



**THE OPEN UNIVERSITY OF SRI LANKA
MASTER OF BUSINESS ADMINISTRATION IN HUMAN RESOURCE
MANAGEMENT**

FINAL EXAMINATION – 2010

**MCP 2139 – EMPLOYEE RELATIONS AND LAWS GOVERNING
EMPLOYMENT**

DURATION: THREE (03) HOURS

Date: 08.08.2010

Time: 9.30 am – 12.30 pm

**Answer all questions in Part I (Compulsory) and three questions from Part II.
All answers must be written neatly and focused. Incomplete answers will not
assigned marks.**

This question paper consists of five questions.

Part I

1. Peaceful environment of the 'Super' supermarket was disturbed one evening by the commotion of two employees fighting with each other in front of the cash counter. Everybody was stunned by this sudden uproar and nobody knew what to do. Everybody was staring at the fight when the Manager Mr. Silva arrived at the scene. With the help of some other employees, Silva managed to drag the two fighters, Senaratne and Kamal, to a side.

"What do you think you were doing?" Silva shouted at the two fighters. "Don't you know that kind of behaviour is not welcome in this supermarket? What would the customers think? I am going to complaint about this matter to the head office and deal with you strictly. Until then you two are suspended".

"But Mr. Silva, it was all Kamal's fault. He is the one who started this. He has been trying to get me into a fight all week. I was trying to avoid it. But today's comment about my personal life was the last straw. You don't expect me to meekly listen to these new-comers and stay quiet?" Senaratne retorted. "Suspend Kamal. Not me. I have been in the company for over 5 years now. And I have a clean record."

"It was Senaratne's fault. He has been on my back from the day I joined. Whatever I do is wrong. He wanted me to get into a fight so he can get me fired from the company" Kamal defended himself.

"I don't want to hear your pathetic excuses. Company's best interest is what I'll think about. Senaratne... being one of our oldest employees, you should have

known better than to get into a fight in front of our customers. You should have been a role model to new-comers. Not fight with them and set a bad example. And Kamal... you are still a new employee, your behaviour today clearly shows that the management has to consider about your continued employment in the company. My earlier statement stands. Until I discuss with the head office, you two are suspended”

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

- i. Do you agree with the manner in which Mr. Silva handled the situation? What are the good points and bad points in the manner in which the situation was handled?
- ii. If you had to make the decision regarding disciplining Senaratne and Kamal, what actions would you take?

(40 Marks)

Part II

2. Mr. Gamage was employed as an Executive, by XYZ Company, and was placed on a six months probation period. His services were terminated after four months, as his services were very unsatisfactory and far below the standard required. Mr. Gamage made an application to the LT, where the President of LT ordered that Mr. Gamage be paid one years' salary as compensation stating his services had been terminated without good cause. Is this order of the LT correct?

(20 Marks)

3. Sampath was employed as a 'casual technician' and was assigned to work at a work sites managed by ABC Constructions. He was recruited on 01/03/1998. Sampath became a fully qualified technician by end of 1999. However, he continued to work for ABC, as a 'casual' employee. No letter of appointment was issued to him. His services were terminated on 01/01/2002, on the basis that his services were no longer required.

During the employment, he applied for a permanent post under ABC, but he was not selected after an interview.

Sampath made an application to the Labor Tribunal for unfair termination of services. During the proceedings before the Labor Tribunal, Sampath admitted

that he was working on a casual basis. He also admitted that he was not paid allowances and bonuses, which were paid to permanent employees of the employer.

(Adapted from: Bandara vs. State Engineering Corporation of Sri Lanka; (2002)3 Sri Lanka Law Reports 138; Supreme Court Appeal No. 57/2001)

What would have been the award of the Labor Tribunal?

(20 Marks)

4. (a) Explain the concept and process of collective bargaining and describe the emerging trends of collective bargaining with few examples in Sri Lanka. (10 Marks)
- (b) Briefly outline about the negotiating process and a selected model on negotiation with an outline of the negotiation guidelines. (10 Marks)
5. Give short answers to the following questions
- i. What is the limit on fines, deducted from shop and office employees' salaries?
 - ii. Is it a must that the employees covered under the Shop and Office Employees Act be given a letter of appointment?
 - iii. What is the retirement age for shop and office employees according to the Act?
 - iv. What is the payment for working on a poya day, according to the Shop and Office Employees Act?
 - v. What is the payment for working on a public holiday, according to the Shop and Office Employees Act?
 - vi. What actions can an employee take if he/she is sexually harassed at the workplace?
 - vii. What can organizations do to eradicate sexual harassment from their workplaces?
 - viii. What are the benefits that an organization could gain from employee trade unions?
 - ix. How can the management build a good relationship with employee trade unions?
 - x. Do you think strikes should be a legal right of employees? Briefly explain your answer.

(20 Marks)

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