

UGANDA MARTYRS UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT

INDUSTRIAL RELATIONS
(SUPPLEMENTARY/ SPECIAL)

Examination

2013 - 2014

BAM III – NKOZI CAMPUS

Date: 05th/ 08/ 2014

Time allowed: 3 hours

Instructions

1. Do not write anything on the question paper
 2. Section I is COMPULSORY.
 3. Answer any 2 questions of your choice from section II.
 4. All Questions carry equal marks.
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SECTION I

Please read the case study carefully and answer ALL the questions that follow.

SORRY, YOU ARE REDUNDANT

It was a normal Friday afternoon at Sheetmet Co. the personnel in the production Department were cleaning up the area after the day's work and sorting out paper work. Everyone was looking forward to the weekend, especially as there was a social club fishing trip the next day. The operators, supervisors and managers got on well with each other and many of them saw each other outside work. The pace was slowing down, as it tended to on a Friday afternoon, as there was no point in starting any work before Monday and the machines were always in need of a good clean.

Sheetmet was a firm of specialist sheet metal workers who made prototype work for a variety of industries and also carried out small batch work. They prided themselves on their skill. If it could be made of sheet metal, Sheetmet could do it. The firm employed 80 people but even at this size was friendly, with everyone, from directors downwards, on first name terms. The firm was clearly not in an expanding market with the competition coming from nonmetallic substitute materials, which were easier to fabricate than metal and altogether more attractive to designers. Nevertheless, it had maintained a healthy order book for most of the past ten years. However, recently those leaving, mainly through retirement, had not been replaced and it had become noticeable that there was an ageing workforce with few young people entering the trade to provide succession.

Without anyone being particularly aware a notice appeared on the notice board. The board was full of posters, notices, minutes and informal notices but the new, clean sheet was conspicuous. It partly read "the board have examined the future position of the company and regretfully announce that, due to the disappointing performance of the company in the current financial year and the poor state of the order book, there is need to reduce the workforce of the firm".

There was a stunned silence as the word went round the department and everyone gathered round the notice board. People found it difficult to know what to say, especially those affected by the redundancy notice. The supervisor was called over and he denied any prior knowledge of the notice. He could see the reaction of the group and went off to see his boss. He ascertained that the production manager and all the other managers were at a meeting, but no one knew where. Not one for giving up, he went to the directors' office, only to find the doors firmly locked.

Of the ten listed on the notice board, seven were under the age of 30 and had been with the firm less than two years. They had all received training within the firm and were considered to be skilled operators. It was commented that within the department there were six men who were within three years of retirement. They had casually commented that, had they been asked, they would cheerfully have volunteered for redundancy.

The same evasiveness persisted on Monday. Meetings seemed to be held everywhere and no one could be contacted. The ten men listed on the notice board reported to the wages office where they were given their money. The situation did not improve when it was learnt that only two people were being made redundant from the offices, one of them being a part-timer. Eventually a deputation from the production department met the managing Director. He went over the matter again in more detail and while fully sympathetic, said that there was nothing to be done. He was clearly agitated by the severe Criticism of his handling of the situation. It was not the first time

that he had had difficulty in dealing with problems that might lead to confrontation. That incident had occurred four years ago and had remained firmly in the memories of all. The company continued to maintain a reasonable level of activity and the workforce was down to 60, other losses occurring through natural wastage. However, the recession was biting hard. Technical changes had meant less sheet metal work was needed and the future was looking gloomy. At the end of the financial year the firm was in the red and the projections for the next year was poor. Unless remedial action was taken, the firm, the accountant advised, was in danger. As 60 per cent of the direct costs were labor costs, it seemed inevitable that a reduction in human resources would be necessary. On this occasion the shop floor had become aware of the impending decision. Requests were made for information but the replies were evasive and vague. One lunchtime the employees organized an informal meeting in the canteen. At the meeting it was decided that the management should be approached officially.

- 1a) Discuss the grounds on which employees can be made redundant (4 Marks)
- b) What are the consultation procedures that should be utilized in the case above? (6 Marks)
- c) What is the role of a trade Union in this case? (8 Marks)
- d) You will be involved in the meeting with the employees in two days' time as a manager. The Managing Director has tasked you with finding out the legal requirements relating to redundancy and to send a memo to him on this, in lay language. (5 Marks)
- e) Explain the meaning of redundancy and some of the circumstances in which it may occur. (12 Marks)
- f) Describe the purpose of a redundancy payment and under what circumstances can an employee claim redundancy? (5 Marks)

SECTION 2

2 The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen." The term industrial relations explain the relationship between employees and management which stem directly or indirectly from union-employer relationship.

- a) Discuss the actors in an industrial relations system? (12 Marks)

b) Explain Unitary and Pluralistic perspectives in industrial relations. (8 Marks)

c) Discuss the importance of having healthy industrial relations. (10 Marks)

3 a) Define Conflict and its possible causes and effects. (20 Marks)

b) Suggest causes of disagreement in Industrial relations. (10 Marks)

4. a) Define dismissal and the types of dismissals.(10 Marks)

b) Discuss the reasons for dismissal in organizations. (10 Marks)

c) What is unfair dismissal and share the reasons why an employee's dismissal can be unfair even if they have done something wrong? (10 Marks)

3 .write short notes on the following:

a) A closed shop and shop steward(5 Marks).

b) A trade union (5 Marks).

c) Industrial democracy (5 Marks).

d) Picketing (5 Marks)

e) Procedural and substantive agreements (5 Marks)

f) Strikes and lockouts (5 Marks)

4. a) Distinguish between a written statement and a written contract of employment.(7Marks)

b) Discuss the sources of the terms of a contract of employment. (23 Marks)

5.a) Is salary the same as remuneration? (4 Marks)

b) What is the difference between Remuneration and Salary? (6 Marks)

c) Outline and discuss the modern methods of payment. (20 Marks)

6. Select any organization of your choice and then:

a) Identify the major causes of labor turnover. (12 Marks)

b) Suggestion possible solutions to labor turnover.

(12 Marks)

c) Discuss the effects of labor to such an organization.(6 Marks)