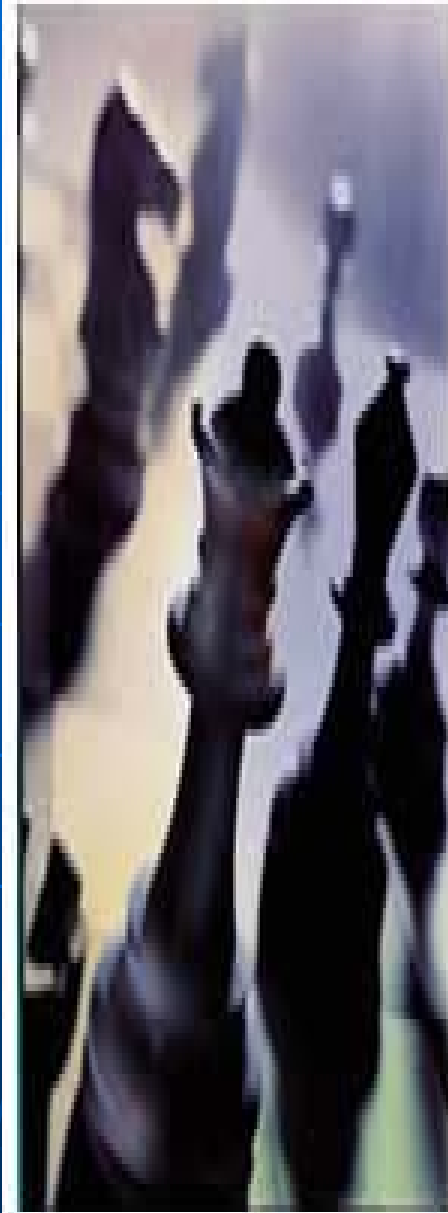




# THE NEW ORGANIZATIONAL PARADIGM

## THE DVB-NDPL STORY



EUROPEAN CONSORTIUM FOR LEARNING  
ORGANIZATION (ECLO)  
BIRMINGHAM, U.K.  
23<sup>RD</sup> MAY 2005

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# Linkage to ECLO-Transformation theme

- The case illustrates **the dynamics of change in takeover of any government-owned organization** by a public–private partnership (PPP) arrangement.
- The case exemplifies the change in human resource management issues **when the workforce of a government-run organization is to be acclimatized into the core values** of the one that emphasizes market demands.



# Delhi Vidyut Board

- Bureaucratic system
  - Red tapism
  - Total lack of accountability and initiatives
  - Ambiguity in role and responsibility
  - Slow decision making

## Large workforce

- 5700 employees from DVB
- Retrenchment not possible due to tripartite agreement
- High average age of employees- above 43
- Poor work culture
  - Widespread corruption from lineman to top officials

- Poor infrastructure
- No use of info. tech. Only 2 computers
- Machinery, buildings and offices in poor condition

## HR Climate at DVB

- Low morale of employees
- Seniority, criteria for promotion
- No reward for good performance
- No disciplinary action against corrupt employees

- The organization structure of DVB reflected centralization of authority. Decision-making was slow.
- There was no system of job rotation. Once an engineer was posted in a place, he used to spend 80 per cent of the time of his service tenure in that area
- DVB had no HRM-related activities
- Untrained workforce  
No training and development programmes



## LOSSES:

- DVB's transmission and distribution losses were 53%, to a large number of **un-metered and illegal customers, under billings and poor collections.**
- **It had accumulated receivables of about US \$400 million.**

## EXTERNAL CUSTOMERS PLIGHT

- **Customers had to wait in long queues to pay their monthly bills.**
- **Electrical complaints were attended on the basis of relationships and bribes paid to linemen or concerned executives.**
- **Billing errors were large in numbers. Rectification used to take onerous hours and days.**



# NDPL

- Tata Power Company Limited acquired 51% stake in NDPL and took control of the management effective July 1, 2002.
- The critical commitment of the Company was to bring **Aggregate Technical & Commercial losses** down to 31% in five years from a level of 53% at the time of privatization with an expected load growth at the rate of 7% – 10%.



# The Transformation Agenda

## The Think Tank Team

### Setting the priorities for action

The team decided to **create pockets of excellence in systems, process and people management**, which was in line with the CEO's thinking and TATA POWER.

### Transform

- External Customer Disgust to Delight
- Internal Customer fear to trust
- Establish Quality Movement
- Establish Use OF Technology
- Establish a performance oriented culture
- Institutionalize TATA Business Excellence Model



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# Application of Kotter, John (1996)\* Organizational Change Model, 'Eight Steps to Transforming Your Organization'.

## 1. Establishing a sense of urgency

(examining competitive realities and discussing crises and major opportunities);

## 2. Building and guiding team

(assembling a group with enough power to lead the change effort);

\* Kotter, John P. (1996) *Leading Chang: Why Transformation Efforts Fail*, Boston, Harvard Business School Press.



# Organizational Learning orientation: Customer Disgust to Delight

**In the first customer survey, AC Nielson–ORG MARG reached out to customers and conducted customer requirement analysis .Reliability of services, price, customer care were issues which were identified.**

- All customer centers were renovated.
- The number of avenues for bill payment increased from 22 to 1150 in 2 years.
- Power interruptions reduced from 50 per year to 16 per year.
- bill payment Time went down by 4 times.





# 5S STRATEGY

## External and Internal customers

- 5S consisted of:
- *sugam* (easy),
- *sahyog* (cooperation of consumers),
- *spasht* (unambiguous),
- *sankalp* (determination),
- *sampark* (communication).



# Application of Kotter's\* (1996)model

3. **Creating a vision (and developing strategies to achieve that vision);**
4. **Communicating the vision (using every possible vehicle to communicate the new vision and strategies; and ensuring simple, heartfelt messages through many unclogged channels);**
5. **Empowering others to act on the vision (changing systems or structures that seriously undermine the vision; and encouraging risk-taking and non-traditional ideas and action);**

\* Kotter, John P. (1996) *Leading Chang: Why Transformation Efforts Fail*, Boston, Harvard Business School Press.



# The Shared Vision



**NDPL**

North Delhi Power Limited

## VISION

To be the preferred provider of Reliable & Competitive Power to People we serve and be the favoured company to work for

## MISSION

- To deliver quality and cost effective electricity
- To ensure excellence in customer care
- To create a work environment which encourages teamwork, learning & innovation
- To meet or exceed all stakeholder expectations
- To enrich quality of life in the society that we operate in



*Power To The People...*



# Systemic Change: Management Audit

*Sri Ram Centre for Human Resources and Industrial Relations, New Delhi to carry out a management audit at NDPL, so that the expectations of the employees to the management became clear.*

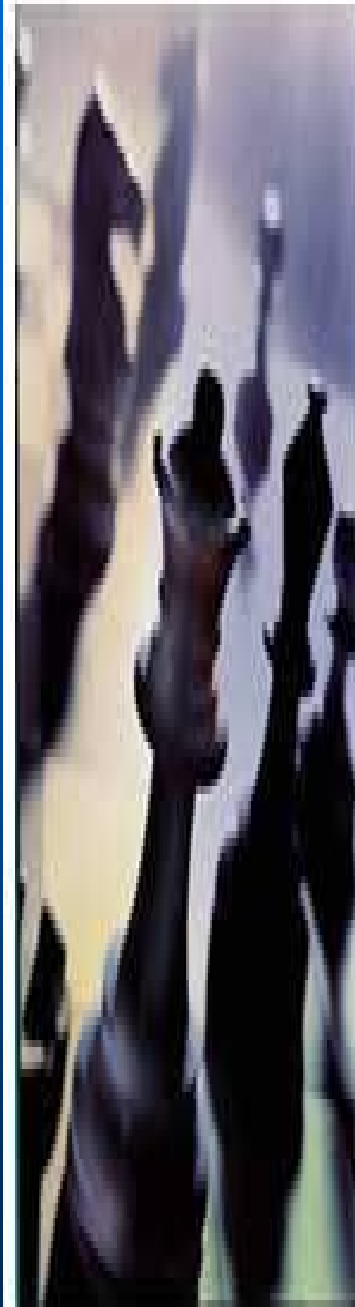
To meet these expectations an action plan having 50 issues was spun out and these are addressed periodically by the CEO and top management team.

The transition was made on the basis of the issues emerging out of this report. Human resource emerged as an area of concern.

# ***Fear psychosis with New Management stepping in***

- The entire employee population was uncertain about the new management and there was a '*fear psychosis*' brewing, which gave tremendous boost to the Unions.
- 19 unions present and No recognized Union

**Addressed the Learning Disability by setting things right –BUILDING TRUST/NEW ORGANOGRAM/CREATING WORLD CLASS ZONES**



# Systemic Changes

## Employee Relations & Unions

### Building trust

- **Worked with two Internal change agents**
- Identified contentious issues
- **Gave into some demands while put up the performance work culture demand**
- Established the psychological contract and trust with positive employee relations through:
  - **The Widow Fund: Wiping the Tears**
  - Institutionalizing of the Salary Disbursement through Electronic Bank Clearance.
  - **Promotions: The end of the thirty – year wait**
  - The special case of 89 work charge temporary employees
  - **Closing of Suspension files on petty issues**



# Empowerment through Training

- Training need analysis was carried out in larger perspective taking into account skills and knowledge required in the organization in different pockets.
- **A record 10,887 plus man days of training has been imparted to 4,500 employees under a planned & sustained training schedule .**
- The Peer exchange program was designed by CEO and HR team with **Baltimore power utility and Columbian power utility.**
- **Phillips Crosby model was adopted for Quality programme.**

# Setting up systems and processes

- **Employee Communication Letters by CEO**
- **Meet The CEO Scheme**
- **Employee Satisfaction Study**
- **Incentive Scheme- Physical patting took place on many occasions**
- **Joint Interaction Forum/Performance Mgt/HRIS,T &D; Compensation ;**
- **Talent mgt. and Diversity management.**



# QWL Interventions

- **Inculcating Spirit Of Corporate Social Responsibility**
- **Scholarship Scheme for Promoting Higher Education For Children Of NDPL Personnel.**
- **Health Care:** To provide the best & most immediate health facilities, NDPL has empanelled 40 hospitals all over Delhi for direct payment by NDPL and employees can avail free treatment.
- Within the scheme there have been 6 immunization drives & it has covered more than 12,000 cases in one year. **Eye camps, health camps, blood donation camps were organized. NDPL has donated Rs. 5 lakhs to Sood Eye Foundation.**
- **Insurance:** NDPL has got every employee insured for a cover value of Rs. 2.5 lakhs at Company cost ,  
**Education and Counseling.**

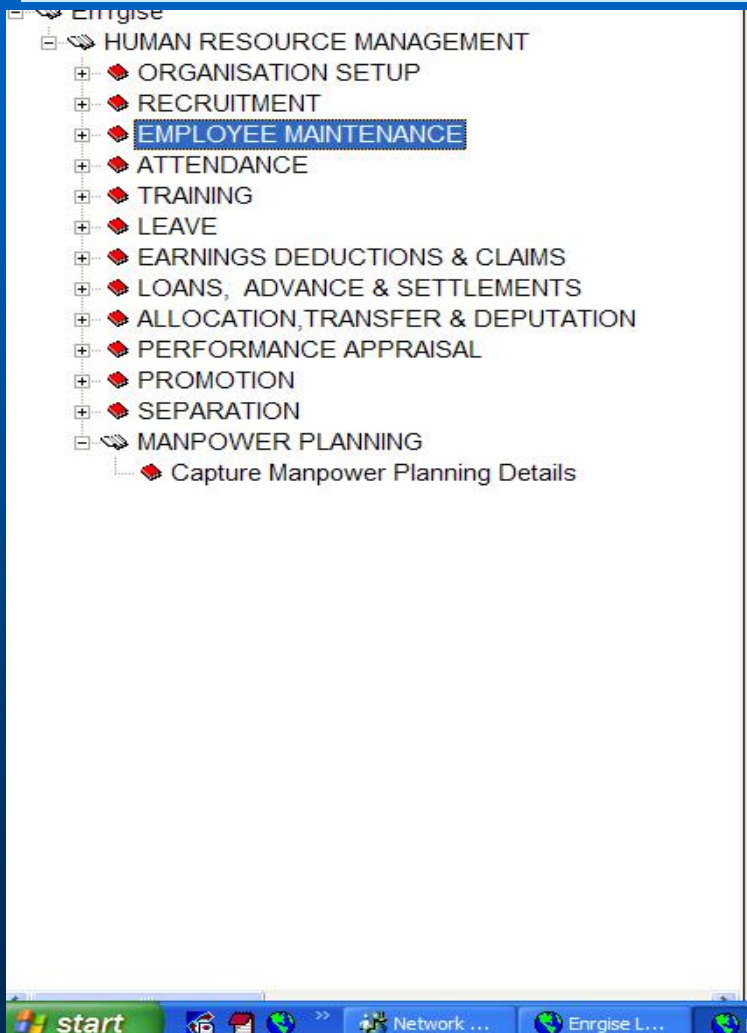


# Application of Kotter's(1996)\* model

6. **Planning for and creating short-term wins** (planning for visible performance improvement and recognizing and rewarding employees involved in the improvements);
7. **Consolidating improvements and producing still more change** (using increased credibility to change systems and structures); and
8. **Institutionalizing the new approaches** (articulating the connections between the new behaviours and corporate success).

\* Kotter, John P. (1996) *Leading Chang: Why Transformation Efforts Fail*, Boston, Harvard Business School Press.

Use of information technology  
1500 computers from just 2 computers  
HRIS system established  
Electronic clearing system



EN'RGISE

for

N.D.P.L.

Enterprise Related Generalised Information System





# Performance management system

**1. Organizational performance management system:** This is based on the targets set by company. It is business performance such as financial performance, commercial targets achieved, consumer billing, capital expenditure, engineering billing etc.

**2. Individual performance management system:** In this system, performance of individual is judged on the basis of his KRA.

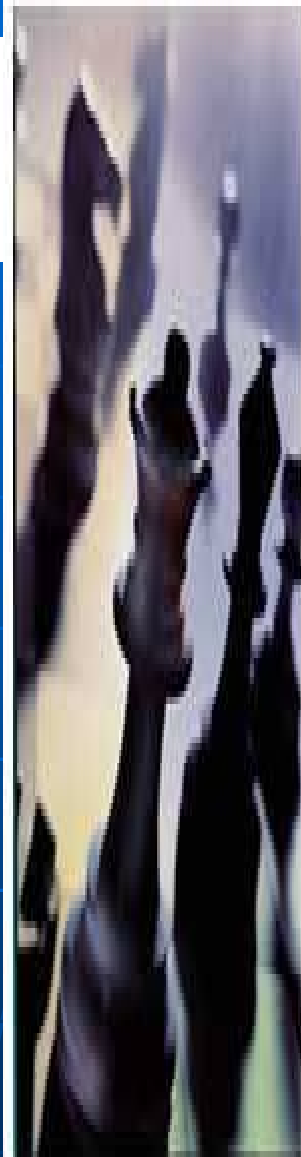
**KRAs were given to executives up to level of Assistant Manager. For each set of position, certain level of competency is desired.**

**Poor performance affected remuneration.**



# The Change Institutionalization

- Adoption of performance measurement devices sent signals that claims of better performance needed to be supported by data.
- These efforts included devising the performance management system, a system of Zonal performance, and sending zonal performance data through e-mail.
- The MIS (built through software programming) was fully internalized, which was being considered as a necessity for knowing where the company stood.





# Institutionalization of Change

- The centralized Control Room located in one of the grid stations circulated the report on operations to all departments concerned through e-mail.
- A performance monitoring cell was specially created to directly report to the CEO.
- The respective functional heads prepared the functional reports on a monthly basis; this included, among others, the monthly Human Resource Information System (HRIS).
- These initiatives led to building of pressure on weaker zones to catch up and change their existing ways of working



## **Case Similar to NTPC Takeover of Talcher Thermal Power Station**

- Similar to what NTPC did in taking over of Talcher Thermal Power Station (TTPS) of Orissa – a 30 year old plant. The plant was a sick unit and incurring huge losses.**
- Public perception was that NTPC was burning its fingers in taking over the old plant.**
- Within a short span of 3 years NTPC did a stunning turn around of TTPS. The PLF increased to over 65% and the plant earned profit.**
- Attending to basic needs of employees helps in legitimizing change, which is what happened in the case of TTPS.**



THANK YOU  
YOUR QUESTIONS ???



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