

Jagan Institute of Management Studies
End-Term Examination, September, 2016
Trimester IV – PGDM/PGDM (RM) 2015-17

Industrial Relations & Labour Legislation
ET_PG_RM_IRLL_2709

Time: 3 Hrs.

M. Marks: 70

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

- Q 1** Comment on any **FOUR** of the following:
- a) Benefits available to an employee under Employee State Insurance Act 1948.
 - b) Health and Safety provisions under the Factories Act 1948, required to be taken by an employer.
 - c) 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 guidelines provided under Industrial Employment {Standing order} 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 or Industrial Disputes Act 1947. How? Explain procedure and provisions to be followed.
 - e) Salient features of “The Maternity Benefit Act”.
 - f) Salient provisions of law, under Contract Labour [Regulation and Abolition] Act 1970.

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- Q 2** One of the major drawbacks of the traditional adversarial model of labour relations has been its failure to include line managers as informed participants in the process. All too often, line managers are not trained to play an effective role in labour relations and are left out of critical decisions process regarding the collective agreement and grievances. Instead, the “sensitive nature” of labour relations issues has led staff experts and legal counsel to dominate the administration of the collective agreement. As a consequence, managers often feel frustrated and annoyed and isolated at how decisions are made and learn little to guide their own actions in the future.
- In view of the observations made, draw out a broad framework to train line managers in the basic steps to follow in maintaining smooth industrial relations. Remember the words of Rusy Modi, “Line managers are the first HR managers of the departments they supervise”

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Q 3 “Complaint” and “Grievance”, the two terms sound very much in use in the corporate. Are these terms really similar or a difference exists between the two terms? Discuss. Do you think absence of a grievance redressal procedure in an organization creates stress and distrust amongst employees? Discuss with special focus on the essential ingredients of an effective grievance redressal procedure. 12

Q 4 Attempt any **TWO** parts from this question.

- a) ‘Principle of natural justice and its application to industry is to enforce discipline’. Discuss and comment its relevance to employees.
- b) “Effective and judicious understanding of the fundamental of Collective bargaining is a MAJOR competence , which all HR professionals must have and be well versed with to ensure industrial harmony in the organisation”. 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 resulting from uncertainty of life cycle of a product.
- c) Calculate the gratuity payable to an employee based on the following information.

An employee Mr. Michale Cherian joins the company as an operator on 31, August 1984 and as a result of his excellent performance he is promoted after four years of his services in the company to the post of **Shift Supervisor {OPRS}**. However, after serving the company for 7 years as supervisor he finds no scope for growth and subsequently he resigns from the job. All efforts to persuade him to continue to work in the organization by his department manager, as well Head of HR fail. Details for the calculation of gratuity are provided as under. Calculate the gratuity payable.

- i) Date of joining the organization = 31/08/1984
- ii) Rate of salary on joining = Rs.3, 900 per month.
- iii) Date of leaving = 29/01 /1995.
- 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, 500/00p.m. (House rent allowance).
- vi) Rs.2, 800 /p.m.(Conveyance allowance).

TOTAL = Rs.27, 175.00 p.m.

As per the provisions under Payment of Gratuity Act 1972, how much gratuity is payable and why. Give reasons. 12

Q 5 You are the Manager (HR) of a KPO, USA based company located in India at Gurgram (Haryana), having its business presence visible in

about 10 countries.. One Ex-Partite Manager Mr. Richie Williams Was coming from Australia on Saturday night at the airport at 02.00 hours and had to be provided a Company`s car pick up for security reasons due to impending terrorist menace . This information was conveyed to the driver one day before in writing by the Transport Manager and had deputed the driver Mr. Ikramuddin to pick up, with specific details in all respect clearly written in Hindi in the Passenger pick up schedule form for the purpose and as well explained orally in the presence of the Security officer. 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) has called you and directed you to terminate the services of the driver. What action will you 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 Judgments delivered by Labour Courts? Discuss, with reasons in support of the action you will initiate.

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Q 6

Today, the present Government is advancing the cause for “Make in India” the move is appreciable. But, Industrialists, FICCI, ASSOCHAM, NIPM, [PHD] CHAMBER, NHRD, AIMO and many professional bodies have been crying loud that manufacturing base of the country HAS SHRUNK and is directly discouraging any business house for setting up industry. MNCs feel that Indian labour laws are quite unfriendly for BUSINESS and over protective for industrial workers, leaving little scope for employers to take action against erring workers or resort to downsizing business, to meet crisis. Under the present labour laws, unless changed, India will not be able to reap benefits of globalization. Do you agree to this statement? Discuss specific labour laws, which must be amended to enable business growth in India, as well to open avenues for employment for masses.

OR

M/s Akshayani powers Ltd, a subsidiary of a large German company and is located in Haryana at Bhiwani is an industrial belt about 200 km from Delhi. The company has its plants in operations, located in interiors of Himachal Pradesh also. Being a non-polluting industry it had no problems in setting up another unit for expansion. The operations manager at Himachal Pradesh hydro project is employing 100 employees. Mr. K. P. S. Makhija an engineer employed with the company indulges in an act of creating nuisance and picks 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 and the engineer was arrested though later

released on bail. The report of the incidence was reported to the CEO of the company, who in a swift moves to avert any local crisis in the area, 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 7 [Read the case and answer the questions given at the end.](#)

Rankesh Sharma Cunningly Assaults Mahto

Bhushan Steel Structures Limited was a large sector undertaking having 10,000 employees. It's Fabrication Shop fabricated structures and repaired various equipment for light engineering industries. The maintenance shop was headed by the Deputy Works Manager (Mechanical), who reported to the Works Manager (Mechanical), who in turn reported to the General Manager (Works).

Rankesh Sharma joined the company in 1990 as a Fabricator Grade I, which was a highly skilled job. His job was to fabricate and repair different equipment under supervisor's guidance.

Initially, Sharma was sincere, well behaved, and full of initiative and dedicated to the work assigned with quality focus. Soon he became one of the best workers in the shop and was recognized as the EMPLOYEE of the department on a numerous occasions. After sometime, however, Sharma started losing interest in his job and gradually became indifferent. Frequently he picked up quarrels with his fellow workers on trivial issues. Mahto, supervisor of Sharma's shift, reported against him to the Deputy Works Manager. Mahto complained that most of the time Sharma was not available at his work place, and even when he was available he was found gossiping with other workers. The Deputy Works Manager orally warned Sharma and told him to improve his performance; otherwise suitable action would be taken against him.

On June 18, Sharma and Mahto were in the morning shift (6 a.m. to 2 p.m.). At 12:30 p.m. Mahto left the shop and went to the Administration Building, which was outside the plant premises, to enquire about a file. Mahto informed the Deputy Works Manager before leaving the shop. At 12:40 p.m. Mahto was assaulted and manhandled on the road just outside the main gate. Mahto was taken to the hospital by some workers. Mahto lodged a complaint that Sharma had assaulted him.

Sharma was subsequently charge-sheet by the Deputy Works Manager for misconduct and was asked to reply within seven days.

The Charge-sheet says:

- i) "On June 18 at 12:45p.m.you assaulted Mahto on the road

outside the main gate while he was going out of the plant. During the previous week he had reported about your lack of interest in work and frequently absence from work place without permission. Instead of improving your performance, you assaulted him, apparently because he had complained against you.”

- ii) “You were absent from your duty without permission between 12:30 p.m. and 1:40 p.m. on June 18.”

In his reply of June 29 (within seven days as required) Sharma alleged that the Deputy Works Manager had certain malice against him as he had not obliged him by manufacturing and supplying a cupboard for his household use. The Manager had concocted the case to victimize him. Moreover, he claimed that he and Mahto were present on their duty up to 1:45 p.m. Hence, the question of his assaulting Mahto did not arise. He further stated that he was on good terms with Mahto.

The Works Manager did not find the reply to be satisfactory and constituted an enquiry committee consisting of the senior Manager (Training) and the senior Personnel Officer.

Sharma fully participated in the enquiry and was assisted by a co-worker. The committee held Sharma guilty of the misconducts mentioned in the charge-sheet.

The Works Manager was thinking about the action to be taken against Sharma and how to avoid such situations in future.

Questions:

- a) Identify the nexus of the problem in the case.
- b) How do you see the act of Sharma? Critically evaluate with reference to his reply to the enquiry committee.
- c) How would you tackle the problem to avoid recurrence of such incidents, if you were the Work Manager?

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