

Trimester --: January-Mar 24 Examination: End Term Examination		
Programme code: 12 Programme: MBA -PT- HRM(2022-25)	Class: SY	Trimester: VI
Name of the Constituent College: KJ Somaiya Institute of Management studies and Research K. J. Somaiya Institute of Management	Name of the department/Section/Center: HR	
Course Code: 117P12C701	Name of the Course: Industrial Relations	

Maximum Marks: 50

Date: 14/04/24

Answer both questions from Question 1. It carries 20 marks.

Answer any two from Question 2. It carries 20 marks.

Answer any two questions from question 3. It carries 10 marks.

Question No.		Max. Marks
Q1	<p>MCC PTA India Corporation Private Ltd (MCPI), a subsidiary of Mitsubishi Chemicals Corporation (MCC), one of the world's top ten chemical companies, was established in 1997 in Haldia, West Bengal. Construction was completed quickly and production started in April 2000 with a capacity of 350,000 tonnes per annum. Expansion with an investment of Rs 1665 crores led to a second plant (capacity 8 lakh tonnes) being commissioned in mid-2009 and the total capacity increased to 11.5 lakh tones at Haldia, with an expected turnover of \$ 900 million by end-2010 (<i>Times of India</i>, 10th Feb 2009].</p> <p>As part of the 'core-periphery model' (Das 2006) of Japanese management, the regular skilled employees and the unskilled non-regular employees formed two distinct groups. The latter were unionized (common practice in most large enterprises in the local area) and agreements (with earned and sick leave, festival holidays, annual bonus, statutory HRA and retrenchment benefits) were signed with them, although they earn much less than regular workers. Eleven elected operators' representatives (one member for every 20 operators) meet managers formally in a Department Representatives' Committee for raising employment issues. But when it came to unionization, MCPI tried 'to build and sustain a strong, manager-driven corporate culture and such strategies that help to build cooperative relations with the employees and avoid unionisation or union substitution'. Apparently, 'there was an attempt at unionisation but failed due to lack of support according to management' (Das 2006).</p> <p>MCPI tried 'to build and sustain a strong, manager-driven corporate culture and such strategies that help to build cooperative relations with the employees and avoid unionisation or union substitution'</p>	20 marks

Despite this strategy, there has been simmering tension among the MCPI unions following the victories of the Trinamool Congress in Panchayat and Lok Sabha elections during 2008 and 2009. The Nationalist Contractors Union (contract workers of Mitsubishi, owing allegiance to Mamata Banerjee's union wing, INTTUC) raised several issues relating to the contract workers' pay discrepancies with permanent workers, non-lucrative incentive schemes, reduction in bonus, etc. Agitations before the gates were followed by dharnas, and a reported whole night gherao of the HR head. The CITU Union did not protest. Work was disrupted again at the plant on 7th December 2009, demanding permanent jobs for 150 casual workers and a raise for the rest. Mitsubishi has about 513 permanent employees and around 600 casual staff. The Union blocked the Mitsubishi gates, disrupting work through the day and causing extreme worry to its Japanese management. The GM (HR) said: "not a single employee could enter the premises. Around noon, some of the workers associated with the production division were allowed entry. Because of that, there was some work in the processing unit... but there was little or no work in the loading, unloading and despatch sections. There was no one to man the canteen and the guards too, joined the Cease-Work" ([http:// www.ilovekolkata.in](http://www.ilovekolkata.in)).

At Haldia Petrochemicals next door, CITU had demanded a 300 per cent hike for contract workers and gained a 100% increase in wages after a major strike earlier. The siege at Mitsubishi was lifted late on 8th following the management's written assurance to look into their demands. Work resumed from the night shift. It is interesting that MCPI did not hesitate in setting up one of its largest plants abroad, in West Bengal, knowing its long history of militant unionism and leftist government. Obviously it relied on its strategy of centralization of decisions and the manning of 'all key posts by Japanese managers from its main establishments'.

In line with its 'competitive strategy, its main objective in HR has been to formulate, develop and maintain unique work culture in tune with harmonious industrial relations with committed employees involved in world class manufacturing. Work practices include Total Quality Management (TQM), Just-in-Time (JIT), Kaizen and 5S and Total Productive Maintenance (TPM, covering the entire life of all equipments)' (Das 2006). It relied on its strategy of centralization of decisions and the manning of 'all key posts by Japanese managers from its main establishments'.

In MCPI, educated, highly skilled employees enjoy regular terms of employment and are recruited through stringent selection procedures. Relations with them are based on 'skill or knowledge based pay, elaborate communication and complaint procedure, and team work'. More than half of them are in the officer category and 'even the receptionist is designated as Executive-Secretary. There are no clerical workers. The remaining are operators (selected from local ITIs, science colleges and polytechnics) classified into five categories with the basic pay of the highest category being double that of the basic pay of the lowest category'. In general, wage levels are 'much

	<p>higher' than locally prevailing rates but are not linked to seniority or bargained annually. In addition all of them go through extensive training, ranging from work practices to fire fighting.</p> <p>In 2002-03 'all unskilled and non-core jobs in MCPI were done by 388 contractor workers' (only 313 permanent employees including 106 executives). Even though Contractors' workmen got double the statutory rates, their wages were lower by 40% than the lowest wage in the regular category. Contractors got 8- 12% of the total workers' wages as agency fee. But 'contract workmen were not restricted to unskilled jobs'. For example in the Instrumentation Department, 3 skilled technicians were under a contractor. These and other skilled contractors' workmen, like crane operators and welders got about 50% more wages than the lowest category workers (housekeeping, gardener, office boy) (Das 2006z)</p> <p>MCPI's union avoidance strategy has been fine-tuned for the location it is in and till now appears to have been reasonably successful. However, there appear to be chinks in its armour, and the fact that this has not been replicated in other MNCs across India, indicates the delicacy of the strategy. Nokia had tried to avoid unions, without success.</p> <ol style="list-style-type: none"> 1. Do the employees of MCPI have a right to form a trade union? Give reasons.What are the downsides and what could go wrong? 2. What were the critical success factors for the Union avoidance strategy at Mitsubishi? 	
2.	<p>Answer any two questions</p> <ol style="list-style-type: none"> a. What is a Decent workplace? b. What are the two basic laws governing Industrial Relations in India? What do they aim at? c. How do Industrial conflict get resolved in India? d. Define collective bargaining and explain its objectives. e. What are the key elements of a grievance procedure? f. Explain the Principles of Natural Justice. g. Who are the actors in Industrial relations and what are their objectives ? 	20 marks
3.	<p>Explain the following terms (any two)</p> <ol style="list-style-type: none"> a. Conciliation b. Arbitration c. Co-determination d. Unit council 	10 Marks

