

# Offensive Outburst of Restrained Worker Discontent: A Case of Indian Industrial Relations

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Received: 1 July 2012 / Accepted: 4 December 2012

**Abstract** The purpose of this case study is to discuss the issues and challenges pertaining to industrial safety. The case study begins with the shocking incident of the brutal killing of top-executive of the company by agitated workers. In spite of having conducive environment for business, Italian subsidiary Robusto Muro Ltd had to confront industrial Relations issues at an incredible and unprecedented level. Management perspective, workers viewpoint, competitors approach and diplomatic comments by political bigwigs have also been incorporated so that the students may have 3-dimensional understanding of the scenario. The case of such genre will facilitate the students to comprehend and discuss the employee-employer relationship and industrial safety, in particular and industrial relations and IR machinery, in general.

**Keywords** Economy • Industrial Relations • Industrial Safety • IR Machinery • MNC

## A Vindictive Incident Sending Shock Waves All Across The Business Sorority

The day can never be wiped out from our memory. Ominously, it was a day marked with misled aggression and full of distress. We still remember the brutal day as it had left a permanent blot of caution, concern and insecurity towards precious human lives. One year back, the author carried out a social project on Indian industrial safety initiated and funded by United Nations Development Programme (UNDP); encompassing primary data collection

for the same with regard to foreign companies in India. Thus, as a researcher the author had been to Indian subsidiary of Italian auto components manufacturer Robusto Muro India Ltd located in Pune, India. While trying to assess the industrial safety policies and measures of the company, the author happened to meet Vipin Chaddha, Deputy Manager (DM) with Robusto Muro India Ltd, based in the industrial belt of Pimpri-Chinchwad in Pune, India. As part of collecting relevant information, an interview with Vipin Chaddha was conducted. Apart from him, several other employees and managers were also contacted so as to understand the issues and shortcomings pertaining to industrial safety.

According to Chaddha, it was a heart-wrenching incident where one is forced to plead and pray to Almighty God to ward off anything that goes against one's survival. Such was the brutal scenario that Vipin Chaddha recalls and says, "I can never forget such an incident for rest of my life".

Moreover, he was seeming so disturbed to recollect the nerve-racking incident spurred by workers that culminated into the brutal killing of Piyush Khanwelkar, MD of Rs.430 crores Indian subsidiary of Italian company- Robusto Muro Limited located in the industrial belt of Pimpri-Chinchwad in Pune, India. Piyush Khanwelkar, 56, who served as MD for 3 years, was brutally murdered in the broad daylight of noon by agitating workers. These workers of more than 170 numbers were demanding to take back 27 dismissed workers by the management of the plant. These 27 dismissed workers were given show cause notice but they did not bother to respond in time, thus, contravening the management. As a matter of disciplinary action, the management dismissed all 27 workers. Vipin Chaddha narrated that the MD was killed by none other than his own workers under the impression of accusing him responsible for the suspension of workers. Subrahmanya, R. K. A. (1995) states that such

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an incident had sent shock waves among businesses all across India.

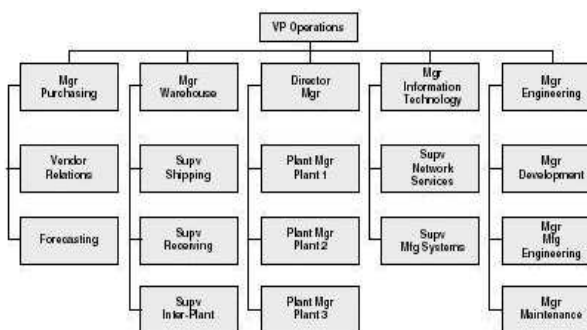
Needless to say, MNCs too got beckoned for their insecure business existence in the local environment of the world's fastest emerging economy, other than China. Budhwar (2003) proclaimed that an incident of such high degree of violence on the part of workers would alarm the overseas companies wanting to establish their units or subsidiaries. This insane brutality coupled with regulatory apathy may even compel them to dither from considering emerging economies as the best option for the expansion and diversification of their businesses.

### About The Company

Robusto Muro India Ltd is a multi-national company having its international branches all across the globe. It is one of the best, world renowned leading company in the field of vacuum propulsion, precision technology, solar and thin film. According to Edwards, Paul (1995), the company boasts of using these competencies to develop production systems, activities and components for the purpose of high-technology products. The company primarily involves in the manufacturing of thin-film, silicon solar modules, systems

for producing vacuums, equipment for textile products etc (Venkata Ratnam 2006).

The organizational structure of the plant of Robusto Muro India Ltd, Pune, India has been given below:



**Fig. 1** Organizational Structure at Plant, Robusto Muro India Ltd. Pune, India

### A Chronological Saga of The Entire Episode of Agitation by Workers

**Table 1** Saga of Entire Episode of Agitation by Workers (ascending order)

Date/Month/Year	Development of Incidences
11 <sup>th</sup> May, 2010(d)	Brutal killing of Piyush Khanwelkar, MD Robusto Muro India Ltd
11 <sup>th</sup> May, 2010(c)	Some 55 employees of the company were injured and many were admitted at the Ambedkar Hospital in Pune.
11 <sup>th</sup> May, 2010(b)	Intruders; who were outsiders and were not related to the company in any way, taking the support of dismissed former employees, attacked management and workshop staff, destroyed offices and forced regular employees at work to flee the factory.
11 <sup>th</sup> May, 2010(a)	Regular employees ceased work. They got mingled with dismissed former employees and forcibly entered the Robusto Muro plant on Wednesday ie; 11th May, 2010.
February, 2010(c)	Soon after this incident, Italian Ambassador wrote to the Chief Secretary of the state in February, 2010 informing him of the seriousness of the labour situation in the plant
February, 2010(b)	Dismissal of former employees for illegal action
February, 2010(a)	Using the flimsy excuse of an altercation with a bus contractor outside the plant, workers jumped over the boundary walls and ransacked and damaged company property.
15 <sup>th</sup> November, 2009	Management claimed that it negotiated an agreement with the workers' representatives, which was also signed by All India Trade Union Congress (AITUC)
October, 2009	Union leaders gave a memorandum to management with the key demand to increase salary of the workmen
September, 2009	Trade union activities began in the plant with the help of external elements.
2 <sup>nd</sup> June, 2009	The agreement was not adhered by representatives of workers. The management accused the workers for not only slowing down production from 2 <sup>nd</sup> June but also threatening the temporary operators who were working on the machines.
31 <sup>st</sup> April, 2009	Bhunesh Salunkhe, Assistant labour commissioner for Pune: According to him, 31 <sup>st</sup> April was the date when workers' representatives and management officials decided to agree and take back all the 27 dismissed workers, in spite of not responding by dismissed workers, even after show cause notice being served to them by management. But, then management categorically stated that fifteen out of all the workers will have to separately need to write an apology letter assuring the management not to agitate or indulge in agitation in future, in turn, disturbing the whole environment. This was again agreed by the representatives of workers.
March 22, 2009(c)	Under these circumstances, the management had no option but to suspend 27 persons on March 22, 2009 who protested.
March, 2009(b)	As a reaction, Union leaders "stopped all employees from doing set-up on the machines", Management charged.
March, 2009(a)	First incident: Management did not confirm the five trainees for permanent employment.

### **Weighing Underneath IR Issues**

As every coin has two sides, similarly we as researchers too had to confront more or less, the situation encompassing two dissimilar facets of happenings (Gall & McKay 2001). At one hand, we are swollen with pride to assert, ostensibly to embrace Global economic integration wherein we find umpteen choices and options available in different markets scattered all around the globe irrespective of the international boundaries we have (Singh 2004). On the other hand, we as Indians record a maligning incident of brutal killing compelling – ‘*sons of the soil*’ to hang our neck down with shame (Gilbert 1993). Let us try to unravel layer by layer of dark side of the so-called coin of underneath IR issues and challenges particularly the industrial safety dimensions, as we proceed.

### **Zeroing In On The Veracity of The Incidence...**

As part of our research and interaction, we came across a number of employees, both middle and lower level at Robusto Muro Ltd located in the industrial hub of Pimpri-Chichwad, Pune. With the gathered information and interaction with different employees, we came to a standpoint to confirm that the actual incident began with a group of former employees. These former employees of Robusto Muro India Ltd were dismissed in February, 2010 for illegal action (reason was not disclosed by management). According to Sen Gupta, Anil (2012), the management took the stand of dismissing the workers in response to the failure to respond against the show cause notice served by the management. Other regular employees who had stuck work and also the dismissed former employees forcibly entered the Robusto Muro plant on Wednesday.

Surprisingly, the group was supported by other individuals, who were outsiders and were not related to the company in any way. These intruders attacked management and workshop staff, destroyed offices and forced regular employees at work to flee the factory. In the process, Piyush Khanwelkar, MD was brutally killed through serious head injuries caused by these intruders. Some 55 more employees of the company were injured and many were admitted in the Ambedkar Hospital in Pune.

### **Comprehending Pre-incident Happenings-A Flash Back**

In October, 2009 the Union leaders gave a memorandum to management with the key demand to increase salary of the workmen. On 15<sup>th</sup> November, 2009 the management

claimed that it negotiated an agreement with the workers’ representatives, which was also signed by All India Trade Union Congress (AITUC), wherein it was agreed to substantially increase salaries and in return, commitment towards efficiency and good conduct of the workers was solicited. But despite signing of the agreement, normal working in the plant did not resume (Hyman 1989). Thereafter, the Union leaders started “instigating” the workers to violate discipline and would impede production for very “flimsy” reasons- the statement by the company alleged.

### **Parties at Negotiating Table**

In every bone of contention, there is the involvement of two or more parties. At Robusto Muro India Ltd, we came across two parties viz. Management, represented by Plant managers, responsible for tackling IR issues at plant (as shown in organizational structure in Annexure 01) versus Representatives of Trade union fighting for the cause of workers and their demands. Although, an amicable solution could have been arrived, had the workers not become the scapegoat of Trade union’s alleged vested interests. But, unfortunately we find that the workers got carried away by the representatives of Trade unions (Giri 1972). Moreover, they also trusted others like intruders having nothing to do with the issue. Above all, Trade union representatives intentionally wanted to have their impact on the decisions of management, thus, initiating a new parallel authority to influence the decisions taken for or against the workers of the plant.

When the management did not confirm the five trainees for permanent employment in March, 2009, the Union leaders “stopped all employees from doing set-up on the machines”, it charged. The Labour Enforcement Officer and the Additional Labour Commissioner told the union leaders that the decision of confirmation of trainees is at the discretion of the management. However, the union leaders refused to listen to reason and continued the strike, the company said adding “under these circumstances, the management had no option but to suspend 27 persons on March 22, 2009”. In April, the workers jumped over the boundary walls and ransacked the company property and injured some of the persons working on the machines, the company alleged. The management accused the workers not only of slowing down production from 2<sup>nd</sup> June but also threatening the temporary operators who were working on the machines.

**Table 2** The demands of representatives of Trade Union to Management, Robusto Muro India Ltd

The demands of representatives of Trade Union to management, Robusto Muro India Ltd are as under:

- a) DEMAND-Representatives of Trade Union wanted that the five trainees be confirmed by management as regular employees, thus removing their temporary status.  
*RESULT*-Management employed the authority not to regularise the trainees as part of the company's policy. No other specific reason stated.
- b) DEMAND-Representatives of Trade Union wanted that 27 dismissed workers be taken back.  
*RESULT*-Management agreed to the demand.
- c) DEMAND- Representatives of Trade Union wanted that salary of the workmen be increased.  
*RESULT*-Management agreed to increase salary, substantially and in return, sought commitment towards efficiency and good conduct of the workers.

In spite of agreeing to almost all the demands raised by representatives of Trade Union, the management had tough time to handle the workers at the plant. It was due to the indirect way of instigating workers by Trade union representatives for their own vested interests, to quarrel for flimsy reasons with management. Prudently, Management understood it as contemptible and shameful approach to gratuitously pressurize them to succumb to workers' demand, gradually (Kirkaldy 1991).

Antonio Pareto, MD of Robusto Link Force Systems & Orlando Vachouski, the Logistics Director, had several rounds of negotiations with union leaders along with Labour Department representatives, district administration and police. However no conclusion could be reached, the company said. According to Miller, D. C. & Form, W. H. (2011), there had been numerous rounds of discussions and negotiations after which the company decided to lift the "lock-out" on those employees who did not report for duty, it added. He termed the incident as unfortunate. State Chief Minister Patangrao Wankhede said his government was fully committed to ensure security of industrial units and entrepreneurs. Nobody would be allowed to take law into their hands, he said. On a directive of the Chief Minister, the SHO of Pimpri Police Station had been suspended and junior police officials shifted, the officials said. Wankhede said stern action would be taken against those found guilty. He expressed his heartfelt condolences to members of the bereaved family.

Briefing about the reputation and work environment of Robusto Muro, the company has been a union free company since inception. In September, 2009, however, trade union activities began in the plant with the help of external elements. In February, 2010, using the flimsy excuse of an altercation with a bus contractor outside the plant, workers jumped over the boundary walls and ransacked and damaged company property. After a lot of persuasion by the labour department representative of the state government and the police, the management was able to make the workers vacate the premises.

Soon after this incident, the Italian Ambassador wrote to the Chief Secretary of the state in February, 2010 informing him of the seriousness of the labour situation in the plant. Based on the incident that occurred on Tuesday, the Italian embassy said in a statement on Wednesday that the company is facing an unprecedented shockwaves after a long period of amicable worker-management relationship at the plant. The company is surprised even more to witness

such a long-period resistance among the workers, especially when the representatives are those who had not even undergone any formal selection process of becoming representatives of workers, unanimously. It was also assured that the situation was made known to the concerned authorities of India. But no action was taken and the callousness of the administrative machinery finally culminated in the brutal murder.

#### **D-Day Incident-Who Owes The Responsibility?**

The murder itself could have been averted and MD's life could have been saved if the police had shown even an iota of proactiveness and responsiveness. Piyush Khanwelkar, 56, was lynched at around 11.45 a.m. on 11th May, 2010 when about 170 workers (some of them intruders in disguise of workers alleged by management); including 27 dismissed workers armed with iron rods barged into the factory demanding they be reinstated. Vipin Chaddha, a Deputy Manager with the company alleged that he made at least fifty phone calls to the local police station but there was neither any response nor any help. He further stated that seeing the surge in the degree of agitation of workers, he made several efforts to contact the Superintendent of Police-rural, on his number but again with no positive outcome. He, then, called Pimpri police station but to no avail. In spite of all these failed attempts, Vipin Chaddha did not feel frustrated to make another attempt to dial 100, the police control room, but shockingly they also did not pay proper attention. The Station Officer (SO) of Pimpri police station finally arrived at around 2.00 pm after more than two hours after the incident and that too with just two constables, he said. "The reserve police lines is barely 500 meters away from the factory, the security guards had to resort to firing in the air to disperse the mob but the lax police officers did not hear the shots," said Prakash Grewal, another Deputy manager.

### *Viewpoint through Workers' Kaleidoscope*

It is to be noted that the agitation of workers has been heating up for quite some time; now. "I got angry when the company officials have asked me to submit a letter of seeking apology from management. They demanded in writing that we were the ones responsible for violence sometime back and that it led to lockout, finally. This indeed, got me anguished and thus, the entire lot of workers started agitating," said Dayanand Apte, one of the workers. "But, agitation on our part does not mean that we killed the Managing Director of the company." A worker standing beside him, Bhunesh Salunkhe said: "In fact, we are getting victimised for no fault of ours. We had no intention to kill someone. We were simply protesting for our demands. All that we demanded was to give back our jobs. Someone else, apart from our own workers, may have attacked the MD by taking refuge of huge mob of workers. Thus, we got falsely named for killing the head of the company. Hence, we are not culprits". Assistant labour commissioner for Pune had been deputed to resolve the conflict. According to him,

31st April was the date when workers' representatives and management officials decided to agree and take back all the 27 dismissed workers; in spite of not responding by dismissed workers, even after show cause notice being served to them by management.. But management categorically stated that fifteen out of all the workers will have to separately need to write an apology letter assuring the management not to agitate or indulge in agitation in future thus, disturbing the whole environment. This was again agreed by the representatives of workers.

### **What Others Have To Say?**

'I think.....'

'I feel.....'

'I guess.....'

My opinion is.....'

*It is so surprising that the place where the brutal killing took place is an area that is surrounded by 04 police stations and that it has a population of about fifty thousand people. In spite of such secured atmosphere; robberies, thefts, quarrels, do get reported.* Sanjay Sarwade, President of the Association of Pune Industries (API), told IANS.

He further stated that under such insecure arrangements, industrialists or employees for that matter would feel frightened to carry out their routine work. In addition, he said that the place where the heinous offense took place is just at the outskirts of the major city that hosts scores of Indian

and multinational companies like Forbes Marshall, Thyssenkrupp and Alfa Laval, Sandvik, Finolex, SKF, Bajaj Auto, Tata Motors (formerly TELCO), Kinetic Engineering, Force Motors (formerly Bajaj Tempo), Daimler Chrysler, to name a few.

He further, assured that his association would meet the cabinet secretary to apprise him of the factual situation. Industry counterparts like a senior official of consumer electronics giant GizmoSavvy Electronics opined that the incident is the repercussions of law and order failure at a larger level. According to Panigrahi (2011), Under such chaotic circumstances, it is absurd to look forward to creating dedicated industrial townships with world class infrastructure and that too, without being able to ensure basic safety of human life. Antonio Pareto, Managing Director of another Robusto Muro Group company called Robusto Link Force Systems located in the same area said, "*This is by no means a regular labour conflict but is truly criminal action*".

On the complaint of Sukhram Singh Badal, factory manager after the murder on Tuesday, the police at last registered criminal cases on against 17 identified persons and 110 unidentified persons. "*Out of 17 identified persons we have arrested 11 while 50 persons have been arrested under unidentified category (based on suspicion),*" said on Tuesday by the public relations officer of Pune police, Surjeet Chhabra. The incident has left other companies in the area seriously worried.

Union Labour Minister, Sam Agastian said that it was a "*warning*" to managements which he asked not to "push" the employees "*so hard*" that they resort to such an action.

A day after Robusto Muro Ltd MD Piyush Khanwelkar was killed, Agastian, at his Pune office said the policy of hire and fire would be discussed in the next Labour Congress, first to tackle such issues with regard to the PSUs and later with regard to the private sector. According to him, there are disparities in the wages of permanent employees and contract workers and the workers should not be pushed so hard that they resort to whatever has happened in Pune. He also said, "*This should serve as a warning for the managements*".

### **Wretched Local Administration-Jeopardizing The Safety of Precious Human Lives**

The city has umpteen loopholes in the smooth running of the system. The government bodies are finding themselves helpless to curb misdeeds by unruly elements and to mitigate barbaric incidents such as the one contrived at Robusto Muro India. Even the local police administration is another core area that calls for immediate check and measures.

Sankaran T. S. (2011) states that the police of this region have already grabbed headlines several times in the past for their failure to stop all kinds of heinous offenses including serial murders of children, kidnappings and most recently the murder of a teenage girl. In order to hush-up the matter to some extent and to show deep concern towards the heinous incident, there were some healing processes initiated by big shots of the industry. Even, influential people from political system, too tried to grab the opportunity to be in the limelight of so-called '11th May, 2010 heinous killing incident'.

### Big Challenge

An incident of such brutality alarmed Robusto Muro Ltd to re-engineer the entire approach towards workers and leave no stone unturned to placate the dissatisfaction of workers (Murthy et al. 1986). The company had been performing very well since its inception. In order to regain the same vigour and momentum after the cruel incident, Robusto Muro Ltd will have to constantly focus and accomplish the following four major goals:

1. Re-ensure the safety of the employees employed with the organisation
2. Adherence to industrial safety measures as per Industrial Disputes Act, 1947
3. Conflict resolution, adhering to IR Machinery- conciliation, adjudication and arbitration as per Industrial Disputes Act, 1947
4. Encouraging healthy workers' participation in management.

### Questions For Discussion

1. Briefly summarise the case incident in your own words.
2. Given the conglomeration of industrial units in Pune, discuss the impact of a situation like this on the industrial relations scenario.
3. Suggest appropriate preventive strategies that could have prevented the escalation of the conflict in the instant case.
4. 'Being the growing economy, India is becoming a major player, globally'. Considering the statement, how far do you think the trade unions and its role have not faded in spite of globalisation and better laws and regulations for workers?

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