

## INDUSTRIAL RELATIONS

Time : 3 Hour  
Marks :75

1. Section A consists of eight short answer questions. The candidate has to answer four questions. The answer shall not exceed 1 page each.
2. Section B consists of four questions. Each question consists of either or choices and the candidate has to answer either (a) or (b) from each question. The answer shall not exceed 5 pages each.
3. Section C consists of Case which is compulsory and carries 15 marks.

Section A(4 x 3 = 12 marks)

1. Write briefly on any four of the following:-

- (a) Evolution of Industrial Relations.
- (b) Employee Federation.
- (c) Collective Bargaining.
- (d) Adjudication.
- (e) Negotiation Skills.
- (f) Joint Management Councils.
- (g) Strikes.
- (h) Problems of Trade Union.

### Section B

Answer all questions.(4 x 12 = 48 marks)

2. (a) What is Industrial Relations? State its significance in Indian context.  
Or  
(b) Highlight the major events and international issues that affected union management relations.
3. (a) Did globalization render Trade Unions ineffective? Comment.  
Or  
(b) Discuss in details the various problems faced by Indian Trade Unions.
4. (a) Why do industrial disputes arise? How are these disputes resolved?  
Or  
(b) Elaborate various issues and trends in collective bargaining.
5. (a) How fare workers participation in management solved the problems pertinent to Industrial Relations?  
Or  
(b) Discuss in detail various emerging trends in union management relations.

### Section C (15 marks)

6. Impla Pharmaceuticals Limited.

Mohan Ramnath established Geetha Laboratories Private Limited, in 1988 at Chennai. A soft-spoken gentleman, he was PhD in Chemistry, and did not believe in working under pressure. The company was a small - scale unit manufacturing non - patented anti-malarial medicines. The company had six working days per week, which meant 26 working days in a month, and was running smoothly. In 1978, CITU supported union came into existence. The industrial relations deteriorated making it difficult for the company to survive. In 1998 Ramnath decided to enter into partnership with three other partners, Chandan Keshav, Bharat Pathak and Veenu Ramachandran to overcome the difficulties faced by him. The company came to be known as Geetha Laboratories Limited. Even after this, the industrial relations did not improve

till 1990, and it was during this period that 14 workers were sacked in 1990, Ramnath decided to sell his shares to Emission pharmaceuticals, 'a multinational, though other partners continued, Now, the company was called German Drug House (GDH). During this period CITU withdrew support to the union and Bhartiya Mazdoor Sangh (BMS) entered the scene. An average increment of Rs. 225 was given to all workers where upon industrial relations improved to some extent.

IMPLA Pharmaceuticals Limited was another non-patented anti-malarial bulk drug manufacturing giant having unit at Poona, Mysore, Hyderabad, Coimbatore and Corporate Office at Baroda. It wanted to have monopoly in the anti malarial drug manufacturing by taking over GDH. But before taking such step, they wanted to assess the internal condition of the company. Therefore, in January, 1994 Vishal Shrivastav, a qualified Chartered Accountant, was inducted as Director by purchasing a requisite number of shares of the company. In September 1994 after IMPLA was convinced about the favourable conditions of GDH it formally took over the company. At that time the manpower strength of the plant was 210 in which 130 were workers and 80 were executives and staff members. After taking over, IMPLA made many changes and the major ones were:

1. They increased the salaries of executives and staff of the unit to reduce the gap in the pay, structure if the executives and, staff of this unit, and their other units.
2. They invested 3-4 crores for up gradation of the plant.
3. They shifted from 6 days working per week to 7 days working per week to improve the productivity and enhance cost effectiveness of the unit.

The shift from 6 working days to 7 days in a week without any financial gains made workers resist the change. At this juncture Sumeet Joshi, Corporate Manager (IR) intervened and promised, the workers that they would be paid for 30 days instead of 26 days, but Ravi Shriman, Director (Personnel) and Vishal Shrivastav GM (Operations) refused to agree to this since they were not involved when Sumeet Joshi made the commitment. The promise was not fulfilled which further complicated the problems. The issues kept on lingering for 6 months. No decision could be taken because of the difference of opinion among senior executives. In June 1995 the workers gheraoed Vishal Shrivastav to pressurize the management to take the decision. They were successful to some extent as the management made an agreement with workers that financial benefits would be given with retrospective effect of 4 years making it one additional year over and above 3 years of normal agreement. They were asked to give a notice of change, which the workers could not give till December 1995 because of disagreement among themselves. It was felt at this point of time by Shrivastav that the plant should have an Assistant Manager (personnel) instead of a Personnel Officer. Ajit Dubey, Assistant Manager (Personnel) was appointed in October 1995, but even this appointment took 3-4 months because of discord in opinions of Shrivastav and Shriman.

In December 1995 the workers gave a notice of a change demanding an increase of Rs.2200 per month. In January 1996 management gave a notice of change. In February 1996 the negotiations started and continued till July 1996. Shrivastav Rajkumar the new Corporate Manager (IR), Ajit Dubey and Kishore were to represent the management side and nine members of the union were to represent the workers, besides V.D. Agrawal the General Secretary of BMS. The first two rounds of meeting did not lead to any solution, as none of the parties were ready to Budget. This made V.D. Agrawal withdraw as he was fed up with the rigid stand of the union leaders.

The third meeting was held without Agrawal where in the union leaders came down to Rs.1200 from Rs.2200 p.m. The minutes of the meeting were jotted down but the union leaders refused to sign. Taking advantage of the occasion, Dubey and Shrivastav had a secret meeting with Agrawal in hotel. Agrawal advised the representatives of the management to maintain a low key for a few months to crack down the worker's aspirations who had very high expectations. It was observed by Dubey that there were perceptual differences between senior and junior union leaders. Taking cue from this, Dubey adopted a policy of 'divide and rule' and took into confidence Devlal, the senior union leader. They had a secret meeting with him to explore the last settlement amount and appraised him that the management could go only up to Rs.450. He also took Janak Singh, the junior union leader into confidence and convinced him that

management was not going to bend before. Their demands and as such, the workers were going to be the ultimate sufferers. Besides this, Dubey spread the message that no wages would be given retrospectively.

The next day meeting resumed in which union representatives came to Rs.750 (because of the pressure from the workers) beyond which they were not ready to come down. It was decided that instead of having meeting with all the members, only two members, one senior union leader, Devilal and one junior union leader, Janak Singh would sit in the negotiations. Immediately a meeting between Shrivastav, Rajkumar, Devilal and Janak Singh was held and it was resolved that Rs.575 average per month would be given for 4 years retrospectively. A Memorandum of Understanding(MOU) was drafted by legal consultant at corporate office and was duly signed by Shrivastav, Rajkumar, Dubey and all the union representatives. In the evening, a dinner was hosted in which all the negotiations were invited. When the papers were sent to R. Shriman, he objected to MOU on two points.

First the other plants were having 30 days pay system leading to less average pay per day while in Chennai plant it was to be given for 26 days leading to higher average per day. Second, the milk allowance given for overtime at Chennai unit was higher than other units. It took Shrivastav and Rajkumar two months to convince Shriman to get the agreement implemented. Rs.14 to 15 lakhs were spent for all the 160 workers within a week to pay the arrears, and the issue was settled.

**Questions:**

1. Was it right for Mr. V.D. Agrawal to withdraw half way during negotiations?
2. Was it ethical 'to use the tactics used by the management in this case'?
3. Should Director (Personnel)" have raised objections after MOU (Memorandum of Understanding) was signed?
4. In view of the information given in the case, suggest the strategies that could have made IMPLA Pharmaceuticals a more progressive organization.