CHAPTER 5

DISCUSSION AND IMPLICATIONS

The introduction in chapter I, provides a strong theoretical review on the changing nature of organizations with particular reference to Kerala State Electricity Board (KSEB) due to changes in the policy of the Governments both at the Central level and the State level towards privatization. This results in power sector companies emerging in the private sector and thus posing competition to the once monopolized power sector. KSEB being an organization holds a natural monopoly in power sector in the state of Kerala, except a few small licensees, the strategy and actions of KSEB would be very important to more than 10million consumers in the state. Then presence of regulatory commission in monitoring the activities of KSEB and setting some standards of performance & services, created a pseudo competition to the organization, to achieve its set objectives. The consequent to such competition has generated re-thinking in the minds of KSEB that they are now required to bring in changes in the structure, strategy, skills, systems and style of leadership. This study has generated results which may be of use to the change KSEB is thinking.

In the present study, the researcher has drawn from 7S framework reduced to 5S based on a content validity test earlier to explore the differences across the characteristics of KSEB and 5S factors and also the linkages between 5S and the organizational performance and ability to change. It is indicated that the
variables that are used to capture the required constructs can be generalisable in the Indian context and ascertained through the validity and the reliability tests performed on the scales that are developed, in Indian context, perhaps, in the global context too. The various hypotheses related to 5S factors have been tested among the characteristics of KSEB with those who have been associated with it for at least 2 years. The discussions of the results that follow are mainly related to the similarities and differences in 5S framework and the relationship between the 5S framework and ability to change and organizational performance.

Data from 1018 stakeholders were screened for evaluating the mean, standard deviation and the inter-correlation between the 5S factors. Based on the inter-correlation results, it is found that all the variables make significant contribution to the study as there is significant correlation between them. Examination of the mean suggests that score on strategy is low compared to other factors. This could be perhaps due to firmly recorded thinking among the stakeholders that a government run organization may be difficult to change its bureaucratic style of function. Strategies may be old, not revisited of late and incompetent in that the current competitive situation is not understood by KSEB. It is recommended that KSEB may revisit their strategy as soon as possible and must go for strategic reforms as the analysis shows low mean score from the study. The strategy can be to promote process innovation and optimization, more customer orientation in serving its customers, modify systems & procedures as per the customer needs and to set a target of making the organization financially viable & competitive. Definitely the organization needs to work out strategies thinking little out of box and independent from the bureaucratic style in Govt. Sector.
Also, the structure is so rigid in that it may be difficult to change the established government procedures and regulations. On other factors, the perceptions of the respondents have reasonably been relatively high, which suggests that KSEB has antecedent ability to organizational change and performance. Structure is the next factor needs the attention and KSEB can think of more flexible organizational structure to meet the current business needs. Since structure always follows the strategy, it needs to suit to the implementation of the strategy. If the strategy is adopted for bringing in rampant changes, the bureaucratic and vertical hierarchical structure would not be effective. Also the spans of control in many cases are too big and many functions are to be carried out by the same personnel. Hence functional organization depending on the skill and job assignment can be little more effective and economical. Moreover organization can build its competence in each functional area by training group of people in functional areas like Operation, Construction, maintenance, Customer service, Finance, Purchase, HRM etc. Such restructuring will form more flatter organization and may help the employees also to work in their skill area for becoming more productive. Also more decentralization also would be possible in each functional area if the guidelines/Norms can be specified for each. But specific cross functional teams can be assigned with the execution of a mixed project as the case may be.

It is interesting to note that different stakeholders of KSEB have different opinion on the 5S framework, ability to change and organizational performance. KSEB meets diverse expectations of diverse stakeholders and perhaps uses multiple success criteria, indicators and baselines for success. It may be true to achieve ability to change and to make sure that appropriate evidence is created to monitor and evaluate process to be able to show that the expectations have been met. Different expectations are expected in similar line with any other sectors and are compatible, however, balancing between
priorities as well as between the external and internal customers and their respective expectations toward KSEB. Also, it may be due to the lack of shared common goals and to articulate own interests in KSEB. Stakeholders have different perception towards KSEB and they do not want their interests align with KSEB interests and there is likelihood that they do not have a feeling of ownership. The study reveals that stakeholders are having diverse views. They lack common goals and ownership. Hence KSEB can rework their strategy to bring in ownership feeling among stakeholders and to align with organizational objectives. Imbibing an organizational culture and feeling of ownership must be a continuous process right from recruitment and only those who can be transformed to align with organizational objective need only be absorbed to the main stream.

Since inception of KSEB and until liberalization & globalization came in to force, the strategy for change was an internal initiative to the organization/leadership, but not specifically driven by clear objectives ahead. But since liberalization policies of central Government given mandate to all underperforming organizations to improve and structure and strategy of all organizations need to be changed suiting to a competitive and sustainable organization. Hence 1993 onwards several clear measures were taken by KSEB to change and perform both in management, technology and customer services, but all of them has not been fully executed or succeeded for many reasons known and unknown. Examples of such actions taken by KSEB are Vision 2000, Changing all faulty meters, APDRP, RAPDRP, 100% Electrification, Training of Senior management in IIMs, Performance appraisal system for promotion, Model sections, AT&C loss reduction targets, compliance to Standards of Performance (SOP) etc. Hence this research must be giving an insight in to the key areas that the organization needs to concentrate to undertake change and to achieve sustainable performance.
Multivariate analysis on age suggests that the study variables differ across age. However, on examination of the Univariate analysis it is seen that the 5S variables do not differ across age but ability to change and organizational performance. The change, perhaps, restructuring of practices is essentially to cope with fast-changing, dynamic and information-rich environment. Specifically, stakeholders in the lower age group have low perception on ability to change and organizational performance than the higher age group. Young employees have new ideas and skills on new technologies, whereas older employees have knowledge about the intra-organisational structures which makes the younger stakeholder having a low opinion on change and organizational performance. Moreover, older workers have positive stereotypes in their perceptions while younger ones were considered to have stuck in their ways, and, as found, not interestingly inclined to have a perception toward ability to change and perform. On examining the general age of employees in KSEB at present we can see that most of them (around 90%) are below 50Yrs and we can consider this as a boon to organization to undertake changes as they may be able to adapt to fast changes, newer technology etc even though they have lower opinion about the ability to change. Different age groups also tend to differ in terms of the level of formalization in the personnel and administrative processes. Public organizations, in particular, are often regulated and administered by central agencies that respond to mandates of the greater entity. As a result, these public organizations tend to exhibit a hierarchical structure with many rules which results in the lower age group having a lower opinion on ability to change and perform. Hence younger generation (lower age group) must be given more stakes in strategy formation and driving changes in the organization. Younger generation must be given role in management decisions rather than imposing the changes. Hence the group discussions, brainstorming, workshops and innovation suggestions may be promoted within organization and recognized well for those who contribute
well. They may be given freedom to execute the projects within the budget, time frame and quality.

MANOVA results show that there is a significant difference across sex on the study variables. Since the survey was conducted in a distribution utility where most of the activities are field oriented and involves physical work in the field such as Operations, Maintenance, and Construction etc. This could be one reason that the ratio of Men to woman seems to be high. Also the women working in the organization mostly look for a job, which is of white collar in nature, fixed time, not exposed to challenges and hard working conditions. Women employees in technical side is less compared to non technical side. It is generally believed that women have more interests in increased egalitarianism than men and hence, believe that any attempt to change or perception towards organizational performance is possible. This difference may also primarily due to the differences in the economic activities of men and women. Alternately, as stakeholders, the interest of any establishment that include household, commercial etc., are dealt with, by men against women. Hence, women may not have perceptible understanding about the contours of functions of KSEB. This difference also reflects differences in the impact of changes in market power, deregulation, and increased competition. The MANOVA results points towards significant difference in perceptible understanding of woman compared to men. Hence it is proposed that women employees must be given opportunity at par with men to know everything related to organization, market, reforms and competition. Usually women are placed in less challenging jobs where no targets, competition and constraints (like office works, stores etc). Hence the functional segregation of jobs right from recruitment will lead to workforce specialisation as per their skill set, which will take out the gender bias in jobs.
Education is significant across the study variables. It may be because intelligent enterprises emphasise human intelligence over physical resources. Changes in 5S elements enhanced the ability of competitors to re-engineer and redesign the organization, the notion of competitive advantage achieved through the employment of a generic strategy. Stakeholders with higher qualification believe that systems in organization are more durable than physical resources in competitive advantage in a changed environment. They may be of the view that the changed organization through a flat structure may maximize the utilization of resources in an optimal way. Such organizations also empower employees through better information, training and motivational systems. They would strategically position workers in core competence areas that generate maximum value. On review of qualification of stakeholders of KSEB we can note that more than 90% are having professional qualification or Degree level education. Hence the researcher has a feeling that KSEB can utilise this potential but to educate them about organizations strategy to change and to perform. In olden times there existed a digital divide among the different age group or qualification of people, but presently not much dominant and most of them are of below age of 50 and qualified. Induction of more qualified technical people would be of greater importance to KSEB as the business is of Technical nature. In order to gain competitive advantage, KSEB would increase its ability to learn through systematic problem solving, experimentation, learning from past experience, learning from others internally and externally and develop capacity to transfer knowledge within the organization. KSEB must give importance to induct more qualified technical personnel into their business, as there is significant relation between education and variables under study. KSEB being a technical organization whose core business is production, Transmission and Distribution of Electricity. Hence when we go for functional organization more specialists must be essential. If not done so the cost of outsourcing the expertise also will be considerable. Also organization will start developing a digital divide, without updating the Technology and skills.
Management specialists suggest that organizational changes have led to more workplace decentralization. It is generally believed that these changes require a higher level of human capital from individual workers since they need to deal effectively with increased uncertainty and responsibility. Change and performance is an important outcome dimension for most businesses. KSEB being an organization runs under Government and once selected by public service commission to the job, the employees need to enhance their skill is not mandatory, even if organization provides internal and external trainings. Skill measurement of employees while assigning a new position/job also not undertaken to know whether employee is fit to the job assigned for. Sometimes KSEB is forced to outsource the jobs in core area of their business due to lack of skilled people inside the organization. The degree to which skill levels influence ability to change and organizational performance is significant. The managers of KSEB have to ensure that the employees are highly developed in skills that deal with modernity as they apply to their particular departments or area of business. Such skilled personnel of KSEB may be oriented towards customers and have greater abilities, capable of perceiving that their long term sustenance depends on the ability to change and thus organizational performance. Hence, KSEB can at this juncture, invest more time and resources in helping their employees develop skill so that customer interaction may be enhanced, resulting in organizational performance. Such change in perception towards customers itself is a significant move towards organizational performance. Since it is revealed that the skill is the strongest predictor of organizational change and performance, it is recommended that KSEB must have plans to enhance the skills of employees or to add more skilled personnel and to retain skilled people with the organization. Every organization would consider their skilled manpower in the
core area is the business strength. Hence up-gradation of the skills, acquiring skilled people according to process and product changes etc. are very important for the organization along with the retention of skilled employees.

A positive relationship exists between the deployment of systems and Organisational performance. Many times KSEB’s systems were evolved from earlier followed systems and procedures. Many times even for bigger and time constrained projects were also tackled through conventional way, even though several benchmarked processes and systems are available in the country. Process innovation and adding value to the end customer through implementation of “Six Sigma project” in KSEB was one of the initiatives, but dropped in between. Systems develop partnership among the employees and create value, improving innovation and reducing employee turnover in organizations thus improving organizational performance. However, implementation of a system, require a shift of mind that goes beyond just learning new tasks. It requires development of mental models by KSEB where the framework for interpreting the external customers comprehensively captures the mental make-up of the employees. Systems also do have strong relationship with organizational change and performance and hence KSEB may look for adoption of best practices and systems or state-of-the-art systems from benchmarked organizations in similar business. This is very much essential to improve customer service and to retain customers of KSEB. The system optimization shall be a routine activity, as it undergoes revision of process and procedures very often. Thus the organizational research on process optimization and Business Process Reengineering must be taken in to the regular agenda of KSEB.