



EXAMINER'S COPY

UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Postgraduate & Mid-career Development Unit

Master of Business Administration (Semester IV- First-half) Examination – November, 2016

MBAHR 617 – Labour Relations

Three (03) Hours

Instructions:

1. Answer all Questions.
 2. This is an OPEN BOOK examination
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1. Indicate whether the following statements are correct and briefly explain the reasons for your answers
 - i. Longer probation period will facilitate the opportunity for management to properly evaluate the suitability of the employee and make the correct decision.
 - ii. Fixed term employees cannot take legal action against employers for unfair termination, as a fixed term contract will automatically come to end at the specified time period.
 - iii. Labour tribunals have no power to order reinstatement of temporary employees to permanent posts.
 - iv. Casual employees have the right to be reinstated.
 - v. An outsourced employee will not have the right for permanent employment.

(06 Marks Each)

(Total 30 Marks)

2. The trade union of ABC company has been demanding for a 40% salary increase and increased bonuses from the company for the last few months. However, company says they can only agree to a 15% salary increment as the company is facing a financial strain at the moment, with one of their main customers from USA having withdrawn from the company, affecting the company bottom line. Further, the company was insisting that they are one of the highest paying employers in the country and therefore cannot grant the demands of the trade union.

After several rounds of discussions where the management did not change their stance, the trade union decided to go on a strike. During the strike period, the management took disciplinary action against many strikers, including the trade union leaders. Some were terminated from services and others were suspended. Management indicated the following basis for their action.

- a) prior notice of the strike was not given to the management,
- b) employees has trespassed on the company property, by remaining inside the premises of the company while on strike, and
- c) nature of the trade union demands are unreasonable and unjustifiable

At this, the trade union made a complaint to the labour department and stated the following as unfair labour practices of the management

- d) the company had taken action against employees for engaging in a rightful trade union action,
- e) no proper disciplinary procedures were followed in taking disciplinary action against the strikers, and
- f) the company refused to pay employees during the strike period

- i. Are the rationale provided by management for taking action against the strikers legal? Explain your answers related to a,b and c separately.

(10 Marks)

- ii. Are the claims of the trade union acceptable? Explain your answers related to d, e, and f separately.

(10 Marks)

iii. What can be done to settle this situation at the ABC company?

(05 Marks)

iv. Will the situation be different if the company took action against the employees for engaging in a strike against the private pension scheme proposed by the government? Why or why not. Give reasons

(05 Marks)

(Total 30 Marks)

3. Indicate how a company should handle the following behaviors considering the legal framework of the country as well as the past case judgments where necessary. Give reasons for your answers.

- i. A security guard falling asleep while on duty
- ii. An employee being drunk while at work and using abusive language towards a superior
- iii. An employee being absent from work for a week without approval or any communication with the company
- iv. An employee being remanded for theft that had occurred in his neighborhood

(10 Marks Each)

(Total 40 Marks)
