CHAPTER - III

THE HUMAN SIDE OF THE BOARD

Tremendous progress has been seen in the electricity industry since independence. Tamil Nadu surged ahead in terms of building capacity, construction of transmission lines and distributing electricity. A cornerstone was laid for village electrification when the Rural Electrification Corporation was formed. It is considered as a milestone in the Indian Electricity Industry. Bringing electricity to the rural pockets of the country hitherto was considered as millstones by the Government. The achievements of the Board are accretion of generating capacity, bringing electricity to all pockets of the state, matching the increased demand of electricity from all categories of consumers. These all are possible due to the total dedication of the employees. The Board had 99,484\(^1\) employees during the year 1999-2000.

Over the years the Board has grown with both white patches and black patches. The white patches started to besiege the Board in the nineties. It is not the peculiarity of Tamil Nadu Electricity Board alone. It engulfs all the electricity Boards of the country. Many boards are in a dilapidated condition. To cure the ills of the boards the pills have been prepared in the laboratories of Central Electricity Regulatory Commission and State Electricity Regulatory Commissions since 1998.

Despite the Board claiming its achievements, the performance is considered far from satisfactory. Its financial position becomes weak. Consumers’ expectations have been increased significantly. Many reasons can be attributed for the present state of affairs. The huge quantity of power to agricultural sector coupled with non-metered, reduction in the amount of subsidy from the government, excessive dependence on the share of the central sector generating stations, excessive state control, erosion of autonomy are the other factors that pushed it into this juncture.

Among other things this chapter tries to analyse the role of employees in the Board’s performance. Employees are the most valuable assets of all, but for their selfless

services an organization survives and grows. The statement of an industrialist merits attention here. He said “our strength is the quality of our people, our people are our most important resource”. It is also worthy recalling what Alfred Marshall said long ago that “the most valuable of all capital is that invested in human beings”. Moreover the success or failure of a company very much depends on its employees. After considering the importance of employees in an organization it is decided to examine “The Human Side of the Tamil Nadu Electricity Board”.

The following objectives of the research are examined here:

i. To evaluate the productivity of the employees of the Board

ii. To understand the Board’s human resource management vis-à-vis the model given by Richard L. Daft Dorothy Marcic\(^2\) and

iii. To explore the consumers’ opinion about the Board’s public interest in employment.

Present work force

As on 31\(^{st}\) March 2000, the Board had 99484 employees apart 25000 contract workers. Altogether nearly 125000 heads were engaged in activities of the Board. The employees of the Board are classified into four categories. Class I officers, Class II employees, Class III and Class IV employees. Regulated Works Establishment [RWE] employed in Class III and Class IV categories. The following Table 3.1 shows the employees strength in each category.

**Table 3.1: EMPLOYEES STRENGTH-1999-2000**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Categories of Employees</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Class I</td>
<td>842</td>
</tr>
<tr>
<td>2.</td>
<td>Class II</td>
<td>9081</td>
</tr>
<tr>
<td>3.</td>
<td>Class III</td>
<td>28181</td>
</tr>
<tr>
<td>4.</td>
<td>Class IV</td>
<td>1030</td>
</tr>
<tr>
<td>5.</td>
<td>Regulated Work Establishment</td>
<td>60350</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>99484</td>
</tr>
</tbody>
</table>

Discussion

Class I employees are departmental heads and top level managers. All the chief engineers, superintending engineers, chief financial controllers, under secretary, vigilance officers and so on come under Class I. Class II employees are departmental heads and second line functional heads. They are normally given special works to perform. They report either to the superintending engineers or chief engineers. Accounts officers, assistant executive engineers, junior engineers and so on are working under this category. 9081 officers are working in this category.

Class III employees who actually execute the works. Assistant librarians, blacksmith, carpenter, linemen are the few exemplified. The lower level employees are classified under the category IV. They are assistants to Class I, Class II and Class III employees. Sweeper, carrier assistant, office helper and watchman fall under this category. 1030 employees are working in this category.

Besides the above the Board has four full time members and three part time members. The Board Chairman, the Member-distribution, the Member-generation and the Member-Accounts are the four full time members. The secretaries of the Ministry of Energy, Ministry of Industry and the Ministry of Finance are the three part time members.

Employee productivity

An attempt is made to analyse the productivity of the employees using generating capacity of the Board, generating capacity and total consumers of two other State Boards and the operating cost. Table 3.2 presents the employees per capita generation in kilowatt hour for five years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
<th>Total Generating Capacity Million kwh</th>
<th>Employee per capita capacity kwh</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.03.96</td>
<td>88647</td>
<td>60514</td>
<td>682648</td>
</tr>
<tr>
<td>31.03.97</td>
<td>91038</td>
<td>60514</td>
<td>664711</td>
</tr>
<tr>
<td>31.03.98</td>
<td>96516</td>
<td>60610</td>
<td>627978</td>
</tr>
<tr>
<td>31.03.99</td>
<td>93649</td>
<td>62368</td>
<td>665976</td>
</tr>
<tr>
<td>31.03.00</td>
<td>99484</td>
<td>63098</td>
<td>634252</td>
</tr>
</tbody>
</table>
Discussion

From the table it is understood that there is a gradual fall in the per capita generating capacity of the employees during the first three years. This is perhaps due to increase in labor force and devoid of increase of generating capacity. The year 1998-99 shows the status quo ante level. Further slide is visualized in the year 1999-00. This is also due to employees' addition without proportionate increase in capacity building.

The following Table 3.3 explains the productivity of the Board employees comparing the sales and the consumers with that of the Boards of the Maharashtra and Andhra Pradesh.

Table 3.3:  EMPLOYEE PRODUCTIVITY-COMPARED [1998-99]

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Board</th>
<th>Sales Million kwh</th>
<th>Consumers millions numbers</th>
<th>Employees numbers</th>
<th>ESRI lakh kwh</th>
<th>ECR2 Nos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>TNEB</td>
<td>22271</td>
<td>12.42</td>
<td>93649</td>
<td>2.38</td>
<td>133</td>
</tr>
<tr>
<td>2.</td>
<td>APSEB</td>
<td>31959</td>
<td>10.44</td>
<td>74824</td>
<td>4.27</td>
<td>140</td>
</tr>
<tr>
<td>3.</td>
<td>MSEB</td>
<td>56634</td>
<td>11.96</td>
<td>110905</td>
<td>5.11</td>
<td>108</td>
</tr>
</tbody>
</table>

ESR1- Employee Sales Ratio;
ECR2- Employee Consumer Ratio.

Discussion

At an average each of the Board employee sells 2.38 lakh units. Whereas it is 4.27 lakh units in APSEB and 5.11 lakh units in MSEB. In the case of number of consumers each of the Board employee serves 133 consumers. It is 140 in the Andhra Pradesh and only 108 in the Maharashtra. A vast potential is available to the Board's employees to improve considering the Employee Capacity Ratio of Maharashtra and Andhra Pradesh. Regarding Employee Consumer Ratio the Board is in a better position comparing Maharashtra and in a lower position comparing Andhra Pradesh. The per capita consumption, urbanization and Industrialization are the other factors that could contribute to the differentials.
**Labor cost and efficiency**

The labor cost is normally linked to efficiency of employees. The labor cost [inclusive of salaries, wages and administrative expenses] increases year after year. In the year 1998-99 it was Rs. 1419 crores. The same had been increased to Rs. 1657 crores in the next year. Efficiency of employees can be gauged by calculating labor cost per employee, percentage of labor cost to total operating cost and labor cost per unit consumed. The Table 3.4 shows the labor cost and labor efficiency.

**Table 3.4: LABOR COST AND EFFICIENCY**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Particulars</th>
<th>1998-99</th>
<th>1999-00</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total Cost Rs.in Crores</td>
<td>6643</td>
<td>7961</td>
</tr>
<tr>
<td>2.</td>
<td>Total labor cost Rs. In crores</td>
<td>1412</td>
<td>1657</td>
</tr>
<tr>
<td>3.</td>
<td>Units distributed mu</td>
<td>27862</td>
<td>30434</td>
</tr>
<tr>
<td>4.</td>
<td>Labor cost per employee Rs.</td>
<td>15076</td>
<td>16653</td>
</tr>
<tr>
<td>5.</td>
<td>% of labor to total operating cost</td>
<td>21.25</td>
<td>20.80</td>
</tr>
<tr>
<td>6.</td>
<td>Labor cost per unit consumed Re.</td>
<td>0.51</td>
<td>0.54</td>
</tr>
</tbody>
</table>

**Discussion**

It is apparent that the labor cost increases. This is obviously due to increase in the number of employees and the increase in the per employee cost. The increased labor cost reflects in the cost of electricity. The labor cost per unit of electricity was Re. 0.51 in the year 1998-99 and the same was increased by Re.0.03 in the next year. The only silver lining is the decrease of labor cost proportion to the operating cost. It has come down from 21.25 percentage to 20.80 percentage. This may perhaps be due to faster increase of other components of operating cost.
In the pursuit of testing the model the parameters of Recruitment Policy, Promotion Policy, Transfer Policy, Training and Development Functions, Remuneration and Terminal Benefits are analyzed.

**Dorothy’s Model of Human Resource Management**

The personnel management deals with the effective control and use of manpower as distinguished from other sources of power. According to Edwin B. Flippo “the personnel function is concerned with the procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of controlling towards accomplishment of the organizational goals”. According to the model the human resource management refers to activities undertaken to attract, develop and maintain an effective work force within an organization. In this connection, the personnel department identifies the vacancies that will arise due to expansion, retirement and so on. In advance they take steps in the process of attracting the prospective employees to apply for the vacancies. Then through formal interview (oral/paper-pen method) selection is carried out. The employee has some qualification and in a few occasions has working knowledge at the time of selection. The special skills specific to the job are imparted through training and development programs. The employees are rewarded with wage, salary and benefits with the sole aim of keeping the valuable employees in the organization. These activities of attracting, developing and maintaining employees of an organization are shown in the picture 3.1.

![Human Resource Development Model](image)

**Understanding the model**

The proponent of the model explains human resource planning, job analysis, forecasting, recruiting and selecting in the process of attracting an effective work force, training, development and appraisal in the process of development of workforce and
wage and salary administration, benefits, labor relations and termination in the process of maintaining an effective workforce. Labor relations form a basis for a separate study.

Understanding the Board's personnel function

The Board has its own recruitment procedure. Under this heading the study examines the Board's

i. Recruitment policy;

ii. Promotion policy and

iii. Transfer policy.

In the process of development of effective workforce, the Board provides Training and Development to its employees.

In the process of maintaining an effective workforce the Board operates salary structure and other monetary benefits. This aspect is being studied under the headings of:

i. Remuneration and

ii. Terminal benefits.

Apart from the above, the Board operates contract labor on its Hydro projects, thermal projects and building transmission lines and distribution lines. The different dimensions of the Personnel Department of the Board are discussed below in detail.

1. Recruitment Policy

Receiving applications from the qualified and suitable persons for further scrutiny and appointment is called recruitment. It is normally the duty of the Personnel Department to attract the applicants. Recruitment is the process of matching the employees needs with the organizational needs. The Board has a separate personnel department to look after the Human Resource Development functions. The recruitment policy of the Board can be studied under heads of Social Policy on recruitment, Role of Employment Exchange and quality of employees.
Social policy on recruitment

In Tamil Nadu the socially weaker sections are classified as Scheduled Tribe, Scheduled Caste, Most Backward Class, and Backward Class. Out of 100 vacancies, 1 percent is reserved for Scheduled Tribe, 18 percent is reserved for Scheduled Caste, 20 percent is reserved for Most Backward class and another 30 percent is reserved for Backward class. The balance 31 percent is kept for open competition. The recruitment policy of the Board is guided by the government social policy on employment. As such the present labor force reflects the stratification.

Another social policy of the Board is recruitment on compassionate grounds. This sort of vacancy arises when the employee dies during his service, incapacitated due to accidents, retired on the grounds of medical invalidation and missing of employees. In these circumstances, the bereaved dependents of such employees either children or wife/husband based on their qualification are appointed to the suitable posts. During the last ten years [1989-99] 5322 posts were filled on compassionate grounds.

The social policy of the Board also reflects in the process of providing employment to dependents of families displaced on account of land acquisition by the Board. For the past ten years period 1560 posts were filled in to meet this social obligation. By fulfilling all these obligations, the Board becomes socially responsible.

Recruitment through employment exchange

Advertisement in appointment column, walk in interview, campus interview are some of the sources of normal recruitment. The Board is asked to recruit by obtaining the lists of qualified recruits from the employment exchange. Only the list of qualified persons is sent by the employment exchange to the Board. It is the duty of the Board to recruit the suitable candidates for all the classes of service. Normally qualifications and reservation are considered at the time of selection. The selected employees they hope have all the qualities to work in the environment. The Board can opt for other sources of recruitment if no more qualified registrants are available with the employment exchange. In such situations, the Board should obtain 'Non-availability certificate' from the employment exchange before looking for other sources of recruitment.
iii. Quality of employees

The minimum necessary qualification is considered in the present recruitment process. The aptitude to work, the adaptation to the new environment and behavioral response to different nature of the job are settled in the process of work. Training and development facilities are available to bridge the gap between the actual skill the employee has and the skills that are necessary to carry out the job smoothly. A complete job analysis is necessary. It will bring out the Job description and job specification. This method of analysis and updating will help in recruiting right candidates for each vacancy.

2. Promotion policy

Promotion means posting of an employee to a position which carries higher status, higher remuneration, and higher responsibilities. When an employee gets experienced over a stipulated period in a position of a particular department, he is promoted to a next higher position in the same department. However, he is expected to possess the necessary qualification. In such situation, the promoted employee works with enthusiasm and enterprise. On certain occasions promotions may be given to employee as a reward for his consistent better performance. The promotion of Board’s employees is based on seniority of service, performance assessment record, status of disciplinary proceedings and departmental tests.

i. Seniority of the service

Employees are rewarded with promotion when they put up the necessary number of years of services in the Board. Minimum of two years of service is essential for consideration to promotion in electrical works. In such a way a specific area of experience [maintenance and project] may be fixed for promotions in civil and mechanical engineers.

The cross-functional experience that is necessary in the higher posts is assumed the promoted acquired over the years. Building up of technical and specialized knowledge if encouraged, employees will start to acquire knowledge in the department by dedication and devotion to the work, they may willingly undergo training programs to

acquire new skills, right aptitude and attitudes. Such employees may even enroll in private educational and training centres to develop their skills.

ii. Performance Assessment record

The promotion guidelines specify that the authorities competent to order promotions is fully vested with power to consider the suitability and other aspects of employees whose promotions are under consideration. The main suitability criteria that mentioned to good performance are assessment record. The performance assessment record is an excellent and sufficient indicator of both past performance and future potentials. The basic question is whether the Board has well defined and up-dated analysis records and performance appraisal records. Such records of continuous assessment may bring meaningful results in the promotion procedure.

iii. Status of disciplinary proceedings

Personnel department and its personnel officers maintain records about difficult employees⁴ against whom disciplinary proceedings were initiated. Only those employees involved in case of misconduct like causing damage to the Board image/property are not considered for promotion immediately.

iv. Departmental test

The qualified persons are encouraged by promoting them to the posts of Assistant Engineers and so on if they pass the departmental test.

Special issues of the present promotional policy

a. seniority is taken for promotion;
b. cross functional exposures are given some weightage for promotion;
c. better performance need to be rewarded;
d. better to apply the minimum experience of specialization to mechanical and civil areas also;

⁴ An employee whose personal characteristics disturb other people. James A.F. Stoner et al. 1996.
e. promotions of higher hegemony are mostly restricted to head quarters only. For example employees of secretariat branch and personnel department have limited opportunities. Employees of them are considered for promotion to head office only.

An overview of recruitment – (1999-00)

The Board has recruited 436 employees during the year alone. It includes 125 assistant engineers, 260 junior engineers, 33 accounts officers and 18 medical related personnel. Table 3.2 shows nearly 6000 employees recruited during the year 19999-00.

3. Transfer policy

Transfer normally is given to an employee possessing the necessary skills to assume another position either within the department or in another department in the same vicinity or different areas. This is necessary for the mobility of employees and to carryout the job smoothly. Management people say, in transfer an employee is posted to occupy another incumbency that carries equal status, equal pay and similar responsibilities. Government of Tamil Nadu’s general transfer policy, Employees’ Unions, and Managers’ Associations and the special effort of an individual employee mostly guide the Board’s transfer policy. The Board considers criteria of request transfer, mutual transfer and GOTN guidelines while transferring an employee.

1. Request transfer

The request transfer guidelines specify that as and when a vacancy arises in a particular station, all requests for that station should be considered on comparative merits of several criteria. The relative importance of these criteria pertaining to length of service in present station, seniority, experience is considered. The performance and potentials of the employees are also to be considered for request transfer. The request transfer is effected after considering the following points:

a. The length of service of the petitioner in his present station;
b. The length of previous service of the petitioner in the station to which transfer is sought;
c. Grounds on which transfer is sought;
d. Circumstances in which the petitioner was posted to his present station and
e. Other administrative interests and precedents.
ii. Mutual transfer/swapping

This type of transfer is effected after obtaining 'no objection certificate' from both, employee willing to oblige and the employee desiring to swap. From employees point of view both are benefited. But from organizations point view, whether the joining department has admitted a right person? This can not be said immediately. Sometimes, this process of transfer is misused by the employees to join in a station to pursue their desire easily.

iii. GOTN guidelines

With the view to bring about uniformity in the transfer policy across all government undertakings in the state the transfer guidelines of GOTN have been issued. The Board is currently [1999-00] weighing the pros and cons of complying with these guidelines. The following points are to be considered in detail.

a. Periodic transfer: A Government employee who completed three years of service in a particular station should be transferred and such transfer can be effected in any area of the state. The transfer guidelines of the Board pertaining to periodic transfers [which were reportedly] in force until 1986 applies to any employee who has spent [i] five years or more in a seat or station can be transferred and [ii] ten years or more in a circle can be transferred. The nature of work and the qualification of employees of the Board differ in many respects to their counterparts in other government departments. So frequent transfer as said in the government transfer regulations is not at all necessary to the Board. The existing policy of five years and ten years is the suitable one.

b. No native place request transfers is to be entertained: The reason that prompted GOTN to introduce such a clause was perhaps the possibility of malpractice arising out of vested interest of employee which they might develop when they become influential in a particular area. Though this clause may be relevant in other government enterprises and departments, the same clause need not be implemented in the Board since transfers in the region or circles are permitted. A

circle has several divisions. An employee when satisfies this rule, can be transferred from one division to the another nearby division.

Scholastic year: Most of the request transfers and mutual transfers have taken place during the period of April to May. This is because the employees’ children education is least affected. Preferring that period GON stipulated that all transfers may be affected between 1st April and 31st May of any year. This is followed in the Board also, considering the education of their children. But the point is vacancies arise due to other reasons of retirement, resignation, leave on loss of pay, death and so on any time during the year. So, scholastic year regulation though important to employees should not be allowed to affect the smooth sailing of the various departments.

Transfer of employees could help them to acquire different skill sets of different sections of different generating, transmission and distribution centres. This may be useful to enhance his self-esteem and to head higher positions at the time of promotion.

TRAINING AND DEVELOPMENT

Training is defined as “a planned effort to assist employees in learning job related behaviors in order to improve performance”. Edwin B. Flippo gives a simple definition. According to him training is the act of increasing the knowledge and skills of an employee for doing a particular job. Employees are selected by considering their educational qualifications. They have some skills at the time of recruitment. The skills and other knowledge during execution of work some times are found inadequate or redundant. Training provides necessary corrections.

The training needs are normally decided by comparing the skills or knowledge specified in the appropriate job description with those of employees occupying the positions, individuals without necessary skills or knowledge become candidates for training. Generation of electricity, transmission and distribution technology is invariably

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6 Edwin B. Flippo
changing. Efficiency in various operations, improved services to the consumers, adaptation of new technology and managing the work force by applying the modern management techniques, greatly demand training and development to the employees. An employee can be made to fit into the job through training only. Training increases the capabilities and efficiency of the employees. Training provides job satisfaction and motivates them. Training reduces the tendency of employees to quit the organization for the purpose of joining in other organizations. Like other private sectors and public sectors the Board also provides training to its employees.

Management professionals obviously differentiate the term training from development. Accordingly training means imparting new technical skills to the employees and development means updating managerial skills in decision making, policy formulation, changing the organizational climate and so on.

Training

Employees of the Board are trained through any of the following programs:

a. On the job training;

b. Class room type training;

c. Externally organized formal training program and

d. Training arrangements with the suitable power-utility.

The Board arranges induction programs and orientation programs to the new recruits for entry-level jobs. For other senior employees the selection to training program is done based on:

a. previous history of attending training program;

b. an employee’s suitability depends on his/her area of specialization/works;

c. availability of the employees and

d. the seniority,

The Board follows twin training methods-internal and external. There are 15 training centres available. These centres provide training in officer development. Employees are trained in thermal power generation, transmission, hydro power generation, technical training, linemen training and conductor-joining. Seven technical training centres and three conductor-joining training centres are functioning.
In the year 1999-00 Officers numbering 458 and employees numbering 1697 were trained. 12 officers have participated in the conferences held in Sweden, USA, and England. 647 employees were sent to other states to undergo training in 128 different areas. 480 officers were trained in management techniques. 900 students of different Engineering Colleges are imparted knowledge of electricity for their institutional training and project works. Fire prevention and fire extinguishing training were given to 540 employees in the four thermal stations.

**Budget allocation**

The Board rightly understands the importance of providing training to its employees. This reflects in the creation of several training centres and pledges funds for these training programs. A few employees are not showing keen interest in undergoing such programs. The funds pledged have not been fully utilized and much of the amount had been kept unused. The Table 3.6 shows this pathetic picture.

**Table 3.5: TRAINING ALLOCATION AND SPENDING**

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation Rs.</th>
<th>Spending Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>236</td>
<td>41</td>
</tr>
<tr>
<td>1997-98</td>
<td>185</td>
<td>40</td>
</tr>
<tr>
<td>1998-99</td>
<td>185</td>
<td>NA</td>
</tr>
<tr>
<td>1999-00</td>
<td>110</td>
<td>NA</td>
</tr>
</tbody>
</table>

The rate of allocation itself is not sufficient to an organization that operates nearly one lakh employees. Moreover the spending pattern for training is equally daunting. The allocation was reduced from Rs.2.36 crores in the year 1996-97 to Rs.1.1 crores in the year 1999-00.
REMUNERATION

Compensation is wages paid directly for time worked [base pay], incentives for better performance and indirect benefits that employees receive as part of their employment relationship with the organization. Government to become a good manager of public sector enterprises, tries to sanction pay and perks liberally to the employees. This policy uplifted the standard of living of a few government employees. The employees still struggle to increase their assets like own houses. They struggle to provide quality education to their children. They also try to lead a dignified life in the society. The situation is no way different in the case of employees of the Board. The fifth pay commission recommendations were also implemented by fixing revised pay to Board’s employees.

Pay scales are fixed which is inclusive of monthly basic, dearness allowance, city compensatory allowance, house rent allowance and other allowances. This is not fixed based on business performance of the Board and or personnel performance. In fixing such pay the management reaches an agreement with recognized/registered unions and associations of employees. Performance based incentives such as hardship allowance to hydro employees, incentives and bonus to thermal employees and incentive scheme to revenue assessors are given to these select three categories of employees.

a. Hardship allowance to Hydro employees

It is an extra monetary benefit paid to the employees working in Hydro power stations. Hydro power stations are located on the hill slopes, valleys. They are far away from towns and even villages. Risky life they live. In these area medical facilities are hardly available. Even to purchase the basic needs, miles together they go. To attract employees into these power stations such special allowance is paid. It is considered as a small amount. Otherwise employees would prefer to work in other stations. The hardship allowance if increased considerably and the work and holidays set up are changed to suit the employees request, the problem of attracting employees could be alleviated.
b. Incentives and bonus to thermal employees

The employees working in the thermal power stations are paid these monthly incentives by considering the arduous nature of work. Later on the incentive and annual bonus of these employees are made payable based on reaching the standard performance and above standard performance. In consultation with trade unions and employee associations, the scheme was designed in a manner whereby production could be considerably increased and at the same time the employees' contribution to the increased generation could be suitably rewarded.

c. Incentive scheme to revenue assessors

Revenue assessors are doing the work of billing of lower tension consumers by moving door to door. They also collect the bill amount during the stipulated period in the sectional office from the domestic and commercial consumers. It is considered a laborious job. To motivate the revenue assessors to assess more number of domestic and commercial consumers an incentive scheme is in vogue. Apart from their regular pay these assessors are paid an incentive for the additional number of consumers assessed. Apparently it not only inflates the coffers of the Board but also compensates the additional endeavor of the assessors.

TERMINAL BENEFITS

An exit interview is normally conducted with the departing employees to determine the reasons for their termination. This brings out the dissatisfiers if any of the employees who quit and join in other companies. Several benefits are payable to employees on the day of retirement and/or after the retirement, monthly to the employees or to his or her dependent. The following are the terminal benefits paid by the Board to its retired employees.

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A minimum output generation corresponding to annual rate, for example 5100 mwh [varies from station to station] of installed capacity qualifies an employee for monthly thermal incentive allowance. The annual thermal incentive bonus became admissible on achieving the minimum output generation. There is an additional incentive for every 100 kwh. The amounts are fixed at a flat rate for various slaps of basic pay applicable to different levels / cadres of employees.

a. **Pension**

An employee who served a minimum of ten years is eligible for pension. However full pension eligibility comes when he completes his thirty years of service. Otherwise proportionate pension benefits will be given to them. Minimum pension limit is Rs. 1275 and there is no maximum limit. As regards family pension, each employee qualified under family pension will be eligible for a maximum pension of 30 percent of the pay last drawn. The employee can commute 40 percent of the pension amount. Annual outflow of fund due to pension is Rs. 198 crores[1999-00]. 240 days of earned leave can be surrendered at his retirement.

b. **Other benefits**

Budget allocations are made yearly to provide the following benefits to the employees. The benefits schemes are:

a. House building advance;
b. Marriage advance;
c. Conveyance advance;
d. Cycle advance
e. Technical education loan and
f. Medical expenses advance.

In the year 1999-00 the budget allocations for house building was Rs. 26 crores, marriage advance was Rs. 1 crore, conveyance advance [car and two wheeler] was Rs. 18.70 crores, cycle advance was Rs. 13 lakhs, educational loan was Rs. 4.01 crores, and medical expenses advance was Rs. 13.94 crores. The shows the increasing interest of the Board towards employees' health, shelter and higher education.

Moreover the study will be an incomplete one if the plight of contract worker is not mentioned. A brief of their condition of work is given here.

**CONTRACT LABOR**

Contract laborers have been engaged in construction of thermal plants and project related activities. Later on the Board engaged temporary casual laborers in distribution works. These temporary casual laborers were regularized.
The trade unions claim that still there are 51000 [1999-00] contract workers who are to be regularized. The Board record shows 40212 contract laborers are on the consideration list.\textsuperscript{10}

**Legal frame work**

a. The Principal Employer is under statutory obligation to absorb the contract labor\textsuperscript{11}

b. The Tamil Nadu Government also stipulated that the contract laborers who put up more than 480 days of service in two years are to be absorbed;

c. Justice Khaleed Commission has directed the Board to absorb the 18000 contract laborers in a suitable program.

The Board now started absorbing these contract laborers as helpers.

**Examining the Board vis-a-vis the model**

In recruitment the state policy is mostly followed. The personnel department is preoccupied with the routine task of handling issues related to salary administration, transfers, promotions and union matters. They find little time and little support from higher hegemony to work with job analysis, job description and job specification, human resource budgeting, job evaluation and merit rating though they are considered as precursor to recruitment, selection, placement and training. The decisions of the state have been influencing the recruitment. The regularization of casual laborers [RWE] is an example to state influence in recruitment. Retirement takes place as and when the employees reach the superannuation. But it is observed that the appointment does not take place immediately, [Table 3.2]. It reflects the degree of importance attached to the human resource planning of the Board.

Normally employee survey is conducted before scheduling the training programs. It is designed to identify the skills that are necessary but are absent in employees. This is generally followed in organizations. But the situation here is different. The trainers announce training courses and find very poor response from the employees. It is evident

\textsuperscript{10} As supplied by SPO [Labor], T.N.E.B.,

from the budget cut for the training programs and the underutilization of pledged funds, [Table 3.5]. The existing training program needs a revision for effective implementation.

The salary administration system, a few incentive schemes and payment of terminal and provident benefits are going on well. The Dorothy model if followed in letter and spirit the Board and its employees will be benefited.

FIELD SURVEY-CONSUMERS’ OPINION : EMPLOYMENT POLICY OF THE BOARD

The personnel policy of the Board has been fixed in consonance with the state employment policy. The state government was very liberal in generating more and more employment opportunities, recruitment through employment exchange. The state government is also very strict in following the reservation system in appointment of its enterprises. Mostly seniority is the parameter used in promotions. Some vacancies on compassionate grounds arise due to death and medical invalidation of employees and due to displacement of people while land acquisition. Under these circumstances the dependents of them are appointed.

To assess the personnel policy of the Board and its employees’ skills a few variables are selected. Variables such as liberal employment generation, recruitment through employment exchanges, faithful application of reservation system and appointment on compassionate grounds, are used to understand the employment policy of the Board. Adequacy of employees’ skills and application of skills with dedication and involvement are the other variables used to understand the skills of the employees. Appendix 3.1. The statistical tool, ‘F’ test is used to find out the inconsistency of the various categories of consumers in giving their approval or otherwise of the Board’s employment policy.

Result of the field survey

Contrary to the expectations all categories of consumers show positive attitude to the employment policy of the Board and they are satisfied with the employees’ skills and their involvement and dedication in attending the electrical works. However it is not a
clean chit to the Board's policy and the employees' skills. The study finds some inconsistencies in the opinions of the different categories of consumers. They are:

**Employment generation**

All categories of consumers approve the Board's social policy in generation of employment. But there is some difference in the opinion of industrial consumers with those of agricultural, commercial, and hut consumers. The industrial consumers strongly favour the Board's liberal policy of employment generation. The domestic consumers follow midcourse in their opinion.

**Recruitment through Employment Exchange**

Here also all categories of consumers gave positive opinion of the present policy of the Board's recruitment through employment exchange. But seen some variance in their opinions. Commercial consumers differ with industrial consumers. Commercial consumers have some reservations in this recruitment process. Needless to say the opinion of domestic, agricultural, and hut consumers is uniform and they follow a midway between and industrial and commercial consumers.

**Recruitment based on reservation system**

The Board's recruitment policy based on reservation system is strongly approved by industrial consumers. Agricultural and hut consumers follow suit. Commercial and domestic consumers have some reservation over the policy.

**Promotion based on seniority**

In this connection overall approval is obtained from all categories of consumers. Among them industrial and commercial consumers take opposite course. The former responds favorably. Domestic, agricultural and hut consumers as usual take midway.

**Recruitment on compassionate ground**

A consensus is found in the opinion of all categories of consumers. All categories of consumers uniformly without any hesitation approve the Board's policy of recruitment on compassionate ground.
Employees' skill in attending consumers' electrical works

Uniformity is found among all categories of consumers in expressing positive opinion about the employees' skills. 75 percent of consumers are satisfied with the existing skills of employees. 70 per cent of the consumers opine that the environment is congenial for the employees to carry out their work. It is observed that only 59 percent of the employees spontaneously make use of their skills when needed. In the case of dedication and involvement in work, only 52 percent of consumers are happy. Here the industrial consumers expressed their dissatisfaction.

The study has analyzed all the three objectives fixed. The findings are presented here.

Employees productivity

The employees' productivity when assessed with number of employees and generating capacity is unequivocally changing. Each employee manages the generating capacity of 682648 units in the year 1995-96. This is the highest. The lowest is 627978 units in the year 1997-98. The oscillation is due to sudden spurt in the labor force without corresponding increase in generating capacity. The opacity is to be checked. The Board can ape or emulate Maharastra State Electricity Board in Employee Capacity Ratio and Andhrapradesh State Electricity Board in Employee Consumer Ratio. Though cost per employee is increasing the labor cost to operating cost is decreasing. The cause for concern is labor cost per unit is increasing. [Table 3.4].

Dorothy model

The study finds that the personnel department of the Board simply follows the personnel model propounded by Richard L. Daft Dorothy Marcic, 1998. The Board recruits employees by obtaining the list of qualified persons from the Employment Exchange. Moreover the Board adopts the state policy in promotion, reservation system, recruitment on compassionate grounds. Work-load and pay fixation and similar decisions are taken based on the agreements arrived through negotiations with trade unions. Performance based incentive system is in vogue in thermal plants and revenue assessment. The employees and the Board will be benefited much if they increase the
monetary and non-monetary benefits by incorporating the scientific methods of job analysis, job evaluation, performance appraisal and human resource planning.

The Board albeit pledges sufficient funds for training and development of employees. It is observed that the spontaneous participation of employees in these training programs is far from satisfactory [Table 3.5]. In spite of the several training centers and training colleges which are run to provide specialized skills the benefits are not reaching fully to the employees.

The Board pays salary and wages slightly higher to its employees than their counterparts working in the state government. This is to attract and maintain skilled persons in its fold. Apart from that a few incentive plans are implemented. The hardship allowance is paid to employees working in Hydro power houses. Needless to say that many benefit schemes are made available to the employees. Among them the educational loans, house building advance and marriage advance are worthy to say. Terminal benefits are also paid timely and properly.

All the categories of consumers [industrial, commercial, domestic, agricultural and huts] jointly expresses their agreement with the Board’s employment policy but severally their opinion differs. They are also satisfied with the employees’ skills in attending their electrical works. Here the industrial consumers expect still more dedication from the employees, [Appendix 3.1].

1 Sincere endeavour is to be directed in the process of job analysis, job evaluation, performance appraisal and human resource planning;

2 Apart from the assured time based pay, the meritorious and outstanding employees are to be encouraged with special bonus, promotions and so on;

3 Productivity linked pay and bonus system if introduced may bring more benefits to the employees and to the Board. It is understood that the Board depends on employees for its survival and development and employees depend on the Board for their survival and development;
In this ever-changing environment, employees are to be imparted the new skills in their respective job/work. Employees should come forward spontaneously to undergo the scheduled training and development programs. Promotions, transfers and next scale of pay can be linked to completion of a few training programs;

Maharastra State Electricity Board can be taken as a model in determining the employee-consumer ratio. While deciding the number of new recruits the productivity of each employee should not be lowered to fall substantially. A rational approach is to be evolved, Table 3.2. and

Notwithstanding the clean chit that is given to the employees by the consumers in respect of its employment policy and the employees' skills it is observed that the expectations of the consumers are ever changing and increasing. As is evident a dynamic policy is to be evolved to maintain the consumers' good will.

It is appropriate recalling the statement of Pandit Nehru. According to him "Administration, like most things is, in the final analysis, a human problem, to deal with human beings, not with some statistical data". The peace or problem all emanates from the human force. Though the present labor force is capable of handling any work of the electricity industry, it is even advised "create a workforce better suited to fierce global competition and rapid technological change-want workers who can learn new skills quickly and require less supervision".

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13 Dorothy, op. cit. p.354.