



THE OPEN UNIVERSITY OF SRI LANKA
MASTER OF BUSINESS ADMINISTRATION IN HUMAN RESOURCE
MANAGEMENT
FINAL EXAMINATION – DECEMBER 2010
MCP 2139 – EMPLOYEE RELATIONS AND LAWS GOVERING EMPLOYMENT
DURATION: THREE (03) HOURS

DATE: 19.12.2010

TIME: 01.30p.m. -04.30p.m

Answer questions 1, 2 & 3 and either 4 or 5. (Write four answers only)

1. Give short answers to the following questions

- i. What are the total leave entitlements of a shop and office employee?
- ii. Are working directors covered under Employees Provident Fund Act (EPF)?
- iii. When can employees claim their Employee Trust Fund (ETF) balances?
- iv. Are family members covered under EPF Act?
- v. What is the payment for working on a public holiday, according to the Shop and Office Employees Act?
- vi. What is the limit on fines, deducted from the shop and office employees salaries?
- vii. How can a company spend the money deducted as fines from employees salaries?
- viii. What are the benefits that organizations get through employee trade unions?
- ix. What is the maternity leave entitlement of shop and office employees?
- x. Are domestic workers entitled to ETF?

(3X10 = 30 marks)

2. Case study 01.

Rathnasinghe was a senior Clerk working for 'Finlan Estates', a tea estate in Balangoda. Rathnasinghe first joined 'Finlan Estate' as an office assistant (peon) almost 10 years back. He was promoted to a junior clerk after 3 years and was promoted to a senior clerk 5 years back.

One morning when Rathnasinghe reported to work he saw a letter from head office on his table. The letter stated that he was to meet the Human Resource Manager of the head office immediately. As it is very rarely that employees get orders such as these from head office, Rathnasinghe knew that something important is about to happen. Upon getting approval from the manager of the estate, Rathnasinghe immediately went to head office to meet the HR Manager as requested.

The HR Manager was quite friendly towards Rathnasinghe and informed him that Rathnasinghe would be transferred to a different tea estate belonging to the same company with immediate effect due to a sudden vacancy that has arisen in that estate. The new tea estate is the biggest and the most profitable tea estate that belongs to the company. The HR manager further stated that the reason for choosing Rathnasinghe for the transfer is his long service and experience in the company and the need for such experience in the said estate at the moment. Rathnasinghe was given the letter of transfer and asked to go through it and ask for any clarifications if needed. Rathnasinghe immediately noticed that the letter stated that his new designation was 'Clerk'.

"I think there is a small error in the letter, Mr. Subramanian. My designation is Senior Clerk' Rathnasinghe stated.

"Oh... yes... I wanted to tell you that. Well...your designation will go as 'Clerk' at the new place. But don't worry it is not a demotion. Your salary will be the same, other benefits given to you will be the same, and everything will be same. It is just the designation that has changed. The thing is...the position of Senior Clerk is not there in the new estate. So don't worry" Mr. Subramanian, the HR Manager, assured Rathnasinghe.

Rathnasinghe was not convinced. He refused to accept the transfer stating that the company has willfully demoted him and has acted unfairly. Though Mr. Subramanian repeatedly assured that the transfer is not a demotion, Rathnasinghe refused to accept the transfer.

He received several letters by the head office threatening termination of employment in the event of failure to report to the new estate immediately. But Rathnasinghe continued to report to work at the Balangoda estate, disregarding these repeated requests to report to work at the new place. Finally Rathnasinghe received a letter from the head office informing his termination from the services of the company.

Rathnasinghe filed action against the company at the Labor Tribunal.

- i. Do you think the company has acted mala fide? Give reasons for your answer
- ii. Will Rathnasinghe have a chance at winning in the Labor Tribunal? Explain.

(25 Marks)

Source: Adikaram, A.S. (2008). *Labour law and relations: A human resource management approach*. Pannipitiya: Stamford Lake

3. Case Study 02

Sirimal worked as a Pool Attendant in 'Ocean View', a tourist hotel situated in Negambo. His main job responsibility was to look out for the safety of guests who uses the swimming pool in the hotel. In addition, Pool Attendants were also required to clean the pool twice a day and look into other matters such as organizing entertainment activities or games at the request of the guests, making sure the pool chairs are clean, and helping guests with their requirements regarding using the swimming pool.

The swimming pool of the hotel is of medium size. It opens for the use of guests at 7.00 a.m in the morning and closes at 7.00 p.m in the night. There are two Pool Attendants who work on two shifts for a day. One shift is from 7.00 a.m to 1.00 p.m and the other from 1.00 p.m to 7.00 p.m. The Pool Attendants are generally required to be around the pool at all times. However, it is normal practice for the Pool Attendants to engage in other work such as cleaning and mending equipment needed for cleaning the pool and pool chairs, mingling with guest of the hotel, and conversing with other colleagues, when the pool is empty.

One day, Sirimal was talking with a guest about some new sea excursion the hotel is planning to organize for guest, when he heard shouts from the pool area. Sirimal was inside the hotel near the reception area when he heard the shouts. The reception area was about 100 meters away from the pool. On hearing the shouts, Sirimal ran towards the pool area. When he neared the pool he saw people gathered around a person lying on the ground. Sirimal quickly went to the person lying on the ground and realized that a guest has drowned in the pool. Luckily some other guests have seen the person drowning and have saved him.

Sirimal quickly gave him first aids and made arrangements to take him to the nearest hospital for further treatments. Once the commotion was over everybody started blaming Sirimal for not doing his job right. Though Sirimal felt guilty, he defended himself saying that he was not even 100 meters away from the pool area and that nothing fatal happened.

Early next morning Sirimal was called to the administration office and the Resident Manager informed Sirimal that his services would be terminated as he failed to perform his job properly causing harm to guests in the hotel.

"I can't even imagine what would happen if the guest died" stated the Resident Manager. "We definitely would have had to go to courts and it would affect our business for sure. Even now, there is the possibility of the guest taking legal action against the hotel. You were supposed to be near the pool at all times, not chat with

guests. For gods sakeyour job is to ensure safety of guests. The one time an emergency arose you were not there”.

“How can you say that sir? Do you know how many times I have saved people from drowning in that pool? At least I have saved 20 people for the last one year I’ve been working in this hotel. Anyway, I was not just chatting with the guest at the reception area, he was asking me about the sea excursions the hotel plans to organize. I can’t just ignore a request of a guest. If I did that you would confront me with a complaint about not treating the guests properly. You can’t terminate my services for this one incident. Things like this have happened before with other Pool Attendants, but the hotel never terminated their services” Sirimal replied.

“Well this is my way.....I would not put the hotel and its guests at harm. You are fired. You can collect your paycheck from the accounts department and my Assistant Manager will be in touch with you about other matters” Were the final words of the Resident Manager. Sirimal went to Labour Tribunal regarding the matter asking for reinstatement or compensation.

Source: Adikaram, A.S. (2008). *Labour law and relations: A human resource management approach, pannipitiya: Stamford Lake*

- i. Has the Resident Manager taken proper disciplinary action against Sirimal?
- ii. Contrast Resident Manager’s Disciplinary action with the ‘Hot Stove Rule’.
- iii. Will Sirimal have a chance of winning at the labour tribunal?

(25 marks)

4. “Through the ‘right to strike’, the employees are given the legal right to engage in strike actions freely. But this has various negative consequences on the employers and their businesses. At the same time, employees appear to exercise the right to strike very freely, thereby resorting to strikes at the drop of a hat”.
- Do you agree with this statement? Explain your answer with examples, where necessary.

(20 marks)

5. ‘In Sri Lanka employee trade unions have always been disruptive to smooth functioning of organizational operations. On the other hand, Joint Consultative Committee (JCC) have been proved more productive and efficient in addressing employee problems.’

Critically evaluate the above statement. Give examples to support you answer.

(20 marks)

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