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P.E.S. College of Engineering, Mandya - 571 401

(An Autonomous Institution affiliated to VTU, Belgaum)

Third Semester, Master of Business Administration (MBA)

Semester End Examination; Dec - 2016/Jan - 2017

Legal Environment and Industrial Legislation

Time: 3 hrs

Max. Marks: 100

Note: Answer all FOUR full questions from PART - A and PART - B (Case study) is compulsory.

PART - A

- 1 a. What is meant by industrial relation? What are the main approaches to industrial relations? 10
 b. Briefly explain the objectives and functions of ILO. 10

OR

- 2 a. What are the main postulates/ means of state intervention with regard to labour policy in India? 10
 b. What is collective bargaining? In brief, explain the steps taken in collective bargaining process. 10
 3 a. Give a step-wise description of a disciplinary procedure. 10
 b. Clearly describe the process of grievance redressal as per model the model grievance Procedure. 10

OR

- 4 a. What are the rights of registered trade union? State few of the advantages and disadvantages and problems of trade union. 10
 b. Write a note on various steps taken in disciplinary procedures in Indian Industries. 10
 5 a. Explain the provisions of the factories Act 1948, health and safety of workers in factories. 10
 b. Discuss the matters to be provided in standing orders under the industrial employment (Standing orders) Act 1946. 10

OR

- 6 a. Write briefly about the classifications of Trade Union. 10
 b. Briefly write a note on payment of gratuity Act of 1972. 10
 7 a. Explain the scope, objectives and importance of IR. 10
 b. Briefly explain Employees Insurance Act of 1948. 10

OR

- 8 a. Write short notes on:
 i) Domestic Inquiry ii) Minimum Wages Act 20
 iii) Eighth Plan (1992-1997) iv) Impact of the ILO on the Indian labour scene.

PART - B

9. Case Study:

Philips India Labor Problems At Salt Lake Presentation

The company was incorporated on 31st January 1930 at Calcutta. A Private Company under the name Philips Electricals Company (India) Limited. In 1956 the name was changed to Philips India Private Ltd and on September 12th 1957 it was converted into a Public company on 31st October 1967 its name was changed from Philips India Private Ltd. to Philips India, Ltd. The Company manufactures and sells radio receivers, components, amplifiers, electrical lamps, lighting fittings and accessories, medical apparatus, etc. The Company's products includes mercury and sodium lamps, light fittings and accessories radios and public address equipment,

hospital and dental equipment etc. The wake of the booming consumer goods market in 1992, PIL decided to modernize its Salt Lake factory located in Kolkata. The plants output was to increase from a mere 40,000 to 2.78 lakh CTVs in three years.

The case study is about the labor problems of the Philips India Limited's PIL 1998 Salt Lake factory Kolkata, India. Two unions active at PIL Philips Employee Union (PEU) and Pieco Workers Union (PWU). The differences with workers led to declining production and Losses.

PILs management decided to sell the factory. The Union objected and made a counter bid highlighting the problems between PIL and its workers the case examines the reasons behind the conflict The company relocated its audio product line to Pune in spite of the move that resulted in the displacement of 600 workers there were no signs of discord largely due to the unions involvement in the overall process. Slowdown in the CTV market demand made the workers to think about their job due to these workers raised voices against the management and asked for a hike in wage. The difference resulted in 20 month long battle over the" wages hikes issue, go slow tactics of workers declining production and huge loss for the company. In May 1998 PIL "announced to stop production in June 1998. A series of negotiations, the unions and the management came to a reasonable agreement on the issue of wage structure. PIL, decided to have a common manufacturing unit and integrated technology to reduce cost. Videocon approached PIL as buyer but had reservations about over staffed and under utilized plant. PIL Reduces workforce modernized plant spending Rs 7.1 crore. Videocon confirms Kitchen Appliances India Limited as its nominee for buying the plant. PILs plan of selling the CTV unit Claimed the price of Rs. 90 million was quite low against valuation of 300 million by Dalal Consultants independent values. Workers approached the Videocon to withdraw from the deal. They refused, workers filled petition in the Kolkata High Court challenging the sale agreement. In March 1999 Calcutta Court strikes down Philips deal with Videocon. PIL and Videocon decided to extend their agreement by 6 months to accommodate the courts order and workers agitation. The Supreme Court finally passed judgment on the controversial Philips case in favor of PIL.

The judgment dismissed the review appeal filed by the workers. The Company transferred to Videocon Workers employment was taken over by Kitchen Appliances. The transfer of ownership did not interrupt the services of workmen Kitchen Appliances, started functioning from March 2001.

The factory has been design by Videocon as a major center to meet the requirement of the eastern region market and export to East Asia countries. The judgment said that though the workers can demand for their rights, they had no say in any of the policy decision made by the company, if their interest were not adversely affected. The Supreme Court decision taken repeats the position which Philips has maintained all long that the transaction will benefit the Philip's shareholders.

QUESTIONS:

- a) Changes taking place in PIL made workers feel insecure about their jobs. Do you agree with this statement? Give reasons to support your answer.
- b) Highlight the reasons behind PIL's decision to sell the Salt Lake factory. Critically comment on PIL's arguments regarding not accepting the Union's offer to buy the factory.
- c) Comment on the reasons behind the Salt Lake workers resisting the factory's sale. Could the company have avoided this?
- d) Comment how the management would have the grievance of the trade union.