

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM / PGDM (M) / PGDM (SM)

IV TRIMESTER (Batch 2021-23)

END TERM EXAMINATION, NOVEMBER 2022

Course Name	Industrial Relations and Labour Laws	Course Code	20323
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS: Attempt all questions. Each question is of 10 marks.

Q. 1 A climate of unemployment, and the burgeoning trade union movement, propelled state interventions, introduction of new Industrial Relations code 2019. Against this backdrop, the Industrial Disputes Act 1947 (the ID Act) was enacted to provide for investigation and settlement of industrial disputes.

Critically examine the legal framework for Industrial dispute resolution in India. In what specific ways does the existing system inhibit collective Bargaining. (10)

Q 2: A Multinational Company specialised in food processing has been operating in India for about 3 decades. The Company has recently decided to expand its production. It was decided to shift the factory to a new location about 20 kms. away from its present site. As the workers transferred to the new site were living in town, the union demanded an increase of Rs. 6000/- per month in the salary, but the Company offered to give Rs. 2500/- only to cover the transport cost. When the plant was being shifted to the new site, negotiations went on uninterrupted between the Management and the Union on this issue. However both the parties could not come to a settlement even after 6 months. The Management was firm on their decision even though the union indicated some flexibility. The Union refused to compromise fully on the issue. They adopted go slow tactics to pressurize the Management. The production went down drastically, but still the Management was firm on their stand. In the meanwhile the Management charge-sheeted some of the Trade Union leaders and suspended them pending enquiry.

Analyse the case given above and elucidate the problem and causes. As a General Manager – HR of this Company how would you resolve the problem ? (10)

Performance vs. Trade Union Role in Collective Bargaining

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 analysed 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 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 the 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 2007. The scheme worked beyond expectations, as the productivity increased by 30% in addition to improvement in quality and delivery schedule. The salaries of 80% of employees increased by 20% to 30% and surprisingly the membership of trade union declined to around 45% by 2008.

Trade union is worried of increase in the salary levels of remaining 20% of employees and majority of who are its members. In addition the salary differentials caused social problems among employees and their family members. In view of the expiry of collective agreement by 31st December 2010, the Trade union requested the management to arrange for a collective bargaining meeting to negotiate and arrive at new agreement 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 organised 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 salaries, benefits, working conditions, and all other issues of HR and terms and conditions of employment and communicated to all employees as well as trade union leaders.

Questions

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

(5+5)

Q.4 Critically analyze the recent labour Codes on Industrial relations and Social security. Highlight the key changes that these two codes will bring in the ways of functioning of Industries. (10)