

Otis Elevators and Safety: Damning New Evidence



*A Lokshahi Hakk Sanghatana Report
May 2001*

Otis Elevators and Safety: Damning New Evidence

A Lokshahi Hakk Sanghatana Report

May 2001

“Safety First — There Is No Second Chance!”

“Remember — Accidents Mean Suffering!”

“Practice Safety Till It Becomes a Habit!”

— *Otis Elevators slogans*

The Otis Elevator Company (India) is easily the country's largest and most prestigious elevator company, with a hold over half the Indian market. Its revenues in the year ended December 31, 1999 were Rs 294.45 crore, and its profit before tax was Rs 39.88 crore. Otis (India) is controlled by the American aerospace and engineering giant United Technologies Corporation (1999 global revenues \$25.2 billion, profits \$1.5 billion). UTC and its subsidiary Otis Elevator Company, USA, hold 69 per cent of the shares in Otis (India), after the exit of the Mahindra group in October 1999.

Otis has two main lines of activity: sales and service. The labour-intensive activity of service accounted for 31.5 per cent of revenues in 1999, but it accounted for a much higher share of the company's profits.

According to Otis, “the Company has to service about 7,000 elevators/escalators in the city of Mumbai and its environs, located in various important buildings such as the High Court, Hospitals, Airports, Power Stations, Mantralaya, Sea Ports, Defence establishments, factories, high-rise residential and commercial buildings, hotels, railway stations, etc.”

Otis further says that, on an average, around 150 breakdowns take place per day in the city of Mumbai, and to attend to these breakdowns the company employs around 360 workmen in the service department. Apart from this the company installs about 500 elevators a year in the city of Mumbai and its environs alone. In all the company employs around 600 field operations staff in Mumbai.

Despite its size and prestige, in recent years Otis has been plagued by controversies regarding safety. The first important instance to be publicised was the death of one student and severe injury to another at the Banajee home for the blind in Jogeshwari, Mumbai, on July 17, 1994. The accident occurred when the two boys fell into a lift shaft after opening a lift door which should not have opened without a lift in place. Once again, in November 1994, a similar accident occurred with a lift in a Nepean Sea Road apartment building, resulting in serious injury to a maid servant. The death of an Otis contract worker on March 15, 1999 at the GE-Shipping site in Worli, Mumbai, briefly focussed attention on these issues once again. But concerns about Otis' safety practices received the greatest prominence in December 1999, when eight-year-old Jyotsna Jethani was crushed to death when she fell into a hole in an Otis escalator at Delhi airport. Once again Otis was in the headlines with a December 22, 2000 accident on the escalator at Sahar airport.

Lokshahi Hakk Sanghatana investigated two of these instances in great detail, and called attention to the underlying problems (see "*All Safe?*" *The Tragedy at N.M. Banajee Home for the Blind and the Role of Otis Elevators*, September 1994, and *This Was No Accident — the death of an Otis contract worker and the responsibility of the Otis management*, May 1999). In particular, the Sanghatana called attention to the company's practice of contracting out work that should be done by skilled workers, instead of getting this work done by its permanent workers. The first report dealt with the danger caused to lift users; the second with the danger to contract workers of the company.

However, the company stonewalled all queries from the Sanghatana and the press. Shockingly, it provided no compensation to the families of the victims of these fatal accidents. It did not even offer a refutation of the detailed accounts provided by the Sanghatana in its reports.

Now, new evidence shows that company was fully aware of the rising trend of accidents and the real causes of the accidents. Two internal memoranda by the company's top officers state bluntly that the reason for the increasing fatalities is the system of subcontracting. We begin our report with the full text of these memoranda.

I.

**"From: Kulkarni P.R. [General Manager, Western Region]
Subject: Sub-contractor Employee Accident
Date: Friday, 03 November, 2000 12.44 PM**

Here is the report of fatality of sub-contractor's employee at the construction job site.

I am aware that most of the sub-contractors employ inexperienced people, which leads to short-circuiting of the safe working procedures. To add to it many of us do not insist implementing of safe working procedures at the site and hoodwink the violations which are committed in front of us.

This letter is a caution to all of us. In order to implement safety regulations scrupulously as suggested by Mr Soman and discussed in the last GMs conference. I am separately forwarding to you a draft certification which is required to be submitted by all of you by 5th of every month.

This procedure will come into force from 1st of December 2000."

II.

"31st October 2000

From: S.S. Soman [General Manager - Safety]

Subject: Sub-contractor Employee Accident

One more Sub-contractor employee fatal accident has been reported yesterday. This was on a construction site in a place called Srikakulam. We do not have all the information as to how it has happened. The investigation team is on the site and we expect the detailed report to be available soon. What is known at this stage is quite disturbing.

This was a construction job where the installation work was completed, NIS inspection was done and the sub-contractor construction team was rectifying the NIS defects.

At this point it is apparently reported that an employee was in the pit and the elevator was run (maybe, in normal speed). This is a site where there are two hoistways and installation is only in one of them. The other hoistway is non-operational. It is not known if the hoistway separator was in place or not. The employee in the pit was hit by counter weight on his shoulder. He was moved to the hospital, but died on the way.

This information is very preliminary. But it is clear that if all our processes were followed, there is no way any employee can get hit in the pit by a moving counterweight. There must have been some gross violation of basic processes to be followed by the sub-contractor. There may be some lapses on the management system.

As a precautionary measure following needs to be implemented immediately on all construction job sites.

1. As soon as roping is done the counterweight screen must be installed. In other words, elevator must never be moved unless counterweight screen guard is in place.

2. Where there are multiple hoistways without separating walls, hoistway separators in the pit must be installed as the first step and before starting any activity in the pit. These must be as per WWJSSS (World Wide Job Site Safety Standard) standard.

If we carefully analyse the sub-contractor accidents in last two/three years, it is becoming very evident that we are weak on deploying "sub-contractor work force". The accidents have been major or fatal and in most cases so far the lapses are on management systems. Sub-contractor's safety compliance, their training, the way they execute the job, the equipment they use, all these have been faulted.

The subject of "Compliance Certification" which we discussed in the October 18th AQC needs to be seriously deliberated upon. It is expected that implementation of this compliance certification would help improving the situation, particularly for the sub-contractors. I have discussed this matter with the MD and we are of the opinion that the implementation be done immediately. I am again attaching

a draft copy of this compliance certificate. You are requested to discuss this subject in your next RQC and let us know your plans of how you want to go about implementation. Please do give this subject a serious thought. We need to take sub-contractor fatalities seriously and the situation has to change. (For your information, we have had 4 sub-contractor fatalities in last two years – Trichur, Jaipur, GE-Shipping Mumbai, and Papankala. Srikakulam is the fifth one.) Our EH&S Management System and FPA Score may get adversely impacted if the performance on this count is not improved.

You are requested to instruct your construction teams on the above two points of precautions and get back to us on how you plan to implement Compliance certificate.”

Important admissions by Otis

The following points need to be noted from the above:

1. The number of fatalities of Otis' contract workers is quite high. Till now, it was not publicly known that there had been five fatalities in the past two years. We do not know how many “major” but non-fatal accidents have taken place in the same period, but Soman's letter also refers to such accidents.
2. The Otis management is perfectly aware of the reasons for these fatalities. Kulkarni states that “I am aware that most of the sub-contractors employ inexperienced people, which leads to short circuiting of the safe working procedures.” Soman bluntly states that “the lapses are on management systems. Sub-contractor's safety compliance, their training, the way they execute the job, the equipment they use, all these have been faulted.”
3. Otis management personnel too have colluded with the subcontractors' practices: Kulkarni says that “many of us... hoodwink the violations which are committed in front of us.”
4. Despite this record of fatalities, the Otis management is not contemplating replacing the use of sub-contractors with well trained skilled man-

power for these jobs. Apart from worrying that "Our EH&S Management System and FPA Score may get adversely impacted if the performance on this account is not improved", the company is obviously deriving too much financial benefit from the use of sub-contractors to consider dispensing with the system.

The background to this development lies in the company's labour strategy for the last decade. We have described this in detail in our previous report, *This Was No Accident*. In that report we have described the following: the growth of sub-contracting; the opposition by the workers; the lock-out of the field workers during May-December 1994; and the virtual closure of the company's Kandivli (Mumbai) lift manufacturing plant, even as almost all the manufacturing and assembly activity was being done in subcontractors' workshops spread all over Mumbai. The company would financially benefit from greater exploitation of sweated labour.

We have described in the above report how the Otis management hires unqualified or underqualified subcontractors, as well as former Otis personnel who had been forced to resign for violation of safety norms. One of them, namely, S.Y. Garde, as an Otis foreman took risky short-cuts resulting in a compound fracture of the leg of one worker and back injury to another. He was forced to resign, *but immediately was engaged as a subcontractor. It was Garde's unskilled contract worker Asad Khan who was killed in the March 1999 accident*, due solely to his utter lack of training and the lack of supervision by a skilled person. The report also describes in detail the skill levels and experience required for permanent employees, and how these are completely lacking in the hapless contract workers engaged by subcontractors of Otis. We will not cover the same ground in this report, and readers are asked to refer to *This Was No Accident* for the above details.

Since about 1990, the Otis Elevators Employees' Union (OEEU) began taking serious interest in the question of safety. It agitated against the company's practice of using trainees and casual workmen to do permanent workers' work, and of short-cuts such as the one which resulted in the death of C.P. D'Costa, a trainee, in 1991, and Mahendra Dhole of Nagpur in 1992.

Role of Safety Committee

As a result of OEEU's agitation and efforts, a Safety Committee was set up in 1992. Apart from three representatives of the union, the Committee included the General Manager, Field Operations Manager, and

Personnel manager. The Safety Officer of the company was the secretary of the Committee.

The importance of such a committee becomes evident when we realise that the work done by Otis field workers is relatively high-risk. In the period before OEEU took up the safety issue, more than 180 non-fatal accidents a year occurred with workers in the Mumbai-Thane region, when there was a field staff of about 500. It would be difficult to find a worker who did not suffer an accident and injury at one time or the other during the course of work.

Because of the union's intervention, and later its active participation in the Safety Committee, worker non-fatal accidents in Mumbai-Thane region were brought down to about 60-90 a year — a dramatic improvement. On the other hand, in the last 10-12 years there was no instance of a fatality of a permanent worker in the course of his work. In December 1994, after a seven-month lock-out of those field staff who were OEEU members, the company signed an agreement with OEEU including an important section on the Safety Committee. Apart from stating the membership of the Committee (mentioned above), the agreement states its functions:

- “1) Study and elimination of any possible unsafe condition prevailing anywhere at the workplace.
- 2) Investigate, analyse and deliberate on collective actions in case of any accident or near misses.
- 3) Conduct periodic safety inspections of the work spots.
- 4) Recommend material handling systems and any other improvements for betterment of working process and safety for employees at job sites in the F.O.D.
- 5) Convene periodic meetings of the committees to ensure effective implementation of the Safety Policy.
- 6) Interact with the Operating Managers to ensure compliance and implementation of Safety Policy.
- 7) Ensure effective compliance of statutory obligations of

safety as applicable.

8) Arrange training to create and develop safety awareness in the workforce....

Meetings

The Safety Committee will conduct at least two meetings every month. All the constituent members should make it a point to attend every meeting. The Secretary (Safety Officer) will record minutes of the meeting and prepare reports of the proceedings, progress of the schemes or recommendations and follow up actions. He will provide continuity and ensure smooth and effective co-ordination and communication."

Indeed, from OEEU records it appears that between 1994 and early 1998 the Safety Committee did function quite effectively due to pressure from the union. Helmets, safety belts, safety shoes, dust masks, safety goggles, and other protective equipment were issued, which had not been provided till then. More importantly, the Committee discussed various working practices, and how to prevent accidents. The company was forced to allow the Committee (including the union representatives) to go to the sites of important accidents in order to analyse why they occurred. As far as the union knew, all important accidents, not only in Mumbai-Thane but all-India, were reported in the Safety Committee. However, accidents may have occurred with subcontractors' workers, about which the union had no information. Moreover, the company was not happy with the situation in the Safety Committee, where it frequently had to face questioning. Nevertheless, all in all, the Safety Committee was playing an important role in improving the safety conditions for the permanent field staff. At the same time, the union tried consistently to oppose the use of subcontractors by the management.

Management begins bypassing Safety Committee

From about early 1998, the management seems to have decided on a different course. The union alleges that the management felt the Safety Committee to be an increasing obstacle in its short-cut measures. Various short-cuts and questionable procedures adopted by the management, in

violation of its own stated norms, had been questioned by the union representatives in the Committee. The Safety Committee was pressing for the implementation of the company's own stated "World Wide Job Site Safety Standards", whereas the company wanted to keep observance of these standards strictly on paper. Moreover, it appears that the management was getting ready for another major thrust toward subcontracting, and it did not want discussion of accidents with subcontractors' workers to come up in the Safety Committee.

Hence from that period on the management began by-passing the Safety Committee. Instead of twice a month, meetings were called only once a month. More to the point, major accidents at sites serviced by subcontractors' workmen were simply not reported in the Committee. Moreover, whenever accidents were reported, the management simply did not discuss them or answer the union representatives' questions regarding these instances. The union wrote several letters to bring this to the notice of the company:

"We are pained to know about the fatal accident at Annapurna Building on 3/1/99.... We hope you are also aware of same type of accident which took place at Siddhivinayak Tower on 21/8/1998.... We regret to note that the information of both the accidents was never related to our safety committee members. You had not thought fit to involve any of our safety committee members in the investigation of both the above serious accidents.... This is in deviation from the established past practice prevailing in the safety committee. (15/1/99)"

"It has been brought to our notice that one subcontracting workman has died after he met with an accident while working on modernisation of elevator at site G.E. Shipping in Worli." (24.3.99)

"It has been brought to our notice by members of Safety Committee representing our Union that Company is violating various norms under the Chapter XIX 'Safety' of our agreement dated 10.12.94....

1. Two Safety Committee Meetings not conducted every month.

2. Proper minutes not recorded.
3. Our Safety Committee members not involved in investigation, analyse and deliberation of accidents or near miss.
4. Various recommendations of our members on the issue of safety, material handling, improvement in work process are not being implemented or even taken note of.
5. Our members not involved in periodic safety inspections of work spots (even in major fatal accidents).
6. Whenever any safety violation or hazardous conditions are brought to the notice of the safety officer he brushes aside by giving various technical details/procedures... (13.4.99)”

Apart from the above, the union wrote a large number of letters regarding other safety issues: regarding the fact that ‘Speed’ type ‘coffin hoists’ were unsafe (as was proven during a demonstration), the fact that certain elevators (even at well-known locations such as Oberoi Towers and NCPA Tower) were kept in operation with less than the requisite hoist ropes, the sub-contracting of repair of the escalator at the World Trade Centre, Cuffe Parade, and so on.

The company refused to fill up the vacancies caused by natural attrition of field staff. On 4.11.99 the union pointed out that due to the acute shortage of manpower in field operations, “Many workmen in service department are being forced to work alone instead of a team of an examiner and an assistant. This is not only leading to unsatisfactory work performance and customer dissatisfaction, but also it is dangerous to work alone since it is likely to affect the safety of lift users as well as workmen.... We would once again like to prevail upon you to make necessary recruitment to fill up the shortfall of the workmen in the Company.”

Putting contract workers in grave danger

The fatality described in our report *This Was No Accident* appears to be a representative case of the company’s current practices. The Express Towers incident of July 1998 is another example of the type of shortcuts to which the company is now routinely resorting. One of the lift shafts in

Express Towers, Nariman Point, has no opening between the ground floor and the 11th floor. When work had to be done on a counterweight stuck on the 8th floor in the shaft, there was no access from a nearby floor (since there was no door opening). According to employees of Otis, the permanent workers assigned to this task pointed out that scaffolding ought to be put up from the ground floor to reach the said spot. However, the management simply removed the job from their hands and called in a subcontractor. The subcontractor lowered a rope from the car-top of the lift on the 13th floor; a contract worker in the adjoining lift shaft caught hold of the rope and swung to the counter-weight. After performing the necessary work, he swung back, holding on to the same rope, to the other lift shaft. The entire procedure was very risky and in violation of all norms. Had he fallen, he would have plummeted 8 floors. However, being a contract worker, he could not object to this entire procedure.

On November 4, 2000, according to the company's own account, one Babloo Kumar Jha, a subcontractor's worker, was cleaning the ground floor landing door sill in a building. His assistant, Lalan, had gone for lunch. When he returned, Babloo asked him to bring some tools. When Lalan returned, he found that the elevator was six inches above floor level, and Babloo's head was jammed between the car and the landing sill. Lalan tried to open the landing door, but was unable to do so. According to the company, Lalan then cranked the elevator up and the site people removed Babloo from the pit. The entire incident shows that the said workers were untrained, lacked all knowledge of safety procedures, and were unsupervised by any trained person. The subcontractor was not present at the site at the time. (It is under identical circumstances that Asad Khan died in the GE Shipping site at Worli in March 1999.)

One important point needs to be kept in mind. For the company to gain financial benefit from subcontracting, the amount spent has to be considerably lower than would be spent on getting the same job done by permanent workers. This leaves a narrow margin for the contractors. In order to make a profit, there is an incentive for them to take shortcuts and compromise on safety. Moreover, they are paid a lumpsum for the entire job; so any reduction in the time taken to do the job or reduction in the price of labour translates into profits for the subcontractor. There is thus a built-in tendency to take short-cuts and employ unskilled, cheap labour.

Effect on lift users

The use of subcontractors has an impact on the quality of service to

customers, too. If untrained workers such as Babloo Jha can be told to carry out the entire job of lift erection on their own, without even supervision (let alone training), there will inevitably be an impact on safety standards not only for workers but for lift users as well.

This is illustrated by the case of Abul Kalam building, Gujarat Momin Nagar, Jogeshwari. Otis had a contract with this cooperative society to service its lifts since April 1998. Otis' contract specifies that "Otis will use trained and appropriately skilled personnel which it directly employs and/or supervises. they will be qualified to keep the equipment properly adjusted and they will use all reasonable care to maintain the equipment in efficient, reliable and safe operating condition." However, in fact Otis gave the job to a subcontractor, Sudhir Sarangdhar, an ex-executive of Otis who had left on VRS. He in turn got the servicing done by his untrained workers.

On November 23, 2000, when two children were playing on the fifth floor, and banged against the lift door, the landing door guide shoe gave way. Had the lift been properly serviced, such an event could not have occurred. The two children fell into the lift shaft. Miraculously, despite falling five floors, they were not killed, but one was seriously injured on the head and had to be hospitalised. His father, a taxi-driver named Yakub Suleiman Junekia, wrote to the company demanding that it compensate him for this, but the company has not accepted responsibility to date.

These are some of the cases that have come to light. In the absence of any cooperation from the Otis management, it is difficult to have access to information regarding all such incidents.

Penalising workers for raising safety issues

The company appears to be penalising workers who raise safety issues. This can be seen from the correspondence between the company and the union. For example, on August 4, 1999, Narayan Raul and S.N. Bagwe, both permanent workers, were asked by an executive, Wilbur Fernandes, to use a broken aluminium ladder at Chand Terrace, Bandra. (It should be noted that Raul is an active Safety Committee member, whom the management had found troublesome because he had raised various issues of safety persistently. Shortly before, he had raised the safety violations taking place at the ONGC building, where Wilbur Fernandes kept seven lifts in operation, all of which had failures of important safety devices — SOS, safety shoe, safety inspection, etc.) Bagwe and Raul pointed out that the ladder had a broken step, and moreover, it



Any damaged ladder should be destroyed and replaced by a new one.



2. Correct or point out insecure conditions.

Illustrations
from "Otis Elevators Safety Handbook"

was made of aluminium (which conducts electricity, and hence is risky to use in the hoistway, because of the danger of electrical shock). In fact, the company's own World Wide Job Site Safety Standards manual strictly forbids the use of metal ladders: "All portable ladders must be constructed of non-conductive material. Portable metal ladders shall not be used."

When Raul and Bagwe refused to work on the broken aluminium ladder, they were told to sit without work at the depot. On the following day, ie August 5th, the two workers wrote to the management informing it about the incident and the violation of safety norms. Instead of correcting the wrong done, the management suspended both of them on August 6th, 1999. Raul remains suspended to date.

A similar case is that of A.S. Itkar, a permanent employee and active OEEU member who, on June 28, 2000, objected to the use of coffin hoists of lesser capacity than required to hoist a lift at Enjay Hotel, Bandra. The main chain of one of the hoists broke during the operation. Instead of correcting the violation of norms, the management suspended Itkar on some other pretext (that when he was asked not to bring a large bag to work, he refused to comply with the instruction).

R.P. Mainkar, another OEEU committee member, was asked by two executives to carry out main rope replacement at Gulmarg building under very unsafe conditions in November 1999. According to the OEEU, this would have been in violation of safety norms, and could have resulted in a major accident. When Mainkar refused to do as the executives demanded, he was terminated on another, unrelated, charge in December 1999.

The general secretary of OEEU, Harish Pujari, was quoted in an article in *Asian Age* (dated 19 December 1999) pointing out the company's declining safety standards, including in regard to escalators. The company issued him a letter demanding an explanation for his comments; on February 21, 2000, it applied to Labour Court for permission to terminate his services.

The Safety Committee still exists, but it is being bypassed. Significantly, the general manager (safety) S.S. Soman was never earlier in field operations; he was previously manager, Management Information Systems.

Conclusions

1. Otis India's own internal documents show the following:

-- there is a growing trend of major and fatal accidents to contract workers of the company in field operations;

-- the reason for this trend is the violations of safety norms by the company's subcontractors;

-- the company is aware of these violations but it has winked at them.

2. Otis has not paid compensation to the contract workers and lift users who have suffered as the result of such practices.

3. The use of subcontractors for field work has a built-in tendency towards cutting corners and compromising safety, as well as using unqualified labour. (Otis has also by and large discontinued direct manufacture of lifts in India, and is getting its lifts made by subcontractors. This too poses problems of quality and safety.)

4. The difference in the safety standards employed by permanent workers and contract workers can be seen in the fact that during the last decade and more, permanent workers have not suffered any fatal accident during the course of their work, whereas the management admits to five fatal accidents of contract workers during the last two years.

5. Despite these facts, the management is not considering stopping the use of contract labour, but is merely looking for ways to continue the system.

6. It is disturbing that the company is bypassing the Safety Committee, a joint management-union body, in monitoring safety practices and investigating major accidents. Considerable improvement in the safety conditions can be brought about by involvement of the Safety Committee in all matters in its sphere of responsibility.

Lokshahi Hakk Sanghatana

c/o 10, Laxmi Nivas, Katrak Rd, Wadala., Mumbai.

Rs. 5/-

About Lokshahi Hakk Sanghatana

Lokshahi Hakk Sanghatana is a democratic rights organisation that has been working in Maharashtra since 1979. It carries out investigations, propaganda, and agitations for democratic rights. It has brought out innumerable fact-finding reports on issues of repression -- attacks on workers and peasants, communal riots, Government policies leading to drought, police torture, illegal closures of factories rendering thousands unemployed, repressive legislations such as TADA, and so on. It also works to build up solidarity among various sections of the people against repression on any section of the people. It appeals to all democratically minded persons to join in its activities in whichever way they can.