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**MS-24**

**MANAGEMENT PROGRAMME**

**(MP)**

**Term-End Examination**

**June, 2023**

**MS-24 : INDUSTRIAL RELATIONS**

*Time : 3 Hours*

*Maximum Marks : 100*

*(Weightage 70%)*

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**Note :** (i) Attempt any **three** questions from Section A. Each question carries 20 marks.

(ii) Section B is compulsory and carries 40 marks.

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**Section-A**

1. Explain the Gandhian approach to industrial relations.

**P. T. O.**

2. Discuss the global trends in industrial relations system and its implications for India.
3. What are the skills and traits required for negotiating team and briefly discuss about process of long-term settlement.
4. What are the different structures of trade unions ? Briefly describe the structure of unions in India.
5. What are the major determinants of grievances ? Describe briefly the grievance handling procedure followed by organisations.

### **Section-B**

#### 6. **Amazon Textiles**

Amazon Textiles is a textile industry located in the old industrial district of Mumbai. The company was established in 1870 and has seen several ups and downs. It suffered extensively

on account of the export and import policy of British regime, whose main aim was to discourage the growth of the textile industry in India and use the country as a supplier of material for the textile industry in Manchester, UK. The promoter of the company, Mr. Manoj Birla, was a patriot and was closely associated with the independence movement and its various phases. He was a liberal man and had a paternalistic approach towards the employees. The growth of trade unions during his period (1870-1930) was minimal, since the trade union leaders were also co-leaders in the independence movement.

After the demise of Mr. Manoj Birla, Mr. Sanjay Birla took over as chairman of the company. He shifted the focus of the company from pure silk to other categories of textile

goods such as cotton, polyester, etc. During the process, he modernized the looms and the machinery. In order to increase productivity, he did not increase the wages of the employees over a period of one decade, during which the productivity of the company rose by 20%. However, the trade union leaders could see through the ploy of the chairman and became vociferous and demanding. There were two violent agitations and strikes by the two trade unions, who were also supported by the leaders of the independence movement. In order to improve his business prospects, Mr. Sanjay Birla sided with the Britishers, much to the annoyance of the leaders of the independence movement. The trade union leaders, now wise about the changed loyalties of the management, started agitating on the smallest issues.

However, Mr. Sanjay Birla died in an air crash in 1946. At this juncture, Mr. Sanjay Birla's younger brother Mr. Yash Birla took over as Chairman of the company. He was the true son of his father and a loyal patriot who strongly supported the independence movement. His style of management was paternalistic and caring, and he was proactive in wage revision of the employees. The situation was peaceful till the 1970s until Mr. Mohan Samant, a powerful trade union leader in Mumbai industrial circles arrived on the scene. The latter believed in adopting a confrontationist attitude towards the management, irrespective of whether or not it was just. He tried to influence the trade union leaders in the company, but with little success. During the mid 1980s, there was a serious crisis in the textile industry and

Amazon Textiles was not an exception. There was a sharp decline in exports as well as in domestic sales, which led to a sharp drop in profits, and, ultimately, losses over a continuous period of four years. The banks and financial institutions refused to refinance the sick company and Mr. Yash Birla began to scout for an opportunity to turn around its fortunes. At this juncture, he could foresee that the denim market would expand in a big way over the next 10 years and immediately set up modern textile mills in Ahmedabad to exclusively manufacture branded and generic denim.

The modern units in Ahmedabad flourished while the sick units in Mumbai could not be turned around since the cost of modernizing them was prohibitive. After detailed

discussions with trade unions, Mr. Yash Birla convinced them that it was best to close down the sick mills in Mumbai. Those desirous were relocated to the new units in Ahmedabad and the option of VRS was given to the other workers.

*Questions :*

- (i) Examine the sociopolitical influence of the growth and development of trade unions on the company.
- (ii) Analyse the interrelationship between the approach of the management and trade union activism.
- (iii) Suggest measures to improve relationship between management and trade union.