



CASE STUDY



Evidence Over Argument

How an independent pay review broke a collective bargaining deadlock

About Us

We are boutique HR consulting firm helping organisations build and scale up their capabilities to attract, motivate and retain talents to win in their respective markets.

We are fuelled by the belief that a people-centric organisational culture, astute adoption of technology, evidence-based decision-making, and a strong talent pipeline help organisations create competitive advantage.

We are borne out of a passion to guide organisations unleash the full potential of their people and future-proof their business - and we believe that technology is a game changer and a critical enabler in sustaining an organisation's success.

Our interventions focus on six interrelated elements of effective organisation design, i.e., strategy, structure, process, talent, reward, and technology.

Context

Collective bargaining had come to a standstill. Management and the recognised trade unions had entered negotiations on salary increases – but before any resolution could be reached, the landscape shifted significantly. Statutory minimum salary revisions, subsequent relativity adjustments cascading through the pay structure, and Cost of Living Allowance (COLA) increments collectively pushed wages upward by more than 40% over the period that followed the breakdown in negotiations.

With that cumulative movement already absorbed, the Unions were pressing for an additional retroactive salary increase of between 15% and 20% on top of what had already been applied. Management rejected the quantum outright. With no common ground in sight and negotiations exhausted, the dispute was referred to the Employment Relations Tribunal.

In accordance with the provisions of Section 62A of the Employment Relations Act, Prometheans was subsequently appointed as Salary Commissioner – an independent, evidence-based arbiter tasked with reviewing the positions of both parties and providing an objective assessment to inform resolution of the deadlock.

The Challenge

The appointment of a Salary Commissioner carries with it a clear mandate: set aside advocacy, interrogate the evidence, and let the data tell the story. That required building a credible analytical foundation across three dimensions – external competitiveness of actual pay levels and reward practice, historical pay movement relative to industry peers, and affordability in light of financial performance.

The findings would need to be defensible before the Employment Relations Tribunal. This was not an exercise in splitting the difference between the opening positions of Management and Unions – the conclusions had to be grounded in evidence that could withstand legal scrutiny.

Each dimension presented its own complexity.

On competitiveness, a market remuneration survey was conducted to establish how actual pay levels and reward practice compared against relevant industry peers. The process was complicated by the fact that the company had no established benchmarking practice and had historically declined to participate when approached by peers for survey purposes – leaving it without the very data foundation that such an exercise demands. Composing a relevant and defensible peer group required significant effort, and securing participation from comparable organisations was not straightforward. A credible cohort was eventually assembled, providing a reliable basis for assessing where the company's actual pay levels stood relative to the market.

On the financial side, the peer group presented a further structural challenge: the majority of comparable companies were privately held, with no obligation to publish annual reports and no readily available financial disclosures. Rather than rely on incomplete or unverifiable data, public records – including documents filed with the relevant registries and regulatory bodies – were consulted wherever submissions had been made.

This painstaking approach to data collection was necessary to construct a financially comparable peer set and ensure that the affordability analysis rested on verifiable, rather than assumed, figures.

Solution

The analysis was structured to address the core question from both sides of the equation: what does the market say, and what can the business afford?

On market competitiveness, the evidence indicated that the company's actual pay levels and reward practice were broadly aligned with the relevant peer group. Despite the absence of historical survey participation, the market remuneration survey provided a reliable basis for comparison. The cumulative increases already absorbed – exceeding 40% – had, in material respects, kept the company's pay positioning in step with the market. The Unions' case for an additional 15-20% retroactive increase was not supported by the external competitiveness evidence.

On affordability, while the company's financial performance had improved following the disruption of the pandemic years, its recovery relative to industry peers was incomplete. Key financial metrics trailed sector benchmarks, and modelling the requested increase against the company's cost base demonstrated that absorbing such a quantum would further strain financial health at a time when resilience – not additional fixed cost exposure – was the strategic imperative.

Taken together, the evidence presented a clear and consistent picture: the company was paying competitively at market levels, and it lacked the financial capacity to meet the Unions' demands without material risk to its operations.

The case was withdrawn before the Employment Relations Tribunal – with both parties directed back to the negotiating table.

Want to learn more?

If you want to know more about how we can help your organisation address your reward challenges, visit our website www.prometheans.mu or send us an email on info@prometheans.mu. We would be happy to discuss and explore how we can be of assistance.