Mozaro Strike: A Case Study on Industrial Dispute

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Company Profile

Mozaro India Ltd. is a 100% subsidy of Mozaro Japan having plant in Bawal, Haryana. The company had started its operation in September 2003 and manufacturing auto component parts for two wheelers and four wheelers. The employees of the company takes pride in whatever they do with a challenging spirit and earn reputation for quality, innovation and customer satisfaction across the industry.

Business Situation

Since beginning, Mozaro had a dream to be number one in all respect i.e. Quality of product, Quality of people working in Musashi. With this dream in mind, Mozaro had hired line associates (Operators) at Rs. 3700/- where as minimum wages that time was far less than what Mazaro decided to pay.

Mozaro has given good increase year over year and in year 2007, average wages of line associates reached at the level of Rs. 8000/-. In addition to above they were getting other benefits like subsidized transport, canteen, mediclaim etc.

Mozaro management has always believed in participative style of functioning. Operators were also given an opportunity to express and provide suggestions through committees like canteen committee, sports committee, welfare committee etc.

Technical situation

In the month of June 2007, operators proposed to form a union. Management had appreciated the idea with a view to have a common platform where both management representative as well as worker representative sit together and work for the growth and development of people as well as organisation.

With the support of the management a union was formed in within month's time. Union had submitted a demand note in the month of July 2007 itself when the formation of the union was at pre-mature stage but management had taken a positive approach and called proposed body members for discussion. In terms of financial impact union has demand increase of 40 k for 3 yrs agreement.

In the very first meeting with proposed body members, management had cleared to them that inspite of giving increase in April 07 management can consider to provide some more increase

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provided union should also agree to fulfill the targets which were worked out on the basis of scientific method of time and motion study by the production engineering department.

A list of target was handed over to the union. Discussions were held with union on each and every points of demand note. Management has accommodated several suggestions submitted by the union related to production targets. Total 40 meetings were held in the span of four months from July 07 to November 07 at all level including Labour cum conciliation officer, Dy. Labour Commissioner and Additional Labour Commissioner (NCR region).

After four months of rigorous discussion, final agreement was signed in presence Additional Labour Commissioner, Dy. Labour Commission, senior AITUC leader, union and management representative. In the final settlement management has agreed to pay substantial final increase and in lieu of that union had agreed to fulfill the targets.

Management had accorded all financial benefits and fulfilled all its promises w.e.f 01st November 2007 as agreed in the settlement.

Change in Situation

After receiving all benefits, union started refusing to fulfill the targets on the pretext of one reason or the other. They had started coercive tactics against the management for not to ask the targets. On 7th January 2008, union had stopped work for two hours without any reason and only after the intervention of Labour department work could be resumed after two hours of production loss.

On 3rd March 2008, again union had stopped the work and sat inside the shopfloor. Management representatives made several requests to union members to resume the work but union leaders refused to listen anything and on contrary to this they started mis-behaving with the officers who were trying to run the machines. The ghearo was started at 12 noon on 3rd March 2008 and continued till night 3:30 am. All A and B shift workers were sitting on the shop floor and canteen areas.

Management had approached the local administration and Labour department for help. Union had hijacked the whole plant and by the evening situation turned out to be very volatile. Police force was called in and senior officials of Labour department and local administration had started negotiation with the union representatives but union was adamant and refused to relent. Then at around 3:30 am work was again resumed.

After the incident, union members keep on creating troubles in the factory. Management kept on requesting and counseling union members not to disrupt the normal working and use its energy to fulfill the targets but all efforts of management proved to be futile.

On the other side, union continued to disrupt the normal functioning of the organization. In the month of September 2008, union again started slow down at the rate of 25%. Management found it very hard to feed the customer's line.

Conciliation at the level of LCCO, Dy. Labour Commissioner and Additional Labour Commissioner were being held. Union had come up again with the new demand to get the targets re-verified by National Productivity Council (NPC), a Government of India undertaking.

Once again management agreed to accommodate the union demand and agreed to bear the cost of study with a hope to get the permanent solution of the problem. Union as well as each worker agreed and provided an undertaking of fulfilling the target as decided by the NPC.

NPC started the study in the month of December 2008 and took three month to complete the study. During the study, President and General Secretary were present along with the NPC team. After three months NPC had submitted the report in March 2009. The copy of report was submitted to union and management requested the union to meet the target as decided by the NPC.

On going through the report it was found that on some machines targets were increased and on some machines targets were decreased in comparison to targets given in the settlement. In most of the machines targets were found in line with the targets decided in the settlement but once again union had started showing their colors and refused to accept the targets set by the NPC and again restored to slow down at the rate of 50 % from 1st April 2009 and union office bearer and its members openly started inciting work force not to make targets and work as per the direction of union president.

Incidents of machine tempering were increased substantially by 4th April 2009. Once again management found difficult to meet the customer's requirement. Officers were threatened if they ask workers to work. Atmosphere of fear and terror were prevailing in the plant. Officers had shown their inability to get the work done from workers and offered their resignations.

Management were consistently appraising to all senior labour authorities and local administration.

Solution

On 4th April 2009, management was constrained to initiate the action and 20 workmen including union president were dismissed and 7 other members were suspended. Management had also requested all workers to give good work undertaking before resuming the work on 6th April 2009.

Before all these management actions union was counseled number of times through circulars, letters etc. Tripartite meetings were also conducted by labour department. But due to stubborn attitude of union nothing could be resolved and union had started strike on wrong issues. Union body did not allow anybody to enter in the factory and sat on dharna in front of factory gate.

Senior officials of police and local administration had reached the factory and made several request to union body members to comply with the court order of not sitting within 300 meters of factory but union refused to accept any advice of police and local administration. Meetings were held in the office of Dy. Labour Commissioner, SDM and Dy. Commissioner to resolve the matter but union again refused to make targets decided by NPC. Union also demanded that all dismissed workers should be taken back.

With the view to resolve the impasse, management offered amount equivalent to pre settlement salary to all 20 workers but expressed the inability to revoke the dismissal.

In the meantime, management pulled all its resources to run the operations inside the plant and managed successfully to run the customer line. Local administration and police had made

adequate security arrangement for the property and employees working inside the factory inspite of election time.

On 2nd May, honorable Chief Minister was coming to Bawal area to attend the election meeting. With objective of putting more pressure on management, the workers had jammed the national highway. The movement of highway comes to stand –still. Senior police official as well as SDM made several request to union members to vacant the highway but leaders were so adamant that they did not listen any advice of administration and on the contrary they had started throwing stones at police as a result few police official including DSP were seriously got injured. Polices were forced to do lathi charged and arrested 56 people on the spot under different section of IPC.

After this violent activity of union, several conciliation meeting were called at DLC and Addl. DC level but conciliation had failed at all level and report was submitted to Labour Commissioner. The final conciliation meeting was called by Labour Commissioner. Once again, management had produced the records that NPC targets are achieved and are achievable. Management also offered to union to provide the list of the machines wherein union had any doubt about the achievability of the targets but union was not in the mood to listen anything and refused for any settlement.

Management requested the Labour Commissioner to prohibit the strike and initiate appropriate action for non compliance of settlement. Management had wrote several letter to all senior government official to initiate the action for breach of settlement but no concrete action was taken even after the fifteen days of last conciliation meeting with Labour Commissioner. Management then approached to honorable High Court for the time bound solution of the problem. Honorable High Court had directed the Government to resolve the matter within the fifteen days of the order.

Again a meeting was called by Labour Secretary who had listened both the parties. Management had produced all the documents in support of the request for prohibition of strike. Finally, the order was come on 2nd July 2009 prohibiting the strike and matter was 20 dismissal workers were forwarded to Honorable Court.

After Government order, in first instance Union refused to comply with the order but after counseling by Dy. Labour Commissioner as well as Management all workers rejoined duty on 4th July 2009.

Management welcome all the line associates and asked them to forget all wrong things which they did in last three months and start work to achieve targets. All line associates signed good work undertaking and assured to fulfill the targets.

AUTHOR GUIDELINES

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