

## CHAPTER V

### CONCLUSION

In this chapter, the main findings of the study are summarized. This is followed by some recommendations that might be beneficial to the management of TNB (both top and local) .

#### SUMMARY OF FINDINGS

The main findings of the study are as follows:

- (1) The expectations of the majority of the respondents on workload have been met. Generally, privatization has increased the workload of the employees by increasing the scope of work and hence requires them to work harder. This has been exacerbated by a reduction in the workforce after privatization. There have been few new intakes. In 1994, the total number of TNB employees was 24,281, in 1995, it was 23,565 employees, and in 1996, it was only 23,083<sup>11</sup> despite the expansion of the TNB into other business ventures such as assembling switchgears, establishing engineering company (TNEC), and the repair and maintenance company (Remaco).

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<sup>11</sup> TNB Annual Corporate & Financial Report 1996 p.13.

- (2) Concerning salaries, respondents were satisfied after privatization compared to before. This could be linked to the new provisions on bonus payment and annual increments, thus, it can be concluded that privatization has contributed to a better salary scheme compared.
- (3) Regarding job security, most of the respondents found that there were gaps between the expectations and the realities. They felt more insecure than they expected. Two main reasons could be: that the guarantee of “no retrenchment” by the government expired on 1<sup>st</sup>. September 1995; and the deployment of staff due to restructuring or right-sizing exercise (which was inevitable since Remaco was formed to take over the maintenance functions of the power stations).
- (4) Generally, most of the respondents were satisfied working in TNB. However, there is significant difference on the level of satisfaction between executives and non-executives. Most of the non-executives were more satisfied than the executives. Privatization has improved their salaries, annual bonuses and shares.
- (5) Privatization has made the nature of work more satisfying, challenging, and interesting. The respondents also agreed that their jobs required creativity and that they were enjoying their work. Thus, it can be concluded that the behavior and attitude of the workers has improved dramatically. The employees work hard because their jobs are the only source of income to majority of them. Furthermore, the amount of their annual increments is based on their performance.

- (6) The level of social activities was satisfactory to the employees, but some felt TNB should organize more social functions to foster better relationship in the organization.
- (7) Another significant finding is that privatization has increased the need for teamwork in achieving the objectives of the organization. The main reason could be that most of the work executed in the power stations require staff to function as a team and not as individuals. The employees respect each other and each feels responsible for the results of his work; hence they communicate with each other in order to ensure the job is executed satisfactorily.
- (8) Furthermore, the employees have a high regard for their superiors. They felt that their superiors were very supportive in bringing improvements in the working environment, minimizing internal conflicts within the group, and very responsible jobwise. The superiors encouraged the employees to participate by giving ideas to increase the productivity of the groups.
- (9) Privatization has refined the job descriptions which outline the duties, authorities and responsibilities of each job. This has improved the efficiency of the employees and avoided unnecessary work caused by overlapping responsibilities.
- (10) In terms of delegation and authority, privatization has increased the empowerment of subordinates by superiors. The employees can utilize their skills and experiences and solve their problems more efficiently without referring to their superiors all the time.

- (11) The study revealed that internal work pressure has increased after privatization. However, the majority of the respondents did not feel like resigning. The few who do might be unable to cope with the new ways of performing their jobs requested by their superiors.
- (12) Interpersonal relationships within TNB employees and between employees and management were very good. Privatization has made employees work together in order to meet the goals and targets of the organization.
- (13) In terms of salary and benefits, employees were divided in their perceptions of the equity system in TNB. Some believed that the system was satisfactory and the others thought otherwise. However, the majority of the employees believed that after privatization, they were rewarded based on their performance. On promotional prospects, most of the employees stated that after privatization, there were good opportunities to grow in the organization, and that the promotion policies were fair, and that everybody had equal chance of being promoted.
- (14) The employees ranked 'adequate salaries and benefits' as the most important motivating factor for them. Top management should recognize that to avoid a 'brain drain' in the organization, the compensation package should be more attractive and comparable to organizations such as the IPPs. In the second rank was a 'sense of achievement'. The management should exploit this factor by providing the employees with as many opportunities as possible to encourage them to get involved in problem solving and decision making. This can be done by

implementing a Suggestion System, Quality Circles (QC) and Total Quality Management (TQM) programs. The third motivating factor is 'recognition by superiors'. Managers and superiors should take advantages of this finding to continuously recognize the work of their subordinates. Recognition can be given in many forms such as awarding monthly prize to the best worker of the month, awarding a Certificate of Excellent for creative and innovative ideas that improve productivity, giving paid holidays and special leaves after long hours of work.

(15) The study found that in the opinions of the respondents, privatization has increased the performance standards in the organization. However, the executives still thought that the standards can be further improved. The employees felt the continuous pressure to improve personal and group performance. Most of them were proud to be members of TNB and being part of a well functioning team. They were given opportunities to participate in the goal-setting of the organization and to contribute their suggestions.

(16) In terms of most significant problem in TNB, the respondents ranked 'the need for managers with good leadership qualities' as of the utmost importance. In TNB, most of the engineers became managers due to their seniority. But they lacked proper training in the field of management. In the business world, managers should have a combination of technical abilities and interpersonal skills. The change agents or station managers should apply situational leadership instead of the autocratic style which is what most managers are employing now. 'Poor human resource management and planning' and 'slow decision making process by

management' were ranked second and third respectively. The respondents were unhappy with poor implementation of their transfers and promotions. They were also concerned with the slow decision making on urgent issues such as buying spare parts to improve the equipment in the power stations.

- (17) In general, most of Hydro personnel felt that the privatization has benefited them and that they were satisfied with working in TNB. Most of them would like TNB to improve especially on the quality of the electricity supply to customers. It is interesting to note that in the opinion of the respondents, the new Chief Executive Officer (Datuk Dr. Ahmad Tajuddin Ali) will be able to ensure that TNB will fulfill its mission.

In summary, the impact of privatization on TNB hydro personnel is as follows:-

- a). increased overall earnings;
- b). granted a chance to own some of the shares of the company;
- c). developed dedicated employees with good attitude;
- d). increased productivity and efficiency in the power plants;
- e). provided high quality service to internal and external customers; and
- f). improve interpersonal relationships within the organization.

### RECOMMENDATIONS

This study reveals that privatization presents many opportunities for TNB management to make use of the employees' readiness to take on the challenges. The local management should continuously provide challenging tasks to the employees, thereby

keeping them satisfied. The management also should revise its salary schemes to be more productivity based. Training should include the management, executives and non-executives to enhance the skills and knowledge of all levels of employees.

It is also recommended that the management continuously communicate the vision of the organization to the employees. The local management can set the example of new behavior. The top management should support the transformation efforts of the local management. This will ensure that the goals set are consistent with the organization's objectives and will garner the full support of the employees.

Meetings between the station managers and the top management, and between station managers and employees should be held regularly in order to assess the problems employees face and to formulate strategies to overcome them. The sessions led by the station managers can identify the problems at the respective stations. Action plans should be communicated to all levels of employees and should be properly documented. The implementation of the plans must be closely monitored by management. A similar survey can be executed to assess improvement of the change process. This should continue until the organization has accomplished its vision.

Finally, it is recommended that this study be replicated on a larger scale and include the Generation SBU and as well as other subsidiaries of TNB. This would help management understand employee perceptions on transformation efforts. The study should also be carried out to observe the opinion of the public on TNB to compare that of the employees themselves.