



**MBD-161100020409** Seat No. \_\_\_\_\_

**M. B. A. (Sem. IV) (CBCS) Examination**

**March / April - 2018**

**Management of Industrial Relations**

Time : **3** Hours]

[Total Marks : **70**

**Instruction :** All Questions Carry Equal Marks.

- 1 Define Industrial Relations. What are the major reasons due to which it is a significant term in corporate culture?

**OR**

- 1 Explain in brief grievance handling procedure. What are the advantages of a sound grievance redressal procedure?

- 2 (A) Explain : Preventive measures of industrial disputes.  
(B) Describe different types of disciplines and code of conduct in India.

**OR**

- 2 (A) What is workers' participation in management?  
Why it is needed?  
(B) Explain : Objectives under Standing Orders Act.

- 3 Successful collective bargaining should be viewed as "Science" rather than "Art". - Elaborate with examples.

**OR**

- 3 Explain the different causes of poor industrial relations and possible suggestions to improve it.

- 4 (A) Describe provisions regarding health and safety of workers under Factories Act.

- (B) Discuss the Rights and Privileges given to a registered Trade Union in context of Trade Union Act, 1926.

**OR**

- 4 (A) Write short note on : Factories Act, 1926  
(B) Explain in brief - Mines Act.
- 5 For Bata, labor had always posed major problems. Strikes seemed to be a permanent problem. Much before the assault case, Bata's chronically restive factory at Batanagar had always weighed down by labor strike. In 1992, the factory was closed for four and a half months. In 1995, Bata entered into a 3 - year agreement with the workers, represented by the then 10,000 strong BMU (Bata Mazdoor Union), which also had the West Bengal government as a signatory.

On July 21, 1998, Weston-Team Leader was severely beaten by four workers at the company's factory at Batanagar, while he was attending a business meet. The incident occurred after a member of BMU, Arup Dutta, met Weston to discuss the issue of the suspended employees. Dutta reportedly got into a verbal duel with Weston, upon which the other workers began to shout slogans. When Weston tried to leave the room the workers turned violent and assaulted him. This was the second attack on an officer after Weston took charge of the company, the first one being the assault on the chief welfare officer in 1996.

In February 1999, a lockout was declared in Bata's Faridabad Unit. One officer commented that the closure of the unit would not have much impact on the company's revenues as it was catering to lower-end products such as canvas and Hawaii chappals. The lock out lasted for eight months. In October 1999, the unit resumed production when Bata signed a three-year wage agreement.

On March 8, 2000, a lockout was declared at Bata's Peenya factory in Bangalore, following a strike by its employee union. The new leadership of the union had

refused to tolerate the wage agreement, which was to expire in August 2001. Following the failure of its negotiations with the union, the management decided to go for a lock out. Bata management was of the view that though it would have to bear the cost of maintaining an idle plant (Rs. 3 million), the effect of the closures on sales and production would be minimal as the footwear manufactured in the factory could be shifted to the company's other factories and associate manufacturers. The factory had 300 workers on its rolls and manufactured canvas and PVC footwear.

In July 2000, Bata lifted the lockout at the Peenya factory. However, some of the workers opposed the company's move to get an undertaking from the factory employees to resume work. The employees demanded cancellation of suspension against 20 of their fellow employees. They also demanded that conditions such as, maintaining normal production schedule, conforming to standing orders and the settlement in force should not be insisted upon.

In September 2000, Bata was again headed for a labour dispute when the BMU asked the West Bengal government to get involved in what it perceived to be a downsizing exercise being undertaken by the management. BMU justified this move by alleging that the management has increased outsourcing of products and also due to perceived declining importance of the Batanagar unit. The union said that Bata has started outsourcing the Power range of fully manufactured shoes from China, compared to the earlier outsourcing of only assembly and sewing line job. The company's production of Hawaii chappals at the Batanagar unit too had come down by 58% from the weekly capacity of 0.144 million pairs. These steps had resulted in lower income for the workers forcing them to approach the government for saving their interests. Weston resigned on January 30, 2001. This came as a severe setback to the Bata management.

**Questions :**

- (1) In September 2000, the BMU asked the West Bengal government to intervene in the alleged downsizing exercise of the management. Was the union justified in seeking government intervention? What do you think are the pros and cons of outsourcing for Bata in the light of poor industrial relation conditions? Explain.
- (2) Maintaining good industrial relations have always been a problem for Bata. Why? How do you think Bata can maintain sound industrial relation practices?
- (3) The role played by the Bata Mazdoor Union (BMU) seems to have been more of a destructive one than constructive one in the state of affairs at Bata. Comment.
- (4) In 1999, the Bata management in a bid to further cut costs announced discontinuation of several welfare schemes at its Batanagar unit. Do you think it right to stop welfare schemes to cut costs? Give reasons for your answer.

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