

Jagan Institute of Management Studies
End-Term Examination, September-October, 2017
Trimester IV – PGDM 2016-18

Industrial Relations & Labour Legislations

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Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

- Q 1** Attempt any **THREE** of the following:
- a) Procedure for certification of Industrial employment (Standing Orders) is well defined, yet employers fail to take advantage, while drafting it. Why? Discuss salient components of Industrial employment (Standing Orders) as per the broad guide lines provided under Industrial Employment {Standing order} Act.
 - b) Employees resorting to illegal strike lasting short duration of a day or two can be better penalized fast and effectively under Payment of Wages Act 1936. How? Explain procedure and provisions to be followed.
 - c) Discuss the Salient features of “The Maternity Benefit Act”.
 - d) Employees resorting to illegal strike lasting short duration of a day or two can be better penalized fast and effectively under Payment of Wages Act 1936. How? Explain procedure and provisions to be followed.
 - e) Health and safety of employees at work place is the prime responsibility of the Employer, as stipulated under Factories Act 1948. But more often than not the workers ignore the safety instructions resulting in accidents, thus causing lot of problems in terms of man hour loss besides depleting the morale of the employees in general. As an HR manager what steps you will take to ensure safety of employees. Discuss with specific reference to the salient provisions as provided under factories` Act 1948. **15**
- Q 2** Employers through various professional bodies, have been agitating, crying loud that manufacturing base of the country is shrinking and is directly discouraging any business house for setting up industry. MNCs strongly feel that Indian labour laws are quite primitive and over protective for industrial workers, leaving little scope for employers to take action on erring workers or resort to downsizing business to meet crisis. Under the existing labour laws, unless changed, India will not be able to reap benefits of globalisation. Do you agree to this statement? Discuss specific labour laws which must be amended to enable business growth in India. **12**
- Q 3 a)** Differentiate between “**G**rievance” and “**C**omplaint” **PTO** u feel absence of a grievance redressal procedure in an organization creates

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stress amongst employees? Comment with special focus on the essential ingredients of an effective grievance reprisal system in industry.

- b) It is said that collective bargaining has always been and will continue to be, a process by which different and often opposing interest between labour and management are accommodated and solved by agreement, reached after mutual concession shared by both parties". In view of the statement made above, discuss the essential conditions necessary to make this process effective to address conflicts in harmonizing Industrial relations in the organization.

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Q 4 M/s Akshayni Udyog Corporation is located in Alwar {RAJSTHAN}, an industrial belt about 130 km from Delhi. The company has its plants in operations, located in Himachal Pardesh. The operations manager at Himachal Pardesh hydro project is employing 40 employees. One Mr Raghvander Singh an engineer employed with the company indulges in an act of creating nuisance and pick up a fight with a local Sarpanch's son at a public place. The engineer at the time of the incidence was under the deep influence of liquor. The locals lodged an FIR with the Police & engineer was arrested, though later released on bail. The report of the incidence has been also reported to the CEO of the company, who in a swift move to avert any local crisis in the area has called the HR manager and directed him to terminate the services of the engineer. The CEO apprehends some trouble from the local politicians.

If you are the HR manager, what will you do to combat the situation, keeping in view the provisions of industrial laws, sensitivity of the situation as well the social perspective?

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Q 5 An employee Mr. Roxon D costa joins the company as an operator {grade2} on 21st, July 1999 and as a result of his excellent performance he is promoted after three years of his services in the company to the post of Shift Supervisor{OPRS} . However, after serving the company for 5 years as supervisor he finds no scope for growth and subsequently resigns from the job. All efforts to persuade him to continue to work in the organization fail by his department manager. Details for the calculation of gratuity are provided as under. Calculate the gratuity payable.

- i) Date of joining the organisation = 21/08/1999
- ii) Rate of salary on joining = Rs.3, 860 per month.
- iii) Date of leaving = 22/02/2013.
- iv) Rate of salary at the time of leaving = Rs.15, 375/00 p. m. (Basic) + dearness allowance Rs. 4500 p. m.
- v) Rs.4, 300/00p.m. (House rent allowance)
- vi) Rs.1, 900 /p.m.(Conveyance allowance)
- vii) Rs.1, 500 p. m.(Special allowance)

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TOTAL = Rs. ²² ⁰⁰ ⁰⁰ =00 p. m.

This does not include annual bonus, provident fund and gratuity

monthly incentive payable on total plant yield every month.
As per the provisions under Payment of Gratuity Act 1972, how much gratuity is payable and why. Give reasons.

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Q 6 “ Effective and judicious understanding of the fundamental of human relations is a key competence , which all HR professionals and Line managers must have and be well versed with to ensure industrial harmony in our country “. Give your comments on the statement with special reference to the strategy adopted by Mr Russy Modi, late Vice Chairman of the house of TATA during his tenure in the organization. Do you think the strategy and style will still hold effective in the present scenario of Industrial relations harmony threatened by frequent downsizing.

OR

You are the manager (HR) of a BPO, USA based company located in India at Gurgaon (Haryana), having its business presence visible in about 15 countries. The transport manager Mr. Devgan had deputed one driver Mr. Naidu to pick up. One Ex-Patriate manager coming from Australia on Saturday night from the Airport at 16.00 Hours. This information was conveyed to the driver one day before in writing, with specific details in all respect clearly written in HINDI in the Passenger pick up schedule form and as well explained orally. In fact, the driver never visited Airport, rather on the contrary stated that he could not find Mr. Richie Williams at the airport. The driver had a cell phone also, which he however had switched off on the day. The visitor Mr. Richie tried to contact the driver, but all in vain. Next day, the matter is reported to the Vice President (Operations) who has called you and directed you to terminate the services of the driver. What action you will take keeping in view the orders issued by the VP (Operations) and the present scenario of Industrial Laws keeping in mind the trends of the Judgements delivered by Labour Courts. Discuss, with reasons in support of the action you will initiate.

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Q 7 [Read the case and answer the questions given at the end.](#)

The Industrial Relation Crisis

New India Limited is a giant public sector company producing fertilisers. As per government directives, it has recently established its major fertiliser unit in a backward rural area. Keeping in view the policy of upliftment of the people in areas surrounding the unit, the company has recruited almost all the unskilled and semi – skilled employees from nearby villages and towns. The “local” workers constitute around one-third of the total number of workers (around 1200) and naturally dominate the only union of workers in the unit.

The company has used highly sophisticated technology in production of fertilizers (3 all the processes). It has b^{PTO} policy of

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the company to recruit young engineers from recognized institutions as Management Trainees and to train and develop them for the junior management cadre. As the said unit has been recently established, the junior management of the unit consists of only around 200 of such young engineers. The company has constructed a resident colony for its employees near the factory where those engineers are residing resulting in informal relations between them.

Right from the commencement of production, the relations between the junior managers and the workers were strained. A few instances of insubordination and undisciplined behaviour in workers had been noticed and verbally reported by junior engineers to their seniors. But, the complaints were overlooked to avoid industrial relations problems. This stand of senior managers demoralised the junior engineers. They started looking for jobs elsewhere and in the past few months the turnover of these experienced young engineers was quite high, causing anxiety to the management. The performance of the company too in the past few months was far from satisfactory, as the production of fertilisers was hampered because of technical limitations on the bagging plant of said unit.

When the situation was thus tense, an unfortunate incident took place in the bagging plant. A junior technical engineer, Mr. A was assigned a job of repairing and maintaining a bagging machine – to be finished within a week – by a Plant Manager of plant who was under tremendous pressure because of technical problems in his area. Two days after the assignment of the job, Mr. A found the progress of the job well behind other plants and it was due to casual approach of the workers under his supervision. On the 3rd day, he called all his fellow workers on the shop-floor and explained to them the unsatisfactory progress of the job. He also pointed out the cause of delay saying how it was essential in the interest of the company, that all of them should keep their heads down, and finish the job in time. In response, one of the workers, Mr. B who also happened to be the union leader, put forth issues like production incentives, overtime, canteen services, quality etc. Which he claimed was not seriously considered by the management. He argued, “If the management’s approach is casual towards the demands of the workers, why should we bother about the company’s interest.”

Mr. A told Mr. B that these would be looked into by the senior managers and the workers could not make them an excuse in delaying their job. Mr. A’s statement could not cut ice and the workers under him and they continued with their casual approach with the open backing of Mr. B. On reporting the facts to the Plant Manager, Mr. A was told to issue a warning letter to Mr. B. Accordingly, a warning letter was handed over to Mr. B, after reading which he became furious and started abusing Mr. A, threatening to manhandle him outside the factory. This was witnessed by other junior engineers in the plant as well as the

workers on the shop – floor. Upset by the incident, Mr. A reported it to Plant Manager who assured to look into the matter and asked him to cool down.

In the evening, all junior managers informally met in the colony and decided to stop all the work, except the shift work, unless Mr. B was dismissed. Next morning, all junior managers gathered at the factory gate and informed the General Manager (GM) of their decision. The Personnel Manager of the company explained that no worker could be dismissed without an enquiry and that Mr. B could be suspended pending enquiry. Accordingly, the GM asked the Personnel Manager to issue the suspension order; Mr. B was suspended pending enquiry.

The representatives of the union met the GM the next day, demanding withdrawal of the suspension order, failing which they threatened to declare a strike. The GM called a meeting of all senior managers to discuss the matter. The majority of them were of the opinion that a strike at this stage would be a serious setback to the company, already facing an economic crisis and that top priority must be given to continuing production thus avoiding the strike. They were of the view that junior engineers could be persuaded to resume their duties by assuring them, non – recurrence of such incident. It would, they felt, be easier to make the unorganized junior engineers resume work than to face a strike by organized workers. The Personnel Manager, was, however, of the opinion that withdrawal of the suspension order would set an unhealthy precedence and the union will gain unnecessary dominance over the management at this initial stage.

The General Manager obliged the majority and withdrew the suspension order issued to Mr. B.

Questions:

- a) Was the decision taken by General Manager justified?
- b) What will be the repercussions of the General Manager's decision?
- c) Does the Personnel Manager's decision have any foundation from an industrial relations health and harmony?

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