A. INTRODUCTION

A.1 In the matter of the Industrial Dispute between:

The Union of Employees of the Central Electricity Board

AND

The Central Electricity Board

The Tribunal, composed of:

Mr. H. Balgobin - Vice-President
Mr. M. Serret - Member
Mr. G. Bouic - Assessor
Mr. S. Bheenick - Assessor

proceeded to enquire into the following industrial dispute referred to it by the Minister in charge of Industrial Relations in accordance, with the provisions of Section 82(1)(f) of the Industrial Relations Act, 1973, viz:

"(a) Whether paragraph 3(1)(c) of the Manrakhan Committee Report of the 7th December, 1982 is to the effect that the revised formula to give manual workers three days' grace is an acquired right applicable not only for 1982 but also for subsequent years so long as there is no review or agreement or another formula; and

(b) Whether the formula referred to above should be maintained even though the parties could not come to terms on an eventual change in the formula to include other parameters, or otherwise."

A.2 The parties were represented by Messrs. Caroopen, President; Antoine, Secretary; and J. Bizlall, Negotiator of the Union of Employees of the C.E.B., assisted by Mr. K. Bhayat, Bar-at-Law, on behalf of the Union of Employees of the C.E.B., and Mr. F. Montocchio, Personnel Manager of the Central Electricity Board, assisted by Mr. R. Hein, Q.C., on behalf of the Central Electricity Board.

B. CONSIDERATIONS

The paints in dispute are:

"(a) Whether paragraph 3(1)(c) of the Manrakhan Committee Report of the 7th December, 1982 is to the effect that the revised formula to give manual workers three days’ grace is an acquired right applicable not only for 1982 but also for subsequent years so long as there is no review or agreement or another formula; and

(b) Whether the formula referred to above should be maintained even though the parties could not come to terms on an eventual change in the formula to include other parameters, or otherwise."

B.1 This dispute has been heard in the presence of two Assessors appointed by the President of the Permanent Arbitration Tribunal to assist the Members in the determination of the reference of the present industrial dispute, namely Mr. S. Bheenick and Mr. Gaetan Bouic.

B.2 An annual regularity bonus is paid to the C.E.B. manual workers based on the following formula:
Bonus = $14 \times s \times \frac{X}{261} \times \frac{21-n}{21}$

where $s = \text{annual salary}$

$n = \text{number of days of sick leave taken,}$

B.3 It is appropriate to go back to 1982 when the Manrakhan Committee Report recommended that three days' grace be given to the workers and therefore $n$ be replaced by $(n-3)$ for the year 1982.

B.4 It was initially felt that a new formula could be found in time for 1983 bonus, which could incorporate certain productivity parameters, e.g. loss of electricity where it was felt that appreciable saving could be made resulting in accrued revenue.

B.5 However, no new formula could be devised in time and the original formula with the $(n-3)$ was again used in 1983.

B.6 As from 1984 the Board refused to maintain the "three days' grace" which is considered a temporary measure and reverted back to the $n$ formula.

B.7 The Union has contended that a solution, having not been reached, the Board should have maintained the $(n-3)$ formula after 1983.

B.8 The Board's case is that the $n$ formula should be maintained and that additionally a productivity bonus be calculated according to the following formula:-

$$S = \frac{(R \times P) + (3 \times R \times C)}{8}$$

Note: $S = \text{Individual annual Salary/Wage}$

$S = \text{Total annual Salary/Wage Bill}$

$R = \text{Reduction in losses of energy arrived at following formula}$

$$[ (U \times 15.98) - L ] \times 100$$

when: $U = \text{Kwh exported}$

$L = \text{Actual losses in kwh}$

$P = \text{Average selling price per kwh.}$

$C = \text{Average cost of fuel oil per kwh.}$

B.9 This complex formula has been fully explained by the Personnel Manager and we take the liberty of reproducing the relevant part of his report in extenso.

"The figure of 15.98 mentioned in the definition of $R$ was the percentage losses prevailing at the time the proposal was formulated. The losses having since then followed an upward trend, it would seem that the original percentage included in $R$ would have to' be reviewed so as to be more representative of current realities. The situation revealed by the 1986 statistics confirms our belief that a sustained effort on the part of the, whole personnel is necessary in order to curb the incidence of abnormal losses, particularly in so far as
fraud of electricity is concerned.

The Unions having already accepted the principle of an additional bonus scheme based on improvements in losses of electricity, Management can but urge that the scheme be put into operation without delay. Any reward in case of its successful operation would, however, only accrue as from the end of 1988 onwards. Our target being to drop down losses to 13 %, it would be interesting to know what the attainment of such a target in 1986 would have entailed as reward to the personnel.

<table>
<thead>
<tr>
<th>1986 Figures</th>
<th>Possible Achievement</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>GWh</td>
</tr>
<tr>
<td>Units Exported</td>
<td>427.6</td>
</tr>
<tr>
<td>Losses</td>
<td>71.1</td>
</tr>
<tr>
<td>Sales</td>
<td>356.5</td>
</tr>
</tbody>
</table>

Average Selling Price per KWh ... Rs 1.69
Average Cost of Fuel Oil per KWh ... Rs 0.84

If the new percentage included in R were 16.63, instead of the original figure of 15.98, the amount of bonus accruing to the personnel would have been as follow:

$$R\left[\frac{427.6 \times 16.63}{100} - 53.7\right] = 17.4 \text{ Gwh}$$

$$\left[\frac{17,400,000 \text{ kwh} \times Rs \ 1.69}{8}\right] + \left(\frac{3 \times 17,400,000,000 \text{ kwh} \times Rs \ 0.84}{8}\right) = Rs \ 9,156,750$$

Once the bonus has been calculated, its distribution amongst the personnel would be made in the proportion which the annual salary/wage of each individual bears to the total annual salary / wage bill

e.g. an employee drawing Rs 24,000 p.a., out of the 1986 wage/ salary bill of Rs 58,726,000., would have obtained a bonus of Rs 3,742.

i.e. \{24,000 \times 9,156,750\}

$$\frac{58,726,000}{58,726,000}$$

The above is the maximum which could have been achieved. In practice, however, it will certainly take some time before such a target could be achieved, everything depending on the effort put up by the personnel.

The Union, in the course of the last hearing, has suggested that the Tribunal should award the maintenance of the three days' grace in the attendance bonus until the scheme based on Lasses of Electricity yields results. The Board feels that the two schemes should be viewed independently and on their own merits. If, for example, the last-mentioned scheme were to prove ineffective on account of general apathy, it would, we submit, be quite unjustified to maintain the three-days' grace ad infinitum."
B. 10 The Tribunal feels that a clear distinction must be drawn between a regularity bonus and a productivity bonus which are two very different matters and in that the first rewards attendance and the other productivity.

B. 11 A regular worker might very well be an unproductive one in his work and would qualify for a regularity but not for a productivity bonus.

B. 12 We agree with the Board that the "three-days' grace" has no place in the regularity bonus formula in that this is an arbitrary figure without any obvious scientific basis.

B. 13 The Tribunal feels that on the other hand a productivity bonus should not take into account elements which are beyond the control of an individual worker, such as the cost of fuel, losses of energy, selling prices etc.

B. 14 The Board itself has shown that no bonus would accrue in 1986 on the basis of the proposed formula.

B. 15 A productivity bonus, such as the one proposed by the Board can only reward a person for his individual effort or a small number of workers in the performance of a specific task.

B. 16 We are unable to agree that a standard productivity bonus could apply to manual workers of the Board carrying out widely different tasks.

B. 17 The Tribunal concludes that the productivity bonus suggested by the Board is not appropriate in the circumstances.

B. 18 As regards item (a) of the dispute, the Tribunal holds that since the Board accepted as a compromise the (n-3) formula for 1982 and 1983, the same formula should apply until the setting up of a revised one.

B. 19 The Tribunal awards accordingly.

B. 20 As regards item (b) the Tribunal feels that before deciding on the form of the bonus to be paid to the workers concerned, the parties should make it clear whether they are asking for a regularity or a productivity bonus.

B. 21 The Tribunal is ready to decide on this item but would wish to hear the parties further before coming to a final conclusion.

H. BALGOBIN  
Vice-President

M. SERRET  
Member