

K.J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH
MHRDM – V SEM. (2017-20 BATCH)
END TERM EXAM
SUBJECT: INDUSTRIAL RELATIONS

MAXIMUM MARKS: 50 MARKS

DURATION: 3 HOURS

DATE: 19/11/2019

Instructions:

1. Question No 1 is compulsory. It carries 10 marks
2. Answer any four questions of Questions 2 to 7. Each question carries 10 marks

Question -1

Discipline without punishment is being accepted in most organizations. This kind of discipline goes back to the year 1973, when Frito-Lay experienced problems because of inducing discipline through punishment. A Frito-Lay plant in the US, with a headcount of 210 employees, fired 58 employees in the first nine months of 1973 for disciplinary reasons. Employee morale was down because of these dismissals. Managers in the plant were frustrated because despite ceaseless disciplinary actions written warnings, suspensions without pay, terminations- employee misbehaviour continued unabated. Workers in the plant, angry and resentful about the constant warnings and reprimands and discharges, sought any available means to strike back. To express their frustration on the way the plant was running, one worker communicated his unhappiness by writing obscene material on the potato chips manufactured by the company. He had discovered that it was possible to remove a chip from the conveyor belt that ran between the production and packaging areas, write messages that would hurt the organization's reputation on it, and replace it undetected. This message was not discovered until it got into the customers hand. Other workers who came to know of it joined in to express their frustration. The result was that consumer complaints grew. Every day, Frito-Lay's corporate headquarters received angry letters from customers, outraged at finding indecent messages written on the potato chips they had bought. The Corporate Director of Training in Management Development was brought in to assess the situation and bring the plant back to normalcy.

On analysis it was found that as employee problems increased, supervisors took more disciplinary action. Harsher supervisory behaviour led to increased employee mischief and misbehaviour. Instead of improving performance, more discipline simply generated more violations. The discipline system, intended to correct employee misbehaviour, was in fact encouraging it. The traditional discipline procedure followed by the plant instructed the supervisors to begin the problem solving process by conducting counselling sessions. When Counselling failed, the supervisor was told to move into formal disciplinary action, - an oral warning followed by a written warning and if the problem continued, the supervisor suspended the employee for several days without pay, wrote a final warning notice, or placed the employee on probation. If the individual still did not correct his performance, termination followed. The employees found this system of disciplinary procedure too demanding. Punishment ---warnings, reprimands, and suspensions without pay---seemed like a tough way of assuring compliance with organizational standards. The failure of traditional discipline procedures at the Frito-Lay plant resulted in the development of an entirely new approach to dealing with performance problems: Discipline without Punishment.

Instead of using punishment, the new system reflected a belief that every employee in that plant, even one with disciplinary problems was a mature, responsible, and trustworthy adult who would respond as one if treated like one.

The new procedure eliminated warnings, reprimands, and unpaid disciplinary suspensions. Instead, it focused on requiring individual responsibility and decision-making. The most striking demonstration of the management's rejection of traditional thinking was the decision to abolish the conventional unpaid disciplinary layoff as the final step and replace it with a radical new procedure of a paid disciplinary

suspension.

Upon reaching the final step of the new system, the individual was told that he would be suspended from work on the following day, and that he must return on the day after the suspension having made a final decision: either to solve the immediate problem and make a total commitment to fully acceptable performance in every area of his job or to quit & find more satisfying work in some other place.

A year later terminations at the plant had dropped from 58 to 19, the following year they were down to 2. The atmosphere was transformed; the obscene messages & subsequent customer complaints disappeared. Frito-Lay expanded the discipline –without-punishment system throughout the Corporation.

Based on the above case ,answer all the questions mentioned below:

- a. What are different approaches in maintaining discipline?
- b. Why Frito Lay changed its approach from discipline with punishment to Discipline without Punishment?
- c. What benefits the company got from this new approach?
- d. Can we implement this approach in India?

Question 2

What is grievance? What are its causes? Explain in brief the Model Grievance Procedure.

Question 3

What is Systems approach to I.R. with special reference to J.T. Dunlop's approach? Explain Marxist approach of I R.

Question 4

What is meant by Collective Bargaining ? What are its characteristics? Explain the factors inhibiting the process of collective bargaining in India.

Question 5

What is Labour Welfare? What benefits any business organisation can derive from Labour Welfare? Explain different approaches to Labour Welfare.

Question 6

What are important functions of a Trade Union? Explain legal status of registered trade union & rights of recognized union.

Question 7

Write short notes (any two)

- a. Importance of workers participation in management
- b. Quality circles
- c. International Labour Organization