

**THE OPEN UNIVERSITY OF SRI LANKA**  
**MASTER OF BUSINESS ADMINISTRATION IN HUMAN**  
**RESOURCE MANAGEMENT**  
**FINAL EXAMINATION-AUGUST 2016**  
**MCP2139 – EMPLOYEE RELATIONS AND LAWS GOVERNING**  
**EMPLOYMENT**  
**DURATION: THREE (03) HOURS**



**DATE: 28.08.2016**

**TIME: 1:30 P.M. – 4:30 P.M.**

**Answer Four (04) questions. This question paper consists of six questions.**  
**All answers must be written neatly and focused.**

1. Top Footwear (Pvt) Ltd is a reputed shoe manufacturing company in Sri Lanka. Around 1000 permanent labourers are employed in the factory. Lasantha is the factory manager and Nirmala the factory supervisor.

The labourers have made a complaint to the supervisor about the facilities provided to them. There is no canteen, drinking water provided is not clean and there is a grave lack of sanitation. Nirmala promised that she would take appropriate action and will rectify the situation. As nothing happened for over a month workers informed about the grievances to the factory manager. He told that he will arrange a meeting with the top management of the company. However, there was no response either from the factory manager or from the top management. Labourers were now in a predicament. They decided that the only cause available to them was to form a trade union and take up the issues through the union. The executive committee of the union requested the management in writing to arrange a meeting to sort out their issues. But, the management failed to respond. Left with no alternative the union sent a written notice to the company and commenced a strike. Due to the trade union action all the operations of the company came to a standstill. The management threatened the union that if they will not resume their work salary will be not paid.

Based on these facts, answer the following questions.

- (a) What were the measures that could have been taken by (i) supervisor (ii) factory manager (iii) top management to resolve the issues. (15 marks)
- (b) If you are the trade union leader what were the other possible means that you could have resorted to before launching a strike? (10 marks)

2. Murugan was recruited as a probationary lecturer (Management) to a private University called AY Management School. Terms and conditions of the employment were stipulated in the appointment letter. Accordingly, his probation period is one year. Another important condition

that was laid down in the letter is that if services of a probationary lecturer are not to the expected level of the university his/her services would be terminated with one month's notice.

He was asked to work under a senior professor in Human Resource Management. Murugan was requested by the professor to submit a progress report after six months from the date of joining. Murugan faithfully submitted first semester report and he continued his services. He was asked to submit the second semester report at the end of the year. The professor made remarks in his report stating that Murugan does not keep time and also he failed to finish his tasks within the stipulated time. Based on these comments his services were terminated by AY Management School with immediate effect.

Murugan consults you as to what are the remedies available for him under Sri Lankan Labour law. Advise him. You are expected to cite relevant legal provisions.

(25 marks)

3. Answer the following questions in the light of the Industrial Dispute Act No 43 of 1950 Sri Lanka

- (a) Define the term "employee" (4 marks)
- (b) What is the meaning of the term "Industrial dispute" (4 marks)
- (c) What are the advantages of conciliation? (5 marks)
- (d) What are the differences between voluntary arbitration and compulsory arbitration? (5 marks)
- (e) Discuss the importance of a collective agreement. (7 marks)

4. 'Uniform terms and conditions of employment apply to employees in Sri Lanka whether they work in shops, offices, factories or any trade'.

Discuss the validity of this statement, supporting your answer with provisions from the Shop and Office Employees Act, The Wages Board Ordinance and the Maternity Benefits Ordinance.

(25 marks)

5. Chathura was recently recruited as a management trainee of 'Ready to Wear' a garment manufacturing company. Within a few weeks Chathura was faced with several issues in the factory.

First, a high number of accidents are reported in the factory; these occur due to defects in machinery, stacks of material falling onto persons during handling of stocks, obstructions on passage ways and poor lighting. Insurance companies are also refusing to renew their accident cover due to the high number of accident claims.

Chathura also noticed that some claims for compensation due to accidents have been made by persons who are reported to regularly arrive for work drunk; there are also claims by persons who have been experimenting with machines they are not trained to use and which are not relevant to their jobs.

Advise Chathura how to deal with this situation focusing on the following;

- (a) The legal obligations of the company as contained in the provisions of the Factories Ordinance and the Workman's compensation Ordinance.

(15 marks)

- (b) How to prevent future accidents by designing and implementing a health and safety programme for 'Ready to Wear'.

(10 marks)

6. Emma the human resource manager of 'creative thinking' an advertising firm, is faced with the following situations. Identify the legal concepts involved and discuss the most suitable way Emma can deal with them.

- (a) Susil's wife had left him taking their two children with her. Susil was going through a bitter divorce and also fighting for custody of his children. He had been a very hard working employee who always got excellent job evaluations. However now Susil started arriving drunk for work; he was often late; he became rude towards his superiors and harsh with those working under him. His standard of work started to drop and he began losing important clients of the firm. The matter has been referred to the human resource department.

(09 marks)

- (b) Varuni has complained that her boss Terence is making unwanted sexual advances towards her. Varuni is a beautiful young woman who often wears short skirts and sleeveless blouses to office. Other employees have also heard Terence make suggestive remarks to Varuni, at which Varuni simply laughs and makes counter remarks. Terence is an employee with more than ten years of service in the firm, and has not had any such complaints made against him before.

(08 marks)

- (c) Buddhika has been working for 'Creative Thinking' for over five years and has always received good job evaluations. However this year she received an unsatisfactory evaluation and was denied an increment. The reason stated was that she had refused to work after working hours on two days in a week when a very important advertising campaign was being finalized. Bhuddika had often worked late before and had only refused to do so this time as her husband was in hospital after meeting with an accident and she had two small children and no one was available to care for them once the day care centre closed at five. Buddhika has asked Emma to intervene in the matter.

(08 marks)

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