

CHAPTER 1

1. INTRODUCTION

Communication gap or the lack of communication may be a major reason for many management problems.

The purpose of this research is to study the communication in Tenaga Nasional Berhad. Tenaga Nasional Berhad was formerly a semi-government organisation known as Lembaga Letrik Negara or the National Electricity Board. Its major functions are to generate, transmit and distribute electricity for the peninsula of Malaysia. In 1990, the company was corporatised as part of the government's privatisation exercise. Later in 1991, the company was listed on the Kuala Lumpur Stock Exchange with the majority shares being held by the government through Khazanah Holding and the Ministry of Finance Incorporated. Tenaga Nasional Berhad is now the second largest company on the KLSE with more than 4 million customers.

Its customers may include residents in remote villages and large corporations, e.g., Perwaja Steel, the biggest steel mill in the country. The company has well over 23,000 employees with offices in various districts, towns and cities throughout the peninsula. They have a diverse educational background in engineering, finance, architecture etc. Thus communication plays an important part to Tenaga. The August 3rd., 1996 blackout highlighted the lack of efficient communication between Tenaga and stakeholders and between management and employees.

Another important event that underscored the importance of communication is the restructuring exercise that are carried out from time to time to reinvent the company into a full fledged business entity. The latest restructuring was initiated by Dato Ahmad Tajuddin Ali, the new executive chairman, who took over control of the management on the September 2, 1996.

1.1 Objective of the study

The objective of this study is to measure the effectiveness of communication in Tenaga Nasional Berhad. The study reviews the existing communication system in the company which includes internal and external communications as well as facilities available for communication.

The survey was carried out to measure the effectiveness of communication within the organisation. It attempted to discover the flow of communication, the usefulness of communication channels and the appropriateness of content. The survey covered only executives of the company as they are the top people in the various departments and offices of the company. The survey solicited opinions on communication of the recent restructuring exercise effective 1st. January 1997. Finally, the survey also examined the attitudes and feelings of executives towards the restructuring exercise.

1.2 Organisation of this study

The first chapter introduces the objective of the study. The chapter discusses the importance of communication in organisation. The second chapter is the literature review of some hypotheses on communications. The third chapter

discusses the research methodology of this study. It identifies the method used for primary data collection. The chapter also describes the various analyses performed on the data collected from the survey. The fourth chapter is the presentation of two case studies on communication problems within the company. The fifth chapter is the discussion on the findings of the survey. The chapter discusses the result of the various analytical techniques performed on the statements of the survey including reliability test and analysis by variance. It highlights certain salient points arising from the analysis. The last chapter is the recommendation and conclusion of the study. The chapter recommends various measures to overcome the shortcomings identified from the findings.