



PG – 783

III Semester M.B.A. (Day) Examination, January 2009
(2007-08 Scheme)

BUSINESS ADMINISTRATION
H.2 : Employee Relationship Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **any six** of the following. **Each** question carries **two** marks. (6×2=12)

1. a) What is Strike ?
- b) What is ILO ?
- c) Define Trade Union.
- d) What is Industrial Relations ?
- e) What is Disciplinary Action ?
- f) Define Grievance.
- g) What is Demotion ?
- h) What is Quality Circle ?

SECTION – B

Answer **any three** of the following. **Each** question carries **eight** marks. (3×8=24)

2. What are the conditions essential for the success of WPM ?
3. Explain the causes of Grievances.
4. Discuss the various approaches to Industrial Relations.
5. Explain the various ethical approaches to IR.
6. Explain the structure and functions of Trade Union.

SECTION – C

Answer **any two** of the following. **Each** question carries **twelve** marks. (2×12=24)

7. What is career planning ? Discuss the various career stages and what are the factors affecting career choices.

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8. List down the various procedure for taking disciplinary action and bring out the various reasons which lead employees to indiscipline.
9. What is Industrial Dispute ? List down the types of industrial dispute and what causes the industrial dispute ?

SECTION – D

This case study is **compulsory**. It carries **fifteen** marks.

(1×15=15)

Case study

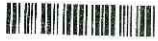
Performance Vs. Trade Union Role in Collective bargaining

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 3000 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 a 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 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 a 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 the 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 the 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 negotiation 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) What 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 ?
 - 3) How will you handle this issue if you were to be in the place of Mr. Vinod Michael ?
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