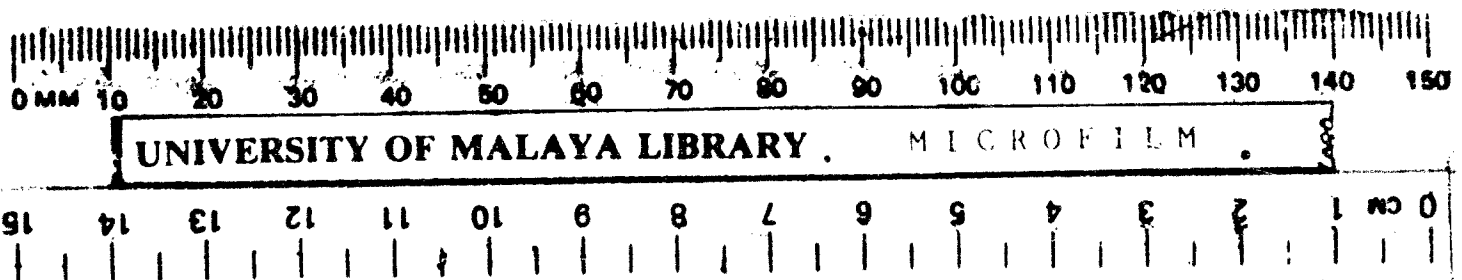


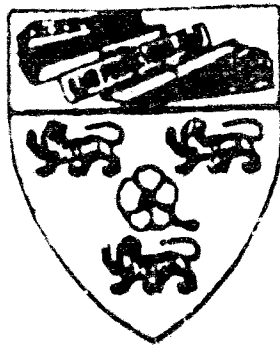
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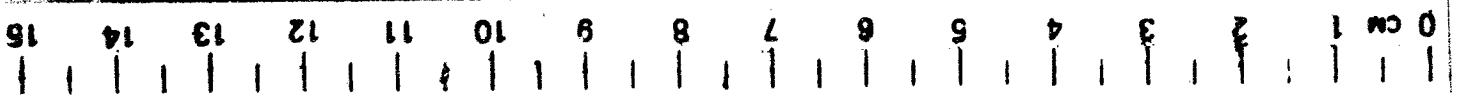


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A STUDY OF THE PERSONNEL
POLICIES AND PRACTICES OF
THE CENTRAL ELECTRICITY BOARD

by

Geoi Rock Leok

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A Graduation Exercise presented to
the University of Malaya in
part fulfilment towards the
Degree of Bachelor of Arts
with Honours in Economics

1965/66

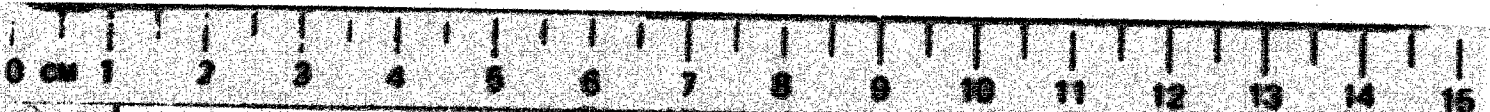


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CHAPTER I

INTRODUCTION

This graduation exercise attempts a study of the personnel policies and practices of the Central Electricity Board. Such a study will allow the reader to have a picture, brief as it may be, of the personnel practices of this organisation. And it was hoped that this might provide a case study for those interested in the principles and practices in the field of Personnel Management.

Effort was made, therefore, to provide them with materials and information which would serve to give them an insight into the field of Personnel Management. To make such a provision it has been necessary to present the information in a descriptive nature rather than in an analytical one. While the underlying approach will generally be descriptive, attempts are made, wherever possible, to present also an analysis of the subject matter.

This has not been the only reason why such an approach has been adopted. When the writer started to collect information it was suggested to him that one of two approaches can be taken. The first involved the amassing of materials

pertaining to the principles and practices in personnel management. Following this approach, the researcher will have to read through the numerous circulars, procedures and information that pertains to Personnel administration. He will also need to go through reports, if any, annual reports and magazines of the organisation which will provide him with such information. The second was to choose a narrower field and then make an analytical study, comparing it to related practices of similar departments in other enterprises. For example the person doing the study could choose the training programmes of an organisation. He must then analyse and evaluate them and compare them to similar programmes of other enterprises. The strength and weaknesses of these programmes are noted and proposals for changes could be made. In this exercise the first approach has been adopted. Whatever analysis that has been made has been done relative to the theoretical demands of the particular subjects.

Various terms have been used to describe the subject of labour in business organisations. Terms like Industrial Relations, Personnel Administration or Personnel Management have been used inter-changeably to identify the problems of human relations in the commercial organisation. It is imperative, therefore, that before a discussion of the personnel function, yet another of these terms, is continued, the

subject must be properly defined, and within the context of the definition, discussion shall proceed.

No definition can be expected to describe fully any subject. This is particularly true of the case of this subject which being young in years is subject to constant reconstruction of principles of theory due to the addition of and modification by new information obtained in the continual studies and experiments made in this field. Such studies have attempted an objective and scientific analysis of the human problems within an enterprise. In the above definition its objectives are revealed. This is one approach to defining a subject.

"Personnel Management or function is that part of the management process which is primarily concerned with the human constituents of an organisation. It seeks to achieve a maintenance of human relationships on a basis which, by consideration of the well-being of the individual, enables all those engaged in the undertaking to make their maximum personal contribution to the effective working of that undertaking".¹

Terms like Personnel Management or Administration can be taken to have the same definitions. Industrial Relations, however, is more concerned with labour relations, that is, more with the trade unions and collective bargaining. As a subject, by

¹"Principles and Practices of Management" - Brech.

itself, it is becoming increasingly important. The term, therefore, shall not hold the same meaning.

Three important points are conspicuous in the definition above. They are :

- (i) the consideration of the well-being of the individual
- (ii) make a maximum personal contribution
- (iii) effective working of the undertaking.

These points are important in the consideration of Personnel Management and are elaborated upon in a later chapter.

A policy, in the very simplest terms, can be defined as a guide in decision - making. This definition is, however, too brief to be of great use. A much better definition would be "a statement or a commonly accepted understanding of decision-making criteria or formulae, prepared or evolved to achieve economy in operations by making decisions relatively routine on frequently occurring problems and, consequently, facilitating the delegation of such decisions to lower management levels."¹ Such a definition, in many ways, describes the situation that exists in the Central Electricity Board. A well-laid down and written policy in the field of Personnel Management is not available. Instead in the

¹Miller, E.C., "Management of Human Resources"
Edited by Pigors, Myers and Malas.

Central Electricity Board the policy is manifest in the Rules and Regulations, which guide decision-making on numerous problems. After all, the procedures, by which problems and difficulties are overcome, are extensions of the policy governing them.

Even though there is lacking a specifically written policy, the broad outlines of the policy that is being pursued by the Central Electricity Board follows roughly the lines as set below. Personnel policy covers

- (i) recruitment and correct selection of personnel
- (ii) an effective training and sound education of Personnel
- (iii) satisfactory methods of remuneration and provisions of good working conditions, amenities and services
- (iv) the provision, maintenance and effective use of joint consultation
- (v) good dispute settlement procedure.

In addition, the writer¹ notes that a Personnel Officer is responsible for carrying out of company policy, which should embrace the points above, if a satisfactory level of morale is to be obtained and maintained.

¹Chelvarajasingham. Article in "Power", Staff Magazine C.E.B.

The chapter outline is based primarily upon the broad functions, as described above, which the Personnel Office of the Central Electricity Board must perform in order to build an effective working force. The functions are in, fact, the activities that are being performed by the Personnel Department.

To begin with, attention is directed to the scope of Personnel Management, as perceived by the Central Electricity Board. This is discussed here in this chapter.

Attention then is turned to the major tasks of procuring, developing, maintaining, and using an effective working team. Specifically such detailed topics like recruitment procedures, training employees and executives, handling grievances and disciplinary cases, collective bargaining with employees are taken up. It is primarily because of this that the chapter on Industrial Relations and the Joint Industrial Council has been included. Even though Industrial Relations is a separate topic of its own, much of its activities are still connected and performed through the Personnel Office.

The successful operation of any commercial organisation depends on careful planning, execution and control. This is also true of even the Personnel Office, even though it is merely a department in a bigger organisation. The need to ensure the over-all solvency of the Central Electricity Board demands that this office should not be a source of extravagant

spending. This explains the need to examine the budgetary expenses of the Personnel Office.

In talking about the Central Electricity Board the writer refers to the whole organisation; the enterprise that generates electricity supply. At the same time, however, the Board is used, to mean a Board of governors or directors. It is that group of men who decides the policies of the enterprise. To clear this confusion, the early history of the Central Electricity Board will help. When the Electricity Department was dissolved, the responsibility of generating electricity was transferred to a Board. On this Board sat prominent public figures and specialised men, and they decided the policy as they thought the public would want it. To help it perform its functions this Board of directors had to create an organisation, whose duty was to execute the policies. The chief of this organisation, called the Central Electricity Board, is the General Manager. When the word 'Board' is used in the exercise therefore the body referred to is the Central Electricity Board. In referring to that small group of policy-makers a more specific designation like 'the Board of directors or governors' will be used.

Further, in the discussion of the Central Electricity Board there is need to point out that, at present, the activities of the Board are confined to the states of the Federation of

Malaya. When the country became independent in 1957 the Board was made the sole authority for the supply of electricity within the country. Since that time Malaya has changed to Malaysia, but the activities of the Board are still confined to the smaller Malaya. That is why in referring to the Board, its full name would be very illuminating. It is called the Central Electricity Board of the Federation of Malaya. As yet, electricity supply in the Borneo states and Singapore are in the hands of different organisations. However it is certain that the authority of the Board will be extended to include these areas as well in the future.

In the study of the personnel function of the Central Electricity Board, the research methods have been pretty simple. Most of the collection of material have been done at the Personnel Office of the Board. This involved reading through numerous circulars, reports, decisions taken, the Rules and Regulations book and through frequent interviews and consultations with top officers in this department. This method has been made possible because of the fact that personnel management is a central issue. The Personnel Office is formed only at the central headquarters and from this head-office all instructions and information regarding personnel disseminate to the various divisions and branches.

A number of problems have occurred, with this method of research. One of the major ones has been the lack of

statistics with regards to accidents, absenteeism, medical treatment, occurrence of those taking sports leave. Such statistics are extremely valuable to the Personnel administrator, and also the researcher. Statistics are however kept of things which are of greater benefit, like amount of electricity sales or price of electricity per head of consumer. This has in a very large way hampered the writer in the analysis of the personnel programmes which have been instituted by the Central Electricity Board.

It has been pointed out already that the Board does not possess a written policy for its Personnel Office. The policy that is followed, at present, has grown through the years that this office has existed. It has been formulated by the various officers who have guided this office and they have implemented what they thought best in the interest of the employees. This has forced the writer to rely upon the present executives of the department in the interpretation of the policy. While this does not suggest that the interpretation and application, as followed at present, are wrong, it would have been very much more useful, for purposes of research, if the early intentions have been noted or recorded. The present executives, being human beings, are influenced by their own bias and feeling and will give the interpretations as they see fit. They may, therefore vary quite widely from the

originator's ideals.

It is a fact that the numerous circulars often contradict one another. This will present a very irregular line and the continuity is often broken.

These problems have set the limitations to this exercise. The lack of statistics and records, a matter beyond the writer's control, has greatly handicapped his attempts at analysis. This has been the chief limitation to this graduation exercise. Further it is important to note that the exercise represents the writer's first attempt to research. Information seemingly important have turned out to be otherwise and vice-versa. With a lack of time and great inexperience, this exercise has been produced.

CHAPTER II

BRIEF HISTORY OF THE CENTRAL ELECTRICITY BOARD

Shortly before the Second World War it was realised that the proper development of electricity in Malaya necessitated the inter-connecting of the large electrical undertakings and the economic development of hydro-electric power in locations at present removed from immediate load centres. The need for such a policy was accentuated by events since the outbreak of the war and the stage was reached where inefficient plant should be discarded and the amount of standby generating plant greatly reduced.

In order to control such development it became apparent that a central body was necessary to construct and operate an integrated electricity scheme. It was therefore decided to follow the principle generally established throughout the world, which is, that the business of generating and distributing electricity was one which should be in the hands of a public corporation. As a result the formation of the Central Electricity Board was approved by the Federal Government in August 1949 and it came into being on September 1st 1949, taking over all the undertakings formerly operated by

the Electricity Department. This brought to an end the activities of that department after an existence of twenty two years and eight months.

Functions and Powers

The Central Electricity Board was set up by the Electricity Ordinance No. 30 of 1949. In this ordinance the functions of the Board were outlined in Section 15. They were

- a) to manage and work the electrical installations transferred to the Board by the Ordinance and such other installations and apparatus as may be acquired by the Board under the provision of the Ordinance.
- b) to establish, manage and work such electrical installations as the Board may deem it expedient to establish.
- c) to promote and encourage the generation of energy with a view to the economic development of the Federation.
- d) to secure a supply of energy at reasonable prices.
- e) to make regulations in accordance with the provisions of the Ordinance governing the generation, transmission, distribution and the use of energy.
- f) to advise the Yang di-Pertuan Agong on all matters relating to the generation, transmission and

distribution and use of energy.

Further the Board is empowered to grant licences to persons to operate electrical installations for the supply of electrical energy for private or public purposes and is required to set out in such licences, area of supply, declared voltage and variation permitted therefrom, the maximum charge payable by consumers and other such matters as the Board may consider desirable.

The Central Electricity Board boasts of having one of the most progressive and best personnel departments, which has as its primary objective the welfare and economic well-being of its employees. This concern had manifested itself from the time when the Board was formed. The security and well-being of its employees were safeguarded and ensured by the terms of transfer, from the Electricity Department to the Board.¹

This has been incorporated into the Electricity Ordinance. In the terms of transfer, an interim period was created during which time the staff of the former Electricity Department were given a provisional transfer. This was to

¹ Employees of the Electricity Department were given the option of staying in the Government Service (this would involve transfer to other Government

allow the people concerned to decide whether they wished to put on the permanent establishment of the Board or revert back to being government servants. The period extended to two years.

The terms of remuneration as stipulated were that "employees of the Board are to be paid and work under conditions of service which are not to be less favourable than that they have enjoyed while in the service of the Government."¹ Consequently, there was an equalisation of the terms and conditions of service between that of the Government and the Central Electricity Board; this being true of the minimum standards required.

While the minimum level was obligatory, the upper limit was, however, open. The Board could, and did, create conditions of service which are positively much more attractive than that found in the Government service. A number of factors have brought this about. The Central Electricity Board being the sole authority, responsible for the generation of electricity, realised the weight of this burden. In order to perform this duty it sought, therefore, to maintain a high level of morale and satisfaction at work among its employees.

departments) or joining the payroll of the Board.

¹Electricity Ordinance No. 30. 1949.

One of the ways of achieving this is the provision of a good condition of service. Besides it was probable that greater efficiency could be obtained.

Thus it would be accurate to say that employment with the Board is positively more attractive than elsewhere. As an illustration of this point; the Board need not call for applications to its clerical service. There is a constant flow of applications, at all times of the year, seeking employment with the Board, in this particular service.

Organisation Chart

As policy is the basis of management in action, so organisation is its framework. An organisation is "a systematic arrangement and combination, based on the specialisation and resulting inter-dependence of the parts which are combined".¹ The word 'organisation' further describes both an existing structure and the process by which structures are created or established and modified. In other words, an organisation is a dynamic object.²

¹Yoder, D., "Personnel Management and Industrial Relations".

²The foundation of an organisation structure is a descriptive definition of the responsibilities that are to be undertaken. The organisation structure

The organisation of the Central Electricity Board is divided into five functional divisions. They are the Finance division, Administrative, Engineering, Inspectorate and Hydro divisions. The chiefs of each of these divisions is responsible to the General Manager, with the exception of the Chief Accountant. This officer is responsible to the Deputy General Manager (Finance), who, in turn, is a subordinate to the General Manager.

In an analysis of organisation structures, it is usual to attempt to classify the types of organisations. There are three commonly used classification

- (i) line or military type
- (ii) functional or staff
- (iii) line and staff.

In the first type, all responsibility is direct from subordinate

is not a chart. The chart is merely an illustration of the grouping of responsibilities and of the relations that arise among the groups. Simply to draw lines from a chief executive to his subordinates may be a useful representation of the facts in any given organisation, but it is only a pictorial presentation of relationships.

to senior and authority goes down the line. Here there are no specialist executives.

The second type applies the principle of specialisation of function to each job. The chart is a series of diagonal lines with few vertical lines dissecting them.

The line and staff type of organisation is a combination of the line and functional types of organisation. Single accountability is preserved as in the line organisation, and at the same time, specialised staff service is available to any unit of the organisation requiring them.

The organisation structure of the Central Electricity Board is of the third type, as are most modern-day organisations. The five different functional heads are subordinate to the General Manager while within their own division, the line authorities still exists. The specialist or staff duties performed, and of interest to this exercise, is that of the Personnel Office, the office of the Training and Education Engineer and the Industrial Relations Officer. These are specialised functions and their service is available to all.

To get a proper understanding of the type of organisation, an appreciation of the relationships that exists between the different working groups is essential. Clearly the most conspicuous type of relationship is the "Direct

Executive Relations." Such a relationship is revealed through the relations between the Deputy Chief Engineers in charge of Generation, Operations and Planning and Construction and the Chief Engineer in the Engineering division. The former officers are accountable to the Chief Engineer. A second type, that of "Functional Relations" is seen between the Senior Education and Training Engineer and the Deputy General Manager (Engineering). A service is being performed by the latter. This is also true of the Industrial Relations Officer. The third type of relationship distinguishable is the "Lateral Relations", which exists between executives at the same level of responsibility. Just as the Deputy Chief Engineers for generation operations and planning and construction are direct subordinates to the Chief Engineer, so are they responsible to each other, and the concern as a whole, for the smooth performance of their division. This will necessitate close relationships with each other. Similarly the relationship between the divisional chiefs depict such a type. Finally the "Staff Relations"; a distinct relationship arising from the appointment of a personal assistant to an executive. Within the Board this relationship is typified by that of the Assistant General Manager to the General Manager. The offices of the Deputy General Managers for Finance and Engineering could be likened to this relationship. Both of them perform specialists'

duties as advising the General Manager on financial and engineering matters respectively. In addition the Deputy General Manager (Engineering) deputises for his immediate superior in the latter's absence.¹

From the brief analysis above, it is fairly accurate to sum up by saying that a line and staff type of organisation exists within the Central Electricity Board. Staff service facilities, particularly, have been growing in importance and this is reflected by increasing division of labour that has persisted in this section. Previously there had been the Personnel office only. Now, in addition to this, two other offices exist.

In the organisation chart, the formal relationships have been depicted. The proper channels of authority and delegation of duties are noted. However within the formal framework of this organisation chart informal groups are set up. These informal groups often create their own communication lines and may redefine responsibilities and duties.

Such an informal organisation exists particularly with reference to the Personnel Office and the two related offices of Industrial Relations and Senior Education and Training Engineer. Because, in the performance of its duties,

¹Breck - op cit.

the Industrial Relations Office has to obtain the co-operation of the Personnel Office there has been created an informal association between them.

CHAPTER III

THE PERSONNEL OFFICE AND FUNCTION

In defining Personnel Management three important considerations were noted. They are

- (i) the consideration of the well-being of the individual
- (ii) making a maximum personal contribution
- (iii) effective working of the undertaking.

In the recent years the importance of these three considerations have been growing increasingly. Modern management recognises that the human elements in an organisation are important constituents and that upon their attitude and morale may hang the effective operation of an enterprise. Further this has become a social obligation on the part of management, that is to provide a means whereby the human being is satisfactorily rewarded and treated.

The realisation that these points could prove to be the bane to its success, has prompted the Board to pay great attention to its personnel, their welfare and satisfaction at work. That industrial illness can be contributed to this has been proved beyond doubt by much research and

studies in this field. In creating its own personnel set-up the Central Electricity Board has sought to create and maintain its relationships with its employees at a very cordial level.

The Personnel Office was organised at the time the Board was formed, in 1949. The number of people on the payroll then numbered around two thousand. This office took over the responsibilities of administering the personnel policies of the Board. It's set-up was relatively simple; there was only the Personnel Officer. Today, after nearly fifteen years of operation, the welfare of the employees are now being handled by three separate departments, each concerning itself with a particular aspect of personnel administration. They are the Education and Training Engineer's Office, Industrial Relations Office and the Personnel Office. The total strength of its staff is about four times what it was, that is about nearly eight thousand employees.

The integration of personnel administration in the management team has been achieved slowly through the years, in many commercial enterprises. In the Central Electricity Board, this office has sprung up right from the time the main body was formed. In other words, the Personnel Office was not developed through the course of time. This has been attributed to the fact that the Board has been able to reap the experiences of many organisations elsewhere, particularly from Britain

and the United States. When the Central Electricity Board was organised, it took the lines of the British electricity industry, just as many things in Malaya were British inspired, then. The personnel function, being an integral part of the British industry, also formed itself incorporated in the set-up of the Board. Further the modern outlook of the management in this field was easily transplanted in the Board because the top executives of the Board were British people. Some of these executives had been seconded from the industry in Britain.

In the original set-up there was only the Personnel Officer, who took the responsibility of personnel administration. His was a staff position and was directly responsible to the General Manager. In Figure I we note that the Personnel Office has been incorporated into the administrative division, primarily for administrative purposes. Because in many ways this office still functioned independent of the Secretary's Office, though the Personnel Officer was now subordinate to the Secretary.

Besides this reshuffle, there was also the creation of the office of the Industrial Relations Officer in 1959. This officer was accountable to the Secretary too. The creation of this office represented the first action in the increased specialisation of functions. For purposes of record it is important to note here, too, that the provision of an office

of the Education and Training Engineer had been approved in 1952. The Training Engineer was given the task of training employees so that they can fit suitably into the organisation of the Board. However it proved difficult to locate a suitable person to fill this position and it was very much later that an engineer was finally engaged from Britain to undertake the responsibilities.

Another office created, which marked a further specialisation of duties, was that of the Information Officer. Originally one of the Assistant Personnel Officers was charged with the duties of the publications of the Board.

Staff Enrolment

<u>Year</u>	<u>No.</u>	<u>% age increase</u>
1949/1950	n.a.	
1950/1951	n.a.	
1951/1952	2651	
1952/1953	2710	2.2.
1953/1954	2812	3.8
1954/1955	3482	23.9
1955/1956	3889	11.7
1956/1957	4154	6.8
1957/1958	4276	2.81
1958/1959	4563	6.7
1959/1960	4827	6.2
1960/1961	5130	6.3
1961/1962	5593	8.3
1962/1963	6065	8.4
1963/1964	6560	8.1

Table 1

The increasing specialisation and division of labour has brought about a considerable amount of changes within the organisation of the Board. In one aspect, this reflected the increasing emphasis that was being placed on personnel services. However the more important point would be :- What has brought about this greater emphasis?

A variety of factors has brought this change about. The table 3 - 1 on page 24 presents the annual increase in the strength of the staff. The increase in staff strength has itself followed, consistently, the increase in number of consumers and sales of electricity.¹ This figure had more than doubled itself within ten years of existence. The initial increase had been irregular, but in the recent years annual increase has been regular and constant.

The increase in production of electricity has forced the increase of staff. This is a natural process. The importance of these changes are not in themselves but in what they represent.

The gradual increase in staff strength has enabled the Board to plan its needs (for staff) quite accurately. A regular increase sets the trend and the trend-line is an

¹ The increase in the number of consumers and in sales of electricity has been rather constant. The

indication of the future; the near future if not the distant. This will have important consequences. Careful planning of personnel growth has often been the basis of good personnel administration. This base, if properly set, will lead negligible labour turn-over and very little redundancy of staff. Both these considerations have proved, in cases, to be rocks upon which the enterprises have floundered. This is particularly true of the latter point.¹ It has been because of this careful and considered growth that the Central Electricity Board has been free of labour problems, such as mentioned above. It would be inaccurate to conclude that these have been the major factors but, on the other hand, their influence

rate of increase has been around 10 - 15 % for the former and around 12 - 20 % for electricity sales.

¹Redundancy of labour leads to the heed of laying off employees, to save unnecessary expenses. Unions are particularly wary of this and strikes are often caused by these dismissals. In such cases both sides lose and it may lead eventually to the closure of the organisation.

cannot be underestimated. The Board does not suffer from the problem of staff redundancy; so there is no need to lay off employees. Labour turnover is very negligible. While statistics are not available the writer has been assured by a top executive that it does not exceed one or two percent of those recruited annually.

Besides this the rapid increase in staff has created problems that would not have appeared when the number of employees was smaller. Primarily because individuality becomes submerged in a big organisation of about eight thousand employees it becomes difficult to be aware of any problems until it is too late. Moreover problems which could have been ignored or settled quite easily in a very much smaller organisation cannot be given the same attention because a bigger sacrifice is at stake.

The division of the personnel function, into the Training and Industrial Relations aspects have been a consequence of growth. The size of the Board has grown to such a point that it could prove a disaster if industrial unrest was to prevail. While previously the Personnel Office had been able to perform these duties this must have led to the careful consideration, that it was vital that new employees be carefully trained, that selection be fastidiously and well-made.

Analysing the change, whereby the office of the Industrial Relations Officer was established, it can be seen that this has been brought about by the growing importance of labour in industry. In modern management literature, Industrial Relations is receiving attention, that separates it from the rest of Personnel Administration. In short it is becoming a field of studies which is just as important as Personnel Management. The realisation that labour problems are very delicate and demands a full time specialist to spend time on it may have influenced the Board to appoint such an officer. The Central Electricity Board has been bargaining and negotiating with its unions at ad-hoc conciliations meetings. The person in charge of such a field could act as the advisor not only to the Board but also unions, if they so wish.

What do these changes predict for the future? The Central Electricity Board has been free of industrial unrest. Not one reason can be pinned down as the main cause. But whatever the reasons, the increasing emphasis on the welfare of employees and the personnel function can spell only the earnestness with which the employees well-being is being considered by the Board. And as an indication of their success probably are the cordial relationships that exists between employer and employees and the relative freeness of industrial unrest.

At this stage, an examination of the functions that are being performed by the Personnel Office will be made. In Figure 3 a diagram of the Personnel Office is presented. The Personnel Officer holds overall responsibility for the actions taken by this office, that is the Assistant Personnel Officers and the Clerical Staff.

There are three assistants to the Personnel Officer, and each of them has particular areas of duty. The first Assistant Personnel Officer taken charge of Pensions, both the usual pension benefits and the Widow's and Orphans Pension Scheme. Further he keeps the confidential records on all the executives of the Board, while at the same time he is also responsible for discipline and promotion. For the senior officers of the Board, the Board of directors are the pertinent body with regards to discipline and promotion.

The Central Electricity Board, from the figure 3, ~~provides~~ provides considerable personnel services. These services can be seen as a service facility, a service provided by the management for the benefit of the employees. These services have been provided so that the three aims, listed at the very start of this chapter, can be achieved. The ultimate end is the efficient running of the undertaking. However these services have become important that they have become an integral part of management. However in the

Board a slightly different view is taken. Personnel services are seen as fringe benefits which, coming straight from the horse's mouth, are gestures of charity displayed by an employer and can be withdrawn if it is so desired.

Personnel function is a service in so far that the personnel executive renders a service by advising the other employees in the discharge of their human responsibilities. While, on the one hand, personnel management emphasises the considerate discharge of duties, it obliges the executives and supervisors for the way in which they manage their people and wield the human material into a team.

Organisation Chart - Set-up of Personnel Department 1959/60

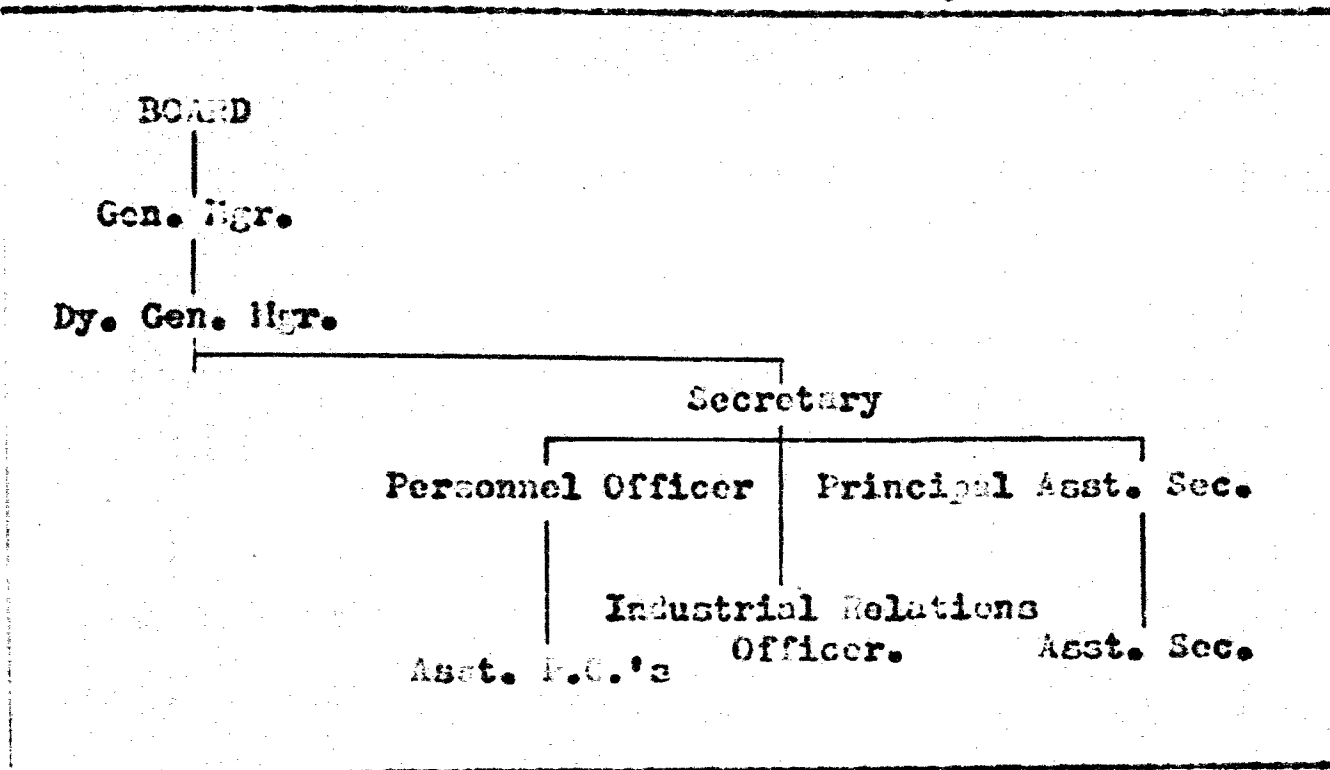


Diagram 1

Organisation Chart - Personnel Department 1963/64

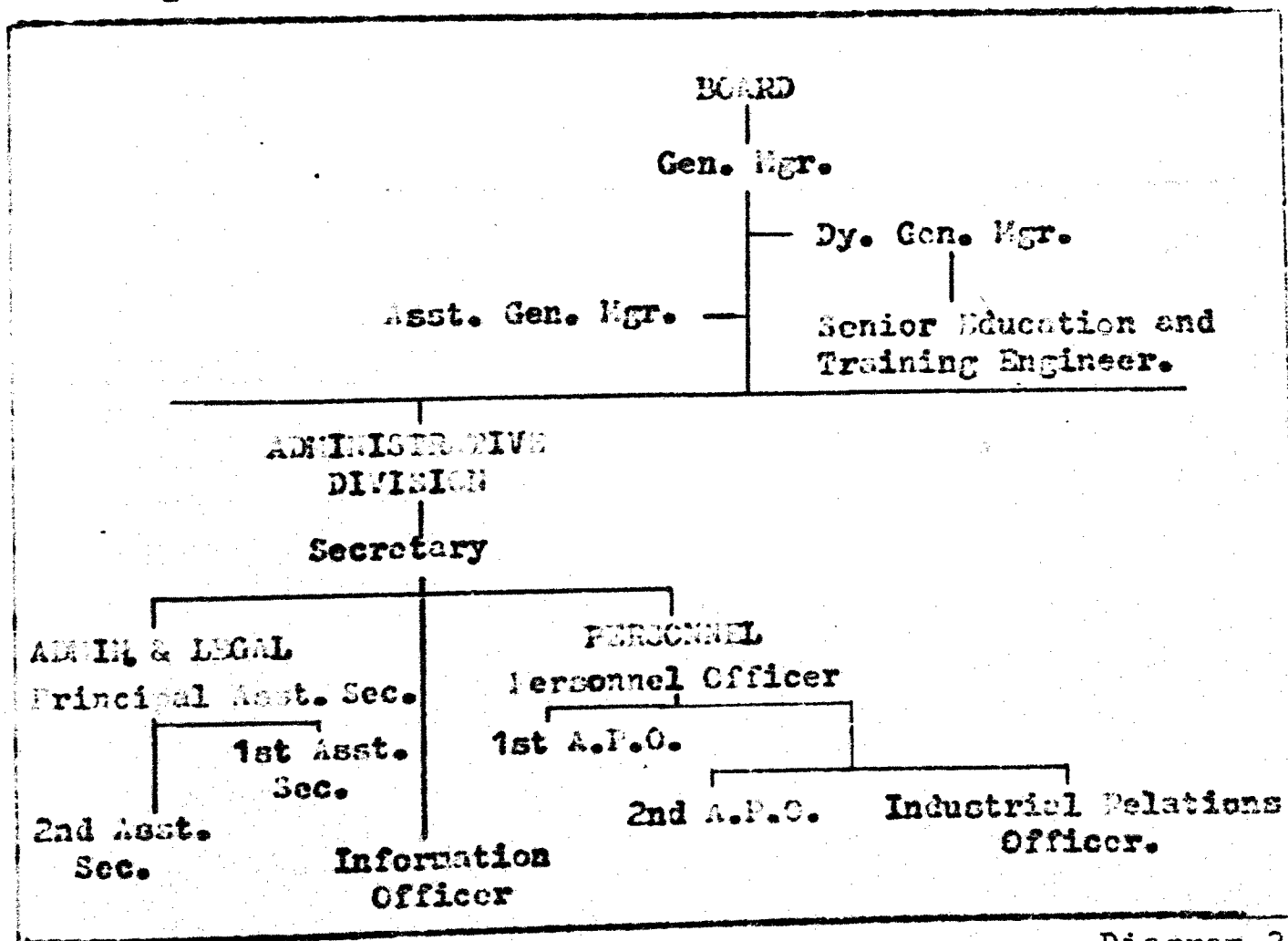


Diagram 2

PERSONNEL DEPT.

Personnel Officer

1st Asst. P.O.

Pensions
Confidential Records
Discipline and
Promotion

Clerks assigned
to Special
Functions Desi-
gnated above.

2nd Asst. P.O.

Recruitment
Retirement
Leave
Savings
Transfers
Allowance
Sergeants'
Compensation.

Clerks Assigned
to Special
Functions Desi-
gnated above.

3rd Asst. P.O.

Salaries & Wages
Medical
Sports
Bungalows
Sousing loans
Education &
Examinations

Clerks Assigned
to Special
Functions Desi-
gnated above.

Diagram 3

Chart of Personnel Office

CHAPTER IV

PERSONNEL POLICY OF THE CENTRAL ELECTRICITY BOARD

In any type of operation, public or private, objectives are set, and all activities are directed towards achieving the desired ends. In the pursuit of these objectives, many problems will have to be encountered and decisions made. In a big organisation where decisions will have to be made at various levels, the need to ensure that the decisions do not contradict each other necessitates some guiding or controlling factor. Such a control is provided for by a tool commonly known in management circles as policy.

A policy lays down the general guide-lines upon which decisions will rest. It is important to emphasise here that having a policy is one thing; for it to be accepted understood and used as a guide to decisions and actions is another. The emphasis is an action.

The Personnel Office of the Central Electricity Board does not have a written statement on personnel policy. However a commonly accepted understanding has been achieved even without such a statement. In trying to define what policy is being followed will involve a careful examination

of the procedures established.

A staff specialist, in advising management in areas of his responsibility, will put forward, naturally, his beliefs and principles. His own prejudices will influence his decisions. But he will have to convince the management that his ideas will work before they can be formulated into company policy. Therefore when the policy was described in Chapter I, it would be quite correct to assume that the policy was that followed by the Board.

The detailed manner of applying a policy to a particular administrative context is a procedure. Policies are general instructions; procedures are specific applications. Recently the Central Electricity Board has had a new set of Rules and Regulations used in the administration of the organisation. This set of procedures govern the recruitment, employment and code of conduct of employees of the Board. It opens with the procedural set-up for recruitment and ends with the recreational benefits.

In the chapters that follow the pattern will follow that as found in the Rules and Regulations book. It will discuss chapter in the outline as described in Chapter I. For from the procedures can be obtained an insight into the Personnel policy as followed by the Central Electricity Board.

Recruitment and Employment

Within a relatively short time of operation of about fifteen years, the supply of electricity generated by the Central Electricity Board has nearly doubled. This increasing demand for electricity supply has caused a need for greater expansion of not only machinery but men.

In 1951, the total strength of the Board's staff was about 2,600. Today the total number on the payroll is well near 3,000. The strength of the staff together with the rapid expansion necessitated by the increasing electricity demand has caused the need of careful ^{planning} in many areas of management. Not the least of which is within the field of personnel administration. The rate of growth has increased the importance of proper selection of personnel. (In the implementation the procedure of recruitment and employment has therefore become crucial. Not only must the correct personnel be employed, but that people must be trained to take up positions of responsibility in the Board's management team.) The training of personnel comes within the section on training. It is relevant to note here that a training programme has to be established because of the lack of qualified and local personnel to take up employment with the Board.

Every year (the financial year from September to the next September) new complements are called for from the

various divisions and departments, all over the country. A complement is a list of officers who are serving with the Board, ranked according to seniority. The complement is divided also into the divisional areas. When new complements are called for, the heads of the various divisions will submit their proposals for some new officers or staff to be appointed or a reshuffle to be effected somewhere else. The new complements include proposals for changes in both senior offices as well as junior offices.

The submitted complements will then be evaluated by the management and in particular the Malayisation and Staff Committee, which will decide eventually whether a new office is required. The responsibility for creation of a senior position lies with the Board - in this context the ten members. Following the evaluation, the number of people to employ the following year will be decided upon. At the same time the needs for training and education programmes will also be considered, so that the number of administrative and executive personnel for the near future can be sufficiently catered for.

In seeking people to fill vacancies in the Board applications are called for from members of the public as well as from members of the staff of the Central Electricity Board who are qualified for the post advertised. It is

expressedly stated in the Board's regulations that "the claims of suitable persons already serving with the Board will normally take precedence over those of persons not so employed".

Normally the advertisement calling for applications is done through the local papers. In the advertisements the types of jobs available are described, together with the necessary qualifications needed and the terms and conditions of service that can be expected. At the same time, or even preceding the advertisements sometimes, informatory circulars will be circulated, providing the same information, in all sections of the Board. This stems from the above regulation of the Board which desires to see that employees of the Board are given the opportunity to advance themselves in the Board's employment. This is at times stretched further, for applications from relatives and children of members serving with the Board are generally considered first.

Besides the circulars and the advertisements, the Board also seeks to supplement its staff through the medium of the Labour Exchanges operated by the Government. In certain cases, efforts are made to tap available resources from schools. This is true particularly of the technical apprentices for which the trade schools and Technical Institutes act as sources. One significant factor occurs with

regards to the Board's Clerical Service. This is that applications continually flow in, at all times of the year, that it is found unnecessary to advertise the jobs. However the Board still does open applications to the public, even for employment in the clerical service.

In the newly-drafted Rules and Regulations of the Central Electricity Board, there is laid down with great elaborateness the procedures and authorities responsible for subjects ranging from recruitment to retirement of employees. In the diagram laid down below, responsible authority refers to that officer or group which decides as to whether the applicant, or any matter, is final.

When a new appointment is to be made the channels are set into motion and the proper procedures are maintained before the final appointment is made.

A number of problems are faced by the Central Electricity Board in matters of recruitment and employment. These problems are by no means peculiar to the Board only. One such problem is the lack of qualified personnel, a situation faced by many organisations and even the government departments. This has led to the need for an education and training programme, which has been implemented by the Board. However this particular problem now no longer possess such a difficulty as it did in the past. With the swift development

of the country, education has made great strides forward and this has eased the problem of lack of qualified personnel. This has not in any way diminished the importance of the training programme, a large part of which consists of training, retraining and educating employees to advance themselves. In modern literature, the aim is to train them (the employees) for a career and not a job.

Type of decisions	Responsible Authority	Channels of Recommendation
<u>New Appointments:</u>		
1. Division I, Super-Scale A and above ¹	Full Board	Interview, General Manager, Malayani- sation and Staff Committee.
2. Division I, Super-scale B and below	Malayanisation and Staff Committee	Interview and General Manager.
3. Division II	Malayanisation and Staff Committee	Interview and General Manager.
4. Division III	General Manager	Interview and Establishment Committee.
5. Division IV	Personnel Officer	Interview, Heads of Department or equivalent.
6. Industrial and Manual Workers	Heads of Department or equivalent	Interview, Officer in Charge, District Manager.

¹The various offices in the Central Electricity

There is one problem which the Central Electricity Board faces which is not common, or even absent, in other business organisations. This particular problem refers to the clerical service.

The Central Electricity Board reviews its complements yearly at the end of August or early September. This has resulted in the Board being unable to obtain the best material for its clerical service. This is so, because the scholastic year for the School Certificate students ends with the publications of

Board are divided into different divisions, just as is found in the Government services. In Division one are found normally the senior officers, who are normally qualified academically. However there are also a number of under-qualified officers (as in the cases where a person possesses only an engineering diploma when compared to the required engineering degree) who are efficient and have worked a considerable number of years and have therefore been promoted. The Division one posts are further divided into different ranks. These are the Staff offices, I, II, III and IV and then the Superscale posts A, B, C and D. In Division Two positions are found the Technical Assistants, those with diplomas, and the top members of the clerical staff.

the results in March; as a consequence of which all the best material would have been absorbed into other organisations by the time the Central Electricity Board is ready to take on new clerical staff, around October. This works under the assumption that most of the clerical materials are School Certificate students. This is true, as the required qualifications are a School Certificate pass.

In the attempt to overcome this shortcoming, the clerical complements are now reviewed each January, so that it can take advantage of the new group of labour-force which leaves school at the beginning of each year.

Salaries and Wages

It is quite appropriate to introduce the section on salaries and wages here, immediate^{ly}/following the section discussing recruitment and employment. One of the major factors that governs man's actions as a workman has been the need to satisfy his basic needs of food, clothes and shelter. The human being will provide his services to that enterprise which pays the highest price for it. This factor has overshadowed all other considerations for such a long time that it is difficult to understand and accept the principle today that

The other divisions are Three, Four and the Industrial and Manual Workers group.

man is motivated by numerous non-monetary considerations as well as the Monetary considerations. In certain places, like the United States, monetary consideration is not a primary factor.

Yet no business enterprise can afford to ignore this factor. If the basic needs are not adequately satisfied, labour tends to be restless, to the extent that it will seek the point of greatest remuneration.

The Central Electricity Board reimburses its employees in a way similar to that of the government's. A basic salary is paid to all employees; this differs for different grades or levels of staff. Besides the basic salary, an employee receives a housing allowance, in the direct manner of a cash receipt or in an indirect way through the company paying for the house the officer stays in. One other important sum received is the Cost of Living Allowance. The Cost of Living Allowance has been incorporated as part of the take-home salary of a wage-earner for so long that its purpose is not very clear.

As the name implies, the Cost of Living Allowance is an allowance which is meant to supplement the basic salary already being drawn by an employee. Cost of living is a national standard. But though it is computed for the whole country, there are pockets of areas where cost of living

tends to be higher for a number of reasons. Such reasons could be that there is a tax imposition, just as goods are relatively more expensive on the mainland than in Penang and Singapore. Or it could be that due to a higher standard of living, materials and goods are relatively dearer.¹ Therefore to augment the basic salary, which is uniform throughout the country, an allowance is awarded.

Yet the Cost of Living Allowance has been used for different purposes. Originally the Cost of Living Allowance formed one third of the basic salary. However following a government commission's findings and decisions that this allowance ought to be reduced moves were made to incorporate part of this into the basic salary. When the change was made, roughly ten per cent of this allowance was added onto the basic salary.² To-day this allowance forms about ten to fifteen per cent of the total salary.

¹As further examples, one need only look at the rent for houses. Rents in Kuala Lumpur, Singapore, Penang, Ipoh and certain big towns are much higher than in smaller towns, where the need for housing are less strong. (It would be true to say of rent, as of taxes, that it always rises but never falls.

In the examination of this section on salaries and wages, a discussion of the Cost of Living Allowance has also been made. This would sound quite irrelevant to certain people, since special allowances, like this, are part of the fringe benefits of employment within an organisation. To a certain extent it is true; that allowances are fringe benefits and therefore cost of living allowances is a fringe benefit. But it must not be forgotten that in almost all government and quasi-government enterprises this particular allowance is part of the terms and conditions of service, apart from the other fringe benefits that could still be enjoyed. It has, in fact, become so much integrated that it is more or less synonymous with basic salary.

Set out below are a little of the salary scales of various offices in the Central Electricity Board.

<u>POSITION</u>	<u>BASIC SALARY</u>
Staff I	\$ 2,500 per month (fixed)
Staff II	\$ 2,100 per month "
Staff III	\$ 1,925 per month "
Staff IV	\$ 1,760 per month "

²This meant greater retirement benefits, as pensions and other retirement benefits are calculated on basic salaries drawn, exclusive of all allowances.

POSITIONBASIC SALARY

Superscale A	\$ 1,640 per month (fixed)
Superscale B	\$ 1,570 per month "
Superscale C	\$ 1,500 per month "
Superscale D	\$ 1,450 per month "
Timescale A	\$ 1,120 x \$35 - \$1,330 (fully qualified)
	\$ 1,010 x \$28 - \$1,122 (not fully qualified)
Timescale B	\$ 730 x \$35 - \$1,045 (fully qualified)
	650 x \$28 - \$ 958 (not fully qualified).

Besides these, there are special scales for certain posts which do not conform to the division of staff, Superscale or Timescale. They are

Grid Control Engineer) \$844 x \$28 - \$928/
Regional Control Supervisor) \$954 x \$28 - \$1,122.
Shift Charge Engineer, Division)	
one)

From the Timescale Division downwards we note one difference. There is a yearly increment provided for officers in this rank. The annual increase varies from thirty-five dollars to twenty-eight dollars.

For the Superscale positions and above the term "fixed" denotes that no annual increase in salary is enjoyed. Further the number of such offices are fixed. Therefore an

officer serving on the Timescale division on reaching the maximum pay-level may have to wait some time before he can be promoted to the Superscale posts, that is assuming he is qualified for such promotion. As a compensation this officer who sits at the \$1,330 per month level receives a standstill allowance. This varies for different ranks. This is to compensate for what he will have received had he been promoted.

In the case of the other three there is a stroke separating the amounts \$928 and \$954. This represents a bar and to cross it an officer will have to pass certain examinations.

The salary scales listed above does not in any way cover a small portion of the salary scales for all posts in the Board. But it would be tedious and pointless to list the full scale. The full list for Cost of Living Allowance have been omitted for similar reasons.

The salary scales and rates of remuneration as paid by the Central Electricity Board does not follow that found in industries. Being a quasi-government institution, it has followed the usual government procedures. Such procedures are not known to provide satisfaction to those who are efficient, simply for the very reason that seniority is a very important asset.

Any executive who is employed under such terms will

know or be able to calculate what he will earn in the near future. The rates are all fixed. In industries, salary scales are secrets. An employee is gauged by his competency and is then classified according to a wage group. There is, of course, a minimum level for certain qualifications possessed. In addition bonuses are paid at the end of the year. Bonuses are extra income, which is awarded to the employees from the profits of the company.

In industries therefore it is quite easy to conclude that efficiency and initiative are rewarded, much more than in government service. Yet, on the whole, there is still a lot of preference for employment with the Government. What can be the reason? Surely the salaries and wages are definitely not more attractive. In many ways, security of job is an important consideration. The normal person will choose an occupation with a more stable tenure; at least this is true of the situation here in Malaya.

What of the Central Electricity Board? The rates of wage remuneration are almost the same as that of the Government's. Therefore it is fair to say that its salary scales are lower than that of the industrial organisations. Yet the Board is an attractive employer. This is, in the opinion of the writer, a clear reflection of the principle that monetary considerations are not primary considerations. True, Salaries

must be satisfactory. But once a certain minimum is offered, a person will take the job, sacrificing one with higher wages. The Board pays the standard rate, that is relative to that of the Government, which is the biggest employer of labour. It is not this, but other benefits of the Board which has made it an attractive employer.

Promotion

Once a man has been recruited for employment with the Board, the next thing which faces him is his chances of promotion. The normal human being looks upon advancement in his job as an objective and he or she will strive to achieve this.

As an employer the Board faces this question. In the event that an officer is being considered for promotion, as when another officer has retired or at the expiration of his contract thereby creating a vacancy, almost the same channels are used as that found when recruitment is being made.

A careful examination of both diagrams Figures 4 and 5 will reveal only little differences. The main differences occur only with regards to channels of recommendation. Here the interviews are dispensed with, candidates for promotion will have been evaluated by their efficiency and records.

For the employees of Divisions Two, Three and Four, promotions are called for by the Personnel Officer.

Recommendations are made by the various heads of departments. Usually this is done through the medium of the annual complements which are submitted by the heads of departments.

TYPE OF DECISIONS	RESPONSIBLE AUTHORITY	CHANNELS OF RECOMMENDATION
Promotions:		
1. Division One, Superscale A and above.	Full Board	General Manager, Malayaniisation and Staff Committee.
2. Division One Superscale B and below.	Malayaniisation and Staff Committee	General Manager.
3. Division Two	Malayaniisation and Staff Committee	Establishment Committee.
4. Division Three	General Manager	Heads of Departments, Establishment Committee.
5. Division Four	Personnel Officer	Heads of Departments or equivalent.

In recommending an employee for promotion, the recommendation must ensure the

eligibility for the post of the employee being recommended. In section 64.1 of the Rules and Regulations, Chapter I the code governing promotion is laid thus: "Employees shall be selected for promotion on the basis of official qualification, experience and merit. Only when two

candidates are adjudged of equal merit will preference be given to the senior. In judging merit, due consideration shall be given to the general suitability of an employee for the post for which he is being considered."

Besides the normal promotions that have been described above, there is also a promotion known as accelerated advancement. Accelerated advancements are called for by the Personnel Office from time to time. As the words suggest, this form of promotion does not follow the normal procedure of moving up one step by another, or by one increase in salary following another. Instead a bigger promotion is envisaged for the employees ear-marked. Such accelerated advancements are understandably few.

The reader will remember that in the brief analysis on salaries and wages there is no provision whereby the efficient employee(s) are rewarded with monetary prizes, as is found in the private industrial enterprises. No extra pay packets or bonuses are taken home. Compensation for this is made in promotion.

The axiom in promotion is that the one with the greatest merit goes up; in the Board's words the basis is "official qualification, experience and merit". Therefore the employee who displays initiative and competency finds that these qualities will be rewarded not by money but by

being promoted. This, so to speak, kills two birds with one stone. The company is able to use the most efficient employee, at his maximum contribution, while the employee finds satisfaction in being promoted, which is a recognition of his skills and talents.

The more important point is whether such a means of reward is ample recognition of efficiency or not? This is a very difficult question to answer. Indeed it cannot be measured at all. However the writer is of the opinion that as material wealth increases, the intangible aspects or human aspects begin to grow in importance. Things like status and prestige become more important than monetary considerations. Promotion brings respect, status and prestige to the one who receives the promotion.

Motivation of the employee is done through a number of media. Money, fringe benefits, status and prestige are some of these media. Promotion is thus a medium whereby the employee is motivated.

The same strict procedures governs matters like extension of appointments, of acting appointments, for extra responsibility allowance, granting of increments in salaries or its withholding, sick leave, stoppage and deferment of increments and other problems which crop up now and again.

Dismissals

One other important matter which is of great concern to the employee is that which concerns dismissals of staff members.

In any organisation there will be employees who slack in their work, who do not come up to expectations or who runs foul of the rules that govern the conduct of these people within the group. In such an event appropriate measures should be taken to ensure that repetition of such misconduct does not occur. One of the penalties that are imposed is dismissal from the job. This is the ultimate punishment. Of a less extreme nature are such penalties like deferment of promotion or salary or stoppage of increment or demotion in rank or suspension from service.

One important code of conduct expected of an employee of the Board is that he is told not to accept any gifts or payments for the performance of any office function except what he has been reimbursed by way of wages.

When such an authority is wielded, it is necessary according to democratic practices that the accused person be given the opportunity to defend himself. Therefore a safeguard for the employee is provided in Section 22.1 Chapter 3 of the Rules and Regulations which states that "no employee in the service of the Board may have his services terminated nor shall he suffer reduction in rank or deduction of any

portion of the pay due to him without the prior sanction of the sanction of the appropriate Responsible Authority". In addition to this, the channel is open to the victim to exculpate himself if he feels that he has been the victim of prejudice and can prove so. If such a recourse is taken, a committee is formed to investigate the said disciplinary violations and the person charged of the violations is given considerable latitude in his own defence.

For purposes of record, the writer understands that no dismissals have been made. There was a case where such an action was taken on one member from the lower divisions. The union concerned managed to have the charge reduced and the person still remains in the Board's service though he has been demoted.

Some of the penalties for violations of conduct are listed below :-

(a) suspension - debarring an employee from carrying out the duties of the appointment held.

(b) deferment of increment -

(i) withholding - Responsible Authority can withhold increments for three months, without prior warning.

- (ii) stoppage - effect of stopping an increment, deprive an employee of the increment which will never be less than three months.
- (iii) deferment - entails continuous partial loss of seniority. A change of employee's date of increment from the date on which the deferment begins to operate until the date of expiry of deferment. This is the most serious penalty of the three listed above.

Retirement

Having discussed recruitment and employment, promotion and dismissal, the next and logical step will be a discussion of retirement. Once a person is employed he will go through these stages, and assuming that he is not dismissed, he will ultimately the question of retirement.

The right to retire any employee is held by the Board, and if it deems so, the Board can retire any employee if it is found that an employee is incompetent and that due to certain considerations retirement is a better solution than others this is significant justification to retire the person concerned.

By retirement is meant usually normal retirement. An employee after working a considerable number of years will have to retire as a result of old age and health. This can

be viewed as an earned holiday for the retired person and at the same time it allows the company to bring in someone new. Normal retirement means sixty years of age in the case of both male and female employees, except in the case of expatriate employees on contract, who will retire on expiration of the contract.

Retirement can either be voluntary retirement or compulsory retirement. The first occurs when an employee after attaining the age of fifty-five years applies to be retired, in the case of a man, and forty-five in the case of a woman. Compulsory retirement, on the other hand is forced upon the employee. The word "force" may give a bad connotation but is meant to show that the retired person has no say in it at all. Therefore if a person is proved that he or she is incapable, by reason of some infirmity is likely to be permanent he can be retired.

Other reasons are :-

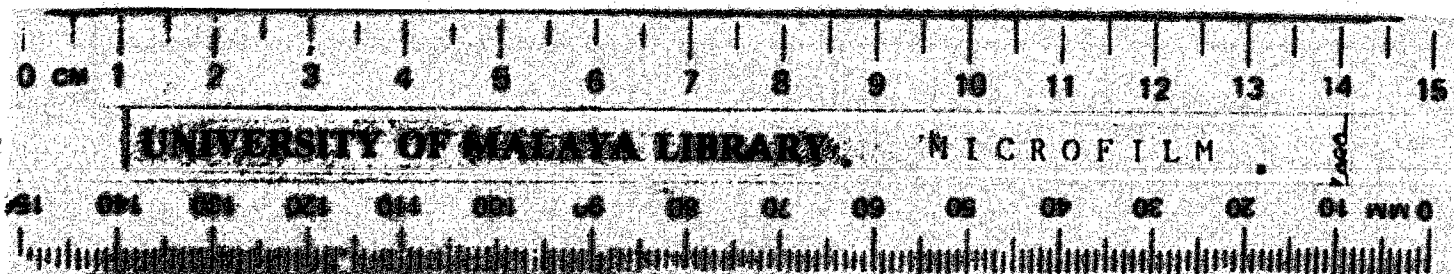
(i) a woman on marriage or is married can be retired

(ii) on the abolition of his office

(iii) for the purpose of facilitating improvement in the organisation of the department to which he belongs by which greater efficiency or economy may be effected.

An employee who is thus placed will be entitled to adequate compensation; he will receive his pension and

gratuity that he has earned by the length of his service.



CHAPTER V

FRINGE BENEFITS

In the past, helping to solve the human problems of employees and helping to solve the production problems of management have been looked upon as separate activities. To-day both are matters of common concern to workers and managers.

Furthermore, in both areas of management, interest should and does center on the prevention rather than cure of industrial illnesses. Modern planning for health stresses the preventive approach; similarly with the health of industrial organisations. From a concern with emergency surgery, that is corrective measures, management has come a long way to the maintenance of the organisation's health. These programmes can start during the pre-employment interview and should continue throughout the employment process.

Employee services and benefits exist in many firms, from entertainment and recreation programmes to the wage supplements of various kinds that are so common to-day. These "fringe" benefits have become so substantial and such an integral part of total compensation that it is sometimes

misleading to think of them as only fringes. Retirement programmes, life insurance, health benefits, paid holidays and vacation periods have all spread and grown substantially in recent years. It is necessary to see that a proper balance is maintained between basic compensation and wage supplements so that the parties concerned may fully appreciate the total form of wages as payment for services rendered.

In this chapter, a description of the various fringe benefits which are provided by the Central Electricity Board will be made.

Allowances

There are many different types of allowance that are paid for extra functions performed. The most common of these are the Cost of Living Allowance and Housing Allowance. We have already discussed the first. However before we go into a discussion of housing allowance we shall take note of some of the important ones that an employee can qualify for.

There is first the Transfer Allowance. When transfer are effected there is bound to be a disturbance of the normal life and a little inconvenience will be felt. The rates for such an allowance are :

<u>BASIC SALARY PER MONTH</u>	<u>SUBSISTENCE ALLOWANCE PER NIGHT.</u>	<u>BOARD AND LODGING ALLOWANCE PER NIGHT.</u>
1. up to \$165	\$6.00	\$12.00
2. \$165 - \$220	\$8.00	\$16.00
3. \$221 - \$380	\$10.00	\$20.00
4. \$381 - \$630	\$12.00	\$24.00
5. \$631 - \$1,330	\$14.00	\$29.00
6. above \$1,330	\$16.00	\$35.00

If quarters are not readily available at his new station the transferred employee will Board and Lodging Allowance three days before and seven days after the transfer has come into effect. A married person will in addition have this Board and Lodging Allowance increased. With a wife the Board and Lodging Allowance is increased 1.75 times. If he is a father of

1 child	- Board and Lodging x 2.50
2 children	- Board and Lodging x 3.00
3 children	- Board and Lodging x 3.50
4 children	- Board and Lodging x 4.00

With transfer there will packing and unpacking etc.. A packing allowance or Disturbance Allowance is paid. The rates are

Basic pay per month - up to \$145 - \$100

\$146 - \$200 - \$200

\$201 - \$600 - \$300

\$600 and

Division I Timescale - \$400

Division I Superscale

and above - \$450.

The other allowances are noted below. These are however not all. Some of these listed below have been chosen because they depict common allowances.

- (i) Acting Allowance
- (ii) Extra Responsibility Allowance
- (iii) Language Allowance
- (iv) Stenography Allowance
- (v) Typewriting Allowance
- (vi) Dictaphone Allowance
- (vii) Book-Keeping Allowance
- (viii) Driving Allowance
- (ix) Education Allowance.

Most of the terms are self-explanatory. The Education Allowance is on payment of money, by the Board, which reimburses certain selected employees in advancing themselves.

Housing Allowance

The Central Electricity Board is unable to house all its employees in the quarters it has provided since there is only a limited amount available. Because of this therefore the Board subsidises the employee by the Housing Allowance or it pays rent for the houses in which the employees are staying in.

Housing Allowances are paid this way.

Class I - above £800 per month, basic pay	\$215
II - \$625 - \$800	\$170
III - \$500 - \$625	\$125
IV - \$400 - \$500	\$ 95
V - \$250 - \$400	\$ 70
VI - \$155 - \$250	\$ 45
VII - less than \$155	\$ 35

For division I officers who are not housed in Board quarters, the Board will pay rent for houses which they have rented up to a maximum of \$500 per month. However the house must first be assessed by the Senior Staff Housing Committee before the rent is approved.

The Central Electricity Board maintains a certain amount of quarters. The construction and maintenance of these quarters are the responsibility of area managers and departmental heads.

The quarters are divided into five types. The division of type of quarters is according to the status of the employee concerned.

Division I	-	Basic pay per month, above \$800	Type I
I	-	below \$800	Type II
II	-	\$625 and over)	Type III
III	-	above \$400)	
III	-	not less than \$250)	Type IV
IV	-	not more than \$400)	
III	-)	Type V.
IV	-	less than \$250)	

Type I quarters has heavy furniture provided together with the house.

The allocation of quarters will take cognisance of certain priorities

- (a) First preference will be given to those employees who require quarters on operational grounds.
- (b) Otherwise for members who are not operational, allocation will be made in accordance with the position of the applicant on the waiting list. First come first served except that married employees (male) shall take precedence over bachelors; bachelors with dependants precede a widow with dependants; widow with dependants

precede a bachelor or spinster.

(c) Married women whose husbands are alive are not provided with quarters.

When the Central Electricity Board came into being the Board was expected to house its own employees. Those employees who were still staying in government quarters were expected to vacate them. At that time some three million dollars was left aside for a building programme of about eight hundred houses. This sum proved to be insufficient and there was need for further one and a half to two million dollars.

Finance was not the only snag in the building programme of the Board. It faced a great difficulty in obtaining land to site the houses to be built.

To ensure that the Board quarters are properly maintained a Best Kept House award is presented annually. A prize of fifty dollars is offered for types of quarters 3, 4, and 5 in the four regional areas of the Central Electricity Board.

There is a special allowance which is given to certain employees. All the manual and industrial workers' group in the Board's service will be supplied with fourteen units of electricity per month free of charge if they are in occupation of Board or government quarters which are being supplied with electricity by the Board. This allowance is

provided irrespective of the type of quarters occupied.

If however this class of employees are not housed in Board quarters or in quarters not supplied with electricity by the Board, then they are entitled to receive a cash payment equal to the price for the fourteen units.

Assisted Home Ownership Scheme

The Central Electricity Board realising that it cannot possibly be able to house all its employees encourages them to own houses. It has therefore implemented a scheme whereby employees are assisted in owning houses.

The scheme enables members of the staff who are on Permanent Establishment to purchase their own houses with the assistance of loans from the Malaya Borneo Building Society together with a guarantee by the Board.

The maximum loan permitted in the case of Division I officers is \$30,000. Officers in Division II will be eligible to a maximum loan of \$25,000 and for those below Division II the maximum permitted will be \$20,000.

Loans will be repaid by equal monthly instalments, and included in these are payments of interest and repayment of capital. These repayments are deducted by the Board from the borrower's salary and it is a condition of the scheme that any member of the staff granted a loan shall agree to have the necessary repayments to the Malaya Borneo Building Society

made by deduction from his salary.

Up till the present time the average loan granted per person is \$14,500.

Leave

Any period during which an employee is permitted to absent himself from duty without such absence constituting a break in service or a termination of employment. This is the leave or paid vacation to which an employee is entitled.

The leave or 'holiday' from work to which employees are eligible can be divided into two. The first type is that which is granted for specific purposes, as in cases of sick or medical leave, or leave to enable the employee concerned to participate in games. The other is the vacation whereby no such purposes, except vacation for vacation's sake, is given. The difference here is not one of kind, but of purpose. It is of minor importance but it is useful for discussion of the leaves available.

All leave, except granted in respect of sickness or accident, is granted subject to the exigencies of the Board's service. Leave cannot be claimed as a right. Leave is computed on different bases for the different levels of employees.

Class I leave - Asian - domicile employees on
pensionable or non-pensionable
establishment in Divisions One

to four.

Class II leave - Industrial and Manual Workers

Class III leave - Employees or non Asian domicile,
in receipt of expatriation pay.

The computation for eligibility of leave for classes I and II
are :

<u>Length of Service</u>	<u>No. of days per annum</u>				
<u>in only one division</u>	<u>Class I. Division I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>Class III</u>
(a) 10 years or more	39	33	28	17	17
(b) less than 10 years	33	28	21	14	14.

To allow the employees to enjoy the benefits of leave, leave
can be accumulated up till a certain number of days. The
first allows accumulation of leave up to a maximum of a hund-
red and eighty days. The second permits accumulation of
leave over a period of two years.

Leave as explained by the Board is granted in the
interest of the health of the employee and efficiency of the
Board's service.

Besides the type of leave noted above, there are the
leave which are granted for specific purposes. These purposes
are varied. However it must not be forgotten that the human
being is a member of the society he lives in. As such the
society and environment demand certain obligations on the part
of members. For example the employee may find himself being

summoned to serve on the jury, a function which every person in a democratic society must perform, or he may be called upon to represent the country or state in sports. To be able to do so he will have to absent himself from his job. It is only fair that recognition should be given to the responsibilities of a man as a social being and this demands that he shall not suffer any loss, financially or otherwise, as a result of carrying out the responsibilities.

One type of leave is awarded to those who are members of societies such as the Co-operative movement. Some of them may be called upon to attend courses at the Co-operative College and leave ought to be given to enable to attend these courses.

- (i) Short courses for kampong leaders - Two weeks leave.
- (ii) Long courses for kampong leaders - Two months leave
- (iii) Courses for internal auditors and officials of urban societies - two months leave.

Games and Sports Leave

Any employee selected to play in certain type of games in certain fixtures, as a competitor or selected as an official receives unrecorded leave of absence. Further a reasonable period of unrecorded leave is also available for

intensive training period where they are instituted in respect of international fixtures. The types of games listed are Soccer, Badminton, Athletic Meets, Hockey, Cricket and Tennis.

- (i) Exam leave - This is to enable a person taking an examination to make final preparations to appear in the examinations which will lead to an advancement of the person concerned academically and career - wise.
- (ii) Half-pay leave - For urgent private affairs on medical grounds.
- (iii) Injury leave
- (iv) Industrial Council leave
- (v) Local government duty leave
- (vi) Maternity leave - up to a maximum of forty-two days per annum.
- (vii) No-pay leave. Divisions One to Four up to a maximum of six months.
- (viii) Medical leave
- (ix) Official meeting leave
- (x) Pilgrimage leave. This will be for the actual period necessary provided it does not exceed six months. If it does so, then the rest of the leave needed will be on no-pay leave. Further this leave is eligible once a lifetime and

employees must have served fifteen years before qualifying for it.

Pensions

The Central Electricity Board Pensions Scheme came into force on the 1st of January 1957.

When the Electricity Department was still existing such pension benefits was managed by the Government. Even when the Board took over the functions of that department the Pensions Scheme was still administered by the Government Trustees.

Under the Pensions Scheme so established, employees who have worked in the former Electricity Department will have that part of the pensions they are entitled to while in the service of the Government paid out of the latter's Treasury. From the time of their employment with the Central Electricity Board the employees will receive pensions paid for by the Board itself.

By this scheme a Pensions Fund was established. From this Fund all sums of money are paid from time to time as granted by way of pensions, gratuity or other allowances in accordance with the scheme. The Pensions Fund is administered by a Board of Trustees and the Trustees appointed is the Chartered Bank. The funds of the scheme is used in investment and this has to be authorised by the Trustees

under the terms of the Trust Deed. Every five years the Pensions Fund is valued and reported upon by a Fellow of the Institute of Actuaries and any deficiencies disclosed by the actuary valuation will be paid for and made good by the Board.

Any pensions or gratuity or allowance shall be granted to an officer only on his retirement of service of the Board. The retirement can be a normal retirement or it can be otherwise, as defined in the section on Retirement.

The pension, for any post in the Board organisation, is due only to officers filling pensionable positions. In the Central Electricity Board, nearly ninety per cent of the monthly-paid staff are on the permanent establishment; in other words, they hold pensionable positions. Normally when a new member of the staff is being recruited he is put on probation for about three years. It is the rule that once the probationary period is over the said employee's post is placed on permanent establishment and therefore entitled to pension.

The pension granted to an officer on the permanent establishment is calculated this way. If the officer has served over twenty five years with the Board the pension is derived by dividing the length of service, in number of months, by 600 and then multiplying it with the annual salary last drawn, that is;

$$\frac{\text{Total months of service}}{600} \times \text{annual salary.}$$

The sum arrived at must not exceed two-thirds of his last drawn annual salary.

For an officer who has under twenty-five years of service his pension is calculated this way :

$$\frac{\text{Months of service} + 60}{720} \times \text{last drawn annual salary.}$$

In addition to the pension which an officer is entitled to he also receives a gratuity. The gratuity is a lump-sum payment made to the retiring officer. It is arrived at by dividing the pension payable by a quarter and then multiplying it by 12½, that is :

$$\frac{\text{Pension payable}}{4} \times 12\frac{1}{2} = \text{Gratuity.}$$

The pension and gratuity benefits paid to members of the Board are to provide some measure of security to the people concerned after retiring. The gratuity or lump sum paid normally encourages a retired officer to purchase some real assets like a house.

Employees Provident Fund

While the more senior officers (and incidentally the higher salaried staff) have their future taken care of, in the old age period, there is also such a social security scheme for the lower rungs of employees.

In this country all employees are legally obliged to contribute to the Employees Provident Fund. From the salary of the employees a certain sum is deducted monthly and paid to his credit to the Employees Provident Fund. When the employee finally retires the sum is repaid to him in addition to the interest that is paid for the money he had placed in the Fund. This is a sort of compulsory saving measure, while simultaneously it provides a source of funds to the government. For information the rate payable is as set out below:†

\$10	but not exceeding \$30	21.50
30	40	2.00
40	50	3.00
50	60	3.50
60	70	4.00
70	80	4.50
80	90	5.00
90	100	5.50
100	120	6.00
120	140	7.00
140	160	8.00
160	180	9.00
180	200	10.00
200	220	11.00
220	240	12.00
240	260	13.00
260	280	14.00
280	300	15.00
300	320	16.00
320	340	17.00

\$340	but not exceeding	\$360	\$17.00
\$360		\$380	\$18.00
\$380		\$400	\$20.00
\$400		\$420	\$21.00
\$420		\$440	\$22.00
\$440		\$460	\$23.00
\$460		\$480	\$24.00
\$480		\$500	\$25.00

C.E.B. Widow's and Orphans' Provident Fund Scheme

The Pension Fund and the Employees Provident Fund provides security for the days of retirement.

Sometimes however when an employee dies in service the full benefits are not enjoyed by the deceased or the members of his family. To provide some sort of a relief against such unfortunate but unavoidable incidents there is a Widow's and Orphan's Provident Fund Scheme administered by the Board. This scheme parallels a same fund organised and maintained by the Government.

The Central Electricity Board Widows and Orphans Provident Fund Scheme came into being on July 1st 1964. It is a sort of life insurance scheme. Previously it was administered and wholly run by the Manufacturer's Life Insurance Company. However with the termination of these arrangements the Board found it convenient to administer the Scheme itself.

Under the provisions of this scheme all employees when employed on the Board's pensionable establishment

becomes a member. Further members of the previous scheme administered by the Manufacturer's Life Insurance Company are deemed to be members of the present one.

The rates payable by each member is tabulated according to the salary he draws. A person who earns up to \$100/- a month contributes \$4.00. For \$500 the sum contributable is \$20.00.

Supplementing the sum contributed by the members monthly the Board pays a sum equal to the contribution of each member for the same period. Thus if a member contributes \$20.00 the Board is obliged to donate a further \$20.00 to the Fund.

The Widows and Orphans Provident Fund Scheme provides a relief should the bread-winner of the family cease to live. At the same time if he lives beyond the retiring age limit, the money contributed by him (or her) to this Fund is repaid to him by way of endowment benefits. Under this scheme a person who dies receives a death benefit of one month's salary at the date of his death multiplied by the length of service, in years, he has worked with the Board. Therefore if a deceased had served 15 years and was drawing a basic pay of \$600 then the death benefit will be

$$\$600 \times 15 = \$9,000.$$

The endowment benefits differ slightly. Those members who contributed to the previous scheme (in arrangement with Manufacturer's Life Insurance Company) will, on retirement, receive for that period, between 1st April 1957 to 30 June 1964 three quarters of one month's salary multiplied by the period involved. For the time from 1st July 1964 onwards till retirement, then one month's salary at the date of retirement multiplied by the years of service is followed. For example under the old scheme if a man has 7 years in that period between the old scheme and the present one

$$\$600 \times 3/4 \times 7 \text{ years} = \$ 3,150.00.$$

Then for years of service since the implementation of the present scheme,

$$\$600 \times X \text{ years of service } \$600X.$$

As in the case of the Pensions Fund, this Fund too is subjected to an actuary valuation every five years. Any deficiency will be made good by the Board.

Set out below are the rates of contribution :-

<u>SALARY PER MONTH</u>	<u>CONTRIBUTION</u>	<u>SALARY PER MONTH</u>	<u>CONTRIBUTION</u>
Up to \$100	\$ 4	\$401 - \$500	\$20
\$101 - \$125	\$ 5	\$501 - \$600	\$24
\$126 - \$150	\$ 6	\$601 - \$700	\$28
\$151 - \$175	\$ 7	\$701 - \$800	\$32
\$176 - \$200	\$ 8	\$801 - \$900	\$36
\$201 - \$300	\$12	\$901 - \$1,000	\$40
\$301 - \$400	\$16	\$1,001 - \$1,100	\$44

<u>SALARY PER MONTH</u>	<u>CONTRIBUTION</u>	<u>SALARY PER MONTH</u>	<u>CONTRIBUTION</u>
\$1,101 - \$1,200	\$48	\$1,801 - \$1,900	\$76
\$1,201 - \$1,300	\$52	\$1,901 - \$2,000	\$80
\$1,301 - \$1,400	\$56	\$2,001 - \$2,100	\$84
\$1,401 - \$1,500	\$60	\$2,101 - \$2,200	\$88
\$1,501 - \$1,600	\$64	\$2,201 - \$2,300	\$92
\$1,601 - \$1,700	\$68	\$2,301 - \$2,400	\$96
\$1,701 - \$1,800	\$72	\$2,401 - \$2,500	\$100

The above rates have been simplified. The procedure is this. For every \$25.00 increase in salary the increase in amount contributable by a member is a dollar. This is shown for the salary rates from \$100.00 to \$200.00. For a \$100.00 salary the contribution is \$4.00. The first increase of \$25.00 in wages adds a further dollar to the sum payable and it goes on.

The three schemes mentioned, the Pensions, Employees Provident Fund and the Widows and Orphans Provident Fund are all calculated on the basic pay drawn by the employees concerned. In the case of the Employees Provident Fund however a certain number of allowances are included as part of the salary which is contributable to the Fund. These are allowances like Acting Allowance, Extra Responsibility, Additional payment received for carrying out special duties and language allowance.

Death Levy Fund

The objects of this Fund is to provide upon the

death of a member of the Fund, a lump sum of money, equivalent to a levy of one dollar per member payable to the person previously nominated by the deceased member, in writing.

This Fund is managed by a committee headed by a Senior Officer of the Board with representatives of the four stall associations sitting on it too. In it is vested all the powers and authority which are given to them by the rules governing the Fund.

Under the Fund any person in the employment of the Board can be admitted to membership. He or she is then required to pay an entrance fee and at the same time he is required to nominate a person (or persons) as his beneficiary in case of his or her death.

When a death occurs amongst the members, an immediate payment will be made out of the Fund to the nominated beneficiary of the member. Then a fresh levy of one dollar per head would be called for again. Thus the amount of money paid to the beneficiary will depend on the number of members there are at the time of a member's death. The greater the number of members, the greater is the relief received.

Up till this time, nearly sixty thousand dollars have been paid out to deceased members' beneficiaries.

Central Electricity Board Co-operative Thrift and Loan Society Ltd.

This Society encourages the development of habits which are beneficial to an individual. These are written down in the bye-laws of the Society as objectives of the Society. They are

(a) promote cooperation, self-help and circulation of money,

(b) encourage thrift by affording a means to save a portion of income on which a fair return may be obtained in the way of dividend or bonus and also to make provision for the future,

(c) prevent permanent indebtedness by enabling members to borrow on reasonable terms and at reasonable rates of interest,

(d) to assist its members to reduce the cost of living and improve their economic position.

Membership to this Society is confined to employees of the Central Electricity Board who are residents in Malaya and who hold a substantive appointment of more than twenty five dollars per month.

In order that the Society will be able to achieve its objective and thereby perform a service to its members (the definition of membership includes all those being employed by the Board) the funds have been channeled into various forms.

The first source of funds come from members' subscriptions. Another source is made up of deposits by members of the Society. This encourages directly the aim of thriftiness. While it is a source of funds, it is at the same time a means whereby the funds are channeled into certain lines.

A loan fund is available to all members and this has acted as a source of inexpensive loans.

Finally from the profits of the Society, derived from its operations special reserve funds are set up. Such provisions are the Common Good Fund, Building Fund, Dividend Equalisation Fund and any other Fund as approved by the Registrar shall be created.

From the Statements of Accounts certain information can be drawn. In the statement of receipts and payments for the year ended 31st December 1964 the amount of subscriptions from members amounted to \$379,699.20. The total amount of specific deposits for the same period was \$131,642.72, which was roughly about one-third of total subscriptions. Now when this is compared with the amount of loans that were awarded during the year, the vast difference can be easily noted. Loans paid to members ran up to \$1,126,316.87 nearly nine times bigger than deposits made. The income from interest on these loans amounted to \$135,092.19 providing more than three-quarters of the income for the year.

A similar pattern can also be observed in the Balance Sheet as at 31st December 1964. Subscription capital is \$1,476,446.13 while the total liabilities amounted to only \$1,826,893.71. The amount of deposit liabilities was \$60,930.77.

On the asset side loans made to members up to the date above totalled \$1,227,830.66.

From this one fact is conspicuous. And that is, more loans are made than deposits received. Therefore one objective of the Society is very ably achieved while the other objectives are not receiving much attention.

The strength of the membership is about 2,180 and each member pays a minimum monthly subscription of two dollars. To ensure repayment of the loan made the borrower must agree to the deductions of the instalments of the principal and interest from his salary by his employers.

Of the many fringe benefits enjoyed by the employees of the Central Electricity Board, the majority of them have been established, by the law or as part of the terms and conditions of service.

The attractive pensions and gratuities have for long been a vital part of the terms of service. The Employees Provident Fund and the Widows and Orphans Fund are legally established and a duty thrust upon employers in this

country by the Government.

The Central Electricity Board Co-operative Thrift and Loan Society Limited is an exception in this respect. The formation of such a Society was not required by law, but have been dictated by the present-day-trend of promoting the welfare and well-being of all human beings. The Co-operative movement is very much talked about to-day in this country. Co-operative marketing as a way of business has been advocated as a means of fighting the chronic poverty found in this country.

While this Co-operative Society here does not follow generally the widely accepted confines of the co-operative system of buying and selling, it tries instead to promote co-operation and the circulation of money among members. Thrift, as its title suggests, is one of the objects of this Society. The greater circulation of money is manifest in the form of loans obtainable from the Society.

Medical Facilities

In accordance with the Electricity Ordinance, the Central Electricity Board has to maintain a condition of service which is to be not less favourable than that of the Government.

The Government of the country has been providing free medical attention to its employees. When the changeover was effected it became entrusted upon the Board to provide

the same facilities at the Board's expense. In order that an organisation can be run and managed at top gear, the people and personnel who operate the organisation must be healthy, alert and efficient. Health is a very important facet in any walk of life. In trying to work towards this end, the Board has put into effect a number of ways and methods.

It has improved upon the medical attention provided for its employees. That any person visiting a Government hospital does not receive adequate and personal medical attention is undisputable. Sad to say these hospital are understaffed and overworked. The Board therefore has, to overcome this remedy, provided its own medical facilities.

Where the major and important power stations are sited, for example the Bungsar power station, Connaught Bridge power station, there are found dispensaries. The importance of these power stations in the electricity supply structure of the nation has necessitated these provisions. The Board engages a medical practitioner for each of the dispensaries, who will be in attendance at these dispensaries during office hours. The dispensaries run by the Board are found at Bungsar, at Connaught Bridge in Klang, at Malacca power station and the fourth one is in Johore Bahru, at the Sultan Ismail power station.

The arrangements between the Board and the doctors

who serve at the dispensaries are made this way. The Board pays the doctor fifty cents per head who goes for medical attention. The medicines and drugs needed are provided by the Board. In all , there are about fifty patients who see the doctor.

Since not all cases require the attention of the doctors, the hospital assistants who are in charge of these dispensaries attend to the cases where expert medical advice is not needed. Such an arrangement saves a considerable sum of money for the Board. In 1952 alone the dispensaries at Coanaught Bridge Power Station handled some 20,000 cases.

There are however only four dispensaries. But the Board has other power stations and offices situated all over the country. In these other places the Board makes arrangements whereby certain private medical practitioners are listed as Board doctors. Employees of the Board can visit these doctors and receive free medical attention. In this case the financial arrangement differs from that found in the dispensaries, these doctors are then paid for the services they render in addition to the medicines provided. Where private practitioners are not available then the Board employees will have to be treated at Government hospitals.

Normally the officers of Division three posts and below visit the doctors at the dispensaries. The officers

of Division Two and above do not visit the dispensaries. Instead they call at the doctor's clinic (i.e. doctors who are engaged for the dispensaries).

Altogether there are twenty-nine doctors who are listed as Board doctors. This includes the four who also provide medical attention at the dispensaries.

Medical attention does not mean visits to the practitioners at the latter's clinics or Board dispensaries only. Such cases as specialised medical treatment or check-up may be required. In the cases of the female employees or wives of male employees such medical case as maternity attention may be needed.

The Board, where it concerns specialist treatment, must first approve such medical attention. On such approval then the patient will receive such attention at the Board's expense. Similarly when maternity facilities are needed the people concerned have access to Government maternity homes, where all fees are paid for. If attention is sought at private maternity homes or private hospitals, where charges and ward fees etc. are more expensive than in Government institutions, then the Board will accept as its liability that portion of the expenses which it will normally incur if the attention had been provided at Government hospitals.

In cases where hospitalisation of the patient is

added the Board, just as in the case of Government servants, pays for the major part of the expenses involved. The employee concerned will have to pay 1% of his salary as part of his contribution to the hospitalization charges, for the duration of the period he was in hospital. Normally in hospitals, if a person were to stay in hospital he will have to pay a deposit, of \$500.00 for second class ward. This sum is definitely prohibitive and the employers will have to guarantee payment. This is done through a letter of guarantee from the employers, who in any event foots the major part of the expenses.

The medical facilities are available to every employee of the Board. The more senior a member of the staff is the better facilities he is afforded. Thus a division I officer gets first class treatment and hospital wards. The medical facilities are also extended to the dependants of the employees. A man can therefore have such medical care as provided for himself, his wife and children, so long as they are dependant on him.

However in the unusual and rare case of a female employee working, the medical facilities are not given to the husband, if he is unemployed. This follows from the traditional belief that a woman is not normally a breadwinner of the family.

Medical leave is given up to a maximum of ninety days only.

Lack of Statistics

Statistics regarding the number of those sick for a regular period or of some other sort are very useful in the discharge of personnel duties.

However such statistics are not kept. For example

- (i) number of sick-related to those hospitalised?
- (ii) number of sick-related to those given medical leave?
- (iii) number of sick-related to those needing specialist treatment?

All these will give some light as to the arrangement of work roster, how to allow for unforeseen medical leave, or providing a special contingency for expenses incurred for medical treatment.

The Central Electricity Board also maintains two beds in the Lady Templar Hospital for tuberculosis patients. This act was made in response to charity appeals from the management board of the hospital to meet the costs involved in keeping the hospital going.

This has allowed the Board to have free treatment for any of its employees who are suffering from such a disease. Any member of the Board staff has priority to the bed sponsored by the Central Electricity Board.

On response to further appeals the Board has also sponsored another bed in the same hospital. It costs about

5,000.00 to maintain a bed there.

If an employee meets with accident whilst on duty, such accident not being caused by his own negligence, all charges or admission to hospital and medical expenses will be met by board.

Medical facilities are confined to only Malaya. That is if an employee fell ill while abroad, there will not be an extension of such facilities.

Recreational and Sports Facilities

In the study of the Personnel practices of the Central Electricity Board, a student will notice that many services provided for the employees are to a very marked extent copy-book. While it would be ridiculous to claim that it has a perfect set-up for the implementation of its personnel policy, it would be quite logical to maintain that it has a sound organisation in that department.

Among the many services provided, and which have in some way or another been touched upon in the exercise, are benefits like medical facilities, welfare services and training and recreational facilities. Here a little elaboration of the recreational facilities of the Central Electricity Board - through its sporting arm the Kilat Club, is made.

By the way of recreational provisions and organisation it would be safe to conclude that the Central Electricity

Board is probably the best among all other organisations, Government, Quasi-Government or Commercial. To appreciate the great importance attached to recreational facilities and in recreation itself an examination of the expenses involved in this field would be indicative. Under the welfare expenses column in the annual accounts are three items of importance, with regards to sports and recreational facilities. The first, Grants to Kilat Club, totals \$27,308.00 for the year 1963/64 (i.e. its financial year which begins from 1st September every year till 31st August the next year). For the sports meeting some \$32,716.00 is spent for the same period. The next provision for sports ground amounts to \$11,578.00. For a single year, at least for 1963/64 the total sum spent for recreational purposes and sports ran up to a huge sum of \$70,000.00.

Before digressing to anything else, it is necessary to explain the sporting scenes. The Central Electricity Board maintains Kilat Club in almost all its major stations. Kilat Clubs are mainly club-houses maintained and subsidised by the Board in that club-buildings, courts, pitches, light, water and furniture are provided from Board funds. This can be testified from the expenditure on these facilities. The name Kilat Club, itself in a way expresses the Board. Kilat is a Malay word meaning flashing or lightning, indicative of the electric spark which is associated with the nature or function of the Central Electricity Board.

There are in all 23 Kilat Clubs, the biggest of these is found in Kuala Lumpur. Of these twenty three clubs, two do not have club-houses. The two poor relations are in Ulu Langat and Telok Anson.

Membership to the various Kilat Clubs are opened to employees of the Board. Each member pays fees for the privileges he enjoys and this fee is a graduated one. A member who draws a basic salary of \$100.00 and below pays a subscription of fifty cents. Those who fall within the \$100.00 to \$150.00 salary group pay \$1.00. From \$150.00 to \$400.00 the subscription is \$1.50 while above \$400.00 a member has to subscribe \$2.00.

In addition to the subscriptions paid by the members of the Clubs the Board pays as grants to the Clubs fifty cents per person per month. Further if any member donates a sum of money, providing that this once a year only, the Board will undertake to donate an equal sum to the Club concerned.

The Central Electricity Board thus is the life-blood of the Kilat Clubs. Through its donations in many forms the Clubs have been maintained. To ensure that its good nature will not be exploited the Board management has a provision in the rules of all Kilat Clubs that all Area Managers or District Managers, the Senior Officers of the organisation, become presidents of the Kilat Clubs. These positions are ex-officio functions.

A very important event in the sporting calendar of the Kilat Clubs is the Athletic meets organised by them. At first all the various districts hold their own district Athletic meet. The climax of all this is the Malaya-wide Annual Athletic Meet, held usually in Kuala Lumpur. This has turned out to be one of the very important recreational events of the year.

This favourable attitude towards recreation and sports is reflected not only in the facilities available but also in the management's behaviour towards leave for sporting purposes. It is merely repetitive to note down here again the leave that can be obtained by any employee of the Board who is chosen to represent the state or country or in inter-Kilat Club matches. A fuller elucidation on this leave is available in the relevant section. It is sufficient however to note that many employees do get such leave, since quite a large number of Board employees have gained international recognition as sportsmen.

While it may not be an official policy of the Board it is of interest to note that many a well-known sportsman has been embraced into employment with the Board. To conclude from this that the Board employs people to represent it in games would be rash. It would however be safe to conclude that provided the necessary minimum qualification are available an established athlete would easily find employment with the

Board. This can be borne by the fact employees who are often away from their jobs, representing the country or state in international or state level games are employed. These people, more often than not, do not work six months of the year. Most of the time they are away on leave playing games.¹

There are a number of ways of motivating the employees of an organisation. No one media can act alone and hope to achieve the results that can be reaped when a number of medium is used.

¹As an aside it would be very interesting to note some of the success the Central Electricity Board has reaped through its heavy emphasis on sports and recreation.

Firstly in Selangor, for the past number of years the Kilat Club in Kuala Lumpur has been a top team in cricket and hockey. It would not be of much academic interest to jot down every achievement. However cognisance must be given to the fact that the name of Kilat Club is pre-eminent in the field of sports. The pride cultivated and inherent from sporting success have made the Board a much sought after employer.

Fringe benefits is merely one way of motivation. In the Central Electricity Board, a number of different medium exist. It would, therefore, be impossible to assess the success or workability of fringe benefits alone. But attempts will be made to try to relate certain features of the Board to certain benefits enjoyed in this chapter.

Fringe benefits are benefits enjoyed by employees besides what they actually receive as wages. Such benefits include medical benefits, recreational programmes and facilities. In the Central Electricity Board such benefits as Pensions, Widows' and Orphans's Fund, Co-operative Society arrangements, Death Levy Fund and recreational benefits are enjoyed by the employees. The reader will have noted the various fringe benefits.

Three features of the Board can be related to some of these benefits. Whether these characteristics are the result of these fringe benefits alone, or of the sum total of the working conditions, it is difficult to estimate. These features are :-

- (i) the Board is an attractive employer
- (ii) the Board is a good employer
- (iii) the Board is famous for its sporting prowess.

A large number of factors must be attributed to the fact that the Board is an attractive employer, and the second and third considerations are, in some way, contributing to this

attraction. But this point should be noted, that is, that on the whole salary scales are similar to that of the Government's. It is mainly the difference in fringe benefits, where much more is being enjoyed in the Board that had made it more attractive as an employer than the Government and even the commercial enterprises.

Because of a well-developed personnel department which has existed for a long time, much of the aims of personnel practices have filtered down the line. Employer-employee relationship is at a very cordial level. This has been one of the most gratifying sights.

Such a relationship is also found in the sports field, where both, bosses and employees play in the same teams or against one another. Sportmanships demand good relationship and a spirit of compromise. This has been carried down from the cordial relationships found in the office. Or it could have been the reverse. This spirit of free mixing has moved into the office walls. Whatever it is, there has led to good and friendly relationships between the employees and the senior officers.

The name that the Board has achieved in the field of sports has created a good impression. For within the employment of the Board are many national and internationally reputed sportsmen. The Board has provided a source of outlet for those people with sporting talents. While this may not be the aim in

recruitment, such people do bring credit to the organization. And a favourable impression is important in the modern business world. This has helped in attracting applications from a greater number of people. This wider source has aided the Board in that it has a wider field to pick from and can therefore have access to better quality.

This is exemplified by the constant flow of applications into the clerical service. Suffice it is to say, that in other lines, too, such events do occur.

CHAPTER VI

TRAINING AND DEVELOPMENT

The Office of the Senior Education and Training Engineer

The process of selecting the new employee culminates in two decisions. The first is the decision of the employers that the person being interviewed is acceptable to the firm or establishment and acceptable for the particular job. The second is the decision of the candidate that the employer is acceptable to him as his employer.

Assuming the selection process has been thoroughly carried out, the employer can be reasonably sure that the employee is satisfactory. The techniques have been so well developed that there is no need to rely on trial periods and methods.

The decision of the worker that the employer is satisfactory to him can seldom be made with equal finality. He still reserves the right to try out the job for a period. Such a situation exists because a process of orientation and assimilation must be completed after which the employee can be reasonably sure that his employer is satisfactory. If the worker "is to become a permanent member of the team" he needs to get some understanding of the organisation as a whole.

If training is to reinforce the decision made in hiring and to increase the mutual understanding created in the induction, it must be carefully planned, efficiently carried out and carefully checked for results.

Training is defined as "an education in a narrower field",¹ where by instruction, drill and discipline the employee can become skilled in his particular function. Since the industrial society today is dynamic and continually changing it is essential that the dynamic characteristics are taken into account when training programmes are planned or revised. In addition this aspect lends further weight to the modern managerial axiom that people are now trained for careers and not jobs.

Development emphasises "an unfolding process",² the process of growing up and maturing, of learning to accept responsibility and developing one's personality.

Therefore as a form of employee development training should never stop. Follow-up and regular appraisals and regular employees and supervisors on the job should be seen to be an extension of the same type of activity. In the light of these theoretical demands, we shall take a look at the training programmes of the Central Electricity Board.

The situation where there was an acute shortage of qualified personnel was faced not only by the Central Electricity Board but by most enterprises, Government or otherwise. During the period following the Second World War the country was still relatively underdeveloped. Consequently education was restricted to only a section of the people; this was its feature.

While it was still one of the numerous Government departments the possibility of operating its own training programme was not considered at all. It was only with the change-over into the Central Electricity Board that an independent

¹Yoder D. op. cit. pg. 386

²Yoder D. op. cit. pg. 386

scheme was established to meet the increasing problem of personnel requirements. This shortage was accentuated by the fact that the recruitment of expatriate staff proved difficult.

There were considerable numbers of expatriate officers serving with the Board, in its early stage. Most of these officers had been seconded from the British or electrical industry or were civil servants of the Colonial Government. While this was an available source it represented only a limited source. These considerations had led to the creation of its own training programme.

The first results of this has been the sending of three Asian Shift Engineers for training in the United Kingdom. The Board then saw its own needs as sending selected officers, already in the employment of the Board to United Kingdom for training. As an inducement for the officers concerned they were granted no-pay leave for such purposes.

These arrangements were very crude when compared with the present training programmes which the Central Electricity Board follows. No-pay leaves for studies and the selection of employees at irregular intervals were far from being an organised programme. Further the shortages in staff were found not only in the senior and technical positions but also in almost all fields of the Board's operation, from the technical apprentices to the clerks and the labourers.

The seriousness of this problem led to the announcement by the Malayisation and Staff Committee of the Central Electricity Board in October 1952 which stated that it was desirable to train the local people with a view to their eventually running the whole organisation of the Board. It recommended that Malaysians be trained for higher posts in the Board's organisation and that there should be an increase in the number

of overseas and local scholarships. As a further inducements to its own employees the Board granted them paid leave for the purposes of studies.

The same committee also commented upon the lack of facilities for higher education in Malaya. In calling for the provision of more scholarships in engineering and accountancy it proposed that approaches should be made to the Colombo Plan members to provide such sponsorship. It was also called for, by them, that a study of the possibilities of filling senior posts with people not fully qualified without the lowering of efficiency be made.

In 1959, the Government of the Federation of Malaya requested the International Labour Organisation to make a study of the training facilities of the Central Electricity Board with a view to achieving the idea of completely Malayanising it. The date set for this target was set at December 31st 1967.

Responding to this appeal a Mr. Pallister under the auspices of the International Labour Organisation began a survey into the training and educational facilities of the Central Electricity Board. His terms of reference were to establish a complete framework for the Board's general training policy at all levels, from Division One Officers to the semi-skilled grades in the Engineering divisions.

Several important notes were made. In the first ten years of its operation the number of consumers served by the Central Electricity Board had trebled. In 1949 the number was 45,496 and it had jumped to 165,297 by 1959. In the same period the number of units sold had increased by four and a half times.

YEAR	NO. OF CONSUMERS	INCREASE	% INCREASE
August 31st 1949	45,495		
1950	50,006	4,511	9.9%
1951	54,462	4,456	8.9%
1952	59,526	5,064	9.3%
1953	66,368	6,842	11.5%
1954	80,355	13,987	21.1%
1955	103,146	22,791	28.4%
1956	120,862	17,716	17.2%
1957	139,124	18,262	15.1%
1958	155,691	16,567	11.9%
1959	165,297	9,600	6.2%
1960	180,597	15,300	9.3%
1961	197,559	16,962	9.4%
1962	213,858	16,299	7.6%
1963	238,181	24,323	11.3

Table 2

Also in the same time the number had doubled, to around 4,700 employees. Of this nearly eighty officers in the senior positions were expatriate officers. The number of expatriate officers within the Central Electricity Board had remained roughly around the same level. There were originally about ninety such officers in the beginning.

In view of the Board pursuing a policy of Malayani- sation the level of training particularly for the senior officers had not kept up with the pace of growth of the operations of the Board. Plans for the future indicated a continuing requirement for an increase in managerial, technical and administrative staff. If such a development was not accomplished the management structure will be exposed to great stresses.

The Pallister Report, submitted by the person named, recognised all these deficiencies and it laid down a long term plan for a framework for a training policy and scheme to be implemented by the Board for all groups of employees. It provided a foundation for the necessary schemes to ensure a flow of suitably qualified and trained personnel, sufficient to meet the needs of the Central Electricity Board.

The training scheme, as proposed by the Pallister report was divided into two parts. The first part was the educational part, while the second part referred to the programme of practical training.

The recommendations put forward were :-

- (i) establish patterns of training schemes as set out in the Training Manual. (This manual sets out the actual training programme and comes much later in the report. It is very detailed.)
- (ii) extend, re-equip and increase the instructing staff in its training workshop.
- (iii) extend its practical training of jointers.
- (iv) establish courses for linesmen.
- (v) extend its present arrangement for the training of administrative staff.
- (vi) extend the span of its personnel forecasting with particular regards to trainees.
- (vii) appoint an Education and Training Engineer and his ancillary staff.
- (viii) establish a Joint Industrial Council for Education and training matters.
- (ix) arrange courses to extend and develop skills and knowledge of its existing adult staff.
- (x) suggested plan for supervisory training.

- (xi) a systematic plan for the development of the present and potential members of its management team.

In response to these recommendations, a number of steps were taken. Certain of these recommendations were already in practice when the report was made. Some of these were the training schemes, that is recommendation (i), and the practical training of Jointers. The creation of the office of an Administrative Assistant was a direct result of the extension of the training of administrative staff. With reference to recommendation ten, such a course was already provided for at the National Productivity Centre in Petaling Jaya. As such the Board decided that it was not essential as yet to have its own training programmes. The last proposed idea was rejected. The Board felt that the present members of the management team were too invaluable, with regards to time spent, to be taken away from their jobs and be given further training. For the potential members, there was already in existence the programme of awarding scholarships to selected students from the various schools, who will serve the Board on completion of their studies.

One of the most important outcome of the report was the appointment of a Senior and Education Training Engineer. This officer is a specialist assistant to the Deputy General Manager in respect of education and Training matters.

The duties of this officer are :-

- (a) advise the management regarding the Board's policy on Education and Training, making suggestions as to the needs for modification of existing policy or formulation of new policies. In this he will also assist the management in the interpretation of existing policy and in ensuring that the policy is being

correctly carried out.

(b) He is the executive officer of the Board's Education and Training Committee; prepares the agenda for approval by the chairman of this committee and ensuring that its recommendations are conveyed to the proper authority for approval.

(c) He investigates the programmes of training current throughout the Board and assists in any way possible with their administration and operation. He can effect on his own initiative such minor alterations as may be judged necessary after consultation with the departments operating such programmes. For major alterations approval must be sought from the Training Committee.

(d) Further the Training Engineer is responsible for investigating the possibilities for new training schemes, ensures that the forecasts of Board requirements for trainees are agreeable with the departmental needs and maintains close contact with all apprentices, students and trainees, advising them on their general care and welfare and keeping records as may be necessary.

Because of his specialist role the Training Engineer sits as a member of all panels to assist in the selection of trainees.

The policy of the Central Electricity Board with regards to its training programmes can be summed up this way. That the job in the Central Electricity Board demands of its workers some particular skill and knowledge and "every employee of the Board is trained to do his job and is being trained in

one way or another to do a better one".¹ This is regarded as important because the Board realises that electricity as a product is extremely dangerous if it is not handled properly, unlike most commercial products. The Board therefore sees as its duty that its staff should be able to handle the product both safely and economically.

A list of some of the Training schemes as provided for by the Central Electricity Board is noted.

(i) Apprenticeship under the Central Apprentice Board Scheme. This scheme is run in conjunction with the Ministry of Labour, with whom all apprentices under this scheme must register. Under this scheme the Board provides the practical training of these apprentices. Their theoretical training of two months is provided at the Industrial Training Institute. While under apprenticeship, the apprentices receive some remuneration.

(ii) Tradesman Training. Employees of the Board are selected to do a period of practical training, enabling them to pass a Trade Test and qualify for Tradesman's status and rates of pay.

The trades under this scheme are :

- Plant operators
- Category A workmen
- Category B workmen
- Cable Jointers
- Electricians.

The duration of training varies from 1½ years to 5 years depending on the aptitude and experience of the trainee.

(iii) Junior Technical Assistant Cadetship. The

¹Handbook on Training Schemes of the C.E.B.

Board offers practical training for 3 years to a limited number of selected candidates with a view to promotion to Junior Technical Assistants. Candidates must have had 3 years previous training in a Technical Institute or trade school. His training will be of a general nature, but in the final year he is allowed to specialise in a particular field of work. A Trade Test pertaining to this field must be overcome.

(iv) Technical Apprenticeship. The Board sponsors suitably qualified candidates to the Technical College for the Diploma Course in Engineering. One year's field training will be provided during the third year. On completion of his course the candidate is appointed as a Technical Assistant. Before being confirmed as a Technical Assistant the candidate will have to serve as a Technical Cadet for two years of practical training.

(v) Engineering Student Scholarships. The Central Electricity Board offers scholarships for Engineering study in Technical Colleges in the United Kingdom. These could be for the Diploma or Degree courses. Scholarships are available for all lines of engineering. However with particular reference to one stream, that of Electrical Engineering, the Board confines this solely to Malay students. This follows the Government's policy of helping the Malays.

(vi) Engineering pupillage. A graduate Engineer still needs practical training. The period of pupillage is to provide for this need. Students are to undergo practical training for a period of eighteen months excluding a further six months for those who have completed the earlier part of their practical training

overseas, in Malaya.

- (vii) There is one training programme for administrative cadets within the Board. This however have been confined mainly to the employees within the Board. Selected employees from the clerical service are made cadets with a view to promotion to executive officers in the administrative division. Graduate trainees have recently been included in this scheme.

The importance of the Training programmes in the activities of the Central Electricity Board is substantiated by the vast expenditures on training. In 1964, as shown in the Revenue and Expense Statement this particular item costs nearly two million dollars.

Training and Welfare Expenses have been increasing rapidly. In 1955/56 it was \$ 226,934

1956/57	\$ 360,248
1957/58	\$ 451,725
1958/59	\$ 542,650
1959/60	\$ 671,748
1960/61	\$1,108,329
1961/62	\$1,620,284
1962/63	\$2,147,302
1963/64	\$2,347,629.

Further since 1956 over a hundred scholarships have been awarded and this has cost over two million dollars.

For the employees selected for practical training the Board maintains a hostel, affectionately known as the 'Long House' in Kuala Lumpur.

The training programme included is meant to show how far the Board has tried to implement its principles in its training programmes.

Training Programme - Pupil Engineers and Graduate Trainees

Aim :

- (i) to give University graduates and other suitably qualified candidates an opportunity of obtaining practical experience of engineering so that on completion they are able to fill engineering posts within the Board or any other organisations.
- (ii) enable graduates to develop any special abilities which he may have acquired during his University career.

Duration :

Normally two years from commencement of pupillage, but this period may be varied at Board's discretion.

Method :

By posting to various departments as an employee of the department. During these periods the Engineer in charge or a suitably qualified person deputed by him, should endeavour to provide such opportunities and give him advice as will enable the pupil engineer or trainee to acquire experience and to stimulate his powers of observation in order that he may extract the greatest value from the time spent in the various departments, throughout his period of training.

Training - this pattern :

- (a) induction
- (b) basic training
- (c) general training
- (d) consolidation and project training.

Induction - should be repeated in the case of each department or section. Heads of departments are requested to make arrangements for each pupil or trainee to be put in the charge of a responsible person as soon as he arrives. He should

be conducted around the immediate vicinity, and receive an explanation of the organisation and functions of departments.

As soon as possible thereafter, he should be allowed a brief interview with the head of department who should outline what is expected of him and indicate the person responsible for his general supervision.

It is essential that the pupil engineer or trainee should be told as early as possible the general nature of his training in each department or section. His attention should also be called to the rules and regulations ensuring safety.

Basic Training - repeated as often as necessary to ensure that the pupil or trainee learns the uses and limitations of the special tools and materials used in engineering practice to acquire skills particular to the section in which he is to work.

General Training - directed towards training of pupil or trainee by example and precept, in the skills regarded as well as the responsibilities of a junior engineer in the particular department in which he is training.

Consolidation and project training - policy of Board that whenever possible and with due regards to the requirements of the organisation a pupil's appointment should be in the department of his choice. While it is obvious that this ideal may not always be achieved, the final phase of the pupils training will be spent on some definite engineering project of a type closely related to what he is expected to be posted to.

CHAPTER VII

INDUSTRIAL RELATIONS AND THE JOINT INDUSTRIAL COUNCIL

Attention has already been directed to the keen desire of the Central Electricity Board to maintain cordial relationships with its employees. It has tried to see that they, the employees are satisfied and their morale high.

In the course of managing a business, a management group, to-day, comes constantly into contact with their employees in the form of trade unions which they make up. Trade unions have become such an integral part of the industrial society that to ignore them will be disastrous. The great amounts of capital invested will not at all be productive if no labour was willing to work with them. If an enterprise was to be efficiently managed there must be a mutuality of interests, as close as can be achieved. The two important objectives of any enterprise, profitability and continuity can only be served if such a situation is effected.

That this factor is an important asset is recognised by the Board. In an issue of the "Power" 1962, the staff magazine of the Central Electricity Board, this is given cognisance. The article notes that "The path of progress lies in capital and labour mutually accomodating each other. Labour unrest not only retards progress but eventually ruins national economy. Capital for its part has to ensure the prosperity of the worker".

The desire of maintaining cordial relationships with

the staff unions have resulted in the proposal for the formation of a Joint Industrial Council. This idea first came up way back in 1951. In that year a draft scheme for a Joint Industrial Council was submitted by the management to the unions. However, it was only in 1963 that the Council was finally formed and it took the creation of the office of the Industrial Relations Officer to bring this about.¹

Even though the case for the provision of a machinery for joint negotiations was very strong it proved to be very difficult to persuade the unions to accept its formation. While one side wanted to establish a permanent machinery for negotiations, the other saw it as an attempt to usurp the authority which it had.

While attempts were made to establish this body, negotiations were conducted through ad hoc conciliation meetings. In these meetings the Board met the four unions separately. It proved very difficult to work out solutions that were acceptable to all the four unions, on matters that affected all grades of employees, at such meetings where no representation from all the unions were present at one time. Even though these arrangements were unsatisfactory to the Board, the unions saw no reason why they must be changed. The unions had been able to make gains these manner. It was this and the independence the individual unions had in pursuing their own claims that made them doubt the necessity and feasibility of a Joint Council.

¹Industrial Relations, explains Yoder, is becoming widely accepted as that part of manpower/^{management} known as Labour Relations. His duty is to deal with unions and administration of collective agreements.

Yoder D.; op. cit.

It was only with the appointment of the Industrial Relations Officer that the formation of the Joint Industrial Council began to take shape. This office was created in 1959. With a growing awareness of unions in industry, it was found important to appoint an officer to handle this issue, to seek means whereby the labour group is effectively maintained and motivated and to bring about the Council.

Initially, however, it was his job to cement the cordial relationships that already exists between the Board and the employees. This function had previously been performed by the Personnel Office. The increasing importance of the role of Industrial Relations however demanded the creation of a separate set up.

By the terms of reference of his employment the Industrial Relations Officer was an employee of the Board, whose duty was to advise them on matters concerning Industrial Relations. It was his duty to see that labour unrest be settled before they grow into strikes; in short to nip the flower in its bud. Despite this there was some feeling that this officer should try to mediate and act as a sort of umpire. This role was not compatible with that of an Industrial Relations Officer, since he is a member of the management team. Further the duty will become a curative action instead of what it should be; a preventive one.

If the Industrial Relations Officer was to try to run from one side to another, trying to sell the management a deal which he thinks is acceptable to the unions and then doing the reverse to the unions, it will prove to be a very frustrating job. This is a contagious mood and both the unions and the management will feel just as frustrated. The honesty and sincerity of the officer's motives will become suspect and it will be quite accurate to say that his services will be of little use after that.

Blame cannot be put upon the unions for taking a dim view of this officer or his intentions. Being elected representatives of the group they belong to, they will inevitably assume the role of guardian of the rights of that group. When a member of management comes along and tries to find a solution acceptable to the company as a whole, which may demand concessions on the part of certain groups, such an act will always be viewed with great caution. After all, the Industrial Relations Officer is a paid employee of the Board and few employees, if any, can afford to cross their employers.

One of the most immediate tasks of the Industrial Relations Officer was to try to persuade the unions to see and accept the advantages of his office. To avoid creating any wrong impressions at all he was directed by the circumstances to stick to a theoretical role, that of being an advisor.

If it was assumed that by the creation of this office the establishment of the Joint Industrial Council will follow then it turned out to be wrong. It was still another three or four years before this was to come about. It was only on 2nd July 1963 that the inaugural meeting of the Council took place.

The Joint Industrial Council is a Council in which all sides to an industrial sit together to try to bring about a solution. This Council was conceived so that attempts are made to try to settle problems to the advantage of both sides before they deteriorate into strikes, lockouts and other industrial actions. Neither side will gain from this.

The objectives of the Council as stipulated in its Constitution and agreed upon by all parties are :

"to provide a constitutional means of consultation and negotiation between the Central Electricity

Board of the Federation of Malaya and its employees as represented by the following staff organisations, namely

- (a) C.E.B. Senior Officers' Association.
- (b) C.E.B. Junior Officers' Union.
- (c) Technical Services' Union C.E.B..
- (d) C.E.B. Employees' Union, Federation of Malaya.

in respect of terms and conditions of employment; to provide machinery for dealing with differences and grievances; and generally to bring together the experience and different points of view of both sides with a view to promoting good employer--employee relations and improving the operation and service of the Central Electricity Board and the welfare of the employees."

The Joint Industrial Council consists of fifteen members. Seven of these represent the employers' side. They are the General Manager, his deputy, Comptroller and Chief Accountant, Secretary, Assistant General Manager, Personnel Officer and the Industrial Relations Officer. On the employees' side the presidents and Secretariat of each of the four staff organisations are the representatives. The Chairman of the Council is the General Manager, or in his absence, the deputy General Manager. Each of the two sides appoint one Secretary each, and both of them are called the Joint Secretaries of the Council.

Besides the main Council there also exists Sectional Joint Panels. There are four of them, each for one of the different staff unions. Thus the Junior Officers' Union has a Sectional Panel of its own, just as the other three have. Each of these panels have plenary powers to negotiate and

settle terms and conditions of employment and certain other matters which pertain only to a particular group of employees, which it covers. The decision whether certain matters fall within or without the purview of a sectional panel will be decided by the Joint Council if the Joint Secretaries fail to agree on its proper allocation.

The Sectional panels have fourteen members sitting in each of them. Six of these come from the employers' side while the other eight represent the staff organisation concerned.

The Joint Industrial Council is only a machinery whereby differences and grievances are dealt with. There is no implication at all that these will be settled in the Council meetings. Negotiations may come to nothing if either side finds that its stand cannot be sacrificed in part or all. On such occasions, the procedure to follow, and as written in the Constitution, would be to set up a Conciliation Committee, headed by an independent chairman and members who are not necessarily members of the Council nor employees of the Board or persons connected with the Board. Under the conciliatory process the Joint Council is not bound to accept the findings and may amend the recommendations to settle the issue in dispute.

If conciliation fails and provided both sides are agreeable the matter will then be referred to an Industrial and Arbitration Court. The findings of this court shall be binding on both sides.

The Joint Council and Sectional Joint Panels described deal with problems which are industry-wide, that which concerns the well-being of employees of the Central Electricity Board all over the country. However to ensure regular consultations between the management and the staff and that the objectives of the Council could be achieved, District Consultative

Committees are also formed in areas, which are determined by the Joint Council. Only matters which are peculiar to a certain locality are discussed in the District Consultative Committees.

With the formation of the Council a lot of ground have been covered. A general Board-wide revision of salaries have been effected and relations on the whole have been very cordial.

There is however one important point which could undermine the usefulness of the Council if it is not settled in due time. Before moving on to this, a little clarification of certain principles will be very helpful. All decisions and settlements arrived at in negotiations in the Council must be approved by the members of the Board. This is however a formality since the employers' are represented in the Council by seven members. However the Board still retains the prerogative to reject any solutions arrived at. Normally this power of veto is not used. But lately its exercise has brought up thoughts as to whether the Central Electricity Board and the Council are independent at all. This is the problem faced.

Let us recapitulate a bit and look back at the origin of the Central Electricity Board. The Board took over the functions of the former Government Electricity Department. In doing so it became a quasi-Government institution, left to generate electricity on its own, yet it is controlled in certain matters by the Government, in the interest of the public. The Government, being the representatives of the people will have to ensure that a public utility enterprise, which the Central Electricity Board is, is functioning effectively. This duty it owes to them. However at the same time, unwarranted interferences by it could lead to a disruption in the proper management of this industry, a situation which neither the Government nor the people desire.

Being a semi-Government project and a public utility, inevitably the Government will have a final say, especially true of financial matters. The authority of the Government is further strengthened by a Section in the Electricity Ordinance by which a Minister of the Government could order the Board not to implement any schemes, in this case a new salary structure, and to cause its complete withdrawal. The Ordinance further lays upon the Minister of Commerce and Industry the duty of appointing the members of the Board. This act itself questions the independence of the members of the Board, (It is not implied here that the present Board members are Government men) for a certain sense of obligation will be inherent in them.

Recently the Central Electricity Board offered to its Technical Services' Union, a salary scale different and more attractive than that of the Government's. Both the employer and the employees had agreed upon this. However the Government intervened and did not permit its implementation. Examining the minutes of Joint Council meeting one thing stands out conspicuously. This is that there has been a lot of doubt and fear regarding the independence of the Council and of the Central Electricity Board. If the independence of the Council is being doubted, this will have influence over the usefulness of the Council itself, as the validity of results of negotiations will be uncertain.

This had led the staff associations to re-consider their own positions.

The Joint Industrial Council is a means whereby the complaints and the grievances of the Unions against the Board are made known to the Board officially. The responsibilities of a Personnel Department and that of Industrial Relations are directed towards creating an effective working force by

means of consideration of the human elements in that group. A dissatisfied employee or group of employees seldom make a maximum contribution.

It is in this light that the Joint Industrial Council has been discussed, together with the doubts and misgivings even before its birth. With its formation relationships between the Board and the unions have by no means become perfectly cordial. Far from that. But it does provide a media whereby both capital and labour can negotiate to work together for each other's interests.



CHAPTER VIII

AN APPRAISAL OF THE PERSONNEL SERVICES IN THE CENTRAL ELECTRICITY BOARD.

In our economy, the primary purpose of business enterprise is the profitable production and distribution of goods and services. The fulfillment of this purpose is contingent upon a number of factors. One of such factors is "the conditions of employment for all members of the organisation which provide for satisfaction in relations to their needs, so that they will desire to work for the enterprise."¹

Until the turn of the present century, the most widely held view of labour was undoubtedly that it was just another factor of production. As such, it was used like any other factor of production, was. The industries were so production oriented that the human elements were neglected.

Management attitudes have, however changed very rapidly. The "factor-of-production" concept had, initially, given way to a paternalistic attitude, whereby certain programmes like recreational, pensions and insurance were implemented. There is, to-day, a strengthening in the trend of co-operation between labour and management in attempting to understand the human problems of management. This represented an acceptance, by industry, of its social responsibilities.

¹Pigors, Myers and Malms... - op. cit. - page 2.

An examination of the personnel services operated by the Central Electricity Board will reveal to the reader the acceptance by the Board of these responsibilities and the manner it has gone about in fulfilling these obligations. In all fields of management, whether the Finance, Production or Marketing, the managers are dealing with people at work. Their effectiveness as managers depends not only on their ability to handle the technical problems but also on their ability to work with people. Personnel Administration in the Central Electricity Board attempts to understand human problems, in the effort to create high levels of morale. In so doing, it is hoped that efficiency and thereby productivity can be increased. But can productivity be increased when morale is high? Is there any positive co-relation between efficiency of an employee and his morale? These questions cannot be answered with absolute definiteness. But in the long run, it is known, that a high morale could lead to a higher productivity.¹

The Revenue and Expense Statement of the Central Electricity Board will reveal the emphasis on personnel services and, in particular, training expenses.

Of some nearly two million four hundred thousand dollars spent on Training and welfare more than two million dollars are devoted to training. Welfare expenses amount to nearly one hundred and eighty thousand dollars. Salaries and wages costs only about a hundred and twenty thousand dollars. Within these amounts involved, are the costs of fringe benefits enjoyed. Fringe benefits expenses amount to sixty percent of the salaries enjoyed by officers of the Board. By salaries here is meant

¹See attached footnotes on Morale and Productivity.

the basic salary, in addition to Cost of Living Allowance and Housing Allowance. These together with the fringe benefits expenses represents the consolidated salaries and wages.

It is difficult to try to gauge how successful the Board has been in its Personnel programmes. No attempts have been made, so far, to study the results, nor have any efforts been made to study the individual in the organisation. As such it is very difficult to analyse the personnel programmes.

The textbooks, in their discussions on Personnel Management stresses several important factors. Firstly the jobs have to be defined with regards to the responsibilities and the relationship with others. Then a definition of the qualifications needed will be necessary. These will represent the fundamentals which will be practised when the process of recruitment and selection of employees go to work.

Following that the efforts of the employees must be effectively utilised, in order that the enterprises' purposes may be served. The employee will be given the opportunity during the course of his career, to acquire the knowledge, skills authority and help needed for effective performance in his position. His performance will be appraised; effective performance will be rewarded and further improvement encouraged. Provisions for transfers and retraining where needed are made, in order that maximum use of the individual's capabilities are possible.

The effectiveness of the employee is dependant upon the willingness of each individual, which in turn, is contingent upon the person's expectations that he can satisfy his needs through his work. The employee must therefore be fairly compensated for his efforts, protected against insecurity, illness,

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accidents, old age, unemployment and against arbitrary actions by his supervisors. Social satisfaction must be derived from his associations on the job.

When the personnel services of the Central Electricity Board are examined against these requirements, they come off quite well. Indications of the success of these programmes are provided by relative lack of industrial unrest, cordial relationships between managers and employees, the opinion that the Board is a good employer and the fact that a wide variety of talents are required in the Board's organisation.

While these are indications, it must be stressed here, again, that it is difficult to conclude that they have been great success. To be able to come to such a conclusion, research into the results and attitudes of the employees and their efficiency must be made. But the possibilities of success being achieved exists, when the necessary programmes are being carried out.

REVENUE AND EXPENSE STATEMENT
PERSONNEL OFFICE, CENTRAL ELECTRICITY BOARD
FOR 12 MONTHS ENDED 31ST AUGUST, 1964.

SUMMARY

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>DIFFERENCE</u>
Training and Welfare	\$2,349,629	\$2,390,100	\$ -49,471
General	60,359	54,400	+ 5,959
Administrative	322,715	330,000	- 7,285
Headquarters Expenses.			
TOTAL	\$2,732,703	\$2,774,500	\$ -41,797
	=====	=====	=====

DETAILED EXPENSES :

(i) Training and Welfare

Welfare Expenses

Cost of Holiday Bungalows	17,945	\$ 17,000	\$ + 945
Kilat Clubs and Canteens	-		
Repair and Maintenance	24,985	25,000	- 15
of Holiday Bungalows	-		
Incidental Expenses at	3,731	4,000	- 269
Holiday Bungalow	-		
Staff Magazine	34,547	35,000	- 453
Long Service Awards	18,068	22,000	- 3,932
Meritorious Service	3,051	2,000	+ 1,051
Awards	-		
Grants to Kilat Clubs	27,308	27,000	+ 308
Sports Meeting	32,716	27,000	+ 5,716
Joint Council and Joint			
Industrial Council	389	-	+ 389
Meetings	-		
Sports Ground	11,578	-	+11,578
	=====	=====	=====
TOTAL	\$ 174,318	\$ 159,300	\$ +15,018
	=====	=====	=====
Salaries and Wages	\$ 117,633	\$ 130,000	\$ -12,367
	=====	=====	=====

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>DIFFERENCE</u>
<u>Transport and Travelling</u>			
Vehicles	\$ 4,730	\$ 4,800	\$ - 61
Others	39,845	34,000	+ 5,845
	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$ 44,585	\$ 38,800	\$ + 5,784
	<u>=====</u>	<u>=====</u>	<u>=====</u>

Training Expenses

Employees Trained -

Overseas	\$ 599,060	\$ 660,000	\$ -60,940
Malaya	1,411,117	1,400,000	+11,117

Repair and Maintenance of Board, Hostel, Panti	\$ 2,917	2,000	+ 917
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	<u>\$2,013,094</u>	<u>\$2,062,000</u>	<u>\$ -48,906</u>
--	--------------------	--------------------	-------------------

Total Training and Welfare Expenses	<u>\$2,349,629</u>	<u>\$2,390,100</u>	<u>\$ -40,471</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>

(ii) Administrative

Secretarial and General

Secretarial	\$ 141,378	\$ 150,000	\$ - 8,622
Others	181,337	180,000	+ 1,337

TOTAL	<u>\$ 322,715</u>	<u>\$ 330,000</u>	<u>\$ - 7,285</u>
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Total Administrative Expenses	<u>\$ 322,715</u>	<u>\$ 330,000</u>	<u>\$ - 7,285</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>

(iii) General

Stationery and Printing	\$ 3,685	\$ 5,000	\$ + 3,685
Postage	2,629	2,500	+ 129
Telephone and Telegrams	4,846	5,000	- 154

TOTAL	<u>\$ 7,475</u>	<u>\$ 7,500</u>	<u>\$ - 25</u>
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Repairs and Maintenance

Offices, Head Office.	\$ 391	\$ 1,000	\$ - 609
Furniture and Equipment	1,075	1,500	- 425

TOTAL	<u>\$ 1,466</u>	<u>\$ 2,500</u>	<u>\$ - 1,034</u>
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	<u>ACTUAL</u>	<u>BUDGET</u>	<u>DIFFERENCE</u>
Rents, Rates, Local Tax	\$ 27	\$ -	\$ - 27
Insurance	\$ 737	\$ 1,500	\$ - 763
Advertising & Publicity	\$ 23,291	\$ 20,000	\$ + 3,291
Outfit Allowance, Uniforms	\$ 705	\$ 600	\$ + 105
Miscellaneous Expenses	\$ 10,645	\$ 10,000	\$ + 645
Depreciation - General Assets	\$ 7,328	\$ 7,300	\$ + 28
TOTAL GENERAL EXPENSES	\$ 60,359	\$ 54,400	\$ + 5,959
	=====	=====	=====
<u>Other Transport and Travelling Expenses</u>			
Car Allowance	\$ 11,278	\$ 11,000	\$ + 278
Motor Cycle and Bicycle Allowance	\$ 329	\$ 500	\$ - 171
Others	\$ 33,896	\$ 28,000	\$ + 5,896
TOTAL	\$ 45,503	\$ 39,500	\$ + 6,003
	=====	=====	=====
Amount charged to Training and Welfare	\$ 39,845	\$ 34,000	\$ + 5,845
Consolidated Salaries and Wages	\$ 5,658	\$ 5,500	\$ + 158
	=====	=====	=====

FOOTNOTE

Can efficiency and thereby productivity be increased by considering problems of morale and status? Studies into this were made by the Institute for Social Research at the University of Michigan.

The studies conclude that "there is very little relationship, within a company, between employees' attitudes towards the company and productivity." In some situations it was found that there exists a negative relationship as between the extent to which employees participate in recreational programmes and their productivity.

Diagram 4

	<u>SATISFACTION WITH COMPANY</u>		
	HIGH	AVERAGE	LOW
High Productive Sections	37%	39%	24%
Low Productive Sections	40%	40%	20%

Relation of Attitude Towards Company and Productivity.

Diagram 5

	FREQUENTLY	OCCASIONALLY	NEVER
High Productive Sections	8%	20%	72%
Low Productive Sections	7%	34%	58%

Participation In Company Recreational Activities

Source : Pigors, Myers and Malms, Editors. op. cit.

Further relations between morale and productivity can be one of four types. The relationships are illustrated below.

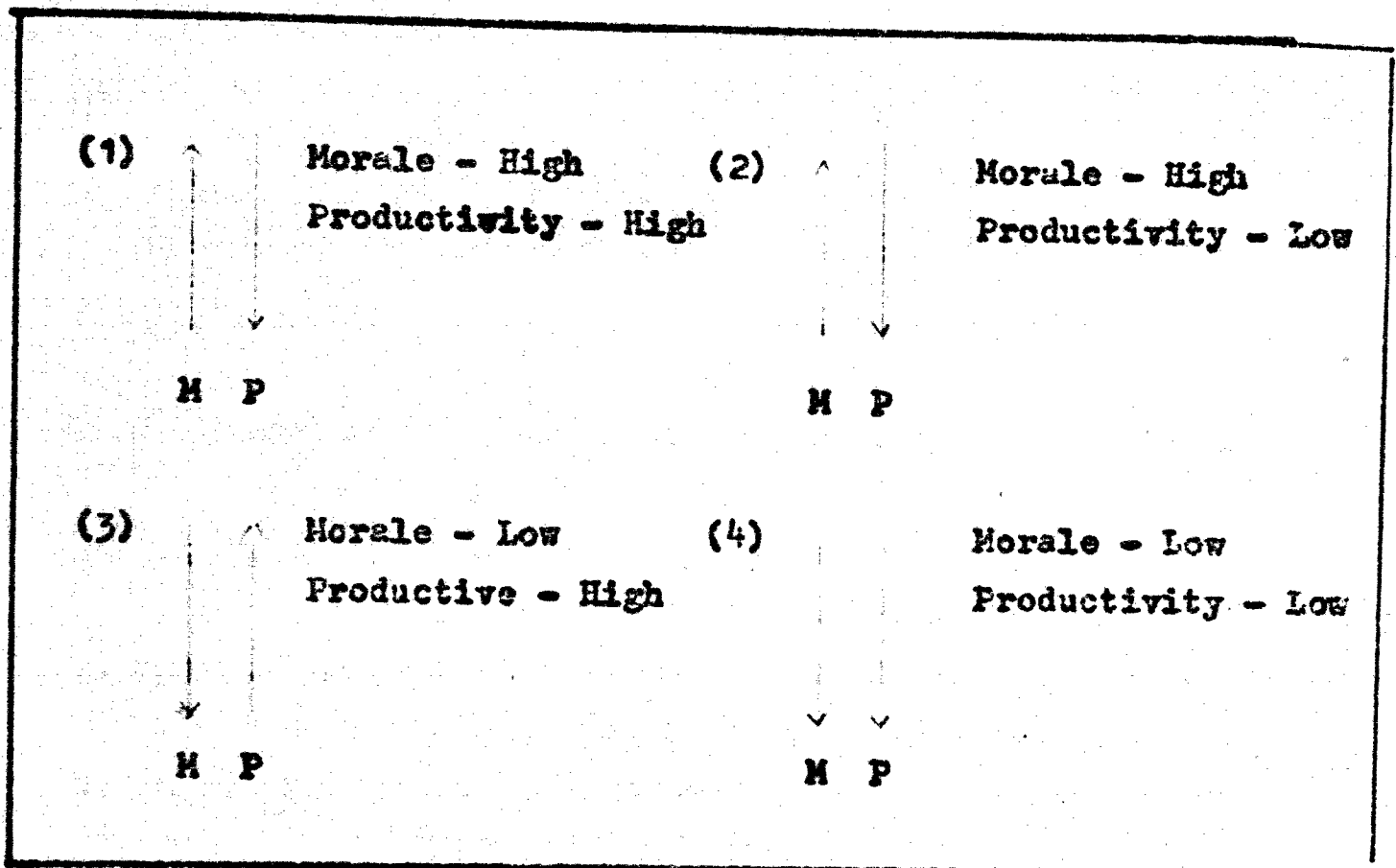


Diagram 6

Case number two occurs where management concentrate on creating high morale at the expense of productivity. The high expense in maintaining high morale is no compensation for loss of profits.

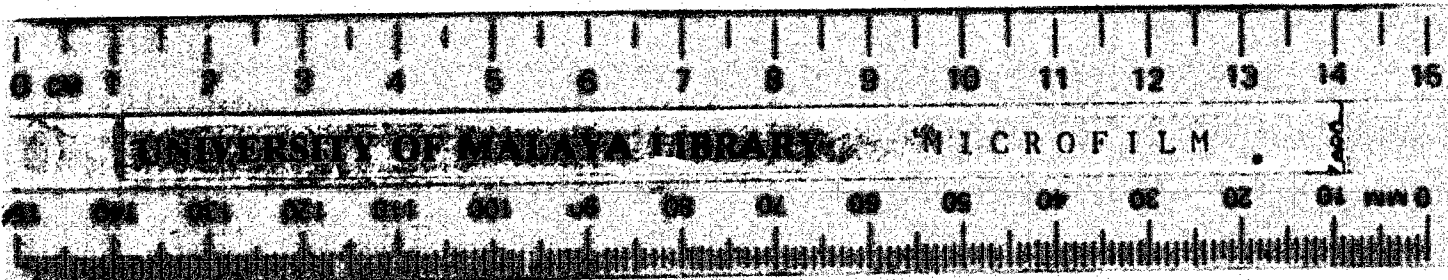
Case three occurs where great insecurity of job prevails. As in India where productivity has to be high. Otherwise the employee can be readily replaced.

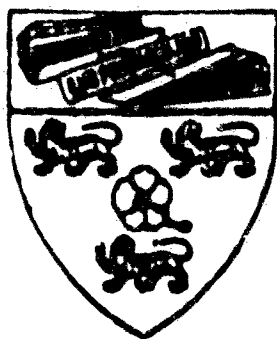
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