

February 2014

Bachelor of Business Administration (BBA) Examination

V Semester

Industrial Relations

Time 3 Hours]

[Max. Marks 80

Note : (1) Attempt any four questions from Section A and each question carries 15 marks.

(2) Section B is compulsory and carries 20 marks.

(3) Write in a legible hand and appropriate examples if sited shall be appreciated.

(4) Be specific and to the point, irrelevant work will lead to deduction of marks.

Section A

- Q.1. Discuss the contribution of Good Industrial Relations for Industrial Peace and its impact on National Economy.
- Q.2. Describe the procedure and provisions for 'Adjudication' when industrial disputes become inevitable.
- Q.3. Looking to the panoramic Indian scene of Industrial Disputes, has "Conciliation" been successful to prevent the disputes and settle them? Give reasons for your answer.
- Q.4. Write notes on the following :
(a) Grievance Redressal Cell. (b) Inquiry and Disciplinary Action.
- Q.5. Explain the significance of Trade Unionism in prevention and settlement of Industrial Disputes.
- Q.6. Write notes on any two of the following :
(a) Industrial Dispute. (b) Joint Management Council.
(c) Arbitration.
- Q.7. Describe the process of Collective Bargaining and prerequisites for its effectiveness.

Section B

Q.8. Analyse the given case :

STRIKE AT TOYOTA MOTOR CORPORATION

On January 08, 2006, Toyota Motor Corporation's (Toyota) Indian joint venture company, Toyota Kirloskar Motor Private Limited (TKM) declared a lockout at its plant in Bidadi, Karnataka. The lockout came, after two days of agitation by the plant's employees against the dismissal of three workers by the management. The strike was the outcome of an

incident that occurred in February 2004 when the management suspended 15 employees on the grounds of disrupting work and for unruly behaviour. In 2006, TKM dismissed three of these fifteen employees after a year-long investigation and appraisal of their performance. The management stated that the three employees had been dismissed due to their indiscipline and poor performance.

In response to the company's decision, the employees belonging to the TKM Employees' Union (TKMEU) decided to go on strike.

They alleged that the three employees had been dismissed because they had been actively participating in the functioning of the TKMEU and demanded that they be reinstated. As of January 2006, TKM had 2,358 employees on its rolls at Bidadi. Of these, 1,550 workers were members of the TKMEU. Rejecting their demands, TKM's management stated that workers once dismissed would not be taken back. The workers immediately went on strike. The management then declared a lockout stating concern for the safety of the plant and the workers as the reason. It also added that the lockout. <http://www.davvonline.com>

Industry analysts opined that the strike at TKM raised doubts about the success of the companies. Japanese style of management in the Indian context. They also recalled the July 25, 2005 incident at the Gurgaon plant of Honda Motorcycle & Scooter India Private Limited (HMSI), a wholly-owned subsidiary of Honda Motor Company Limited (HMCL), when there were violent protests from workers, disrupting production at the plant. These incidents served to underline the fact that it was essential to ensure sound industrial relations for the smooth continuation of operations and the safety of management, workers, and the plant. Commenting on the growing incidents of discord between management and workers, Surinder Kapur, Chairman of the Sona Group, an automotive component manufacturer, said, "This incident has brought to light the need to look at labour laws afresh. We cannot have archaic labour laws in a liberalized economy. Compare China and India not just on infrastructure but also on labour laws. It is much more liberal there (despite the Communist regime). Liberal labour laws are not about hire-and-fire at will but about more room for contract labour with a tenure of, say, three years or so, and more temporary workers. If there is a feeling that minimum wages are low, the government must work toward increasing them."

Background Note

TKM, a joint venture between Toyota and the Kirloskar Group, established its plant at Bidadi on October 06, 1997, with an initial investment of Rs. 7 billion. Toyota held a 74 percent stake in the joint venture while the remaining 26 percent stake was held by the Kirloskar Group. In 1999, Toyota increased its stake to 89 percent.

Labour Relations at TKM

From the time it started production operations in 2000, TKM had a history of disturbed relations between the management and the workers. Prior to the strike and lockout in January 2006, the plant had experienced three other strikes : two in 2001, and a strike and a lockout in 2002 that lasted for almost two months. The first strike at TKM began in April 2001, and it went on for about two days. The second one was in June the same year. In 2002, the company decided to call the workers in two shifts to meet the increased demand for the company's cars. The first shift at TKM started at 8 AM and ended at 4 PM. The workers in this shift were asked to work overtime for four hours between 4 PM to 8 PM.

The Dispute

On January 05, 2006, TKM's management dismissed three workers out of the fifteen that had been suspended in February 2004. According to the management, the three workers, Prasanna, Sridhar Dhote, and Satish, had been dismissed as the year-long investigations carried out by TKM had proved that they were guilty of misconduct which included violent behaviour, disruption of work, and assault on a supervisor.

The Negotiations

TKM's management presented the labour issue before V. N. Hittanagi (Hittanagi), the Deputy Labour Commissioner (DLC) of Karnataka (Region II). The management, however, maintained that it would not go back on its decision on not reinstating the dismissed workers. On January 09, 2006, the representatives of TKM, TKMEU, and the CITU were asked to present their case before the office of the DLC at a conciliatory meeting.

The Dispute Continues

On January 20, 2006, in a sudden turnaround, TKM's management announced in the local newspapers that it would lift the lockout. In an advertisement, it said that it was happy to announce that the lockout would be lifted from January 21, 2006 onward. However, the workers reporting for duty were asked to sign an undertaking to maintain good conduct. Commenting on the decision, Shankar said, "The management has decided to lift the lockout in response to the request of several employees who have expressed willingness to resume work.

The Result

TKM did not face any major problems due to the strike of the workers and the lockout at its plant, having ensured that the market supply was not affected by either. TKM had made appropriate arrangements to meet the market demand for its cars in the event of the talks failing between the management and the union.