

## ABSTRACT

The privatization of Tenaga Nasional Berhad (TNB) and introduction of Independent Power Producers (IPPs) in the power industries constitutes two of the biggest challenges faced by TNB and its employees in its history. The acceptance and support of the transformation efforts from the employees are critical to the success of achieving the vision of the organization. This study attempts to observe the impact of privatization on the hydroelectric power stations employees.

The study used the survey approach encompassing the population of the employees of the hydroelectric power stations in Peninsular Malaysia. The data obtained through the survey was analyzed by means of statistical techniques such as frequency, analysis of variance (ANOVA), Chi-square and an internal consistency reliability analysis. This study reveals that privatization presents many opportunities for TNB management to make use of the employees' readiness to take on the challenges. The management should exploit the findings which identified the drawbacks in the change process. Some of the improvements recommended are in terms of salaries and benefits, qualities of leadership, human resource management and decision making process.