

MANAGEMENT PROGRAMME

Term-End Examination

June, 2011

MS-24 : EMPLOYMENT RELATIONS

01191

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

Note :

- (i) *There are two Sections - A and B.*
 - (ii) *Attempt any three questions from Section - A. All questions carry 20 marks each.*
 - (iii) *Section - B is compulsory and carries 40 marks.*
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SECTION - A

- 1. Discuss the current development in industrial relations in India. Describe the influence of theories and models on industrial relations practices. **20**
- 2. Identify the factors responsible for the formation of white - collar managerial unions. Briefly trace the evolution of managerial unions in India. **20**
- 3. Define collective bargaining. Examine the unique features of collective bargaining in Indian context with illustration. **20**

4. Identify the factors responsible for the failure of participative schemes in India. Discuss the strategies for making participative forums effective. 20

5. Define discipline. Explain the process of disciplinary action and its advantages and disadvantages. 20

SECTION - B

6. Read the case given below and answer the questions given at the end. 40

XYZ Corporation is a State Government enterprise in which a strike occurred in the recent past at the middle management level, causing a loss of Rs. 100 crores.

This Corporation is an engineering industry and has three categories of employees : (1) deputationists from the Central and State Governments, (2) its own recruited officers, staff and men; and (3) officers and staff who had opted from the Government to the Corporation's service.

The middle management whose strength is about 1500, includes people who have reached the highest executive rank, but are not members of the Board of Directors. The Board of Directors and Secretaries of the Corporation are on deputation from the Central and State Governments. Some of them are experienced veterans of proven integrity and managerial skills. The workforce and staff consists of supervisors and men, who have separate unions.

The unions had many factions and were agitating quite frequently. The top management was generally employing the middle management to quell strikes by the workers and staff. In most cases, the demands of the workers were accepted. The workers and supervisory staff had thus been able to improve their service conditions through agitational means.

Before the strike, the middle management had been complaining about job - stagnation, absence of service rules, untimely action in EB

cases, and unequal treatment meted out to it by the top management. It wanted a revision of the pay-scales and introduction of time bound pay-scales. By this time, the deputationists at the middle management level were asked to opt for service in the industry or lose their jobs. There were serious apprehensions in the minds of the middle management people about getting perks and retirement benefits at the same rate as their parent departments. They held several meetings and people at all levels of the hierarchy stood together.

The top management issued a circular saying that the misgivings were unfounded, and that the industry was quite capable of giving perks and retirement benefits at the same rate as their parent departments. This circular was issued in the same manner as other circulars.

Three months prior to the strike by the middle management, a union of workers went on strike. The middle management was directed to have the strike called off but it acted half-heartedly. The top management was getting the feedback on the situation from the Corporation's channels and other independent services. The middle management, however, passed on very little information. The MIS was of routine nature, and it only described how functioning had been affected, and the strength that reported for duty. The middle management was itself to some extent, responsible for the strike and it stood by the workers.

After this strike was called off, there were a number of demonstrations by the middle management people. A union had already been formed and it was recognized by the Board of

Directors. The following demands were put up : (1) DA to be granted to people getting pay above Rs. 900 basic, (2) Time bound pay-scales to be allowed, (3) DA to be equal to that given to the deputationists, (4) For those not getting residential accommodation, rent above 10% should be subsidized, (5) Withdrawal of pre-audit checking on purchases, (6) The middle management people should have promotion avenues up to the Board level, and (7) Timely disposal of disciplinary cases.

The middle management complained that there was stagnation, and that promotion avenues were blocked. They said, for instance, "that an engineer entering the Corporation would cross the first step only after fifteen years and the second after twenty. There were five steps to the highest executive rank (not in the Board of Directors). Hence there was no chance for an entrant to reach the highest level in his lifetime or to get pay advance equivalent to that at the higher echelons."

About two months prior to the strike the Chairman went on leave for a month and a deputationist in the Board was appointed to officiate in his place. During this month the agitation mounted.

The Board of Directors appointed a Pay Commission, but it was boycotted by the middle management. The information system of the Board conveyed information about discontent but it did not foresee the strike which later paralyzed the Corporation. The Board of Directors got in touch with the Army authorities, and were assured that personnel would be provided to man the works, so that functioning was not disrupted. An impasse started developing at about this time between the middle management and the Board

of Directors. The younger elements in the middle management did not act with restraint and caused lot of provocation to the members of the Board.

The politicians took great interest in the developments. About ten days before the strike commenced, some of the members of the middle management went on hunger strike. The tension kept mounting. The Board of Directors held a meeting with the union leaders, but there was not much progress in negotiations. The Board did not like the deputationists' demand for the scrapping of pre-audit on purchases. Likewise the union was pressing hard for the replacement of the deputationists by middle management personnel, and the talks broke down.

A spokesman of the Board of Directors stated that the trouble was being stirred up as a result of curbs on financial expenditure and purchases. The middle management complained that it was not getting an adequate share in the management, and that some people in the Board of Directors were harsh to it. The Corporation had a very efficient system of communication, but this was mostly manned by the middle management people. The Board of Directors was ultimately isolated. A strike took place, and a loss of about Rs. 100 crores occurred.

Questions :

- (a) What is the main problem in the present case ?
- (b) Analyze the basic causes which led to the problem.
- (c) How would you deal with such a situation ?

to learn to operate the other machines. Others thought it was a good idea and a good opportunity, but were uncertain about the three-month time-table. Rani tended to agree that the plan was unfair and unreasonable. She expressed her concerns to Helen, but not to the other employees.

In an informal lunch meeting, 10 of the WP employees voted to resist the cross-training and later in the day, obtained support for their position from seven DE employees. They confronted Helen with their decision the next morning. Knowing that her boss was committed to the cross-training, Helen attempted to reason with her employees. But it seemed useless; they were adamant in their demands. Moreover, having heard about the resistance, the WP/DE employees who welcomed the cross-training opportunities united and indicated their support for the change. For the first time since Helen had been the supervisor of the unit, WP employee ranks were split on an issue, siding with DE employees who were of the same opinion. The situation in the unit was certainly a divisive and volatile one. Helen was under pressure to solve the problem as soon as possible.

Questions :

- (a) What are your reactions to the way Helen handled the proposed change ? What factors contributed to this resistance ?
 - (b) What do you think will happen if Helen goes ahead with the cross-training, in spite of the resistance ? Discuss the consequences.
 - (c) What are some of the supporting forces for change in this situation ?
 - (d) Discuss the suitable action plans which Helen could adopt.
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