

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – EXAMINATION – SUMMER 2016

Subject Code: 2830303

Date: 09/05/2016

Subject Name: MANAGEMENT OF INDUSTRIAL RELATIONS & LABOUR LEGISLATION (MIR&LL)

Time: 10.30 AM TO 01.30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 a) 1. _____ refers to all types of relationship between all the parties concerned with industry. 06

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|-------------------------|--------------------|
| a. Industrial Relations | b. Human Relations |
| c. General Relations | d. All of above |

2. Structure of Trade Union is concerned with

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|----------------------------|---|
| a. On the basis of purpose | b. On the basis of Membership Structure |
| c. Both a & b | d. None of these |

3. Techniques to achieve the objectives of organization are:

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|--------------------------|-----------------------|
| a. Collective Bargaining | b. Grievance Handling |
| c. Negotiations | d. All of these |

4. Which of the following are the non-economic cause of dispute?

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|---------------------------|-----------------------|
| a. Ill treatment by Staff | b. Sympathetic Strike |
| c. Indiscipline | d. All of these |

5. Which of the following are the prerequisites of workers participation in management?

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| a. Profit linked pay | b. Pension Fund Participation |
| c. Profit Sharing & Employee's Stock option | d. All the above |

6. Which of the following cannot be a cause of Strike?

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| a. Salary & Incentive Problems | b. Discontinuity in Services due to overage |
| c. Wrongful Discharge or Demission of workman | d. Dissatisfaction with company policy |

Q.1 b) Define following words.

1. Factory
2. Contract labour
3. Discipline
4. Lockout

04

Q.1 c) Define strike. Explain the situation in which strike and lockout are illegal.

04

- Q.2 a) Explain the term 'Industrial Relations'. Discuss the Dunlop's approach to Industrial Relations. 07
b) What steps should the management take for the effective redressal of employee's grievances? 07

OR

- b) What are the important provisions regarding health and safety mentioned in the 'Factory Act 1948'? 07

- Q.3 a) Define the term 'Retrenchment'. Explain the conditions precedent to retrenchment of workman. 07
b) What are the important provisions regarding the employment of young person, children and women in the Bombay Shop and establishment Act 1948?

OR

- a) What do you mean by Standing orders? State the matters to be provided in standing order under 'Industrial Standing order Act 1946'. 07
b) Discuss assessment and suggestion for better functioning of Collective Bargaining in India. 07

- Q.4 a) What do you mean by 'Discipline'? In what ways the positive approach to managing discipline more effective than legal approach. 07
b) What are the scopes and functions of a Labour Court, Industrial Tribunal and National Tribunal? 07

OR

- a) Define 'Contract Labour'. Explain the prohibition of employment of contract labour. 07
b) What are the important Supreme Court's guidelines on the Sexual harassment of Women workplace? 07

- Q.5 a) **Labor Unrest at Toyota India.** 14

On January 08, 2006, Toyota Kirloskar Motor Private Limited (TKM) announced an indefinite lockout of its vehicle manufacturing plant at Bidadi located near Bangalore, Karnataka. The decision was taken following a strike, which had entered its third day, by the Toyota Kirloskar Motor Employees Union (Employee Union), the only company recognized union. The lockout notice stated that the strike was illegal as the Employee Union did not give the mandatory 14 day notice period as per Industrial Disputes Act, 1947. It also stated that the workers were indulging in violence and destruction.

TKM was a joint venture, established in 1997, between Toyota Motor Corporation (Toyota), Japan's largest car company and the second-largest car manufacturer in the world, and the Kirloskar Group of India. Toyota holds an 89% equity stake and while the Kirloskar Group holds the remaining 11%. Toyota has invested nearly US\$ 336 million (INR 15 billion) in the plant with capacity of producing 60,000 units per year. Toyota manufactures its world famous cars like Corolla, Camry and Innova at the plant. The plant had a total workforce of 2,378 out of which around 1,550 employees belonged to the Employee Union.

On January 06, 2006, the Employee Union went on strike with the demand to reinstate three dismissed employees, ten suspended employees, and improve the work conditions at the plant. These employees had been dismissed and suspended by the company, on disciplinary rounds, for attacking a supervisor and misconduct. TKM declared that it would not rehire nor reinstate those employees culminating in the strike and lockout. TKM made several serious allegations against the Employee Union.

The company said that the striking workers were threatening to blow up LPG gas cylinders in the company premises, obstructing the outward movement of manufactured vehicles, illegally stopping production, and manhandling other workers, who were not

part of the Employee Union, to strike. In response, the Employee Union said that three employees were dismissed because they were actively participating in trade union activities and the company wanted to suppress the trade union. They further said that working conditions at the plant were inhuman and 'slave-like'. They were often made to stretch their working hours without sufficient relaxation and compensation. The issue took a new turn when representatives from the management at TKM refused to attend a meeting before the Labor Commissioner on January 09, 2006 for resolving the dispute with the union. The company said that the atmosphere was not conducive for talks as the Employee Union was in a violent and agitated mood. Though, the company appealed for two weeks' time to appear before the Labor Commissioner so that situation could become stable, they were given time only till January 12, 2006. The Employee Union got support from various trade unions and demanded the intervention of the state government to help resolve the dispute in their favor.

TKM continued with partial production of vehicles with the help of non-unionized workers and the management staff, who were specially trained for these kinds of emergencies. However, the company's output had fallen from 92 vehicles per day to 30 vehicles with an estimated production loss of around INR 700 million. The Company lifted the lockout on January 21, 2006 stating that it was responding to the request from workers who eager to return to work. The workers were required to sign a good conduct undertaking to maintain discipline and ensure full production. The Employee Union relented and withdrew their strike following a Government Order on January 21, 2006, which was against the strike and referred the issue to the third Additional Labor Court. However, the union said that they would not sign the good conduct declaration specified by TKM. The unrest had other ramifications as the Toyota spokesperson said that the company would rethink its recent decision to build a second car manufacturing plant in the state. It was also felt that this incident would seriously affect the Karnataka Government's efforts in trying to attract Volkswagen to establish a vehicle manufacturing plant in the state. This was the second dispute involving a Japanese vehicle manufacturer and trade unions in India. Earlier in July 2005, workers of Honda Motor & Scooters India Limited had a violent clash with the police at Gurgaon, near New Delhi, resulting in a revenue loss of around INR1.25 billion for the company.

This recent rise in trade union activism resulting in violence and business loss has attracted the attention of the national and international media. With around US\$ 2 billion equity investment since 1991, Japan was the fourth largest investor in India. During the Honda incident, the Japanese ambassador in India had stated that these kinds of incidents would show India in poor light.

Discuss following Issues:

- 1) Understand the factors that lead to strikes and lockouts at a factory and the impact of such happenings on the employees and the company
- 2) Study HR policies adopted by organizations to prevent labor unrest at the workplace
- 3) Examine the role played by the top management in ensuring peaceful working environment
- 4) Analyze the role of external parties such as trade unions; political parties etc in disturbing the working environment in a company

a) **Case Study: Balbir: The Union Man**

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Chief Engineer Raju

Raju has been with the company for the last 15 years. He is considered to be very competent in his job. Raju always greeted people with a smiling face and never lost his temper on the shop floor. Workers had considerable regard for him. In union circles Raju enjoyed a good reputation for his fairness. He had a unique style of his own when it came to personnel matters. He advocated patience and restraint while dealing with people. He would often say “gone are the days when one could deal with employees strictly. Now you have to be flexible, considerate and fair”.

Supervisor Madan

A young man of 25, Madan is always keen on meeting production targets. He took genuine interest in his job and handled all his assignments carefully. He is of the view that top management and especially the HR manager more often than not, might fail to back up supervisors in their efforts to bring about some discipline in the plant. He believed that complaints from supervisors are ignored by management and as a result, workers get encouraged to indulge in disruptive activities, adversely affecting production.

Balbir Singh

Balbir, a skilled worker, has recently been elected as the Joint Secretary of the Union. He holds leftist political views, though he is not a member of any political party. He is ambitious and wants to reach the top levels in union circles as quickly as possible. On Monday, Raju has hardly entered his office when the supervisor Madan rushes in.

Madan: Sir there is a great commotion in the section. No one is working. Even after repeated requests, workers have not stopped the shouting and hooting. Sir, please come to the shop and see for yourself the extent of indiscipline that has become rampant.

Raju: Madan, take your seat. Tell me the truth. I will come to the shopfloor if you so desire. But first tell me why you are so much upset.

Madan: Sir, you know, Balbir, the joint secretary of the union, was loitering around and not attending to his machine. I called him and told him to go to his machine and start it.

Raju: Then what happened?

Madan: Balbir retorted quickly, “Do not shout at me. Your lung power does not work here. Even your bosses cannot order me about like that. What are you, after all?” Many workers gathered around and witnessed the scene.

Raju: O.K. Now please go to your section. I will ask Balbir to come immediately.

Balbir: Sir, you wanted to see me? What is the purpose?

Raju: Please sit down. What would you have? Tea or coffee? (Presses the buzzer). Bring two cups of tea. (After the tea has arrived) – Do you need more sugar? Balbir, tell me now why are you after Madan? He is a sincere and hardworking young supervisor and you should cooperate with him.

Balbir: Sir, first listen to me and then decide. This Madan has run amok. Kal Ka Chokra, he Notes thinks he is Hitler. This morning the security staff did not allow two workers of my section in. Somehow I came to know. I left the section and went to see the security officer. With great difficulty I managed to get the two workers punch their cards and join duty. On my return I saw Madan fuming and fretting. In a derogatory tone he started shouting at me. When I could stand it no longer I also raised my voice and told him to go and report against me.

Raju: Look! Balbir you are a responsible union official. You should not have created the scene. After all a supervisor has to ensure discipline. I am sorry you have set a bad example for other workers. How do you want me to proceed? Madan is very sore at being insulted in the presence of so many workers. I have to do something so that such incidents do not occur again.

Questions:

1. Who is at fault and why?
2. Do you think unionized employees require a different kind of treatment on matters relating to discipline?
3. What should Raju do now to check both Madan and Balbir from going to the street in future?