

**PGDM (2017-19)**  
**Management of Industrial Relations**  
**DM 423**

**Trimester – IV, End-Term Examination: September 2018**

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		<b>Total Marks</b>	<b>50</b>

**Section A**

**Note: Answer any three question each question carries equal marks. (5 x 3 = 15)**

1. "All that is required for successful worker-management relations is common sense, sound business judgment and good listening skills". Do you agree or disagree? Discuss
2. In the highest form of discipline, "all are self regulated and all are free" This may work well in case of knowledge workers but in case of industrial workers, rules and regulations have to be formed and enforced strictly. Critically evaluate whether you agree or disagree with examples
3. State the salient features of Industrial employment (standing orders) Act 1946. Also elaborate the items discussed in its schedule ?
4. Explain your understanding of Industrial Relations. As an HR manager, what key measures would you suggest to your organization to improve industrial Relations? (Be brief and to the point)
5. "Industrial conflict is inevitable. An effective conflict handling process is the savior". Comment.

**Section B**

**Note: Answer any three question each question carries equal marks. (10 x 2=20)**

1. Explain briefly three-tier system of adjudication under Industrial Disputes Act 1947. Also define "retrenchment" and "lockout" as per IDA 1947?
2. "Freedom of association is the essence of Trade Union Act, 1926" . Comment. Also



- elaborately discuss the recent trends in Indian trade union movement ?
3. A report on "Industrial Relations Situation in India" by Girish and Manoranjan as discussed in class is broadly divided in four sections. In the light of it elaborately discuss the salient features of this report.

### Section C

**Note: Analyze the following case and answer the following questions. (15)**

#### NLC Unrest

##### Introduction

Neyveli Lignite Corporation (NLC) is a government-owned lignite mining and power generation company in India. NLC operates the largest open-pit lignite mines in India, presently mining 24 Million Tonnes of Lignite and has an installed capacity of 2740 MW of electricity. It also supplies a large quantity of sweet water to Chennai from the artesian aquifers in the lignite mines. In 1956, NLC was formed as a corporate body. On 11 April, 2011, it joined the elite group of Navratna Companies.

NLC is also listed on BSE as well as NSE. The Union Government holds 93% shares of NLC and is administered through the Ministry of Coal. NLC earned a turnover of Rs 4689 crores with a net profit of Rs 1247 crores in the financial year 2009-2010.

##### HR at NLC

The Company has a mix of both permanent and temporary/contract employees (ref

**The number of employees in various categories as of 31<sup>st</sup> March 2011 are:**

Executives	4031
Non-executives	7899
Operatives	6504
Total	18434

Exhibit 1

Exhibit 1). It gives high priority towards training of executives, supervisors and workers. At NLC the training facilities available in the Training Complex of the Company, the employees are also deputed to other training centres within India. Training facilities provided by the equipment manufacturers within the country/abroad are also utilised.

Quality Circle activities are co-ordinated in Training Complex which has given many benefits to the organisation. Case Study presentation of Neyveli Quality Circles

brought good name by demonstrating their contribution outside Neyveli in many conferences. Some of its Employees and Social welfare initiatives are given in exhibit 2.



<p><b>Welfare of Employees</b></p> <ul style="list-style-type: none"> <li>• Township with over 21000 houses</li> <li>• Subsidised transport</li> <li>• Medicare with 369 bed hospital (being expanded to 500) supported by 5 peripheral dispensaries.</li> <li>• Canteens - 8 Industrial Canteens</li> <li>• Family welfare</li> <li>• Special Incentive Schemes for small family norm.</li> <li>• Education - 34 schools and 1 college in Neyveli Campus.</li> <li>• Recreation facilities - 3 clubs</li> <li>• Sports with all infrastructural facilities.</li> <li>• Post retirement medical assistance.</li> <li>• A creche for children.</li> <li>• Health care programmes for school children.</li> </ul>	<p><b>Social Welfare - Peripheral Development</b></p> <ul style="list-style-type: none"> <li>• Drinking water to surrounding villages</li> <li>• Irrigation water to 20,000 acres in nearby villages</li> <li>• Facilities for mentally handicapped children, destitute women and aged people 'Sneha'.</li> <li>• A Centre for making Jaipur type artificial limb for handicapped</li> <li>• Free Medical Camps for surrounding villages; Sterilizations.</li> <li>• A school for the speech and hearing impaired "Shravanee"</li> </ul>
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**Exhibit 2**

Inspite of its good HR initiatives the employees at NLC particularly people from the worker community had reservations regarding arrears etc. This led to some chronological developments as given below.

**Chronological development**

- **May 31, 2010:** Two unions of the Neyveli Lignite Corporation Ltd (NLC) representing a majority of the 14,000 permanent workers warned of strike demanding early revision of wages, incentives and allowances. The Unions- DMK backed NLC Workers Progressive Union (NLCWPU) and the Pattali Thozil Sangam (PTS) affiliated to the PMK - jointly issued the 15-day strike notice as the wage revision talks ended in a deadlock on May 26. The earlier wage agreement had expired on January 1, 2007 and since then, talks of revision of rates had been going on. The General Secretary of PTS demanded that allowance arrears should be calculated for 18 months whereas the management was offering only for 5 months. As per the deal that was negotiated, workers were to get a hike of anything between Rs.7,000-Rs.10,000 per month. Accordingly, the annual wage bill for NLC would go up by around Rs.300 crore after the deal which would be valid for five years.



- **July 1,2010:** Communications Minister A. Raja urged the Minister of State for Coal, Shriprakash Jaiswal, to intervene in the wage negotiations and help end the strike at NLC. In a letter to Jaiswal, which was released to the media, Raja called for an early end to the strike. Workers at NLC had struck work after their wage revision talks failed. While the mining work had come to a halt, the power plants were generating around 2,275 MW power.
- **July 6,2010:** Both the major unions, NLCWPU and PTS called off their six-day strike Tuesday after hammering out a wage agreement. The per month salary increase for workers was to be between Rs.7,000 and Rs.13,000. The minimum take home pay for a worker would be around Rs.24,000. The new agreement was to be valid for five years from Jan 1, 2007 as the old agreement expired Dec 31, 2006
- **September 19,2010:** The contract workers affiliated to Labour Progressive Front, Pattali Thozhir Sangam and NLC Jeeva Contract Workers Union, struck work Sep 19 demanding equal pay for equal work and absorption by the public sector company
- **October 11,2010:** The strike by the contract workers of the Neyveli Lignite Corporation (NLC) demanding pay parity with permanent workers entered its 23rd day. The contract workers unions said that 10 rounds of talks with the management had not made much progress. According to NLC officials, the contract workers were demanding higher pay in line with what the permanent workers got in July 2010. A contract worker at the NLC gets between Rs.3,000 and Rs.4,500 per month, whereas the counterparts were getting Rs 7,000 and Rs 13,000 respectively.
- **October 12,2010:** AIADMK general secretary J. Jayalalithaa extended her support to the 13,000 striking contract workers of Neyveli Lignite Corporation Ltd (NLC) and demanded that the ruling DMK urge the central government to accede to the workers' demands. Expressing her party's solidarity with the striking workers, Jayalalithaa urged Chief Minister M. Karunanidhi to use his influence in the central government so that the demands of the NLC workers are met.
- **October 15,2010:** Tamil Nadu Chief Minister M.Karunanidhi sought Prime Minister Manmohan Singh's help in resolving the strike by contract workers in the Neyveli Lignite Corporation Ltd (NLC), warning about likely disruption in power generation. In a letter to the prime minister, released to the media, Karunanidhi referred to the nearly month-long strike by the contract workers in the central government undertaking, and said: "The representatives of the trade union and the management of Neyveli Lignite Corporation have been participating in the talks held by the labour department officials continuously, but to little avail," he said.

Karunanidhi said that the low turnout of the contract labour is likely to affect generation of electricity. His appeal to the prime minister came two days after AIADMK chief



J.Jayalithaa came out with a stinging statement about the DMK government's "inaction" on the workers' strike in the corporation.

- **October 26, 2010** : The 36-day strike by contract workers of Neyveli Lignite Corp (NLC) continued despite the request to resume work by Tamil Nadu Chief Minister M. Karunanidhi. The trade unions requested Karunanidhi to urge the central government to take necessary action to help end the strike. At a meeting with the striking unions, Karunanidhi cited the increase in daily wages by Rs.40, washing allowance by Rs.15 to Rs.25 and 8.33 percent bonus plus Rs.500 special payment while asking them to return to work.

The union leaders insisted that the company should revise the wages and absorb contract workers who have completed 10 years of service. Karunanidhi promised to write to the central government but asked the unions to create a conducive atmosphere by resuming work.

#### **Labour strikes again:**

- **April 21, 2012**: The 14,000 contract workers at the Indian government-owned NLC again went on a strike challenging a cheap-labour and repressive work-regime that has become the norm in India's public and private sectors alike. The ruling elite and its institutions responded to this challenge with threats and violence. Up until the week before, the Tamil Nadu-based mining and power generation company steadfastly refused to have any discussions with the striking workers, while urging its contractors to fire the strikers and replace them. The courts have declared the strike illegal on the grounds that the workers signed a contract after a 39-day strike in 2010—an agreement that NLC and the contractors have systematically violated. Tamil Nadu's AIADMK state government has set the police upon the strikers, resulting in repeated mass arrests. The management of the central government-owned NLC threatened to use these arrests as a pretext for firing many of the most militant workers.
- **June 4, 2012**: The 44-day old strike by around 13000 contract workers of Neyveli Lignite Corporation (NLC) pressing their demands including regularisation was called off on following an agreement reached between the trade unions and the management at a tripartite round of talks held over the span of the months of April- June.

At the talks held in Chennai by the Chief Labour Commissioner NR Prasad, NLC management agreed to include about 5000 contract workers in a cooperative society that would entitle them to various incentives including cash benefits and pave the way for regularisation of service in future, NLC Chief General Manager( Human Resources) M Maheswaran said. Representatives of NLC and trade unions -- AITUC, DMK, CITU and six others, participated in the meeting, as was decided in talks held earlier.



H Mahadevan, Deputy General Secretary of AITUC, spearheading the strike since April 21, said the settlement was reached amicably and the workers would resume work from that day itself.

Consequent to the agreement, a total of 4027 contract workers reported for the 10 pm night shift at the three lignite mines and three thermal power stations and transport wing. Maheswaran said that about 5000 contract workmen would be inducted in NLC Industrial Cooperative Society, whose membership was essential to be absorbed as permanent employees.

**Questions:**

1. Bring out the legal as well as industrial relations issues in the above case.
2. "The courts have declared the strike illegal on the grounds that the workers signed a contract after a 39-day strike in 2010"-April 21, 2012. Discuss its legality.

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