

A CASE STUDY ON GRAPHITE INDIA LTD. POWMEX STEEL DIVISION ((PSD): CONSEQUENCE OF LABOUR UNREST

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POWMEX STEEL DIVISION((PSD) is engaged in the business of manufacturing high speed steel and alloy steel having its plant at Titlagarh in the State of Orissa. PSD is the single largest manufacturer of High Speed Steel (HSS) in the country. Its current market share is estimated at around 60%. HSS is used in the manufacture of cutting tools such as drills, taps, milling cutters, reamers, hobs, broaches and special form tools. HSS cutting tools are essentially utilized in – (a) automotive; (b) machine tools; (c) aviation; and DIY market. The industry is categorized by one dominant quality manufacturer of HSS viz. PSD and other small manufacturers who cater to the lower end of the quality spectrum in the retail segment. On the demand side, the industry is broadly divided into large and small cutting tool manufacturers who use both domestic and imported HSS. PSD faces competition from small domestic producers and imports from large overseas manufacturers. This year too, the Company received for the fourth year in a row, the TOP EXPORTER AWARD (in the Graphite Electrodes panel) of CAPEXIL for its export performance during 2007-08. The Company has been accorded the status of a Star Trading House for a period of five years effective 01-April-2009 till 31-March-2014.

The Company achieved a turnover of Rs. 1149 crore during the year under review as against Rs. 1121 crore in the previous year, representing an increase of 21.50%. Aggregate Export Sales of all divisions were Rs. 615 crore during the year

under review as against Rs. 665 crore in the previous year. Over the years, the Company has pursued in enriching its intellectual human capital through low attrition levels, further strengthened through a work environment that is rewarding, conducive, yet challenging and providing the employees with high levels of work satisfaction and a feeling of security. The total no. of people employed in the Company was 2614 as on March 31, 2009.

The shocking gruesome murder of Radheshyam Ray, DGM (Operations) of Graphite India Ltd's Powmex steel division at Titilagarh in Balangir district of Odisha is a symbol of rapidly deteriorating poor industrial relations scenario in the State. The unfortunate incident at the Powmex Steel division of Graphite India Limited is the latest example; where the enraged workers burnt the senior executive out of disgust and anger. The workers have been demanding pay hike and promotions for quite some time. Tension sparked when the management wanted to dismiss 11 workers. The death R.S. Ray has forced the management to shut down the mill for an indefinite period. For months together these workers are crying foul over the ill treatment by the company authorities and neither department of Labor & Employment nor Department of Industries intervened effectively to sort out the matter. It should stress upon the need for bettering industrial relations as per the laid down labour laws of the country. Several cases of labor unrests due to callous attitude of the private sector industries are surfacing day in and day out. Tussle between industries and villagers have become quite common. The effort of the state machinery to mitigate the unrest is inadequate and law enforcing agencies are remaining mute spectators. Total convergence is required through professional management of the whole process, taking the labour unions, local inhabitants and all the stake holders in to confidence. Each industrial plant has got its own siren, may be or may not be alike, which sounds aloud. Local newspapers publish these regularly. If one hears the Siren, he is communicated. If one does not, he cannot blame the siren.

Sources said some months back, 14 regular and 45 contract workers of the company were suspended on different grounds for which the management was to negotiate with them involving the district administration. There are two unions __ Powmex Workers Union and Dynamic Industrial Labour Union __ who were fighting for wage hike, permanent job for contract workers and promotion for last some months. Balangir Collector S .N Dey admitted that there was unrest among the labourers. “We had called the decision maker of the company for a tripartite talk to discuss the problems of the labourers. None from the company turned up for discussion and we couldn’t have taken any decision on our own,” clarified the collector. The authorities of Powmex Steel had suspended 57 workers and were prepared to reinstate all barring 11 workers who were removed on grounds of indiscipline”, Puspendra Singh Deo, minister for labour & employment told media persons. Mr. Ravi Wig, chairman of ASSOCHAM's development councils in Jharkhand, Chhattisgarh, Madhya Pradesh and Bihar, said the workers should have sorted out their grievances through negotiations with the management. “No provocation is good enough to kill a man,” said Mr. Wig who is also national president of the Employers’ Federation of India. “In India, we work on a tripartite agreement. The workers’ unions should have informed the federation which could have intervened in the matter.”

Efforts are being made to work out an amicable settlement between the disgruntled workers and the company authorities.

It is a heinous act by some miscreants made in the name of their wage hike, regularization and what ever they may have to say.. But it brings back the memory of the ADM killed in Maharashtra .How serious or severe problem may be there but this sort of act must be condemned by one and all and Punishment at the highest degree may be given to all those who made us feel as how inhuman we can be at times. On the other side, if we look from the labour point of view, was it a wise decision of the labour or what is the limitation of human resource strategy to maintain the morale of employees? Was it ethical for the management to retrench the workers without giving any notice or would the pay hike satisfy the workers for refraining this blunder ?

Source: (Orissa: Siren from Powmex Steel Orissa: Siren from Powmex Steel assessed on dt: March 16,2011) Samanj,The Oriya News paper dated 5th March,2011.