical thinking and allows students to consider the complexities involved in managing organizational change.
3. **Exploring Alternatives and Debate:** After hearing from students, the instructor prompts further exploration by asking, "As Amit, what are their choices?" Students brainstorm potential alternatives, which the instructor categorizes into different

approaches, such as offering relocation options, providing voluntary separation packages, or implementing workforce restructuring measures. The class engages in a structured debate, with students advocating for their preferred alternatives and defending their reasoning based on HR theories or organizational behavior principles.

4. **Formulating Action Plan:** With a range of alternatives identified, the instructor selects one possibility and asks students to devise a detailed action plan for implementation. Students work collaboratively to outline the steps involved, considering factors such as communication strategies, employee support mechanisms, and potential challenges or resistance. By simulating the decision-making process faced by HR managers like Amit, students gain practical insights into the complexities of managing organizational change.
5. **Discussion of Consequences and Learning Points:** Following the formulation of action plans, the class discusses the potential consequences of each approach and evaluates the associated risks and benefits. The instructor encourages students to reflect on the broader implications for organizational culture, employee morale, and long-term sustainability. By drawing connections to relevant OB and HR theories, students deepen their understanding of how theoretical concepts apply in real-world scenarios and develop critical analysis skills.
6. **Wrap-Up and Reflection:** The class concludes with a summary of key learning points, reinforcing the significance of effective HR practices in navigating organizational transitions. The instructor encourages students to reflect on their insights from the case discussion and consider how they can apply these principles in their future careers. By linking theory to practice, the teaching strategy empowers students to become strategic and empathetic leaders capable of managing complex organizational challenges.

This comprehensive teaching strategy facilitates active engagement, critical thinking, and practical application of theoretical concepts, enabling students to develop a deeper understanding of HR practices and organizational dynamics.

Background reading

In this teaching strategy, students are encouraged to have a solid grasp of concepts such as retrenchment, rightsizing, and downsizing before delving into the case study discussion. They are prompted to share their insights and experiences related to these concepts, setting the stage for a comprehensive exploration of the issues at hand. Once the foundational understanding is established, students collaborate to analyze the implications of managerial decisions, particularly the closure of the Mohali center, on both employees and the organization. Through critical examination, they assess the ethical, social, and economic dimensions of such decisions, fostering a deeper understanding of organizational dynamics. Subsequently, students engage in a detailed discussion on factors contributing to industrial disputes and the effectiveness of various

conflict resolution mechanisms. Drawing on theories of conflict management and labor relations, they explore the relevance of negotiation, mediation, and arbitration in resolving contemporary workplace conflicts. Finally, students apply their understanding to the case study, proposing alternative strategies and evaluating their potential impact on stakeholders. Through reflection and integration, students synthesize key insights and consider the broader implications for organizational strategy and HR management practices. Supplementary readings and resources are recommended to further enhance students' understanding of the topics discussed, enabling them to develop a holistic perspective on organizational change and conflict resolution.

Experience of using the case

The case study was brought into the classrooms of Organization Behaviour, Industrial Relations, and Human Resource Management, where students, both at the graduate and undergraduate levels, immersed themselves in its complexities. As they navigated through the scenario, they uncovered a multitude of concerns resonating within the organization: a palpable lack of open communication and trust, a pervasive sense of demotivation among employees, simmering anger fuelled by perceived injustices, deep-rooted job insecurity, and an overarching fear of what the uncertain future held. Amid these challenges, students didn't just passively absorb the information; they actively engaged, discussing, debating, and deliberating. With passion and enthusiasm, they brainstormed various potential solutions, each bringing their unique perspectives and experiences to the table. In the heat of debates, students passionately defended their viewpoints, dissecting the actions of both management and employees with a critical eye. They didn't just analyze from an academic standpoint; they injected empathy and understanding, grappling with the human side of organizational dynamics. Through this process, they didn't just learn about theories and concepts; they learned about people, relationships, and the intricacies of organizational life, preparing themselves for the challenges they'll undoubtedly face in their future careers.