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**A STUDY ON WORKERS ATTITUDE AT TATA NANO PLANT**

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**Abstract:**

For Ratan Tata, it was a dream to produce cheapest car in India, with this ambition in mind, Tata conceived Nano project and started setting up the production facility in West Bengal. Due to farmer's problem, he was forced to move to Gujarat, where the government offered many facilities including "Free from worker opposition" and "no compulsion to give employment for their son-of soil". For the first few years there was no problem, later the workers felt that they are being paid low wages. To negotiate with management, the workers have formed union, which is pending with labour department for its registration. Meanwhile, the management with intention of breaking the unity of the workers, suspended two workers quoting impractical reasons. Demanding the reinstatement of their suspended workers, the workers went on flash strike. During the demonstration, there was agitation and workers have damaged 50 new cars by scratching, subsequently, the management had suspended 26 workers for sabotaging. Around 422 workers went on strike from 2<sup>nd</sup> February 2016, demanding reinstatement of their 28 suspended workers for various reasons. After the intervention of labour department officials, several meetings, the management had agreed to recognize the union, revoke the suspension of 13 workers, pay subsistence allowance for remaining 13 workers and complete their enquiry within a period of 4 to 6 months time and asked the union to submit their Charter of Demand thereafter. Thus the one month long strike came to an end on 23<sup>rd</sup> March 2016.

**Key words:** "Strike in Nano plant", "Recognition of Union" & "IR in Tata Motors".

**1. Introduction**

Tata group is one of the oldest group in India, incorporated in the year 1868 by late Mr. Jamsetji Tata. Sustainability and sprit of "giving back to the society" is the core philosophy of Tata group. Tata Motors, subsidy of Tata group, India's

largest automotive company, established in year 1945, is a leading global automobile manufacturer in India, covering wide range of vehicle such as Cars, Sports Utility Vehicles, Buses, Trucks and Defence vehicles etc. Tata vehicle can be seen on the road in more than 175 countries across the world. When Ratan Tata decided to make cheapest car in India, many states have offered land for setting up their factory. Tata has selected West Bengal to start their factory. Out of six sites proposed by the state, Tata has expressed their interest in Singrur village. Tata has promised that Singrur would become “mini auto-city” and around 70 suppliers would be moving along with Tata, there will be huge job opportunity. The then ruling party has acquired around 997 acres of land for the factory. It was objected by the environmentalist’s that the law has no provision to acquire agricultural land for developing private business. Singrur site in West Bengal being agricultural land, the deprived farmers were unwilling to give away their fertile land. Opposition leader Mamata Benerjee has came to rescue the farmers. She extended her support by launching a movement named “Save Farmland” in support of the farmers. Her movement was supported by intellectuals and environmental activists. Considering the trouble in setting up the plant, on 23<sup>rd</sup> September 2008, Ratan Tata decided to leave West Bengal and the decision was informed to West Bengal government on 3<sup>rd</sup> October 2008

## **2. Shift to Gujarat**

After the controversy, in year 2008, the then Gujarat State Chief Minister Mr. Narendra Modi invited Tata with lot of offers like, speedy allocation of 1,100 acres of land, which was readily available with the state at centrally located place at Sanand, Gujarat, concession in land cost, stamp duty, financial aid for shifting of machineries from West Bengal, and other infrastructure facilities. Government also extended a soft loan of nearly Rs. 3,000 crores at 0.1% interest and no compulsion on employment for “Son-of-Soil”, which means around 85% of the employment can be offered to outsiders, and other facilities like “free from workers opposition”. In a ceremony while signing Memorandum of Understanding, Praising Gujarat Chief Minister Mr. Narendra Modi for speedy allocation of land, the Managing Director of Tata Management said that, this will help the management in establishing a plant in shortest possible time and together with Tata motors, around 60 vendor companies will move to new location, Sanand in Gujarat state.

## **3. Labour condition at Gujarat**

Though the then Chief Minister Mr. Narendra Modi has promised “Free from worker opposition” and “no compulsion on employment for son-of-soil”, in recent years the state is facing heavy labour problems. To quote a few, in December

2013, around 1000 workers from Larsen & Tubro threatened to go strike demanding wage hike, in January 2014, around 450 contract labour of General Motors, Halol plant went on Dharna, around 4000 Ahmadabad Municipal Workers went on indefinite strike demanding wage hike, around 10,000 power loom works went on strike in March 2014 in demand of wage hike, 30,000 bank employees have joined from Gujarat in Nationwide strike held on September 2015, in Oct 2015, around 7000 employees have boycotted the work at Aravind Mills demanding wage revision. From the above incidents, it is observed that wage hike is the major cause for most of the industrial unrest in Gujarat state.

#### **4. Trouble**

The Nano plant at Sanand, Gujarat has 2,200 workers on its roll, having production capacity of 250,000 cars per annum against which only 42,560 cars have been produced between year 2014 and 2015. Currently, the plant rolled out its new version Nano hatchback. The plant is also preparing to roll-out its new car “Zica”, which is now renamed as “Tiago” from Sanand plant.

As usual, numbering around 450 workers at Nano plant have started their union and applied for its registration, which is pending at Deputy Commissioner of Labour’s office since 2015. According to Mr. Ashim Roy, vice president of NTUI, the main objective behind formation of union is to negotiate better for the workers. Further he added that, since last year there have been issues of wage revision, better bonus and they wanted to discuss with management properly. However, before the registration of union, the management began dividing the workers and the suspension of its two workers was the outcome of one such move by the management. Few months back in December 2015, the management had suspended two workers on disciplinary grounds. One being allegedly abused his supervisor and other worker was suspended for having walked in to another department without prior permission of his supervisor. Demanding the reversal of suspension order of their two colleagues, the workers went on flash strike, sensing the situation; the management had immediately reacted and settled the issue by promising to conduct enquiry and submit the report within a month. On that promise, the workers have called-off their strike. But, the management did not keep up their promise even after two months. Since then, there had been continuous agitation by the workers for wage increase and reinstatement of suspended co-workers. On Monday, 22<sup>nd</sup> February 2016, the workers went on strike demanding reinstatement of two suspended workers. The management accused workers for scratching and damaging of 50 new cars and has suspended 26 workers. Out of 450 workers, who have formed the union, remaining 422 workers went on flash sit

and strike from Monday, 22<sup>nd</sup> February 2016 night, their major demand being reinstatement of their 28 suspended colleagues.

## 5. Efforts

Tata management had made continuous efforts to restore normalcy at Sanand plant in Gujarat by talking to the striking workers and convince them to resume their duty. While some of the workers are on strike, the production activities were continuing with remaining workers, meanwhile, police force was deployed at the plant gate to ensure that no willing worker is stopped / prevented the entry at the gate by the striking workers. When an official from labour department tried to intervene and bring the strike to an end, the workers have refused to meet the official.

On 26<sup>th</sup> February 2016, Tata management had filed a case in Gujarat Industrial Development Center (GIDC) police station against suspended workers for allegedly damaging around 50 new cars. The management had no plans to withdraw the suspension of 28 workers who were involved in charges of serious misconduct. This being so, the labour department declared the strike as Illegal under section 10 (3) of The Industrial Dispute Act, 1947 and referred the matter to Industrial Tribunal, Ahmadabad. As a gesture of Goodwill and restore the normalcy, some of the senior officers of the management approached the striking workers with a rose and a note in local language mentioning “*tame hamare mulyavaan chho*” meaning “YOU ARE VALUABLE TO US”. The act by the officials was mocked by the striking workers. Tripartite talks between the workers, management and the labour department were on at Labour Commissioner’s Office but without any fruitful result. On 3<sup>rd</sup> March 2016, the workers have written letters to Gujarat Chief Minister Ms. Anandiben Patel, and Ahmadabad Collector and senior officials of the state to intervene and settle the issue amicably. Subsequent to strike by the workers, there has been production loss, to meet out their production target; the management had transferred around 250 of its workers from its Pune plant, which is near Mumbai. Even senior engineers were working on the shop floor to ensure the plant continues to roll out the cars and the production target is maintained. The management had also moved the session’s court for injunction to prevent any agitation by the workers on the factory premises. The management advised their striking workers to join the duty by 11<sup>th</sup> March 2016, failing which appropriate legal action would be initiated. Ahmadabad collector Mr. Rajkumar Beniwal conducted a tripartite talk to ease out communication gap between the management and workers who have been striking for the past 18 days. During the discussion the collector made it clear to the workers that suspension does not mean termination, a fair enquiry

will be conducted by a neutral person, while the enquiry is going on, the suspended workers are eligible for 50% of his wage for the first 90 days and 75% for the next 90 days and if the enquiry is not completed within 180 days, 100% of the wage will be paid.

## **6. Outcome**

On 12<sup>th</sup> March 2016, Saturday, around 22 central based and local unions have come forward to extend their support to the striking workers and announced that they will sit on a Dharna outside collector's office at Ahmadabad on 14<sup>th</sup> March 2016. Central unions like All India Trade Union Congress (AITUC), Indian National Trade Union Congress (INTUC), Hind Mazdoor Sabha (HMS) and New Trade Union Initiative (NUTI) are supporting the move. As announced, workers from Tata motors have staged a demonstration outside the Collector's office at Ahmadabad, without prior permission from police. Around 400 workers were detained by the police and later released around 3 p.m. on the same day.

In order to strengthen their move, the workers have announced their new union named "Bhartiya Kamdar Ekta Sangh" of Sanand and said that they plan to hold sammelan uniting other trade unions and invite youth leaders like Kanhaiya Kumar and Hardik Patel to appeal for their labour rights. To maintain industrial peace in the state, and resolve the on-going strike at Tata plant, the labour department initiated the process of police verification of their proposed office bearers for registration and recognition of the union, the Labour department has agreed to complete the process in around 30 days of time. Meanwhile, Tata management has set up independent panel to investigate the incident that led to suspension of 26 workers and management has expressed that as per Tata Motors policy, company has always recognized the right of workers to form union. According to Tata management, it has the strong history of working with the union and fully in agreement in recognition of union.

As a result of continued effort by the Deputy Labour commissioner, and threatening by the Central and other local unions, Tata management has agreed to recognize the union and negotiate with them. Subsequently, in a meeting held on Friday, 18<sup>th</sup> March 2016, the management of Tata motors asked their striking workmen to back up their newly registered Bharatiya Kamdar Sang with signatures of 70% of the striking workmen that they will unanimously accept the outcome of further negotiation done by the office bearers of the newly registered union. In a press meet at Ahmadabad, Tata management had thanked the Deputy Labour Commissioner for mediating between the management and the workers in order to bring the illegal strike to an end.

As desired by the management, the striking workers got the signature of their striking co-worker's signature authorizing the newly elected office bearers to negotiate on behalf of them but the Tata officials had come at late evening without any proposal, the labour department officials have asked the management to come out with positive solution acceptable to both the parties. The management proposed that it will revoke the suspension of 13 out of 26 workers, the for the 13 suspended workers, the decision will be taken after conducting the enquiry by a neutral person and for the remaining 2, the second show cause notice will be served and after getting their reply, the decision will be taken.

Accepting the management's proposal, the workers had called-off their strike and expressed their willingness to resume duty from 23<sup>rd</sup> March 2016, and work as per company production norms, restoring the normalcy, maintaining discipline by ensuring safety requirements of the plant. In a long hour meeting held at company's office, the management had accepted to pay 75% of wage as subsistence allowance to their 13 suspended workers until the enquiry is completed. Also agreed that, no legal action will be taken against the workers for the illegal strike, which lasted for a month. Both the parties have unanimously agreed that the decision on legality of the suspension and wage for the striking period will be decided by the court.

The management also promised that domestic enquiry for the 26 workers will be completed in 4 to 6 months time, following which the workers will submit their charter of demand for wage revision. Thus 1 month long strike came to an end on 23<sup>rd</sup> March 2016.

## **7. Conclusion**

According to Constitution of India, Freedom of association is a fundamental right but as per Indian Law, recognition of union i.e. approving the association by the employer is not an obligation. Though the International Labour Organization vouches for recognition of trade union, India has not accepted in total. Central government had failed to enforce recognition and let the states to decide their own for various reasons. Baring few states (5 states), recognition of trade union is not mandatory in many states of India. In Tata motors, Sanand plant, there have been issues related to wage revision, and bonus issues since 2014. To discuss with the management properly, the workers united themselves, formed a trade union with the objective of negotiating better wage and other benefit for the workers and applied for registration, the government had delayed the process. The management on its part, began dividing the workers and the suspension of its first two workers was the outcome of one such move by the management in order to stop formation of union.

After going through various literatures and analysis of disputes it is found that, Wage forms the major contributor for industrial disputes, which in turn leads to formation of union and strikes. According to report by Bureau of Labour Statistics, in year 2015 wage related dispute alone led to loss of 17,680 man-days, next counts for bonus related issues in Tamil Nadu.

A survey was conducted among 50 workers in Oragadam Industrial area near Chennai, Tamil Nadu, the following survey report also confirms the findings.

**Table 1: Major cause of dispute according to workers.**

<u>Description</u>	<u>Agree</u>	<u>Disagree</u>
Wage and allowances	78 %	22 %
Bonus	64 %	36 %
Refusal to recognize trade union	60 %	40 %
Working Condition	56 %	44 %
Supervisor’s approach	56 %	44 %
Job Security	52 %	48 %
Interpersonal Relationship	52 %	48 %
Poor / Absence of dispute redressal mechanism	46 %	54 %
Employer ~ Employee Relationship	40 %	60 %
Others	32 %	68 %

To conclude...

According to Constitution of India, article 19, Freedom of Association is a fundamental right; states should come forward to recognize the union, refusal to recognize the union means denial of freedom of association. Management should recognize the union and encourage collective bargaining to ensure industrial peace.

State may think of appointing state level Bargaining Councils to represent particular industry, whereby wage is fixed uniformly across the state irrespective of the paying capacity /willingness of the employer.

Trade union office bearers, Works Committee representative, Workers may be given adequate training on economy, industry, labour laws, etc., which will help them to understand the process and negotiate efficiently for the betterment of workers.

Cost of living is common for all human beings irrespective of type of industry one works. Presently, different rate of wage for different industry in same locality is fixed by state government, which results in wage disparity among the

workers in the locality Therefore, government should ensure uniform wage for all industry in state wide or at least at the locality.

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