

**Subject Code: MB1338/R13**

**M B A - III Semester Regular Examinations, Jan/Feb - 2015**

**MANAGEMENT OF INDUSTRIAL RELATIONS**

**Time: 3 hours**

**Max Marks: 60**

**Answer any FIVE of the following**

**All questions carry equal marks. Q.No.8 is compulsory**

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1. What is the impact of economic and social environment in which organization exists on the IR of the organization?
2. What are the factors that lead to the growth of trade unions in Indian context? Discuss the role of trade unions in promoting a healthy work environment in a organization.
3. What do you understand by collective bargaining? Explain about the nature and significance of wage and salary administration in organization.
4. What do you understand by the term 'social security'? What have been the major trends and emerging issues in social security in the context of economic liberalization?
5. Discuss the various causes and consequences of Industrial disputes.
6. a) Explain the salient features of workmen compensation act  
b) What is grievance and discuss how to reduce grievance
7. a) Discuss the labor market scenario in India.  
b) Discuss any three major constraints in wage determination in Indian context.

**8. Case Study:**

Foot comfort was India's largest manufacturer and marketer of footwear products. For years, Foot comfort reasonably priced, sturdy footwear had made it one of India's best known brands. The company provided employment to over 15,000 people in its manufacturing and sales operations throughout India. Despite of all its successes, Foot comfort had one problem, that was its labor. The workers resorted to strikes at the slightest provocation throwing production schedules out of gear. They became perennial problems for the management.

On one occasion, the company's factory at Calcutta remained closed for four and a half months because the union was against the policy of outsourcing. Foot Comfort had started outsourcing the complete manufacture of the power range of shoes to China. The company had been outsourcing only the assembly and sewing line jobs earlier. The workers felt, the decision had resulted in lower income for them and they also feared that they could lose their jobs in future, if this trend continued.

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For the first time in its history, the company remained dysfunctional for more than four months. The workers threatened the management that they would make their strike intensive and garner support from all other unions. The main demand of the trade union was that either their salaries would have to be increased or the outsourcing of the work to China had to be stopped. Management entered into a long term agreement with the workers and trade unions at Bangalore and Faridabad so that they would not be disrupting the work in future. This agreement regarding wages was valid for an year.

Despite the above agreement, a lockout was declared at Foot Comfort factory in Bangalore, with the new leadership of the union had refused to abide by the wage agreement. Following the failure of its negotiations with the union, the management decided to go in for a lock – out. The footwear manufactured in the factory could be shifted to the company's other factories. The negotiation process started again and the company got an undertaking from the factory employees that they would resume work and to phasing out of welfare schemes to cut down costs. There was dissatisfaction among the workers.

### Questions:

- a) Maintaining good industrial relations have always been a problem for Foot comfort. Why? How do you think Foot Comfort can maintain sound industrial relations?
- b) Do you think it right to phase out welfare schemes to cut costs? Give reasons for your answer.

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