

## **Industrial Unrest to Rest of the Kolhapur Steel Ltd.**

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**Introduction:-**If there is one issue on which managers spend sleepless nights, it is competitions, the surest way of facing the completion are to improve productivity. Productivity itself can best be improved through industrial Relations. Industrial Relations (IR) has traditionally been a fire fighting function in our country. The IR man comes into full play only after the crisis explodes. Thus the scenario relating to IR is a mixed one. Sparks between enlightened managers and motivated work-force co-exist with large –scale violence leading to destruction and closures.

**Keywords:** Industrial Relation is concerned with re relationship between management and workers and the role of regulatory mechanism in resolving any industrial dispute.

### **Introduction to the Organization**

**THE KOLHAPUR STEEL LIMITED** is well known for manufacturing steel castings for industries such as Energy, Power sector, Engineering, Mining, Marine, Pump & Valve and Sugar sector. The Company is having the capacity to manufacture 14 ton single piece casting with the help of two induction furnaces of 5 ton each capacity and two arc furnaces of 5 ton each capacity. The Company is known for catering special critical castings to the Mining and power sectors which require ultrasonic and x-ray quality castings. The Company manufactures alloy castings, stainless steel and super duplex steel castings. It has approval, for ISO 9001:2008, and castings made under Lloyd's Register of Shipping, Indian Register of Shipping, and Indian Boiler Regulations – IBR. During the financial year 2006-07, Company had accumulated losses of around Rs.16.00 cores, and the Company was declared a sick unit by BIFR. In the year 2007, because of financial crisis, the change in Management took place and the company was taken over by ' **M/s KIRLOSKAR BROTHERS LTD.**' and the SAGA of revival started in Nov.2007. The company could achieve a 'complete Turn-around' within six months, since the take over by new KBL management, and in the year 2008-09 the Company made operating profit of Rs.2.60 cores with turn over of Rs.32.00 cores. In the first seven months of 2009-10, the

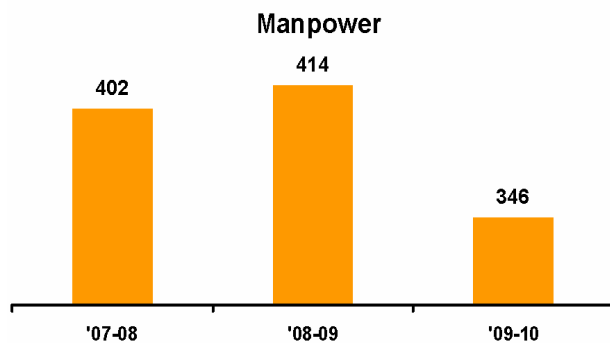
operating profit amounted to Rs.3.3 cores. Today after two years, Company is coming out of BIFR and is on a steady and sound footing of sustainable growth and increased profitability. This success story leads to increase in the profit of the company to ` 3.30 cores in the year 2010-2011. Before KBL Management there was uncertainty of monthly payments of employees and the company's overall prospect. But after taken over by the KBL, employees assure the prosperity, growth and steady development of company as well as self.

**Human Resource Initiatives:-**Emphasis was made on developing ethical and morale discipline in the whole system by giving strong message that progress is possible, only with consistent performance and work discipline. The management assured that there shall be positive measures taken by management on their training and welfare and at the same time, whole team including workers' union was briefed of the tough challenges ahead and how the company would like to see through times and create success story for everyone. This required our HR department to play a key role in transforming their mind set to efficient, lean and productive team contributing to quality and timely delivery and changed approach to the production challenges. Classroom sessions, were an on going process, to train their minds and work ethics so as to :

- To boost up morale of the workmen- TKSL management has signed a wage settlement with recognized trade union of workers viz. Mechanical and Engineering Kamgar Union, Kolhapur by giving substantial increase in pay and perks. with average rise of ` 3000/- + other perquisites for span of three years from 2008 to 2010.
- Training of workmen and employees was systematically planned to boost up their morale, responsibilities and technical knowledge.
- Management has not only trained to their workmen/staff but go beyond and given training to the spouses of workmen.
- Proper discipline maintained to obtain higher productivity.
- Optimum manpower utilization with the available skilled labor.
- Production bonus introduced to motivate the employees towards better productivity and company success.
- In health, safety and welfare point of view management provides pure

drinking water by installation of RO plant

- ½ Liter milk for every employee who physically present on his duty for better health.
- Personal protective equipments (PPE) to employees to avoid the accidents and to achieve 0 % accident target.
- Keeping safety in view mgt given qualitative In the year 2009 the old shade asbestos sheets were totally replaced with new PPGI sheets, which lead to the natural light in the shop floor and better ventilation.
- Various CSR activities are initiated to boost up the morale of the workmen who hail from the surrounding villages.



### **Industrial Relations:**

#### **Earlier Relations:**

Earlier the Company was facing number of IR problems which leads to the consistent loss of company for last number of years. IR has moral dimensions, too. It is unethical on the part of any management to take advantage of the helpless of workers and exploit them. Unemployment compels workers – particularly illiterate and unskilled-to accept job, inhuman working conditions and niggardly wages.

**Start of Industrial Unrest: First Incident in year 2010:**In the year 2010, as per the wage settlement and part of welfare activity management providing ½ liter milk to all workers. All workers are drinking this milk in the company and some are taking out from the company. While checking at the gate few

workers were caught at the gate while carrying the milk out side the factory. Same practice objected two of our office bearers and use abused and threatening language to the security guard viz Mr.Dixit. The same incident reported by security guard to the management, accordingly management given charge sheet to these office bearers and started suspend pending enquiry. Management has appointed Enquiry Officer and Management Representative to carry out this enquiry proceeding. However, while we started suspend pending enquiry, we have couldn't take any interim injunction from the court against the mal practices from the workers and their union. The recognized union takes this advantage and hoisted the red flag on the compound wall of the company. Union and its representatives were started to give slogan against the company official. Meanwhile, management has started the enquiry proceeding and submitted the proper evidence to prove the charges. After two months union leaders taken step towards the settlement this issue and request the management to take back the charge against their two leaders. After written request of union and charge sheeted employee management has reinstatement the two suspended employee with minor action of one day suspension without pay and gave chance for improve the industrial relations also the workers management relations.

**Second Incident in year 2012:**In connection with earlier incident, the officer bearers plan to wedge Mr.Dixit, i.e. on 24<sup>th</sup> January 2012 the security guard viz. Shri Prakash M.Dixit and Suresh B.Kadam were working at security gate no.1 of the Company. On the said date at about 8.40 a.m. Mr.Mahesh B.Ingale-office bearer of recognized union came at the said security gate no.1 and demanded the key of the Doctor Room to Mr.Dixit. after demand of key by the Mr.Ingale the security guard Mr.Dixit asked Mr.Ingale “Why does he wants the key of the Doctor Room? At that time Mr.Ingale replied that he wants to sleep in the said room. Therefore, Mr.Dixit refused to give the key of the said room. Thereafter, Mr.Ingale told the security guard that the employee of the company has sustained injury therefore, he wants the key. Thereafter, security guard said to Mr.Ingale that, why he did not tell the said fact earlier and he said that he would do the dressing of the said employee. On this Mr.Ingale used the threatened language and said that, “I will see what is to be done”. Thereafter, Mr.Ingale and others instigated the workers in the first shift to stop the work and gathered them out side the fettling department. Therefore, Mr.Pose, Divisional Manager-HRM went at the place where the said workers were gathered. At the time Mr.Ingale and Mr.Kambre complained about security guard Mr.Dixit and told Mr.Pose Div.Manager-HRM to remove Mr.Dixit from the said place. Mr.Pose told that, the enquiry will be made in the matter and thereafter, Management will take the

decision and the action would be taken against Mr.Dixit if he found guilty. Mr.Pose, Div.Manager-HRM also appealed the workers to resume on the duty and also requested to stop the illegal stoppage of work. In spite of this Mr.Ingale and Mr.Kambre instigated the workers of the company to commence the illegal stoppage of work. With said two office bearer all other workers sit and joined the illegal strike whole day in all shift.

**Deliberate Strategy:** After such occurrence, Management plans deliberate strategy. Therefore, the Management filed a case in the Hon'ble Industrial Court, Kolhapur contending inter alia the unfair labour practices committed by the accused as well as other respondents under interim 1,2(a), 2(b),5 and 6 of schedule III of the MRTU & PULP Act, 1971 and also filed interim application under S.30 (2) of the said Act. This said ex-parte order was extended by the Hon'ble Industrial Court from time to time. After the said ex-parte order the Complaint Company immediately on 27.01.2012 published the notice on the Notice Board of the Company intimating the order passed by the Hon'ble Industrial Court below Ex.C-2 and also displayed the copy of the order as well as free translation of the said order in Marathi. Company also targeted to two workers who instigated the workers for stoppage of work and go on illegal strike on 24.01.2012. Immediately management has given charge sheet dated 27.01.2012 with suspension pending enquiry to two workers Mr.Ingale and Mr.Kambre is containing charge for instigating the workers for illegal stoppage of work. Thereafter, the Hon'ble Industrial Court heard the interim relief application on merits and was pleased to allow the same on 27.02.2012.

**ORDER:**

# The Respondent, their Office Bearers, activists and person on their behalf and any third person and Union on their behalf have been restrained by this interim injunction from holding demonstration or assembling together within 300 meters from Company premises or in the factory premises or register office of the Company or residence of the Chairman/Managing Director and other officers of the Company.

# Also restrain from threatening and obstructing the workers/ employees and officers of the Company as well as the Contractor's Labours, who intent to join their regular duties at office or Factory premises.

# The Respondents are also restrained from launching Gherao or wrongful restrain of the officers, staff and Directors of the Company and to give slogans.

# They are also restrained from coercive actions such as willful go slow. They are restrained from hoisting the flags of the on the Compound wall or within the vicinity of the Company or within the 100 meters from the compound wall of the Complainant Company.

Therefore, it is pertinent to note that the respondents in the said case as well as the accused persons herein as well as the workers of the complainant company were and are aware of the ex-parte interim order as well as final interim order passed on merits by the Hon'ble Industrial Court. In spite of this factual position, on 06.03.2012 accused and other workers forcibly stopped the workers and gathered the mob of workers and gave slogans against the Company and also held meeting. In meeting they decided how to hoist the red flags on the compound wall of the Company. Again on 07.03.2012 accused persons distributing the batches and the chit mentioning the matter against the Company Officers at security gate no.1. The same incidence immediately informed to the MIDC police station requesting them to come over the Factory premises to maintain law and order. Upon instigation of the accused persons, the workers of the Complainant Company put the batches mentioning the matter against the officers of the company upon the Company given uniforms and also put the black ribbon. The complainant Company also displayed the notices on the Notice Board of the Company on 07.03.2012 appealing the all workers of the Company not to engage in the act of assembling near the Compound wall of Company and obey the order passed by the Industrial Court and also not to put the black ribbon and the batch upon the dress given by the company. Thus, in spite of the knowledge of the order passed by the Hon'ble Industrial Court, Kolhapur below the interim application in complaint the accused persons intentionally and deliberately disobeyed the order and committed the Contempt of the interim order of the Hon'ble Industrial Court. The accused persons are aware of the interim order. From the aforesaid circumstances and facts it is crystal clear that the accused persons have intentionally and deliberately committed the contempt of the order of the Hon'ble Court. Therefore, the accused persons are liable for the punishment. Considering the conduct and attitude of the accused person it is necessary to deal with them with iron hands.

Hence, considering above facts the Management lodged the complaint U/S 48 (1) IV of the MRTU and PULP Act, 1971 for failure to obey the order passed below Ex. C-2 in complaint (ULP) No.34/2012 on 27.02.2012 by the Hon'ble Industrial Court, Kolhapur. In line with the first chargesheet dated 27.01.2012 for instigation the workers for illegal stoppage of work and go for illegal strike. Management has given second charge sheet on 25.03.2012

contains for committed the Contempt of the interim order of the Hon'ble Industrial Court. The accused persons Mr.Kambre and Mr. Ingale are aware of the interim order passed by Hon'ble Industrial Court on 27.02.2012. Therefore, the accused workers are liable for punishment. Hence by giving second chargsheet management started two enquiries containing difference charges. After left of six months of enquiries proceeding Management has given necessary evidence like CCTV recording, photos and oral evidence of four Management employees. By and large Management is now on good command to control this both enquiries. Successfully maintains the law and order in the company and promoted for peaceful Industrial Relations in between Company Management and Employees.

**Conclusion:-**In short above key measures helped us in maintain law and order in the organization.

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