

PGDM (2014-16)
Industrial Relations and Labour Laws
DM 422
Trimester – IV, End-Term Examination: September 2015

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
		Total Marks	50

Section A

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

1. Explain factors leading to the enactment of Trade Unions Act, 1926, highlighting the disabilities the Indian trade unions would have suffered in absence of the Act.
2. Why are standing orders important for industrial establishments in the country? What are matters relating to terms and conditions of employment? Do you consider it appropriate for coverage under these orders?
3. Elaborate the role of ILO in creating international standards in the field of social security. Have these influenced the social security legislations in India?
4. " 'Principles of Natural Justice' and 'Grievance Handling Procedure' are the essential features of an effective industrial discipline system". Comment.
5. Critically analyse the Contract Labour (R&A) Act, 1970. What change, according to you, should be brought about in this law?

Section B

Note: Answer any two questions. Each question carries equal marks. (10 x 2=20)

1. How does Industrial Disputes Act, 1947, regulate lay-off, retrenchment and closure in industries? Do you think that these provisions are compatible with the needs of Indian industries today? Give reasons for your answer.
2. Explain the terms 'partial disablement' and 'total disablement' and discuss the provisions of Employees' Compensation Act, 1923, relating to payment of compensation in the event of disablement and death of employees caused by industrial injuries.
3. Give a brief account of the development of factory legislation in India with particular reference to the influence of committees and commission concerned with labour matters. Also elaborate the essential features of Factories Act 1948.

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Section C

Note: Analyze the following case and answer the following questions.

(15 Marks)

The Airport Authority Strike Against Privatization

In February 2006, the employees of the Airport Authority of India struck work in protest against the privatization of the airport. AAEU (Airport Authority Employee Union) also protested the development of Greenfield airports at Hyderabad and Bangalore, which meant closing down the old airports run by AAI. The Indian government's ambitious to privatize the modernization of the country's two biggest airports—at Mumbai and Delhi—sparked off another major controversy, leading to strikes, protests, threats, complaints and accusations. Thousands of Airport-Authority-of-India employees went on an "indefinite" strike against the government's privatization plans, and a bidder who lost out, moved the court, challenging the airport bids. The issues relating to the strike are summarized below:

- The government awarded the modernization contract for the Delhi and Mumbai airports—the country's two busiest airports—to two private consortia. GMR-Fraport clinched the modernization bid for the Delhi airport, while GVK-South African Airport bagged the Mumbai airport.
- This led to nationwide protests by the employees of the Airport Authority of India.
- The unions raised a fundamental question—were the airports in India so badly maintained that they needed to be modernized?
- There are, in fact, 449 airports/airstrips in the country. Among these, the AAI owns and manages 5 international airports, 87 domestic airports and 28 civil enclaves at defence airfields, and provides air-traffic services over the entire Indian airspace and adjoining oceanic areas. Some 35 million domestic and international passengers travel through these airports every year. But the infrastructure at all the airports has remained much below international benchmarks. This was stated to be the government's rationale for modernizing/privatizing the Mumbai and Delhi airports (to be followed by others).
- The government invited technical bids and financial tenders from private companies/consortia to build and maintain the two airports. The government finally selected two bidders and awarded the contracts to them.
- The airport employees protested as they feared they will lose jobs if the government went ahead with the modernization and eventual privatization plan. There were nearly 22,000 employees with the AAI, working across all the airports in the country. They feared that the private companies that were going to rebuild these airports would throw them out.
- The government says the charges were baseless. It says it had taken care of the welfare of the employees in the airport-modernization process. Both bidders had agreed to absorb 60 per cent of the employees. About 10 per cent of the employees would continue to work for AAI in these airports, and 7 to 8 per cent were expected to retire by 2009. The rest would be absorbed by the AAI and posted at other airports.

One of the major political parties supporting the strike said they were not protesting against the "modernization" of these airports. They argued that all the airports in the country, especially the biggest ones like the Mumbai and Delhi airports, should be modernized and made

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world-class. "But in the name of modernization, what the government has done is to virtually sell the airport to a consortium of companies. We are all for modernization of airports; but we are dead against their privatization," said one of the Central Trade Union leaders.

- The alternative suggestion from the employees' unions was that instead of awarding the contract for modernizing the airports to private companies, the government should allow the AAI to build world-class airports. They had been arguing that the AAI is a profit-making company with reserves and surplus funds of INR 30,000 crore (INR 300 billion) and almost zero-debt status, which could meet the anticipated expenditure for the development of the airports.
- The AAI Employees' Union had, in fact, submitted an airport-modernization plan to the government. But the government said their plan was evaluated and it scored less than 50 percent in the technical evaluation, not making the cut even after revisions by the bid document.

Questions

1. Discuss the above case and bring out the issues from an industrial relations perspective. (4 Marks)
2. What would have reduced the confrontation with the unions? (3Marks)
3. Critically examine the stand of the unions. (5 Marks)
4. How should the "consortia" handle the employee relations for a smooth project implementation? (3 Marks)
