



PG – 1136

**III Semester M.B.A. Degree Examination, February 2016**  
**(2007-08 Scheme)**  
**Management**  
**Paper – H.2 : EMPLOYEE RELATIONSHIP MANAGEMENT**

Time : 3 Hours

Max. Marks : 75

**SECTION – A**

1. Answer **any six**, each carries **two** marks : **(6x2=12)**
- What is Discipline ?
  - What is Quality circle ?
  - Who is a Conciliation Officer ?
  - What is arbitration ?
  - What is blue collar, white collar trade union ?
  - What is meant by employee empowerment ?
  - Define collective programming.
  - What is work life balance ?

**SECTION – B**

- Answer **any three**, each carries **8** marks : **(3x8=24)**
- What is career planning ? Discuss types of promotions.
  - What are the statutory and non-statutory Institutions which are established to resolve industrial disputes ? Discuss.
  - Discuss the steps in collective bargaining process. Discuss.
  - Strikes and lockouts effects the relationship, productivity and profitability. Discuss.
  - What are major criteria's involved in recognising a Trade Union ? Discuss with examples.

P.T.O.



## SECTION - C

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

7. Explain the impact of Industrial relations on, company, industry, society and national wealth.
8. Explain the theories of Trade Union Movement.
9. What are the major provisions of code of discipline and how it develops relationship between management and unions ? Discuss.

## SECTION - D

10. Analyse the case and answer the questions : (1×15=15)

Whirlpool is a major manufacturer of washing machines in the United States of America. It has subsidiaries and sub-contractors who make some of the parts for the final product. One of these companies, Whirlpool Corporation, has a plant located in Michigan State which turns metal rods into washing machine parts.

The plants is not a high-tech, state of the art facility, but only a small old fashioned tooling and planting shop. The company employs 265 workers. Because of low productivity, the company was considering closing the plant. The company also did not want to invest additional capital to upgrade the technology. It did, however, revamp the manufacturing process and held training workshops for the workers to improve the quality of product. However, the productivity per man hour remained low, the rate of defective parts in the production remained high and the employees morale remained generally low.

Then the company decided to introduce a profit sharing plan whereby the workers would be encouraged to improve upon productivity as well as the quality of the product and they would share in the extra costs saved or extra profits earned.

Even though, the workers were skeptical when the program was initiated, they negotiated a gains sharing formula which was suitable to both the



management and the workers. It was agreed that there would be no increase in base pay but the worker's share in the additional bonuses would be proportional to the savings achieved. Since the inception of the program, the productivity has improved 19% to 110.6 units per worker as against 92.8 parts per worker prior to this program. Similarly, the number of defective parts has decreased from as high as 837 per million down to only 10 per million. During this time, the total worker pay increased by 12 percent.

The workers have become so involved that they themselves keep looking for ways to cut costs. For example, one group of workers has been involved in finding ways to recycle the oil used to cool and lubricate machines. If these efforts are successful, the workers feel that they can save about \$ 41,000.00 - which can be shared by them.

Eventhough the program has been successful, some workers are unhappy that the gains are shared by all workers equally and this inhibits individual motivation. They fell that some unproductive workers are being benefitted because of some highly productive workers and this arrangement does not seem to them to be equitable.

**Questions :**

- 1) Do you think gains-sharing programs are considered to be motivators for workers as individuals ? Explain how the program has motivated the workers at Whirlpool Corporation.
  - 2) Should the management continue with the current manufacturing facilities or should it invest capital in upgrading the technology of production ? Which option would help the management more than and why ?
  - 3) What can the management do about the unproductive workers who are getting the same benefits as the productive workers ?
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