

*a***SOON SOON OILMILS SDN BHD****v.****KESATUAN PEKERJA-PEKERJA PERKILANGAN  
PERUSAHAAN MAKANAN***b*

INDUSTRIAL COURT, PENANG

YUSSOF AHMAD

EMPLOYER'S PANEL: CHAN CHOUNG YAU

EMPLOYEE'S PANEL: FADHIL STEPHEN ABDULLAH

AWARD NO. 642 OF 2005 [CASE NO: 1/2-382/2003]

*c*

31 MARCH 2005

*TRADE DISPUTE: Collective agreement - Terms and conditions of service  
- Provisions for productivity linked wage system - Amicable settlement*

*d***Legislation referred to:**

Industrial Relations Act 1967, s. 26(2)

*For the company - Rutheran Sivagnanam; R Sivagnanam**For the union - P Vickneswaren; M/s Murugavell Arumugam & Co**e***AWARD  
(NO. 642 OF 2005)***f*

The Honourable Minister of the Human Resources referred to this court a trade dispute under s. 26(2) of the Industrial Relations Act 1967 ("the Act") between the Kesatuan Pekerja-Pekerja Perkilangan Perusahaan Makanan ("the Union") and Soon Soon Oilmils Sdn. Bhd. ("the company"). The dispute is on the Collective Agreement between the parties.

*g*

When the matter came up for hearing on 28 September 2004, parties informed the court that they had settled the dispute and would tender to court the signed agreement in due course. The matter was then fixed for a final mention on 30 November 2004. On that day the parties tendered the signed copy of the agreement. The court is very pleased that the agreement as annexed hereto contained a provision for productivity-linked wage system. The court extends its appreciation to the parties and their counsel for their efforts in settling the matter and providing for productivity-linked wage system in the agreement.

*h*

The court hereby hands down a consent award in the terms of the Collective Agreement annexed hereto.

*i*

**TERMS OF CONSENT AWARD**

*a*

**ARTICLE 1 - PARTIES TO THE AGREEMENT**

a) This Award is made pursuant to the Industrial Relations Act, 1967 on the 28.9.2004. between the KESATUAN PEKERJA-PEKERJA PERKILANGAN PERUSAHAAN MAKANAN being a Trade Union of employees registered pursuant to the Trade Union Act, 1959 hereinafter called “the Union” of the one part and SOON SOON OILMILLS SDN. BHD (having its factories at Prai and West Port) a Company incorporated in Malaysia having its registered office at No. 73 Beach Street, 10300 Penang, hereinafter called “the Company” of the other part.

*b*

b) This Award shall be binding on:

*c*

i) the parties to this Award and their successors, assignees or transferees;

ii) all workmen who are employed or subsequently employed in the undertaking or part of the undertaking to which the agreement relates; and

iii) as for such date and for such period as may be specified in the Award it shall be an implied term of the contract between the workmen and employers bound by the Award that the rates of wages to be paid and the conditions of employment to be observed under the contract shall be in accordance with the Award unless varied by a subsequent agreement or a decision of the Court.

*d*

*e*

**ARTICLE 2 - DURATION AND TERMINATION OF THIS AWARD.**

a) This Award shall take effect from the 1st January 2003, and shall remain in force for a period of three (3) years expiring on the 31st December 2005, PROVIDED THAT this Award shall continue to be in force thereafter unless terminated in accordance with the provision of this Award.

*f*

b) During the currency of this Award, neither the Company nor the Union shall seek to vary, modify, annul or add to its terms in anyway whatsoever save by mutual agreement or by operation of law.

c) Any variation to terms of Award shall be jointly deposited by both parties with the Industrial Court for its cognizance within one month from the date of the said variation. After the Court has given cognizance, such variation shall be binding on the parties from such date and for such period provided that such variation shall not commence earlier than the effective date of this Award.

*g*

d) Either party may serve on the other three (3) month’s written notice to negotiate on new terms and conditions of employment and other related matters but no such notice shall be served earlier than 1st October 2005. The party that serves the notice shall also submit proposal on terms and conditions of employment for negotiation. In the event of a deadlock in negotiation the provisions of the current terms and conditions of employment shall prevail until superseded by new terms concluded between the parties or awarded by the Industrial Court.

*h*

*i*

**a** **ARTICLE 3 - TITLE**

This Award shall be known as SOON SOON OILMILLS SDN. BHD. And the KESATUAN PEKERJA-PEKERJA PERKILANGAN PERUSAHAAN MAKANAN Collective Agreement

**b** **ARTICLE 4 - PREAMBLE**

- a) The objective of this Award is to provide a clear understanding of the relationship between the Union, employees and the Company, to establish and maintain machinery for the prompt and equitable settlement of grievances, to establish and maintain satisfactory terms and conditions of employment and generally to ensure the furtherance and protection of the mutual interest for both parties hereto.
- c) With this objective in view, both parties acknowledge the fact that the well being of the Company as well as its employees is dependant upon a common and desire to create a relationship of mutual respect and confidence.
- d) The provision of this Award have been accepted jointly by the Union and the Company in full and final settlement of all claim submitted by either party hereto regarding the general terms and conditions of employment of all employees.

**ARTICLE 5 - SCOPE OF AWARD**

- a) This Award shall cover all employees eligible for Union membership excluding:
- e) i) Directors and Managers.  
ii) Employees in confidential capacities including all Secretaries, Human Resource staff and Accounting staff.  
iii) Executive staff.  
iv) All employees engaged in Security work.  
f) v) All field Sales staff.  
vi) All Foreign workers working under Work permit issued by the Immigration Department, Malaysia.  
vii) All employees who have resigned or retired .from the Company before 1.1.2003.
- g) b) The Company has made representations under the Industrial Relations Act 1967 and the Trade Unions Act 1959 to seek a ruling as to the status of the Supervisory Staff Pending the said ruling the parties agree to retain the Supervisory staff as within the scope of this agreement The rights of the Company and the Union are fully reserved in this matter.

**ARTICLE 6 - INTERPRETATION**

- h) a) Where any clause in any current contract of service exists which is in conflict with the terms of this Award then such clause shall be superseded by the relevant terms of this Award.
- i) b) If this Award is translated into other languages, the English version shall be the authoritative version.

**ARTICLE 7 - RECOGNITION OF THE UNION**

- a) The Company recognises the Union as the exclusive Collective Bargaining principal in respect of and on behalf of such categories of employees who are eligible for membership thereof, and who are employed by the Company and defined as coming within the scope of this Award in accordance with the provisions of Article 8 hereinafter appearing.
- b) The Company undertakes to inform all employees coming within the scope of this Award, that their terms of employment are governed by the provisions of this Award. The Company shall supply free of charge to all employees a copy of the Award.

**ARTICLE 8 - RECOGNITION OF THE COMPANY**

The Union recognizes the right of the Company to operate and manage its business in all respects whatsoever subject to the provisions of any law for the time being in force. In exercise of its management prerogative, the Company shall not breach any of its obligations under the terms of this Award. The Company's prerogative shall include the right to determine the numbers and deployment of the workforce and the contents of the job, to establish rules and regulations on operation and safety, to determine the efficient utilization of the work force, tools and equipment, the wears, methods, processes, materials, procedures and schedule of production, to engage, promote, retrench and transfer employees subject to the provisions provided in this Award.

**ARTICLE 9 - PROBATION AND NOTICE OF TERMINATION**

- a) This section does not apply to an employee who has already been confirmed or who is on probation on account of promotion.
- b) All newly engaged employees shall serve a probationary period of six (6) months at the end of which they may be terminated or confirmed. This period of probation may be extended in writing to the employee concerned, but the entire period of probation shall not exceed nine (9) months in total. Unsuccessful probationers shall be terminated by either party serving upon the other a notice of 24 hours.
- c) On successful completion of probationary period, the employee shall be confirmed in writing within ten working days by the Company.
- d) The Company may require new employees to undergo medical examination either before appointment, on probation or before confirmation. The fees incurred shall be borne by the Company. Only medically fit individuals shall be appointed.
- e) After confirmation either party may terminate employment by giving the other one (1) month's written notice or salary in lieu thereof. This does not preclude the Company from summarily dismissing the employee on the grounds that he has acted in breach of the express and/or implied terms and condition of employment.

**a** **ARTICLE 10 - PROMOTION AND ACTING**

## a) Promotion

i. The Company policy has been to promote suitably qualified employees from lower grades to higher grades as and when a vacancy arises. The selection of employees to fill such vacancies shall be at the discretion of the Company having regard to their suitability for their promotional position, performance, qualifications, conduct and ability to do the job and service to the Company.

**b**

Provided however that the Company reserves the right to fill any vacancy from outside the Company.

**c**

ii. An employee of the Company who has been selected for promotion to a new grade or group may be required to serve a probationary period not exceeding three (3) months. On completion of the prescribed probationary period, if any, the employee shall be notified in writing within 10 working days whether he has been confirmed in his new grade or group.

**d**

On confirmation of promotion, the employee shall be granted a salary adjustment equivalent to one (1) added value increment of the promoted scale. However, an employee who is not required to undergo probationary period shall be granted one (1) added value increment of his previous grade and one (1) added value increment of his new grade.

**e**

iii. Salary adjustments, granted under clause (ii) above, shall not affect the employee's entitlement to his normal annual increment of the year.

iv. Whenever it is decided not to confirm the promotion, the employee shall revert to his former grade or group or be given another job compatible to his capability and shall be paid the same salary of wages that he last drew before the promotion or would have drawn, including the annual increment in his former post.

**f**

## b) Acting

An employee who is officially appointed in writing to act in a position of a higher grade for a period of three consecutive days or more shall perform the full duties and assume the full responsibilities of the job in the higher grade, and for which he shall be paid:

**g**

- (i) One grade higher - RM3.00 per working day.
- (ii) Two grades higher - RM6.00 per working day.

**h**

An acting allowance shall not be payable on a pro-rata basis for any incomplete day's work.

**ARTICLE 11 - TRANSFER****i**

a) An employee may be transferred within the Soon Soon Oilmills Sdn, Bhd. plants located between Prai and West Port or vice versa and/or any subsidiary and/or

associated company within the Group. However in the instance of transfer involving Prai and West Port, such transfer shall take cognizance of the differing wage rates and shall depending on the relevant job grade be as follows: *a*

Transfer from Prai to West Port : to adjust salary according to West Port scale, taking years of service into consideration. *b*

Transfer from West Port to Prai : to adjust salary according to Prai scale, taking years of service into consideration. *b*

All transfer within the group shall be without any loss of seniority or any benefits.

**ARTICLE 12 - WORKING HOURS** *c*

- a) All employees who perform administrative functions such as the following:  
All clerical employees (except weighbridge)  
Laboratory personnel  
Draughtsmen  
Despatch assistants *d*

Shall observe the following working hours:

Mondays to Fridays - 9.00am - 5.00pm  
Saturdays - 9.00am -1.00pm

With one hour break for lunch as follows: *e*

Mondays to Fridays - either 12.00 noon - 1.00pm  
Or 1.00pm - 2.00pm.

- b) All employees who are engaged in operational functions such as the following:  
All factory employees *f*  
Weighbridge Clerks  
Drivers

Shall observe the following working hours:

Mondays to Saturdays - 8.00 am - 5.00 pm with one hour break to be determined by respective Supervisors. *g*

The existing practices of a 15 minute tea break at 10am and 3pm will continue.

- c) Those who are required to work shifts shall observe the following:

Shift A - 7.00am to 3.00pm *h*  
ShiftB - 3.00pm to 11.00pm  
Shift C - 11.00pm to 7.00am  
Shift AB1 - 7.00am to 7.00pm  
Shift B2C - 7.00pm to 7.00am

*i*

- a* Inclusive of at least 30 minutes break for each shift.
- d) All Muslim employees who are not shift employees are permitted to attend Friday Prayers once in two weeks, from 12.30 pm to 2.30 pm inclusive of lunch time.
- Where Company transport is available, no employee is permitted to perform prayers on his own transport.
- b*
- e) Nothing in this Award shall in any way restrict the right of the Company to reschedule the hours of work for any category of staff so long as the normal hours of work do not exceed 48 hours per week. In such instance the Company shall consult and notify the Union.
- c* **ARTICLE 13 - OVERTIME WORK AND WORK ON REST DAY, PUBLIC HOLIDAY**
- a) Overtime work on a normal day, work on Rest Day and Public Holiday, when requested by the Company, shall be carried out with the consent of the employee; such consent shall not be unreasonably withheld.
- d* When consent is given, the employee concerned shall turn up and unless a valid reason is given, he shall be deemed to be absent from duty.
- b) Overtime - work carried out in excess of normal hours. These hours shall be paid at 1.5 times the hourly rate of pay.
- c) Work on Rest Day
- e* When an employee works on a rest day, he shall be paid 2 times the hourly rate including those hours beyond his normal working hours
- d) Work on Public Holiday
- When an employee works on any Public Holiday, he shall be paid 2 days wages in addition to the holiday pay for that day, regardless of the period of work done on that day.
- f*
- However, should he perform work in excess of his normal hours of work, he shall be paid 3 times the hourly rate for each such hour.
- e) Emergency Recall for Duty
- g* All employees are, subject to recall for duty during and emergency. Emergency recall shall be construed to mean that the employee has left the Company's premises following completion of his prescribed working hours or before commencement of his normal prescribed working hours and then he is recalled for duty arising out of breakdown or any other eventuality.
- h* For such work, the recalled employee shall be paid at 2 times the hourly rate for a minimum of at least 2 hours and thereafter 2 times the hourly rate for each such hour.
- i*

**ARTICLE 14 - ANNUAL LEAVE**

*a*

a) All employees are entitled to annual leave as follows:

- i) less than 3 years service - 12 working days per year
- ii) 3 years to less than 5 years - 15 working days per year
- iii) 5 years to less than 8 years - 16 working days per year
- iv) 8 years and above - 19 working days per year

*b*

b) Employees must apply for leave at least 2 days before effective date of leave. Only upon approval shall employees go on leave. Leave the reasons for which, cannot be predicted, may be applied for later than the 2 days notice required above.

c) Annual leave not consumed in the prescribed period shall be commuted to payment, based on an employees last earned salary.

*c*

d) Annual leave taken on Saturday shall be deemed to be a full day.

**ARTICLE 15 - SICK LEAVE AND MEDICAL BENEFITS**

a) All employees are entitled to free out-patient treatment at clinics appointed by the Company. Expenses for Out-patient treatment at Government Hospitals and clinics shall be reimbursed by the Company. Having regard to the nature or circumstances of the illness, the services of the medical practitioner so appointed by the Company are not obtainable within a reasonable time or distance, the employee may seek treatment at any other registered medical practitioner and for such cases the expenses incurred shall be reimbursed and the medical leave issued, if any, shall be recognised by the Company.

*d*

*e*

b) Only medical leave certificates issued by panel of doctors appointed by the Company shall be recognised and only in special circumstances as stated above shall medical certificates issued by other registered medical practitioners be recognised.

*f*

c) All employees are entitled to medical leave with pay as follows:

<b>Length of Service</b>	<b>Days Per Year</b>
Less than 2 years service	14 days
2 years but less than 5 years	18 days
5 years and above	22 days

*g*

However where hospitalization is necessary, an employee shall be entitled to paid leave not exceeding sixty (60) days per year, inclusive of the days taken up above. Provided always that if an: employee is certified by such Medical Officer or Registered Medical Practitioner to be ill enough to be hospitalized but is not hospitalized, the employee shall be deemed to be hospitalized for the purpose of this section.

*h*

Medical leave entitlements, as above, shall also be applicable if leave is granted by any dental surgeon, provided that leave for dental reasons shall be inclusive of the days taken up for medical reasons.

*i*



- a* d) The Company shall not provide free treatment for the following :
- (i) Pregnancy and childbirth including abortion, miscarriage, infertility or subfertility.
  - (ii) Treatment for all sexually transmitted diseases such as herpes, gonorrhoea, syphilis, AIDS or AIDS related complexities.
- b* (iii) Sterilization of either sex, such as castration, vasectomy and tubectomy.
- (iv) Cosmetic surgery for purpose of beautification or plastic surgery for any preexisting condition.
- (v) Any circumcision.
- c* (vi) All injuries due to self-infliction including attempted suicide, drug addiction or alcohol dependence.
- (vii) Generally all medical expenses incurred resulting from misconduct, the commission of any unlawful act provoked assault, criminal acts or exposure to any unjustified hazard except when attempting to save human life.
- d*
- e) An employee who has been granted sick leave shall inform or attempt to inform his immediate Superior or an officer of the Human Resource Department within 48 hours of the commencement of such sick leave, failing which he shall be deemed to be absent without permission and without reasonable excuse for the days on which he is so absent from work.
- e*
- f) An employee who seeks treatment from more than one Company panel of doctors per day, shall be deemed to have abused the privilege, warranting disciplinary action. However, employees seeking follow-up treatment may be allowed to seek treatment from Company clinics for more than once per day, provided the employee seeks such follow-up treatment from the same clinic at which his first treatment was attended to.
- f*

#### ARTICLE 16 - COMPASSIONATE LEAVE

- a* a) An employee shall be granted paid compassionate leave on application (except in (ii) and (iii) where an employee is permitted to avail himself of leave first and then returning to apply documentary proof) for the following circumstances:
- (i) Employees 1st legal marriage - 3 days
  - (ii) Paternity leave (own child) - 2 day
  - (iii) Death of member of immediate family  
father, mother, children, spouse - 3 days
- b* b) For leave to be granted, employees are required to produce documentary proof from relevant authorities.

*i*

**ARTICLE 17 - HOSPITALIZATION INSURANCE.**

*a*

The Company shall ensure all workers under a scheme, a copy of the scheme is available for inspection.

**ARTICLE 18 - PROLONG ILLNESS**

- (a) An employee who has exhausted his medical leave entitlement in Article 15 of this Award and who, according to the prognosis of our Panel of Doctors or a Government Medical Officer is certified to have been inflicted by prolong illness resulting from Cancer, Leukemia, polio or leprosy, stroke, heart disease and tuberculosis shall be granted leave with pay as follows:
- (i) 1st four months - full basic pay each month,
  - (ii) 2nd four months - half basic pay each month.
  - (iii) 3rd four months - a quarter basic pay each month.

*b*

*c*

At any time during this period, the Company may subject the employee to a medical examination and if the employee is certified fit, he shall thereupon resume his normal work. Should the employee, at the end of the paid leave of one year as above, still remains unfit as certified by a doctor, he shall be medically boarded out.

*d*

Where the employee has been on the above leave for at least six (6) months the Company may elect to medically board out the employee where he is found to be medically unable to work and is unlikely to recover at the end of the leave period.

**ARTICLE 19 - MATERNITY LEAVE**

*e*

- (a) All female employees are entitled to paid maternity leave of 60 consecutive days. However maternity leave shall be unpaid when a female employee at the time of her confinement has five (5) or more surviving children.
- (b) Medically authorised absence from work earlier than 30 days before confinement or after completion of 60 days maternity leave shall be deemed to be normal sick leave.

*f*

**ARTICLE 20 - PUBLIC HOLIDAYS**

- (a) The Company shall grant all paid Public Holidays gazetted in advance in any one calendar year and any additional holiday gazetted by the State or Federal Government
- (b) Ad-Hoc Declaration of Public Holidays

*g*

In the event of Public Holidays being gazetted arising out of sudden and unforeseen circumstances, within the State and Federal , the employees who are on duty are required to report for duty unless being notified by the Company not to perform any duty on that day. However those who work on such sudden holidays shall be given a day off in substitution.

*h*

*i*

*a* (c) Where any of the Public Holidays or any other day substituted thereof falls within the period during which an employee is on sick leave or annual leave, or on Workman's Compensation leave including SOCSO leave, the employee shall be entitled to another day in substitution for such public Holiday or the day substituted therefor.

*b* (d) The Company observes the following 17 Public Holidays in a calendar year:

	<b>Holidays</b>	<b>Days</b>
	New Year's day	1
	Chinese New Year	2
<i>c</i>	Thaipusam	1
	Awal Muharam	1
	Labour Day	1
	Wesak Day	1
	Prophet Mohamad's Birthday	1
	Agung's Birthday	1
<i>d</i>	Penang Governor's Birthday/* Sultan of Selangor's Birthday	1
	Nuzul Al-Quran	1
	Hari Raya Puasa	2
	Hari Raya Haji	1
	National Day	1
<i>e</i>	Deepavali	1
	Christmas Day	1
	Total	<u>17 days</u>

\* Applicable for West Port employees only.

*f* (e) An employee who absents himself from work on a working day immediately preceding or immediately succeeding a public holiday or two or more consecutive public holiday or any day or days substituted thereof under this article without prior consent of the Company shall not be entitled to any holiday pay for such holiday or consecutive holidays unless he has reasonable excuse for such absence.

*g* **ARTICLE 21 - ALLOWANCES**

(a) Festival advance of RM500 shall be given to employees who celebrate the following festivals:

<i>h</i>	Chinese	-	at Chinese New Year
	Muslims	-	at Hari Raya Puasa
	Indians	-	at Deepavali
	Christians	-	at Christmas

*i* The above advance are to be backed by one guarantor each and the refund installments are not to exceed 5 consecutive months following that in which the advance is given.

(b) Shift Allowance

*a*

Employees working in shifts shall be paid allowances as follows:

A shift	- 7.00 am to 3.00pm	- NIL
B shift	- 3.00 pm to 11.00 pm	- RM3.00 per shift
C shift	- 11.00pm to 7.00 am	- RM5.00 per shift
AB1 shift	- 7.00 am to 7.00 pm	- RM1.50 per shift
B2C shift	- 7.00 pm to 7.00 am	- RM6.50 per shift

*b*

(c) Transport Allowance

Transport allowance of RM150.00 per month shall be paid to employees in West Port. This shall be treated as a reimbursement to defray transport cost and therefore not applicable on days of non-attendance.

*c*

**ARTICLE 22 - RETIREMENT**

(a) The retirement age for all employees shall be 55 years of age both sexes.

*d*

(b) Employees who attain the retirement age may be invited to continue serving the Company on a year-to-year basis and with the consent of the employee. A fixed term contract shall replace the expired contract in such event.

Employees whom the Company at its idle discretion, decides to extend their services beyond their retirement age, shall be given such notice, one month before the retirement age.

*e*

(c) The Company shall grant the following retirement benefits to any employee to retires upon attaining the retirement age:

i. Employees with 5 years service or more but less then 10 years of service shall be accorded a retirement benefit of 10 days last drawn basic salary for each completed year of service, or a pro-rated sum for any incomplete year;

*f*

ii. Employees with 10 years service or more but less then 15 years of service shall be accorded a retirement benefit of 15 days last drawn basic salary for each completed year of service, or a pro-rated sum for any incomplete year;

*g*

iii. Employees with 15 years service or more shall be accorded a retirement benefit of 20 days last drawn basic salary for each completed year of service, or a pro-rated sum for any incomplete year.

**ARTICLE 23 - UNIFORM**

(a) The Company shall provide uniforms and safety shoes to employees whose work place of work warrants the use of uniforms and safety shoes.

*h*

(i) Where uniforms are warranted, 3 sets shall be supplied per employee per calendar year.

*i*

- a* (ii) So also for safety boots and where warranted, one pair of boots is to be provided and a farther one pair on replacement basis when evidenced by worn-off existing pair. Female employees where warranted, will be supplied with a pair of shoes suitable for use in factory operations.
- b* (iii) The design and type of uniforms and shoes shall be determined by the Company.

#### ARTICLE 24 - RETRENCHMENT AND RETRENCHMENT BENEFIT

- c* (a) The Company may terminate the services of any employee who is redundant and/or whose services are surplus to its requirements. In such an instance the employee shall receive due notice as stipulated herein and termination benefits as provided for herein.
- (b) When a state of redundancy exists, notice in writing of an impending redundancy exercise of at least one month duration shall be given to the Union.
- d* (c) Employees affected by the retrenchment exercise shall be given due notice of retrenchment or wages *in lieu* of such notice. Such notice shall be as follows:
- |                                       |   |                |
|---------------------------------------|---|----------------|
| Less than 2 years service             | - | 4 weeks notice |
| 2 years but less than 5 years service | - | 6 weeks notice |
| 5 years and above                     | - | 8 weeks notice |
- e* (d) The quantum of retrenchment benefit shall be as follows:
- |                                       |   |  |
|---------------------------------------|---|--|
| Less than 2 years service             | - | 10 days last drawn basic salary for every year of service. |
| 2 years but less than 5 years service | - | 15 days last drawn basic salary for every year of service. |
| 5 years above                         | - | 20 days last drawn basic salary for every year of service. |
- f*
- g* (e) Notwithstanding the above, where a change occurs (whether by virtue of a sale or other disposition or by operation of law) in the ownership of a business for the purpose of which an employee is employed or part of such business, the employee shall not be entitled to any of the above termination benefits payable under this Article, if within seven (7) days of the change in ownership, the person by whom the business is to be taken over immediately after the change occurs, offers to continue to employ the employee under terms and conditions of employment not less favorable than those under which the employee was employed before the change occurs and the employee unreasonably refuses the offer.
- h*

#### ARTICLE 25 - DISABILITY

- i* The Company will endeavour to provide alternative employment for employees who suffer disability due to accidents or sickness arising out of employment and where such

cases of alternative employment is offered, it shall be subject to the ability of the employee to perform and the salary to commensurate with the alternative job. Such alternative employment shall be made available only where vacancies exist. a

**ARTICLE 26 - GRIEVANCE PROCEDURE**

(a) *Objective of Grievance procedure* b

The objective of grievance procedure machinery is to resolve complaints and/or grievance of employees swiftly and equitably. Towards this objective the following procedure, for the settlement of complaints and/or grievances, is agreed.

(b) All complaints and/or grievance shall be brought to the attention of the Company by the employee who may be accompanied by a Committee member of the Union or by the Union on its own. c

(c) The Company shall, on receipt of such a complaint and/or grievance, investigate the said complaint and/or grievances, within three (3) working days. Thereafter the Company shall take all necessary steps to resolve the issue within a further period of seven (7) working days. The above time limits, as specified, may be extended by agreement between both parties and only upon expiry of such extended time limits shall step (d) as numerated below follows. d

(d) Where the Company fails to resolve the complaint and/or grievance or where the employee of the Union is not satisfied with the Company's actions in the matter, the complaint and/or grievance shall be jointly referred to the Ministry of Human Resource for conciliation. If the matter is still not resolved at the conciliatory stage, it shall be jointly referred, by both the Union and the Company, to the Ministry for a reference to the Industrial Court. e

**ARTICLE 27 - ARBITRATION**

Any dispute relating to the interpretation or implementation of this Award shall, unless settled by negotiations between the Company and the Union, be referred to the Industrial Court in accordance with the relevant provisions of the Industrial Relations Act 1967. f

**ARTICLE 28 - LEGISLATION**

During the term of this Award, benefits provided by legislation, which are better, shall take precedence over whatever is provided for in this Award. g

**ARTICLE 29 - BENEVOLENT CONTRIBUTION**

Upon the death of an employee who is still in service, the Company shall contribute RM500.00 to the dependents of the deceased. h

**ARTICLE 30 - DRIVING LICENCE / BADGES**

The Company shall pay for the yearly renewal of licences and badges of all drivers appointed as such by the Company. i

**a ARTICLE 31 - STUDY LEAVE**

(a) The Company shall grant its employees paid leave for the purpose of attending trade union courses organized by the Union and approved by the Ministry of Labour. Leave granted for this purpose shall be subject to a maximum of 2 persons of a maximum of 2 weeks per person, per year.

**b**

(b) The Company shall also grant paid leave for the following circumstances:

(i) On sitting for examinations which are relevant and beneficial to the employee's work, paid leave shall be granted for actual number of examination days and shall not be granted for re-sits of any examination.

**c**

(ii) On representing the state of country in sporting events as a direct participant and not as officials or as referees and the like.

For the above to be approved, proven documentary support must be provided. Only confirmed employees are to be given such leave.

**d ARTICLE 32 - MULTIPURPOSE LOAN**

This loan is meant for unforeseen circumstances and as such applicable for only very specific purpose such as the following:

(a) Medical treatment fees for spouses, children and parents/parents-in-law.

**e**

(b) Expenses for first marriage (self only).

(c) Expenses incurred for repairing of own vehicle involved in an accident.

(d) Expenses incurred in the repair of employee's house damaged by natural calamity.

**f**

(e) Expenses incurred for funeral expenses on death of spouse, children and parents/parents-in-law.

The quantum of loan of RM1000.00 shall be repayable within 12 months and two employees who have served at least 5 years and earning of at least RM600.00 per month shall stand as guarantors.

**g****ARTICLE 33 - OTHER BENEFITS -TRAVELLING AND TRAVELLING ALLOWANCES.**

(a) Travelling and Travelling Allowances

(i) Employees requiring to travel on official business shall use Company vehicles. However, when Company vehicles are not available, privately owned vehicles may be used and in which case, the employee may claim reimbursement at the following rates:

**h**

Reimbursement per kilometre travelled.

**By car**                      **By motorcycle**

RM0.40                      RM0.20

**i**

All tolls charges shall be borne by the Company.

*a*

(ii) Employees who are required to go on outstation official duties shall travel by air-conditioned coaches. With the prior approval of the Management, an employee may travel by air Economy Class for local outstation assignments.

(iii) Employees on outstation assignments are entitled to subsistence allowance as follows:

*b*

DESTINATION	B'FAST	LUNCH	DINNER	WHOLE DAY
KLANG VALLEY JOHOREBAHRU	RM5.00	RM7.00	RM10.00	RM22.00
ALL OTHER AREAS	RM4.00	RM6.00	RM8.00	RM18.00

*c*

(iv) When an employee is required to stay overnight on official business when he is outstation, he shall lodge in a hotel or hostel arranged by the Company:

(a) When more than one employee of the same sex stays overnight on official business outstation, accommodation shall be on twin-sharing basis.

*d*

(b) Employees with permission from their superiors may stay-in with relatives or friends whilst on outstation assignments and in so doing they will be entitled to claim,

For Klang Valley and Johore Bahru - RM40.00 per night  
For all other areas - RM25.00 per night

*e*

for accommodation without receipts.

(iv) Only when overnight stay exceeds two nights, shall employees be entitled to claim reimbursements for laundry expenses substantiated by receipts.

*f*

#### ARTICLE 34 - SALARY STRUCTURE

(i) All employees shall be governed by the salary structure set out in Appendix 1 herein.

(ii) No employee shall receive a salary that is lower than the minimum salary or in excess of the maximum salary.

*g*

(iii) Subject to the above all employees shall be eligible to receive an annual salary revision of the equivalent of the full Consumer Price Index increase plus 1% but not exceeding 5%, provided that the Company records an audited pre-tax profit for the preceding financial year. The said adjustment shall be granted with effect from 31st January each year.

*h*

In the event that the employee has reached the maximum salary on his salary scale he will receive the above in a lump sum payment *in lieu* of a salary adjustment.

*i*



- a* (iv) Employees shall also be entitled to receive an added value annual increment for the duration and for the quantum set out in Appendix 2 herein. The said duration shall commence on the date of commencement of employment.
- (v) All employees shall also be entitled to receive monthly productivity incentives subject to the terms of the Productivity Incentive Scheme.
- b* (vi) The above annual salary revisions and increments does not inhibit the Company from giving and the employee from receiving any additional merit increments at the discretion of the Company.
- (vii) The Company shall grant an adjustment of 2% specifically for the year 2002 to take effect as at 31.12.2002
- c*

#### **ARTICLE 35 - PRODUCTIVITY INCENTIVE SCHEME**

- d* (i) The Company shall operate a productivity incentive scheme in respect of each of the 10 plants. The terms of this scheme are set out in more detail in Appendixes 3-13 herein. The performance standards and the quantum of the incentive payments set out therein shall be applicable for the period of this collective agreement. However the parties shall be at liberty to negotiate and to review the same in subsequent agreements in keeping with business developments.
- e* (ii) The Productivity Incentive payment shall be made on a one month arrears basis i.e. in the Month of February the employee shall receive the incentive payments due to him in respect of the Plant performance in the month of January. The incentive payments shall be paid simultaneously with the payment of the salary of the employee.
- f* (iii) The Company shall establish a PLWS Committee to liaise with the Union's House Committee on a monthly basis to announce the achievement of the plants and the payment that is to be made out to the employees. The Union's House Committee may raise any grievances at such time.
- (iv) The Union may after due notice inspect production records which are relevant to the computation of the Productivity Incentives.

#### **g ARTICLE 36 - ANNUAL BONUS**

- The Company shall pay a contractual bonus of 1A months basic salary to all employees who are in service as at 31st December of each year and subject to the said employees having served for the whole of that year, provided that the Company achieves an audited pre-tax profit in the preceding year. Eg. The Company shall pay a 1/2 months bonus on 31st December 2004 if it has recorded an audited pre-tax profit for the financial year ending on 31 December 2003.
- h*
- i*

**Soon Soon Oilmils Sdn Bhd v. Kesatuan Pekerja-pekerja  
Perkilangan Perusahaan Makanan**

[2005] 2 ILR

Yussof Ahmad

275

APPENDIX 1 *a*

**Salary Scale**

<b>Grade</b>	<b>Mm.</b>	<b>Max.</b>	<b>Position</b>
8	950	2300	Supervisor
7	800	2100	Asst. Supervisor 1 Sr. Technician 1
6	750	1900	Asst. Supervisor 2 Material Handler R&D Technician Boilerman 1 Account Asst 1 Sr. Technician 2
5	700	1720	Technician 1 Asst Supervisor 3 Boilerman 2 QA Inspector 1 Account Asst. 2 Silo Asst. 1 Production Asst. 1
4	600	1512	Technician 2 Production Asst. 2 Asst. Storekeeper Line Leader Asst. Material Handler 1 QA Inspector 2 Account Asst. 3 Senior Clerk Admin Asst/driver Silo Asst. 2 Lab Technician
3	550	1390	Technician 3 Clerk 1 Lab Asst. 1 QA Inspector 3 Dispatch 1 Driver 1 Store Asst. 1
2	500	1199	Asst Material Handler 2 Store Asst. 2 Clerk 2 Dispatch 2 Driver 2 Lab Assistant 2
1	420	1027	General Operator Cleaner

*b*

*c*

*d*

*e*

*f*

*g*

*h*

*i*

*a* Salary Scale (Westport)

	Grade	Min	Max	Position
	8	1092	2645	Supervisor
<i>b</i>	7	920	2415	Asst. Supervisor 1 Sr. Technician 1
	6	860	2185	Asst. Supervisor 2 Material Handler R & D Technician Boilerman 1 Account Asst. 1 Sr. Technician 2
<i>c</i>	5	805	1978	Technician 1 Asst. Supervisor 4 Boilerman 2 QA Inspector 1 Account Asst. 2 Silo Asst. 1 Production Asst. 1
<i>d</i>	4	690	1738	Technician 1 Asst. Supervisor 3 Boilerman 2 QA Inspector 1 Account Asst. 2 Production Asst. 1
<i>e</i>	4	690	1738	Technician 2 Production Asst. 2 Asst. Storekeeper Line Leader Asst. Material Handler 1 QA Inspector 2 Account Asst. 3 Senior Clerk Admin Asst./driver Silo Asst. 2 Lab Technician
<i>f</i>	3	630	1599	Technician 3 Clerk 1 Lab Asst. 1 QA Inspector 3 Dispatch 1 Driver 1 Store Asst. 1
<i>g</i>	3	630	1599	Technician 3 Clerk 1 Lab Asst. 1 QA Inspector 3 Dispatch 1 Driver 1 Store Asst. 1
<i>h</i>	2	575	1378	Asst. Material Handler 2 Store Asst. 2 Clerk 2 Dispatch 2 Driver 2 Lab Assistant 2
<i>i</i>	1	480	1187	General Operator Cleaner

**Soon Soon Oilmils Sdn Bhd v. Kesatuan Pekerja-pekerja  
Perkilangan Perusahaan Makanan**

[2005] 2 ILR

Yussof Ahmad

277

APPENDIX 2 *a*

**ADDED VALUE INCREMENT TABLE (PRAI)**

Grade	Position	Increment Duration (Yrs)	Quantum (%)
8	Supervisor	4	3
7	Asst. Supervisor 1	3	3
	Sr. Technician 1	3	3
6	Asst. Supervisor 2	3	3
	Material Handler	3	3
	R&D Technician	3	3
	Boilerman 1	3	3
	Account Asst. 1	3	3
	Sr. Technician 2	3	3
5	Technician 1	3	3
	Asst. Supervisor 3	3	3
	Boilerman 2	3	3
	QA Inspector 1	3	3
	Account Asst. 2	3	3
	Silo Asst. 1	3	3
	Production Asst. 1	3	3
4	Technician 2	3	3
	Production Asst. 2	3	3
	Asst. Storekeeper	3	3
	Line Leader	3	3
	Asst. Material Handler 1	3	3
	QA Inspector 2	3	3
	Account Asst. 3	3	3
	Senior Clerk	3	3
	Admin Asst/driver	3	3
	Silo Asst. 2	3	3
	Lab Technician	3	3
3	Technician 3	2	3
	Clerk 1	2	3
	Lab Asst. 1	2	3
	QA Inspector 3	2	3
	Dispatch 1	2	3
	Driver 1	2	3
	Store Asst. 1	2	3
2	Asst. Material Handler 2	2	3
	Store Asst. 2	2	3
	Clerk 2	2	3
	Dispatch 2	2	3
	Driver 2	2	3
	Lab Assistant 2	2	3
1	General Operator	1	3
	Cleaner	1	3

*b*

*c*

*d*

*e*

*f*

*g*

*h*

*i*

*a* ADDED VALUE INCREMENT TABLE (WESTPORT)

	Grade	Position	Increment Duration (Yrs)	Quantum (%)
	8	Supervisor	4	3
<i>b</i>	7	Asst. Supervisor 1 Sr. Technician 1	3 3	3 3
	6	Asst. Supervisor 2 Material Handler R&D Technician Boilerman 1	3 3 3 3	3 3 3 3
<i>c</i>		Account Asst. 1 Sr. Technician 2	3 3	3 3
	5	Technician 1 Asst. Supervisor 3 Boilerman 2	3 3 3	3 3 3
<i>d</i>		QA Inspector 1 Account Asst. 2 Silo Asst. 1 Production Asst 1	3 3 3 3	3 3 3 3
	4	Technician 2 Production Asst 2 Asst. Storekeeper Line Leader Asst Material Handler 1 QA Inspector 2 Account Asst. 3 Senior Clerk Admin Asst/driver	3 3 3 3 3 3 3 3 3	3 3 3 3 3 3 3 3 3
<i>e</i>		Silo Asst. 2 Lab Technician	3 3	3 3
<i>f</i>	3	Technician 3 Clerk 1 Lab Asst. 1 QA Inspector 3 Dispatch 1 Driver 1 Store Asst. 1	2 2 2 2 2 2 2	3 3 3 3 3 3 3
<i>g</i>		Asst Material Handler 2 Store Asst. 2 Clerk 2 Dispatch 2 Driver 2 Lab Assistant 2	2 2 2 2 2 2	3 3 3 3 3 3
<i>h</i>	2	General Operator Cleaner	1 1	3 3
<i>i</i>	1			

APPENDIX 3 *a*

**OILSEED CRUSHING Plant (Westport) - Productivity Measurement**

A) Standard Production Rate (Input)

No	Type of process	Budgeted capacity (Ton /day)	Ton/hr
1	High Efficiency Soybean Meal	820	34.1
2	High Efficiency Dehull Soybean Meal	820	34.1
3	Full Fat Soybean Meal	800	33.3

**Table of computation of Productivity Index from various process**

No	Process	Standard Plant Rate x Schedule Runtime	Actual input (ton)
1	High Efficiency Soybean Meal		
2	High Efficiency Dehull Soybean Meal		
3	Full Fat Soybean Meal		
	Total	(A)	(B)
Productivity Index = B/A x 100%			

B) Quality Index

Quality Specification Tables

a) Specification of Protein of Meal

No	Products	Specification	
		Protein	
		Min	Max
1	High Efficiency Soybean Meal	42	42.8
2	High Efficiency Dehull Soybean Meal	46.2	46.8

*a* b) Specification of Phosphorous in degum oil

No	Products	Specification
		Phosphorous in degum oil
1	Degum Soybean Oil (for own refining)	25 ppm and below

*b*

*c* c) Specification of Oil Content in Soybean Hull and Soybean Pellet

No	Products	Specification
		% Oil Content in soybean hull and soybean pellet
1	Soybean Hull and Pellet	2.8 % and below

*c*

*d* C) Yield Index

Measurement % oil loss to meal

Yield Rating Table

Average % loss in oil to soybean meal	% Yield Index
2.0 and below	100
2.1	95
2.2	90
2.3	85
2.4	80
2.5	75
2.6 and above	0

*e*

*f*

**Manufacturing Index Computation**

*g*

No	Index	% achieve (A)	Weightage factor (B)	% of total achievement (C) = (AxB)
1	Productivity		0.35	
2	Product Quality		0.3	
3	Yield		0.35	
Manufacturing Index :				

*h*

*i*

**Productivity Level Table**

Manufacturing Index (%)	Productivity Level
Above 87.00	5
84.50-86.90	4
81.00-84.40	3
77.50-80.90	2
72.00-77.40	1

*a*

*b*

**PLANT UTILIZATION INDEX TABLE**

Plant Utilization Rate (%)	Plant Utilization Index
More than 70%	100%
60% - 69%	80%
50% - 59%	60%
40% - 49%	40%
20%-39%	20%

*c*

*d*

APPENDIX 4

**PRODUCTIVITY MEASUREMENT (OILMILL PLANT, PRAI)**

1) Productivity Index

*e*

$$= \frac{\text{Actual Quantity input}}{\text{Std plant rate} \times \text{schedule runtime}} \times 100\%$$

2) Quality Index

*f*

$$\text{Quality Index} = \frac{\text{Total No. of Samples tested} - \text{Total No. of Defected}}{\text{Total No. of Samples tested}}$$

3) Oil Yield Index

*g*

Measurement of oil loss to the meal.

Refer to Oil Yield Index Table to convert oil loss to Yield Index.

4) Manufacturing Index = Sum of % Weighted Achievement for  
(productivity index + quality index + yield index)

5) Plant Utilization Index

*h*

$$= \frac{\text{Scheduled Run Time}}{\text{Total Available Time}} \times 100\%$$

$$= \frac{\text{Scheduled Run Time}}{(26 \text{ days} \times 24 \text{ hrs})} \times 100\%$$

*i*



**a** **DEFINITION:**

Actual Plant Rate

= (Actual quantity of Input through the plant / (Scheduled Runtime)

**b** Scheduled Runtime

= Time from schedule start to plant stop time on scheduled date Less (allowable downtime)

Standard Plant Rate

**c** = Budgeted operating capacity

Total Available Time

= 26days x 24 hrs

Standard Allowable Loss

**d** = Allowable loss at optimum operating condition.

Allowable schedule downtime list:

Change over process time

<b>e</b>	No	From Process	To Process	Minutes
	1	Normal soybean meal	Dehull soybean meal/Full Fat or vice versa	30
<b>f</b>	2	Soybean	Canola/ Corn germ	120
	3	Canola/Com germ	Soybean bean	240

**OILSEED CRUSHING Plant (Prai - Productivity Measurement**

A) Standard Production Rate (Input)

<b>g</b>	No	Type of process	Budgeted capacity (Ton /day)	Ton/hr
	1	High Efficiency Soybean Meal	600	25.0
<b>h</b>	2	High Efficiency Dehull Soybean Meal	520	21.7
	3	Low Fat Soybean Meal	350	14.6
	4	Low moisture Soybean Meal	400	16.7
	5	Full Fat Soybean Meal/Dehull Soybean Meal	500	20.8
<b>i</b>	6	Canola	200	8.3

Table of computation of productivity index from various process

No	Process	Standard Plant Rate x Scheduled Runtime	Actual input (ton)
1	High efficiency soybean meal		
2	High efficiency dehull soybean meal		
3	Low fat soybean meal		
4	Low moisture soybean meal		
5	Full fat soybean meal		
6	Canola		
Total		(A)	(B)
Productivity Index = (B)/(A) x 100%			

B) Quality Index

**Quality Specification Tables**

a) Specification of Protein of Meal

No	Products	Specification	
		Protein	
		Min	Max
1	High Efficiency Soybean Meal	42	42.8
2	High Efficiency Dehull Soybean Meal	46.2	46.8

b) Specification of Phosphorous in degum oil

No	Products	Specification
		Phosphorous in degum oil
1	Degum Soybean Oil and Canola Oil	25ppm and below

*a* c) Specification of Oil Content in Soybean Hull and Soybean Pellet

No	Products	Specification
		% Oil Content in soybean hull and soybean pellet
1	Soybean Hull and Pellet	3.0 % and below

*b*

**Table of Computation of Quality Index**

Total No. of Sample Tested	Total No of Defected Samples	Quality Index
A	B	$\frac{A-B}{A} \times 100$

*c*

**C) Oil Yield Index**

Measurement of % oil loss to meal

Average % loss in oil to soybean meal	% Yield Rating
2.0 and below	100
2.1	95
2.2	90
2.3	85
2.4	80
2.5	75
2.6 and above	0

*d*

*e*

**Manufacturing Index Computation**

No	Index	% achieve (A)	Weightage Factor (B)	% of total achievement (C) = (AxB)
1	Productivity		0.35	
2	Product Quality		0.3	
3	Oil Yield		0.35	
Manufacturing Index:				

*f*

*g*

**Productivity Level Table**

Manufacturing Index (%)	Productivity Level
Above 87.00	5
84.50 - 86.90	4
81.00 - 84.40	3
77.50 - 80.90	2
72.00 - 77.40	1

*h*

*i*

**Plant Utilization Index Table**

Plant Utilization Rate (%)	Plant Utilization Index
More than 70%	100%
60% to 69%	80%
50% to 59%	60%
40% to 49%	40%
20% to 39%	20%

**Maize Plant & General Purpose Plant**

**Maize Plant**

**Productivity Measurement**

1) Productivity Index

$$= \frac{\text{Actual Quantity input}}{\text{Std plant rate} \times \text{schedule runtime}} \times 100$$

2) Quality Index

$$= \frac{\text{Total No of Samples tested} - \text{Total No of Defected Samples}}{\text{Total No. of Samples Tested}} \times 100\%$$

3) Yield Index

$$\text{Yield Rate} = \frac{\text{Output (ton)}}{\text{Input (ton)}} \times 100\%$$

Refer to Yield Rating Table to convert Yield Rate to Yield Index

4) Manufacturing Index = Sum of % Weighted Achievement for  
(productivity index + quality index + yield index)

5) Plant Utilization Index

$$= \frac{\text{Schedule Run time}}{\text{Total Available Time}} \times 100\%$$

$$= \frac{\text{Schedule Run Time}}{(26 \text{ days} \times 24 \text{ hrs})} \times 100\%$$

*a*

*b*

*c*

*d*

*e*

*f*

*g*

*h*

*i*

**a Definition**

Actual Plant Rate

= (Actual quantity of Input through the plant / (Scheduled Runtime)

**b**

Schedule Runtime

= Time from schedule start to plant stop time on scheduled date Less (allowable schedule downtime)

Standard Plant Rate

**c**

= Budgeted operating capacity

Total Available Time

= 26 days x 24 hrs

**d**

Standard Allowable Loss

= Allowable loss at optimum operating condition.

Allowable schedule downtime list:

Change over process time

**e**

No	From Process	To Process	Minutes
1	Coarse grit	(921) Fine grit (951) or <i>vice versa</i>	120

**Maize Plant - Productivity Measurement**

**f**

**A) Standard Production Rate**

**g**

No	Process	Budgeted Capacity (Ton/Day)	Ton/Hr
1	Fine Corn Grit	103	4.3
2	Coarse Corn Grit	103	4.3

**h**

**i**

Table of computation productivity index from various Processes.

No	Process	Standard Plant Rate x Schedule Runtime	Actual Input (ton)
1	Fine Corn Crit		
2	Coarse Corn Grit		
	Total	A	B
$\% \text{ Productivity Index} = (B)/(A) \times 100\%$			

**B) Quality Index**

**Quality Specification Tables**

No	Products	% Oil Contents in Corn Grit (as is)	% Moisture in Corn Grit
1	Fine corn grit (951)	0.85 % and below	min 11.5% max 13%
2	Coarse corn grit (921)	0.85 % and below	min 11.5% max 13%

*a* C) Yield Index Table

## Yield Rating Table of Fine Corn Grit and Coarse Corn Grit

<i>b</i>	Type of corn	Float Figure	Fine corn grit (951)		Coarse corn grit (921)				
			% yield rating	% index	% yield rating	% index			
<i>c</i>	Dent corn	Above 75	46 and above	100	47 and above	100			
			45.5 to 45.9	95	46.5 to 46.9	95			
			45.0 to 45.4	90	46.0 to 46.4	90			
			44.5 to 44.9	85	45.5 to 45.9	85			
			44.0 to 44.4	80	45.0 to 45.4	80			
			43.5 to 43.9	75	44.5 to 44.9	75			
			43.0 to 43.4	70	44.0 to 44.4	70			
			42.5 to 42.9	65	43.5 to 43.9	65			
			42.0 to 42.4	60	43.0 to 43.4	60			
			Below 42.0	0	Below 43.0	0			
			<i>d</i>		Below 75	49 and above	100	50 and above	100
						48.5 to 48.9	95	49.5 to 49.9	95
						48.0 to 48.4	90	49.0 to 49.4	90
						47.5 to 47.9	85	48.5 to 48.9	85
47.0 to 47.4	80	48.0 to 48.4				80			
46.5 to 46.9	75	47.5 to 47.9				75			
46.0 to 46.4	70	47.0 to 47.4				70			
45.5 to 45.9	65	46.5 to 46.9				65			
45.0 to 45.4	60	46.0 to 46.4				60			
below 45.0	0	Below 46.0				0			
<i>e</i>			55 and above	100	56 and above	100			
			54.5 to 54.9	95	55.5 to 55.9	95			
			54.0 to 54.4	90	55.0 to 55.4	90			
			53.5 to 53.9	85	54.5 to 54.9	85			
			53.0 to 53.4	80	54.0 to 54.4	80			
			52.5 to 52.9	75	53.5 to 53.9	75			
			52.0 to 52.4	70	53.0 to 53.4	70			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.0 to 51.4	60	52.0 to 52.4	60			
			Below 51.0	0	Below 52.0	0			
<i>f</i>	Flint corn		55 and above	100	56 and above	100			
			54.5 to 54.9	95	55.5 to 55.9	95			
			54.0 to 54.4	90	55.0 to 55.4	90			
			53.5 to 53.9	85	54.5 to 54.9	85			
			53.0 to 53.4	80	54.0 to 54.4	80			
			52.5 to 52.9	75	53.5 to 53.9	75			
			52.0 to 52.4	70	53.0 to 53.4	70			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.0 to 51.4	60	52.0 to 52.4	60			
			Below 51.0	0	Below 52.0	0			
<i>g</i>			55 and above	100	56 and above	100			
			54.5 to 54.9	95	55.5 to 55.9	95			
			54.0 to 54.4	90	55.0 to 55.4	90			
			53.5 to 53.9	85	54.5 to 54.9	85			
			53.0 to 53.4	80	54.0 to 54.4	80			
			52.5 to 52.9	75	53.5 to 53.9	75			
			52.0 to 52.4	70	53.0 to 53.4	70			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.0 to 51.4	60	52.0 to 52.4	60			
			Below 51.0	0	Below 52.0	0			
<i>h</i>			55 and above	100	56 and above	100			
			54.5 to 54.9	95	55.5 to 55.9	95			
			54.0 to 54.4	90	55.0 to 55.4	90			
			53.5 to 53.9	85	54.5 to 54.9	85			
			53.0 to 53.4	80	54.0 to 54.4	80			
			52.5 to 52.9	75	53.5 to 53.9	75			
			52.0 to 52.4	70	53.0 to 53.4	70			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.0 to 51.4	60	52.0 to 52.4	60			
			Below 51.0	0	Below 52.0	0			
<i>i</i>			55 and above	100	56 and above	100			
			54.5 to 54.9	95	55.5 to 55.9	95			
			54.0 to 54.4	90	55.0 to 55.4	90			
			53.5 to 53.9	85	54.5 to 54.9	85			
			53.0 to 53.4	80	54.0 to 54.4	80			
			52.5 to 52.9	75	53.5 to 53.9	75			
			52.0 to 52.4	70	53.0 to 53.4	70			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.5 to 51.9	65	52.5 to 52.9	65			
			51.0 to 51.4	60	52.0 to 52.4	60			
			Below 51.0	0	Below 52.0	0			

**Manufacturing Index Computation**

No	Index	% achieve (A)	Weightage Factor (B)	% of total achievement (C)=(AxB)
1	Productivity		0.35	
2	Product Quality		0.30	
3	Product Yield		0.35	
Manufacturing Index:				

**General Purpose Plant**

**Productivity Measurement**

1) Productivity Index

$$= \frac{\text{Actual Quantity input}}{\text{Std plant rate} \times \text{schedule run time}} \times 100\%$$

2) Quality Index

$$= \frac{\text{Total No of Samples tested} - \text{Total No of Defected Samples}}{\text{Total No. of Samples Tested}} \times 100\%$$

3) Yield Index

$$\text{Yield Rate} = \frac{\text{Output (ton)}}{\text{Input (ton)}} \times 100\%$$

Refer to Yield Index Table to convert Yield Rate to Yield Index

4) Manufacturing Index = Sum of % Weighted Achievement for  
(productivity index + quality index + yield index)

5) Plant Utilization Index

$$= \frac{\text{Schedule Run time}}{\text{Total Available Time}} \times 100\%$$

$$= \frac{\text{Schedule Run Time}}{(26 \text{ days} \times 24 \text{ hrs})} \times 100\%$$

*a*

*b*

*c*

*d*

*e*

*f*

*g*

*h*

*i*



**a Definition**

Actual Plant Rate

= (Actual quantity of Input through the plant / (Scheduled Runtime)

**b Scheduled Runtime**

= Time from schedule start to plant stop time on scheduled date Less (allowable downtime)

Standard Plant Rate

**c = Budgeted operating capacity**

Total Available Time = 26daysx24hrs

Standard Allowable Loss

**d = Allowable loss at optimum operating condition.**

Allowable schedule downtime list:

Change over process time

No	From Process	To Process	Minutes
1	Sieving bean	Sieving wheat or vice versa	30
2	Soybean meal	Sieving wheat/bean or vice versa	30
3	Soybean meal	Other soybean meal products or vice versa	30

**f GENERAL PURPOSE PLANT - Productivity Measurement**

**A) Standard Production Rate**

No	Process	budgeted capacity Ton / hr	Ton/day
1	Sieving Normal Silo Brand Soybean	240	10
2	Sieving Special Silo Brand Soybean	144	6
3	Sieving Wheat	144	6
4	Oehull Soybean meal of all types	240	10
5	Dehull Soybean Grit (775)	120	5

**i**

Table of computation productivity index from various processes

No	Process	Standard Plant Rate x Schedule Run Time (Ton)	Actual Input (Ton)
1	Sieving Normal Silo Brand Soybean		
2	Sieving Special Silo Brand Soybean		
3	Sieving Wheat		
4	Dehull Soybean meal of all types		
5	Dehull Soybean Grit (775)		
	Total	(A)	(B)
Productivity Index = (B)/(A) x 1 00%			

**B) Quality Index**

**Quality Specification Tables**

No	Products	Specification
		Protein
1	Dehull Soybean Meal of all types	47 % and above
2	Dehull Soybean Grit (775)	47 % and above

**C) Yield Index**

**Yield Rating Table for Dehull Soybean Meal**

% yield achieve	Index
80 and above	100
79	98
78	96
77	94
76	92
75	90
74	88
73	86
72	84
71	82
70	80
69	78
68	76
7	74
66	72
65	70
Below 65	0

*a* **Yield Rating Table for Dehull Soybean Grit**

	% yield achieve	Index
	65	100
	64	98
<i>b</i>	63	96
	62	94
	61	92
	60	90
	59	88
	58	86
<i>c</i>	57	84
	56	82
	55	80
	54	78
	53	76
<i>d</i>	52	74
	51	72
	50	70
	49	68
	48	66
	47	64
<i>e</i>	46	62
	45	60
	Below 45	0

**Manufacturing Index Computation**

<i>f</i>	No	Index	% achieve (A)	Weightage Factor (B)	% of total achievement (C)=(AxB)
	1	Productivity		0.35	
<i>g</i>	2	Product Quality		0.30	
	3	Product Yield		0.35	
			Manufacturing Index :		

*h**i*

**Manufacturing Index Computation for combination of Maize Plant and General Purpose Plant and weightage** *a*

No	Plant	% achieve (A)	Weightage factor (B)	% of total achievement (C)=(AxB)
1	Maize plant		0.6	
2	General purpose plant		0.4	
Manufacturing Index :				

*b*

**Productivity Level Table** *c*

Manufacturing Index (%)	Productivity Level
Above 95.00	5
90.00 - 94.90	4
85.00 - 89.90	3
80.00 - 84.90	2
74.50 - 79.90	1

*d*

*e*

**Plant Utilization Index Table**

Plant Utilization Rate (%)	Plant Utilization Index
More than 60%	100%
50% - 59%	80%
40% - 49%	60%
30% - 39%	40%
20% - 29%	20%

*f*

*g*

**CONTINUOUS REFINERY**

**PRODUCTIVITY MEASUREMENT**

1) Productivity Index *h*

$$= \frac{\text{Actual Quantity Output}}{\text{Standard Plant rate} \times \text{Schedule Runtime}} \times 100\%$$

*i*

*a* 2) Quality Index

$$\frac{\text{Total no. of samples tested} - \text{Total no. of defect samples}}{\text{Total No. of Samples Tested}} \times 100\%$$

*b* 3) Yield Index

$$\text{Refining Efficiency} = \frac{\text{Actual Yield}}{\text{Theoretical Yield}} \times 100\%$$

Refer to Yield Index Table to convert Refining Efficiency to Yield Index

*c* 4) Manufacturing Index = Sum of % Weighted Achievement for (productivity index + Quality Index + Yield Index)

*d* 5) Plant Utilization Index

$$= \frac{\text{Scheduled Runtime}}{\text{Total Available Time}} \times 100\%$$

$$\frac{\text{Scheduled Runtime}}{(26\text{days} \times 24\text{hrs.})} \times 100\%$$

**DEFINITION : (CONTINUOUS REFINERY)**

*e* Actual Plant Rate

$$= \frac{\text{Actual quantity of Output through the plant}}{\text{Scheduled Runtime}}$$

*f* = Time from schedule start to plant stop time on scheduled date (Less allowable schedule downtime)

Standard Plant Rate

$$= \text{Budgeted operating capacity}$$

*g* Total Available Time

$$= 26 \text{ days} \times 24 \text{ hrs.}$$

Standard Allowable Loss

$$= \text{Allowable loss at optimum operating condition}$$

*h* Theoretical Yield =  $\frac{\text{Actual Input} - \text{Allowable Loss}}{\text{Actual Input}} \times 100\%$

*i* Allowable % =

% Impurities in input Loss oil (Phosphorus Moisture)	+	% Loss in bleaching earth (Bleaching earth used x 33%)	+	% Deodorizing loss (1.15 x %FFA + 0.2)
--	---	--	---	--

Allowable Loss = Allowable % Loss x Actual Input

*a*

$$\text{Actual Yield} = \frac{\text{Actual Output}}{\text{Actual Input}} \times 100\%$$

$$\text{Refining Efficiency} = \frac{\text{Actual Yield}}{\text{Theoretical Yield}} \times 100\%$$

*b*

Allowable schedule downtime list

- 1 Change-over (fast method ) = 4 hours
- 2 Change-over ( cooling method ) = 12 hours
- 3 Plant start-up = 12 hours
- 4 Plant stop = 16 hours

*c*

**CONTINUOUS REFINERY- Productivity Measurement**

**(A) Standard Plant Rate**

*d*

Process no.	type of process	Ton/day	Ton/hour
1	Soyabean oil	230	9.6
2	Corn oil	200	8.3
3	Canola oil	200	8.3
4	Sunflower oil	230	9.6

*e*

Table of computation productivity index from various processes.

Process No.	Process	Standard Plant x Scheduled Rate Runtime (MT)	Actual Quantity Output (MT)
1	Soya Bean Oil		
2	Com Oil		
3	Canola Oil,		
4	Sunflower Oil		
TOTAL		(A)	(B)
% Productivity Index		(B) + (A) x 100%	

*f*

*g*

*h*

*i*

*a* (B) Quality Index

Quality Specification Tables

*b*

Process No.	Type of Process	Quality rate 1 = color		Quality rate 2 = ffa (%)	
		Zero Defect	Defect	Zero Defect	Defect
1	Soyabean oil	1.0 R and below	1.1 R and above	0.05 and below	0.06 and above
2	Corn oil	1.5 R and above	1.6 R and below	0.08 and above	0.09 and above
3	Canola oil	1.5 R and below	1.6 R and above	0.05 and below	0.06 and above
4	Sunflower oil	1.0 R and below	1.1 R and above	0.05 and below	0.06 and above

*c*

*d*

A sample is considered a defect sample if it fails either Quality Rate 1 or Quality Rate 2

(C) Yield Index Table

*e*

No	Refining efficiency (%)	Yield index (%)
1	99.75-100.00	100
2	99.50-99.74	95
3	99.25 - 99.49	90
4	99.00-99.24	85
5	98.75-98.99	80
6	98.50-98.74	75
7	98.25 - 98.49	70
8	98.00 - 98.24	65
9	Below 98.00	0

*f*

Manufacturing Index Computation

*g*

No	Index	% Achieved (A)	Weighted Factor (B)	% Weighted Achievement C = (A) x (B)
1	Productivity		0.35	
2	Quality		0.30	
3	Yield		0.35	
Manufacturing Index:				

*h*

*i*

**Productivity Level Table**

*a*

Manufacturing Index	Productivity Level
98.0 and above	5
94.5-97.9	4
90.0 - 94.4	3
84.5-89.9	2
79.5 - 84.4	1

*b*

**Plant Utilization Index Table**

*c*

Plant Utilization Rate (%)	Plant Utilization Index
70% and above	100%
60%-69.9%	80%
50% - 59.9%	60%
40%-49.9%	40%
30% - 39.9%	20%

*d*

APPENDIX 8

**BATCH REFINERY**

**PRODUCTIVITY MEASUREMENT**

*e*

1) Productivity Index

$$= \frac{\text{Actual Quantity Output}}{\text{Standard Plant rate} \times \text{Schedule Runtime}} \times 100\%$$

*f*

2) Quality Index

$$\frac{\text{Total no. of samples tested} - \text{Total no. of defect samples}}{\text{Total No. of Samples Tested}} \times 100\%$$

3) Yield Index

*g*

$$\text{Refining Efficiency} = \frac{\text{Actual Yield}}{\text{Theoretical Yield}} \times 100\%$$

Refer to Yield Index Table to convert Refining Efficiency to Yield Index

4) Manufacturing Index = Sum of % Weighted Achievement for (productivity index + Quality Index + Yield Index)

*h*

5) Plant Utilization Index

$$\frac{\text{Scheduled Runtime}}{\text{Total Available Time}} \times 100\%$$

*i*



*a* 
$$\frac{\text{Scheduled Runtime}}{(26 \text{ days} \times 24 \text{ hrs.})} \times 100\%$$

**DEFINITION : ( BATCH REFINERY)**

Actual Plant Rate

*b* 
$$= \frac{\text{Actual quantity of Output through the plant}}{\text{(Scheduled Runtime)}}$$

Scheduled Runtime

= Time from schedule start to plant stop time on scheduled date (Less allowable schedule downtime )

*c*

Standard Plant Rate

= Budgeted operating capacity

Total Available Time

*d*

= 26 days x 24 hrs.

Standard Allowable Loss

= Allowable loss at optimum operating condition

*e*

Theoretical Yield = 
$$\frac{\text{Actual Input} - \text{Allowable Loss}}{\text{Actual Input}} \times 100\%$$

*f*

Allowable % Loss	=	% Impurities in input oil (Phosphorus Moisture)	+	% Loss in bleaching earth (Bleaching earth used x 33%)	+	% Deodorizing loss (1.15 x % FFA + 0.2)
------------------	---	---	---	--	---	---

Allowable Loss = Allowable % Loss x Actual Input

Actual Yield = 
$$\frac{\text{Actual Output}}{\text{Actual Input}} \times 100\%$$

*g*

Refining Efficiency = 
$$\frac{\text{Actual Yield}}{\text{Theoretical Yield}} \times 100\%$$

Allowable schedule downtime list

*h*

- 1 Change-over (fast method ) = 4 hours
- 2 Change-over ( cooling method) = 12 hours
- 3 Plant start-up = 12 hours
- 4 Plant stop = 16 hours

*i*

**Batch Refinery - Productivity Measurement**

**(A) Standard Plant Rate**

Process No.	Type of process	Ton/day	Ton/hour
1	Hydro palm fat	80	3.3
2	Cocofat	80	3.3
3	Others	80	3.3

Table of computation productivity index from various processes.

Process No.	Process	Standard Plant Rate x Scheduled Runtime (MT)	Actual Quantity Output (MT)
1	Hydro Palm Fat		
2	Cocofat		
3	Others		
Total A			B
Productivity Index		$(B) \div (A) \times 100\%$	

**(B) Quality Index**

**Quality Specification Tables**

Process No.	Type of process	Quality Rate 1 = COLOR		Quality Rate 2 = FFA (%)	
		Zero Defect	Defect	Zero Defect	Defect
1	HYDRO PALM FAT	1.8 R and below	1.9 R and above	0.05 and below	0.06 and above
2	COCOFAT	1.0 R and below	1.1 R and above	0.05 and below	0.06 and above
3	OTHERS	1.8 R and below	1.9 R and above	0.05 and below	0.06 and above

A sample is considered a defect sample if it fails either Quality Rate 1 or Quality Rate 2

**a (C) Yield Index Rating Table**

No.	Refining Efficiency (%)	Yield Index (%)
1	99.75-100.00	100
2	99.50 - 99.74	95
3	99.25 - 99.49	90
4	99.00 - 99.24	85
5	98.75-98.99	80
6	98.50-98.74	75
7	98.25-98.49	70
8	98.00 - 98.24	65
9	Below 98.00	0

**Manufacturing Index Computation**

No	Index %	Achieved (A)	Weighted Factor (B)	% Weighted Achievement $C = (A) \times (B)$
1	Productivity		0.35	
2	Quality		0.30	
3	Yield		0.35	
Manufacturing Index :				

**Productivity Level Table**

Manufacturing Index	Productivity Level
95.0 and above	5
88.0-94.9	4
80.5 - 87.9	3
74.0 - 80.4	2
70.0-73.9	1

**Plant Utilization Index Table**

Plant Utilization Rate	Plant Utilization Index
25% and above	100%
21.5%-24.9%	80%
17.5%-21.4%	60%
13.8%-17.4%	40%
10.0% -13.7%	20%

**BOTTLING PLANT**

**PRODUCTIVITY MEASUREMENT**

1) Productivity Index *b*

$$= \frac{\text{Output (equivalent manhour)}}{\text{Input (manhour)}} \times 100\%$$

2) Quality Index

Quality Index = According to Quality Index table linked to no. of reject *c*

3) Yield Index

$$\text{Yield Rate} = \frac{\text{Product Output (MT)}}{\text{Product Input (MT)}} \times 100\%$$

Refer to Yield Index Table to convert Yield Rate to Yield Index *d*

4) Manufacturing Index = Sum of % Weighted Achievement for (productivity index  
+ Quality Index + Yield Index)

5) Plant Utilization Index *e*

$$\frac{\text{Schedule Runtime}}{\text{Total Available Time}} \times 100\%$$

$$\frac{\text{Schedule Runtime} \times 100\%}{(26 \text{ days} \times 24\text{hrs.})} \quad \text{f}$$

**DEFINITION : (BOTTLING PLANT)**

Manhour Input

= Actual total manhour input for the month  
(Include OT, M/L, A/L) *g*

Manhour Output

= Standard time x Number of good units produced

Standard Time *h*

$$= \frac{\text{Allowable manhour per hour}}{\text{Standard Plant rate}}$$

*i*

*a* Standard Plant Rate

= Budgeted operating capacity (unit/hr)

Total Available Time

= 26 days x 24 hrs.

*b*

Standard Loss

= Allowable loss at optimum operating condition

Note : OT = overtime hours

M/L = medical leave

A/L = annual leave

*c*

### Bottling Plant - Productivity Measurement

#### (A) Standard Time

*d*

Process No.	TYPE OF PROCESS			LINE NO	Standard Time
					(Manhour/Unit)
1	0.5	Kg x 24	Bottle	BM2	0.006818
2	1	Kg x 12	Bottle	BM2	0.0125
3	1	Pint x 12	Bottle	BM2	0.01667
4	1	Quart x 12	Bottle	BM2	0.01333
5	2	Kg x 6	Bottle	BM1	0.013095
6	3	Kg x 6	Bottle	BM1	0.013095
7	1	Gal x 6	Bottle	BM1	0.01060
8	20	Litre x 1	Tin	BM4	0.010390
9	195	Kg x 1	Drum	BM3	0.05556
10	1250	Kg x 1	IBC	IBC	0.4444

*e*

*f*

*g*

*h*

*i*

**Soon Soon Oilmils Sdn Bhd v. Kesatuan Pekerja-pekerja  
Perkilangan Perusahaan Makanan**

[2005] 2 ILR

Yussof Ahmad

303

Table of computation productivity output from various processes.

Process No.	Process	Line No	Std. Time (Man-	No of good units hour/unit)	Man hour Output produced
1	0.5 kg x 24	BM2	0.00688	0	0
2	1 kgx12	BM2	0.0125	8172	102.15
3	1 pint x 12	BM2	0.01660	0	0
4	1 quart x 12	BM2	0.01333	0	0
5	2kgx6	BM1	0.01272	5112	65.03
6	3kgx6	BM1	0.013095	27600	361.42
7	1 gal x 6	BM1	0.01060	19878	210.71
8	20 litres x 1	BM4	0.01175	43896	516.03
9	195kgx1	BM3	0.06718	1295	87.0
10	1250 kg x 1	IBC	0.4444	818	363.50

**(B) Quality Index Table**

No.	No. of Reject	Quality Index (%)
1	0	100
2	1	75
3	2	50
4	>3	0

Note: No. of justifiable rejects from customer's returns

**(C) Yield Index Table**

No.	Yield Rate (%)	Yield Index (%)
1	99.81-100	100
2	99.61-99.80	90
3	99.41-99.60	80
4	99.21-99.40	70
5	Below 99.40	0

**a Manufacturing Index Computation**

No.	Index	Achieved % (A)	Weighted Factor (B)	% Weighted Achievement (C) = A x B
1.	Productivity		0.35	
2.	Quality		0.30	
3.	Yield		0.35	
Manufacturing Index				

**c Productivity Level Table**

Manufacturing Index	Productivity Level
96.50 and above	5
91.00-96.4	4
82.00-90.9	3
75.00-81.9	2
57.00-74.9	1

APPENDIX 10

**PRODUCTIVITY MEASUREMENT (TEXTURIZING PLANT)****e**

1) Productivity Index

$$= \frac{\text{Actual Quantity Output}}{\text{Std Plant Rate} \times \text{Scheduled Runtime}} \times 100\%$$

**f**

2) Quality Index

$$\text{Quality Index} = \frac{\text{Total no. of Samples tested} - \text{Total no. of defect samples}}{\text{Total no. samples tested}} \times 100\%$$

3) Yield Index

**g**

$$\text{Yield Rate} = \frac{\text{Actual Quantity Output}}{\text{Oil Input}} \times 100\%$$

Refer to Yield Index Table to convert Yield Rate to Yield Index.

**h**4) Manufacturing Index =  $\frac{\text{Sum of \% Weighted Achievement for (productivity index + Quality Index + Yield Index)}}{\text{Total no. samples tested}}$ 

5) Plant Utilization Index

$$= \frac{\text{Schedule Runtime}}{\text{Total Available Time}} \times 100\%$$

**i**

$$= \frac{\text{Schedule Runtime}}{(26 \text{ days} \times 24 \text{ hrs.})} \times 100\%$$

*a*

**DEFINITION : (TEXTURIZING PLANT)**

Actual Plant Rate

$$= (\text{Actual quantity of Output through the plant}) / (\text{Scheduled Runtime})$$

*b*

Scheduled Runtime

$$= \text{Time from schedule start to plant stop time on scheduled date (Less allowable downtime)}$$

*c*

Standard Plant Rate

$$= \text{Budgeted operating capacity}$$

Total Available Time

$$= 26 \text{ days} \times 24 \text{ hrs.}$$

*d*

Standard Loss

$$= \text{Allowable loss at optimum operating condition}$$

Allowable Schedule Downtime List

*e*

- 1 Change-over = 4 hours (Margarine to any Fat)
- 2 Change-over = 1 hour (any Fat to any Fat)
- 3 Change-over = 3 hours (Palmfat to Cocofat and vice-versa)

Texturizing Plant - Productivity Measurement

*f*

A) Standard Plant Rate

Process No	Type of Process	Ton/24 Hours	Ton/Hour
1	Cocofats	72	3
2	Hydro Palm Fats	72	3
3	Fat Blend	43	1.8
4	Margarine	24	1

*g*

*h*

*i*



**a Manufacturing Index Computation**

No	Index	% Achieved A	Weighted Factor B	% Weighted Achievement C = A x B
1	Productivity		0.35	
2	Quality		0.30	
3	Yield		0.35	
Manufacturing Index				

**c** Manufacturing Index = Sum of % Weighted Achievement for (Productivity Index + Quality Index + Yield Index)

**(B) Quality Index****Quality Specification**

Process No	Type Of Process	Quality Rate 1 = IV		Quality Rate 2 = Hardness (cm)	
		Zero Defect	Defect	Zero Defect	Defect
1	COCOFATS			-	-
2	HYDRO PALM FAST	If difference between IV tested and required is less than or equal to 0.5	If difference between IV tested and required is less than or equal to 0.5	3 to 4.5	Less than 3 or more than 4.5
3	FAT BLEND			8 to 11	Less than 8 or More than 11
4	MARGARINE			8 to 11	Less than 8 or more than 11

**(C) Yield Index Table**

No	Yield Rate	Yield Index(%)
1	99.75 - 100	100
2	99.50 - 99.74	90
3	99.25 - 99.49	80
4	99.00 - 99.24	70
5	Below 99	0

IV = Iodine value of oil

A sample is considered a defect sample if it fails either Quality Rate 1 or Quality Rate 2

Productivity Level Table

Manufacturing Index	Productivity Level
98.0 and above	5
96.5 - 97.9	4
88.0 - 96.4	3
80.0 - 87.9	2
69.5 - 79.9	1

**PLANT UTILIZATION INDEX TABLE**

Plant Utilization Rate	Plant Utilization Index
50% and above	100%
40% - 49.9%	80%
30% - 39.9	60%
20% - 29.9%	40%
10% - 19.9%	20%

**Appendix 11**

**PRODUCTIVITY MEASUREMENT (FRACTIONATION PLANT)**

1) Productivity Index

$$= \frac{\text{Actual Quantity Input}}{\text{Standard Plant Rate} \times \text{Schedule runtime}} \times 100\%$$

2) Manufacturing Index = Sum of % Weighted Achievement for (Productivity Index + Quality Index + Yield Index)

3) Yield Index

$$\text{Yield Rate} = \frac{\text{Product (Stearine) Output (MT)}}{\text{Actual Quantity Input (MT)}} \times 100\%$$

*a* Refer to Yield Index Table to convert Yield Rate to Yield Index.

4) Plant Utilization Index

$$= \frac{\text{Schedule Runtime}}{\text{Total Available Time}} \times 100\%$$

*b* 
$$= \frac{\text{Schedule Runtime}}{(26 \text{ days} \times 24 \text{ hrs})} \times 100\%$$

**DEFINITION: (FRACTIONATION PALNT)**

Actual Plant Rate

*c* 
$$= (\text{Actual Quantity of Input through the plant}) / (\text{Schedule Runtime})$$

Schedule Runtime

$$= \text{Time from schedule start to plant stop time on schedule date} \\ (\text{Less allowable schedule downtime})$$

*d*

Standard Plant Rate

$$= \text{Budgeted operating capacity}$$

Total Available Time

*e* 
$$= 26 \text{ days} \times 24 \text{ hrs}$$

IV = Iodine Value of oil

**Fractionation Plant - Productivity Measurement**

*f* (A) Standard Plant Rate

Process No.	Type of Process	Type of Input Material	Tons /24 Hours	Tons/HR
<i>g</i> 1	1st Fractionation (IV = < 6.5)	Crude palm Kamel Oil	16	0.67
2	1st Fractionation (IV = < 7.5)	Crude palm Kamel Oil	16	0.67
<i>h</i> 3	2nd Fractionation (IV = < 6.5)	Crude palm Kamel Olein	16	0.67
<i>i</i> 4	2nd Fractionation (IV = < 7.5)	Crude palm Kamel Olein	16	0.67

**Soon Soon Oilmils Sdn Bhd v. Kesatuan Pekerja-pekerja  
Perkilangan Perusahaan Makanan**

[2005] 2 ILR

Yussof Ahmad

309

Table of computation of productivity index from various processen.

Process No.	Type of Process	Standard Plant Rate x Schedule Runtime (MT)	Actual Input (MT)
1	1st Fractionation (IV = < 6.5)		
2	1st Fractionation (IV = < 7.5)		
3	2nd Fractionation (IV = < 6.5)		
4	2nd Fractionation (IV = < 7.5)		
	TOTAL	A	B
Productivity Index = $B \div A \times 100\%$			

**(B)Yield Index Table**

Process No.	Type of Process	Stearine Yield Rate	Yield Index				
			100%	95%	90%	80%	50%
1	1st Fractionation (IV = < 6.5)	22.2 % min.	24.1-25	23.1-24	22.3-23	21-22.2	<21
2	1st Fractionation (IV=<7.5)	24.0 % min.	26.1-27	25.1-26	24.1-25	23-24	<23
3	2nd Fractionation (IV = < 6.5)	12.0 % min.	14.1-15	13.1-14	12.1-13	11-12	<11
4	2nd Fractionation (IV = < 7.5)	14 % min.	16.1-17	15.1-16	14.1-15	13-14	<13

**a Manufacturing Index Computation**

No	Index	% Achieved A	Weighted Factor B	% Weighted Achievement C = AxB
1	Productivity		0.5	
2	Yield		0.5	

Manufacturing Index

**c Productivity Level Table**

Manufacturing Index	Productivity Level
96.50 and above	5
91.00-96.4	4
82.00-90.9	3
75.00-81.9	2
57.00-74.9	1

**e PLANT UTILIZATION INDEX TABLE**

Plant Utilization Rate	Plant Utilization Index
70% and above	100%
60% - 69.9%	80%
50% - 59.9%	60%
40% - 49.9%	40%
30% - 39.9%	20%

APPENDIX 12

**g PRODUCTIVITY MEASUREMENT (HYDROGENATION PLANT)****g**

1) Productivity Index

$$= \frac{\text{Actual Quantity Output} \times 100\%}{\text{Std Plant rate} \times \text{Schedule Runtime}}$$

**h**

2) Quality Index

$$\text{Quality Index} = \frac{\text{Total no. of samples tested} - \text{Total no. of defect samples} \times 100\%}{\text{Total No. of Samples Tested}}$$

**i**

3) Manufacturing Index = Sum of % Weighted Achievement for (productivity index + Quality Index) *a*

4) Plant Utilization Index

$$= \frac{\text{Schedule} \times 100\%}{\text{Total Available Time}} \quad \text{b}$$

$$\frac{\text{Schedule Runtime} \times 100\%}{(26 \text{ days} \times 24 \text{ hrs.})}$$

**DEFINITION : ( HYDROGENATION PLANT)**

Schedule Runtime *c*

= Time from schedule start to plant stop time on scheduled date (Less allowable downtime)

Standard Plant Rate

= Budgeted operating capacity *d*

Total Available Time

= 26 days x 24 hrs.

Standard Allowable Loss *e*

= Allowable loss at optimum operating condition

**Hydrogenation Plant - Productivity Measurement**

**(A) Standard Plant Rate** *f*

PROCESS No.	TYPE OF PROCESS	Tons / Hour	
		First 10 Tons	Subsequent 10 Tons
1	COCOFAT	1	1.7
2	SUPERCOCOFAT	0.7	1.4
3	PALMFAT 40	0.9	2.5
4	PALMFAT 50	0.7	2.3
5	OTHERS	1	1.7

*h*

*i*

*a* Table of computation of productivity index from various processes.

Process No.	Type of Process	Standard Plant Rate x Scheduled Runtime (Tons)	Actual Output (Tons)
1	Cocofat		
2	Supercocofat		
3	Pal mf at 40		
4	Palmfat 50		
5	Others		
Total		A	B
Productivity Index = $B + A \times 100$			

**B) Quality Index**

**Quality Specification Tables**

PROCESS No.	TYPE OF PROCESS	Quality Rate 1 = IV	
		Zero Defect	Defect
1	COCOFAT	Difference between product IV and required is less than or equal to 0.5	Difference between product IV and required is more than 0.5
2	SUPERCOCOFAT		
3	PALMFAT 40		
4	PALMFAT50		
5	OTHERS		

IV refers to Iodine Value of oil

**Table of Computation of Quality Index**

Total No. of Sample Tested	Total No. of Defective Samples	Quality Index
A	B	$\frac{A-B}{A} \times 100$

**Manufacturing Index Computation**

No	Index Achievement	% Achieved (A)	Weightage Factor (B)	% Weighted (C) = (AxB)
1	Productivity		0.5	
2	Quality		0.5	
Manufacturing Index				

**Productivity Level Table**

Manufacturing Index	Productivity Level
95.0 and above	5
90.0 - 94.9%	4
85.0-89.9%	3
80.0-81.9%	2
75.0 - 79.9%	1

*a*

*b*

**PLANT UTILIZATION INDEX TABLE**

Plant Utilization Rate	Plant Utilization Index
50% and above	100%
40% - 49.9%	80%
30% - 39.9%	60%
20% - 29.9%	40%
10%-19.9%	20%

*c*

*d*

APPENDIX 13

**PRODUCTIVITY PAYMENT COMPUTATION FOR COMMON AREA EMPLOYEE**

*e*

Common area employees are those in the account, sales, administration, central laboratory, quality assurance and technical department.

**Productivity Payment**

*f*

= Weighted Average of 9 Plants

= Sum of Weighted Payment of 9 Plants

*g*

*h*

*i*



*a* **Common Area Weighted Payout Computation Table**

Plant No.	Plant	Weighted Factor A	Plant Payout (RM) B	Weighted Payout C = A x B
<i>b</i> 1	Extraction (Prai)	0.48		
2 & 3	Maize/General Purpose	0.14		
4	Continuous Refinery	0.19		
5	Bottling	0.10		
<i>c</i> 6	Batch Refinery	0.02		
7	Texturizing	0.04		
8	Fractionation	0.01		
9	Hydrogenation	0.02		
			Total =	

*d***Sample**

A Clerk 1 in the Sales Section is under Grade 3. His payout will be the sum of Weighted Payouts for Grade 3 Employee in the 9 Plants.

*e* Plant payout for Grade 3 for the Month of March 2004

Plant No.	Plant	Weighted Factor A	Plant Payout (RM) B	Weighted Payout C = A x B
<i>f</i> 1	Extraction (Prai)	0.48	71	34.08
2 & 3	Maize/General Purpose	0.14	47	6.58
4	Continuous Refinery	0.19	47	8.93
5	Bottling	0.10	89	8.90
6	Batch Refinery	0.02	35	0.70
<i>g</i> 7	Texturizing	0.04	24	0.96
8	Fractionation	0.01	89	0.89
9	Hydrogenation	0.02	53	1.06
			Total =	62.1

*h*

Productivity Payment = 62.10 R<

All Grade 3 Employees in the Service section will also receive 62.10 RM

*i*

**Soon Soon Oilmils Sdn Bhd v. Kesatuan Pekerja-pekerja  
Perkilangan Perusahaan Makanan**

[2005] 2 ILR

Yussof Ahmad

315

APPENDIX 14 *a*

Productivity Payment Tables

**Productivity Incentives payment - Prai**

Plant utilisation index = 100%

Employee	Productivity level				
Grade	1	2	3	4	5
8	49	98	147	196	294
7	44	89	133	178	266
6	40	81	121	161	242
5	37	73	110	147	220
4	32	64	96	128	193
3	30	59	89	118	177
2	26	51	77	102	154
1	22	44	66	88	131

*b*

*c*

*d*

*e*

**Productivity Incentives payment - Prai**

Plant utilisation index - 80%

Employee	Productivity level				
Grade	1	2	3	4	5
8	39	79	118	157	236
7	36	71	107	142	213
6	32	65	97	129	194
5	29	59	88	117	176
4	26	51	77	103	154
3	24	47	71	94	142
2	20	41	61	82	123
1	18	35	53	70	105

*f*

*g*

*h*

*i*

**a Productivity Incentives payment - Prai**

Plant utilisation index = 60%

**b**

Employee	Productivity level				
Grade	1	2	3	4	5
8	29	59	88	118	177
7	27	53	80	107	160
6	24	48	73	97	145
5	22	44	66	88	132
4	19	39	58	77	116
3	18	35	53	71	106
2	15	31	46	61	92
1	13	26	39	53	79

**c****d****Productivity Incentives payment - Prai**

Plant utilisation index = 40%

**e**

Employee	Productivity level				
Grade	1	2	3	4	5
8	20	39	59	79	118
7	18	36	53	71	107
6	16	32	48	65	97
5	15	29	44	59	88
4	13	26	39	51	77
3	12	24	35	47	71
2	10	20	31	41	61
1	9	18	26	35	53

**f****g****h****i**

**Soon Soon Oilmils Sdn Bhd v. Kesatuan Pekerja-pekerja  
Perkilangan Perusahaan Makanan**

[2005] 2 ILR

Yussof Ahmad

317

**Productivity Incentives payment-Prai**

*a*

Plant utilisation index = 20%

Employee	Productivity level				
Grade	1	2	3	4	5
8	1.0	20	29	39	59
7	9	18	27	36	53
6	8	16	24	32	48
5	7	15	22	29	44
4	6	13	19	26	39
3	6	12	18	24	35
2	5	10	15	20	31
1	4	9	13	18	26

*b*

*c*

*d*

**Productivity Incentives payment - Westport**

Plant utilisation index = 100%

Employee	Productivity level				
Grade	1	2	3	4	5
8	56	113	169	226	339
7	51	102	153	204	306
6	46	93	139	185	278
5	42	84	126	168	253
4	37	74	111	148	221
3	34	68	102	136	204
2	29	59	88	118	177
1	25	50	75	101	151

*e*

*f*

*g*

*h*

*i*

*a* Productivity Incentives payment - Westport

Plant utilisation index = 80%

Employee	Productivity level					
<i>b</i>	Grade	1	2	3	4	5
	8	45	90	135	181	271
	7	41	82	122	163	245
	6	37	74	L111	148	223
<i>c</i>	5	34	67	101	135	202
	4	30	59	89	118	177
	3	27	54	81	109	163
<i>d</i>	2	24	47	71	94	141
	1	20	40	60	81	121

Productivity Incentives payment - Westport

Plant utilisation index = 60%

Employee	Productivity level					
<i>e</i>	Grade	1	2	3	4	5
	8	34	68	102	135	203
<i>f</i>	7	31	61	92	122	184
	6	28	56	83	111	167
	5	25	51	76	101	152
<i>g</i>	4	22	44	66	89	133
	3	20	41	61	81	122
	2	18	35	53	71	106
<i>h</i>	1	15	30	45	60	91

*i*

**Soon Soon Oilmils Sdn Bhd v. Kesatuan Pekerja-pekerja  
Perkilangan Perusahaan Makanan**

[2005] 2 ILR

Yussof Ahmad

319

Productivity Incentives payment-Westport

*a*

Plant utilisation index = 40%

Employee	Productivity level				
Grade	1	2	3	4	5
8	23	45	68	90	135
7	20	41	61	82	122
6	19	37	56	74	111
5	17	34	51	67	101
4	15	30	44	59	89
3	14	27	41	54	81
2	12	24	35	47	71
1	10	20	30	40	60

*b*

*c*

*d*

Productivity Incentives payment - Westport

Plant utilisation index = 20%

*e*

Employee	Productivity level				
Grade	1	2	3	4	5
8	11	23	34	45	68
7	10	20	31	41	61
6	9	19	28	37	56
5	8	17	25	34	51
4	7	15	22	30	44
3	7	14	20	27	41
2	6	12	18	24	35
1	5	10	15	20	30

*f*

*g*

*h*

*i*

*a*

APPENDIX 15

**EXPLANATORY NOTES**

1. There is a dedicated productivity measurement system for each plant as per Appendixes 3-12
- b* 2. In each case, the performances level of the plant in question is determined by the Manufacturing Index of that respective Plant
3. The Manufacturing Index is the aggregate of the Productivity Index, the Quality Index and the Yield Index (unless otherwise 0stated). A different weightage is placed on each of these indexes in order to arrive at the overall manufacturing index. The weightage is set based on the importance of that factor in the plant in question.
- c* 4. Once the level of performance is known, then what remains to be done to determine the quantum of the incentive payment is to apply that performance level on relevant plant utilization table (Appendix 14). Each plant has its own utilization benchmark to determine their utilization. Basically, at a given performance level say 1 for example a higher incentive is paid out when the plant utilization is higher.
- d* 5. In the case of support staff who are not employed directly under any single plant but whose services are rendered in a support capacity to several plants, their incentives are determined by Appendix 13. Basically the incentives that are payable for all the pants or such plants to which the employee renders his service are worked out first A weightage factor is then given to each plant which recognizes the importance of the contribution of that plant and its utilization capacity. This weightage factor is then applied towards the planat payout in order to derive the incentive payment
- e* 6. The parties can fall back on the witness statements of Heng Chee Cheng and Dato' Dr. Neoh Soon Bin as well as the worked examples in the Company's Bundle of Documents Volume 1 in the event that there are any doubts on the matter.
- f* 7. The incentive payments and the performance targets that are set herein are based on the existing technological and capacity parameters/The Company may review the same in future after due consultation with the Union where there is a change in these parameters.
- g* 8. For the avoidance of doubt in regard to the salary adjustment under Article 34(iii), the relevant accounts to be used for the 31.1.2005 adjustment for example, will be for the financial year ending on 31.12.2003 and the CPI period is for the whole of the year 2004.
- h*
- i*