

VPM's
DR VN BRIMS, Thane
Programme: MMS (2015-16) (H.R.)
Third Semester Examination October 2016

Subject	Employee Relations and Labour Laws		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	3	Date	24/10/2016

Part A: Employee Relations (30 marks)

Note: Q1 is compulsory and solve any Two from the remaining Three questions.

Q1) Case Study

10 Marks (Compulsory)

Air India: Grounded by Strikes

The national carrier of India, Air India (AI) is reeling under one problem or the other. Steeped in losses and thriving on taxpayers' hard-earned money, AI pilots struck work yet again on 7th May 2012, over demands for better career progression. The airlines management took a tough stand by sacking 101 pilots, including 10 office bearers of the Indian Pilots' Guild (IPG), the 450-member association of erstwhile AI pilots which was also derecognised. This marked the sixth strike in the company since 2009 and the fourth by its pilots in less than a year. The IPG reacted with the allegation that the management had created a 'hostile environment' by sacking the striking pilots and also derecognizing the Guild. The management took a hard stand with the opinion that the pilots have been in complete disobedience of the court's orders for the last two months and they need to call off the strike first before talking to the management regarding their demands. The 58 days' protracted strike by Air India pilots was finally called off in early July 2012 after the Delhi High Court asked them to join duty within 48 hours and advised the airline management to sympathetically consider their grievances, including the aspect of reinstatement of those pilots whose services were terminated as a consequence of their strike.

Last May when pilots had struck work by calling in sick, the national carrier had lost around ₹200 crores. The airline management had initially given pilots time till 6.00 pm to return to work; it eventually decided to act sooner and sent a team of doctors to check on the claims of the 'sick' pilots. It soon became apparent that no one needed a medical report on the pilots to know that 'sick leave' was just an excuse to be on strike. With around 300 pilots having reported sick, the Government reacted by sacking 10 of the striking pilots. It also derecognised the IPG, and sealed its offices. It was decided not to talk to the sacked pilots. On 9th May the Delhi High Court declared the strike illegal. The initial repercussions of the pilots calling in sick affected three international flights; however the airline was reported to have managed the situation by operating all the international flights in the afternoon of the particular day the pilots had reported sick. Flights on long-haul routes are operated by the agitating pilots who were demanding first class travel in routes that cost the airline the heaviest.

Pilots of AI, the highest paid employees of the organisation, are reportedly the biggest trouble-mongers for the management. An AI captain earns somewhere around ₹6-12 lakhs a month. Pilots get to stay in five-star hotels on outstation duty and spend up to 3 nights for every flight they operate. Travel allowances of pilots are provided by the company.

The national carrier is plagued by several problems including poor management, excess manpower, apathetic attitude of its employees, few routes to fly, governmental red-tapism and bureaucracy, and last, but not the least, the 'infamous' and ill-conceived merger of AI and Indian Airlines. The Government is perturbed by the inconvenience faced by the passengers. The latest strike leading to cancellation of AI Express flights has jeopardised the career of several hundred poor workers migrating to the Gulf

for job opportunities. The agitation of the pilots has affected operations of seven prime international destinations in North America and Europe. It has led to a daily loss to the tune of ₹10-15 crores in addition to the existing operating losses of ₹21 crores. Overall the AI has incurred a record loss of ₹7,853 crores in 2011-2012. Its outstanding loans and dues amount to more than ₹70,000 crores, with no option left with the Government than clearing a ₹30,000 crores helpline from taxpayers' money in order to keep the airline alive.

Please refer the attached case study and answer the following questions.

- 1) Do you think that it was rational on the part of the pilots to have reported sick? Was the airline justified in taking action against the striking pilots? On what grounds would you defend your answer?
- 2) What are the effects of the strike called by the pilots of Air India?
- 3) Looking at the condition of the airline, what suggestion would you give to drag Air India out of troubled waters?

Attempt Any Two from the Remaining Three Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Needs of workers in post-liberalization era are different from those in pre-liberalization period in India. Discuss
- b) What do you understand by Industrial relations and trace the history of IR in India?
- c) Explain briefly Dunlop's model of Industrial Relations?

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Trade Unions are an important component of the modern industrial relations system of a nation. Do you agree with the statement? Justify.
- b) Write a note on the role of trade unions in uplifting the condition of workers.
- c) What is Collective bargaining and explain under which situation do workers go for collective bargaining?

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is the role of Works Committee and Joint Management Council in WPM?
- b) If you were the IR manager, what preventive measures would you take to resolve Industrial conflicts?
- c) Distinguish between:
 - i) Arbitration and Adjudication
 - ii) Sit-down and Go-slow

Part B: Labour Laws (30 marks)

Note: Q1 is compulsory and solve any Two from the remaining Three questions.

Q1) Answer the following

10 Marks (Compulsory)

A) Fill in the blanks

5 marks

- i) As per Factories Act, 1948, the working hours of worker should not exceed more than-----hours in a day.
 - a) 8 hours b) 9 hours c) 7 hours d) 10 hours
- ii) Failure to submit draft standing orders by an employer shall make him punishable with fine up to Rs-----.
 - a) 250 b) 2500 c) 500 d) 5000
- iii) As per Minimum wages Act, Number of independent members in each committee should not exceed -----of the total number of members.
 - a) One-third b) two- third c) one- fourth d) half
- iv) Nomination of Gratuity is made in Form -----

a) G b) H c) F d) A

- v) A factory must have at least ----- number of workers for welfare officer to be appointed.
a) 50 b) 100 c) 500 d) 1000

B) State true or false

5 marks

- i) Wages paid to worker for any overtime work are not taken into account in computation of gratuity.
- ii) Maximum limit for a wage-period is 60 days.
- iii) The text of Standing Order must be prominently posted by the employer in Hindi.
- iv) Wages exclude any contribution paid by the employer to any pension fund.
- v) The main objective of Factories Act, 1948 is to ensure adequate safety measures and to promote the health and safety and welfare of the workers employed in factories.

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is Gratuity as per Payment of Gratuity Act 1972? What would be gratuity payable for an employee who has completed 16 years of service in an organization with a starting salary of Rs 8000/- p.m. and at the time of leaving his salary was Rs 86,000/- p.m.?
- b) What is the procedure for certifying the standing order?
- c) What are the benefits offered to an employee under the Provident Fund scheme?

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What were the objectives for forming shop and establishment act?
- b) Are wages always paid in cash? Explain the provisions regarding payment of wages?
- c) Explain the need of Factories Act in India?

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is continuous year of service? Relate it to continuous service as regards qualifying condition for payment of gratuity?
- b) Explain various provisions regarding health as per Factories Act 1948?
- c) Write short notes on:
 - i) Superannuation
 - ii) Time of Payment of wages