

Crisis blown over

[Business](#), [Accounting](#)



November 30, 1997 goes down in the history of a Bangalore-based electric company as the day nobody wanted it to recur but everyone recollecting it with sense of pride. It was a festive day for all the 700-plus employees. Festoons were strung all over, banners were put up; banana trunks and leaves adorned the factory gate, instead of the usual red flags; and loud speakers were blaring Kannada songs. It was the day the employees chose to celebrate Kannada Rajyothsava, an annual feature of all Karnataka-based organisations. The function was to start at 4 p. m. and everybody was eagerly waiting for the big event to take place.

But the event, budgeted at Rs 1, 00, 000 did not take place. At around 2 p. m. , there was a ghastly accident in the machine shop. Murthy was caught in the vertical turret lathe and was wounded fatally. His end came in the ambulance on the way to hospital. The management sought union help, and the union leaders did respond with a positive attitude. They did not want to fish in troubled waters. Series of meetings were held between the union leaders and the management. The discussions centred around two major issues—(i) restoring normalcy, and (ii) determining the amount of compensation to be paid to the dependants of Murthy.

Luckily for the management, the accident took place on a Saturday. The next day was a weekly holiday and this helped the tension to diffuse to a large extent. The funeral of the deceased took place on Sunday without any hitch. The management hoped that things would be normal on Monday morning. But the hope was belied. The workers refused to resume work. Again the management approached the union for help. Union leaders advised the

workers to resume work in all departments except in the machine shop, and the suggestions were accepted by all.

Two weeks went by, nobody entered the machine shop, though work in other places resumed. Union leaders came with a new idea to the management—to perform a pooja to ward off any evil that had befallen on the lathe. The management accepted the idea and homa was performed in the machine shop for about five hours commencing early in the morning. This helped to some extent. The workers started operations on all other machines in the machine shop except on the fateful lathe. It took two full months and a lot of persuasion from the union leaders for the workers to switch on the lathe.

The crisis was blown over, thanks to the responsible role played by the union leaders and their fellow workers. Neither the management nor the workers wish that such an incident should recur. As the wages of the deceased grossed Rs 6,500 per month, Murthy was not covered under the ESI Act. Management had to pay compensation. Age and experience of the victim were taken into account to arrive at Rs 1,87,000 which was the amount to be payable to the wife of the deceased. To this was added Rs 2,50,000 at the intervention of the union leaders. In addition, the widow was paid a gratuity and a monthly pension of Rs 4,300.

And nobody's wages were cut for the days not worked. Murthy's death witnessed an unusual behavior on the part of the workers and their leaders, and a magnanimous gesture from the management. It is a pride moment in the life of the factory. Question: 1. Do you think that the Bangalore-based company had practised participative management? 2. If your answer is yes,

with what method of participation (you have read in this chapter) do you relate the above case? 3. If you were the union leader, would your behaviour have been different? If yes, what would it be?