

**Kadi Sarva VishwaVidyalaya, Gandhinagar****MBA –II Semester –III – December 2014 Examination****Management of Industrial Relations & Labour Legislation (HS332)****Date: 22/12/2014****Weightage: 40%****Duration: 2½ Hours****Instructions:**

- 1 Make assumptions wherever necessary and state them clearly
- 2 Working notes must form part of your answers
3. Figures to the right indicate weightage

- Q-1 (A) Define IR. Write the concept and determinants of Industrial Relations. 4%
- (B) Discuss the factors affecting industrial relation in India and explain different approaches to Industrial relations. 4%
- OR
- (B) What do you understand by conciliation, voluntary Arbitration and adjudication? 4%
- Q-2 (A) Discuss the provisions relating to strike, lock-out and lay-off and retrenchment under Industrial Disputes Act, 1947. 4%
- (B) Is registration of a trade union compulsory as per Trade Union Act, 1926? Discuss the benefits and other rights and privileges available due to registration 4%
- OR
- Q-2 (A) Mention the objectives of the Bombay Shops & Establishments Act, 1948. To what types of organizations does it apply? 4%
- (B) What are the authorities under the Industrial Disputes Act? 4%
- Q-3 (A) Explain the objective of the Contract Labour Act 1970. What is the effect of abolition of contract labor on the workmen? 4%
- (B) What is a strike? What are the pre-conditions for a legal strike? 4%
- OR
- Q-3 (A) Explain the term standing orders? Why are they called so? 4%
- (B) What is collective bargaining? Explain briefly the steps involved in collective bargaining. 4%
- Q-4 (A) Discuss main provisions of Shop and Establishment Act regarding working hours and leave in details. 4%
- (B) Discuss the provisions of Factories Act 1948 relating to the following : 4%
- OR
- Q-4 (A) Explain the term: manufacturing process. Discuss major provisions of the Factories Act 1948 with respect to welfare and hazardous process. 4%



(B) Explain a model grievance procedure.

4%

Q-5

**Solve the case given below**

8%

**Collective Bargaining vs. Individual**

R.K. Brewery Limited produces four varieties of beer as well as mineral water. There has been a trade union representing around 900 employees of total of more than 3,000 employees. The company entered a collective agreement with the trade union in 2005 which would be in force for five years up to the end of 2009.

Mr. Vinod Michael joined R.K Brewery as Chief HR Manager in 2007. He analyzed the collective agreement with a fixed salary for a group of employees performing the same job. He felt that it would be difficult to enhance the productivity beyond the current level, though the competition demands increase in productivity at least by 25%, in addition to improvement in a quality and delivery schedules.

Mr. Vinod discussed the issue of performance based salaries with a base line – the current salary level as base line with CEO of the company in March 2007. The CEO accepted the idea reluctantly as the trade union may create problems. Mr. Vinod implemented the scheme of performance based salaries and benefits in May 2008. The scheme worked beyond expectations, as the productivity increased by 30% in addition to improvement in quality and delivery schedule. The salaries of 80% employees increased by 20% to 30% and surprisingly the membership of trade union declined to around 45% by 2009.

Trade union is worried of increase in salary levels of remaining 20% employees and majority of who are its members. In addition, the salary differential caused social problems among the employees and their family members. In view of the expiry of collective agreement by 31<sup>st</sup> December 2010, the trade union requested the management during the second week of January 2009.

Mr. Vinod felt that there is no need for collective bargaining meeting as well as collective agreement as the salaries and benefits are based on individual performance of employees. In fact, this is the trend in most of the private sector companies like R.K. Brewery. Mr. Vinod discussed the issue with the CEO and senior level managers in a meeting organized for the purpose of taking decisions of collective bargaining and collective agreement. There were mixed arguments and responses in the meeting. However, Mr. Vinod took a decision of implementing bargaining or negotiations with individual employees regarding salary, benefits, working conditions, and all other issues of HR and terms of conditions of employment and communicated to all the employees as well as trade union leaders.

**Questions**

1. Why did Mr. Vinod take such a decision deviating from the establishment practice of collective bargaining and collective agreements?
2. What would be the possible reaction and response from the trade union?

=====X=====X=====X=====X=====X=====