

**Republic Of Lebanon  
Council for Development & Reconstruction**

**Technical Assistance to the  
Lebanese Administration**

الجمهورية اللبنانية  
مكتب وزير الدولة لشؤون التنمية الإدارية  
مركز مشاريع ودراسات القطاع العام

**SIU - ELECTRICITY**

Republic of Lebanon  
Office of the Minister of State for Administrative Reform  
Center for Public Sector Projects and Studies  
(C.P.S.P.S.)

***Review of***

***Human Resources Function***

*Electricité du Liban*

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## **Contents**

**INTRODUCTION:**      BACKGROUND  
                             TERMS OF REFERENCE  
                             STUDY METHOD

**SECTION 1:**              SECTOR ANALYSIS

**SECTION 2:**              ORGANISATION ANALYSIS

**SECTION 3:**              HUMAN RESOURCE MANAGEMENT

**SECTION 4:**              HUMAN RESOURCE DEVELOPMENT

**SECTION 5:**              NEW ROLE OF HUMAN RESOURCES FUNCTION IN  
                             EDL

**SECTION 6:**              IMPLEMENTATION

**APPENDICES**

## **BACKGROUND**

The electricity Authority of Lebanon (EdL) is charged with the functions of electric power generation, transmission and distribution in Lebanon. It is headed by a board of administration under the tutelage of the Ministry of Hydraulic and Electric Resources. The Director General is responsible for the day-to-day activities of the Authority.

\* \* \*

These are presently 3,300 staff in EdL with maximum generation output of 700 MW and an installed capacity of 1400 MW, with a further 900 MW of new generation to be developed in the next few years. An intensive refurbishment programme is underway to repair existing plant and networks. Contractors are employed to carry out this work.

There was no recruitment of permanent staff during the war and up the present day which has resulted in a severe shortage of staff and a high age profile (average age 50). In addition, no training or technological development took place.

The personnel Department has a small staff of 9 people. It is mainly equipped to deal with administrative issues. It provides a needed service and reacts to requirements as they arise. However, it has not got the resources to provide a modern functional human resource management service for EdL.

## **TERMS OF REFERENCE**

The Director General of EdL has asked SIU-Electricity (the sector implementation unit for Electricity with ESBI as consultants) to examine the personnel policy and regulations of EdL with a view to assessing the future personnel / recruitment requirements and, if necessary to prepare the terms of reference to hire consultants to carry out the necessary work to establish a personnel function.

SIU proposes to employ a short term expert in the field of personnel to assist in reviewing the personnel function and to make recommendations for putting in place a personnel organisation / structure appropriate to EdL needs. The recommendation will be implemented by a consultant under the management of the SIU.

### **Objective:**

The object of the SIU work will be to review the personnel function in EdL and to prepare appropriate terms of reference for the setting up of a new revitalised personnel function.

## **STUDY METHOD**

The scope of the study is defined in the terms of reference. The objective is to review the personnel function in EdL and make recommendations for a new revitalised function.

Two major factors influence the approach which a company takes to human resource management. These are the external environment and the organisational context. To gain as broad a perspective as possible about the issues affecting human resources management in EdL a systems approach was taken in this study.

This approach involved an analysis of the external environment, and the organisation of EdL, identification of the key human resource issues; analysis of those issues and making recommendations for changes and implementation.

The study was conducted in a series of interrelated stages as follows:

- SECTOR ANALYSIS
- ORGANISATION ANALYSIS
- IDENTIFICATION OF KEY ISSUES
- ANALYSIS OF KEY ISSUES
- RECOMMENDATIONS / ACTION PLAN

### **Stage 1:**                      *Sector Analysis*

The forces requiring change in EdL originate outside as well as inside the organisation. A review of the salient aspects of the electricity sector structure and dynamics was carried out in consultation with EdL management and external agencies.

### **Stage 2:**                      *Organisation Analysis*

This stage examined the impact of the key organisational components, structure and systems on the effectiveness of EdL.

This review involved detailed discussion with the Heads of Departments and Senior line managers in EdL. It included a review of the present organisation structure and the competence of management and staff and also covered the desired future state of the organisation. The issues were discussed at length and excellent information obtained.

Stage 3:                      *Identification of Key Issues*

At this stage the information and knowledge obtained about the industry sector and the organisation was analysed to identify the key human resource issues facing EdL.

An in depth analysis was carried out to support the eventual recommendations. This stage was designed to raise the key issues that will have the greatest impact on organisation performance in the long run. These issues were discussed with EdL management and regulatory and funding agencies viz. Council for Development and Reconstruction, World Bank, European Union.

Stage 4:                      *Analysis of Key Issues*

Once the key issues were identified and agreed they were categorised as either problems or opportunities and an overall strategy developed. This included the drawing up of alternatives and the assessment of the possible outcomes against different options.

An outline implementation programme and action plan was developed and discussed with EdL senior management.

Stage 5:                      *Recommendations*

The final stage of the study was the writing and presentation of the report. It contains recommendations on the personnel function in EdL that are to be implemented based on the cumulative sequence of analysis and decision making contained in the previous stages.

SIU would like to record their thanks to EdL management and staff who assisted them with this work.

*SECTION 1.*

**SECTOR ANALYSIS**

**1.1 INTRODUCTION**

**1.2 NEED FOR REAPPRAISAL**

**1.3 MANAGEMENT CONTRACT**

## **1. SECTOR ANALYSIS**

### **1.1 INTRODUCTION:**

The Electricity authority of Lebanon (EdL) is charged with the functions of electric power generation, transmission and distribution in Lebanon. It is headed by a Board of administration under the tutelage of the Ministry of Hydraulic and Electric Resources. The Director General is responsible for the day to day activities of the Authority.

Although EdL is a legal entity it is resource dependent and the survival of the company is critically dependent on the provision of funding by the government of Lebanon. This obviously creates a situation in which the state, as major stockholders, exercise major influence on the affairs of the company.

The state also exercises a major influence on the utilisation and management of human resources in EdL through the employment decrees which govern all of the public sector. These decrees cover all the main aspects of personnel that would appear in private sector companies as the main personnel policies of a company. The areas covered include recruitment standards, numbers of staff, rights of employees, general approach to minimum salaries, payment scales, promotion regulations, working hours, bonus payments, holiday entitlements, discipline and grievance procedures. While these decrees set out the necessary framework within which EdL must operate they do severely limit the companies ability to introduce changes which are considered necessary to improve productivity and effectiveness of its human resources.

### **1.2 Need for reappraisal:**

The fact that EdL has to operate within the public sector and operate under the strict guidelines set for this sector while seeking to change into a more commercially oriented organisation is a matter that must be addressed.

The environment in which EdL is operating is increasingly turbulent and requires management to develop the strategic capability to fulfil its expected role within acceptable guidelines. This requires a fundamental reappraisal of the regulatory framework within which EdL operates.

According to the World Bank, the legal regulatory framework under which EdL operates acts as a constraint on the speed at which change be implemented in the power sector. The successful transition of EdL from a public service to a commercially orientated business requires the development of a new relationship or contractual agreement between EdL as a company and the ministry. This agreement, or 'Management Contract' should clearly set out the rights and obligations of both parties in all key areas of the key areas.

**1.3    Management Contract:    Ministry and Electricite du liban:**

The management contract should define the Ministry's obligations in the areas of

- Overall National Energy Strategy
- Legislation framework to support the companies activities.
- Subsidies
- Fuel resources
- Investment Support
- Overall control

In the case of EdL the contract should define the companies rights and obligations in areas such as:

- Company Strategy
- Overall performance of the electricity system
- Balance between revenue and expenditure
- Cost reduction / productivity
- Modern management techniques
- Human resource policies for EdL staff

The 'management contract' between EdL and the government must be backed up by detailed performance indicators which would allow the contributions of both parties to be monitored.

*SECTION 2.*

**ORGANISATION ANALYSIS**

**2.1 INTRODUCTION**

**2.2 STRUCTURE**

**2.3 IMPACT OF INFORMATION TECHNOLOGY**

**2.4 THE NEED FOR CHANGE**

**2.5 CRITERIA FOR CHANGE**

## **2     ORGANISATION ANALYSIS**

### **2.1     INTRODUCTION:**

The effectiveness of the organisation is affected by a number of factors both internal and external. The impact of one major external influence, the major stockholder, the state, was dealt with in the previous section.

EdL, as a major industry, producing and supplying an essential service faces many challenges following the destruction of assets during the recent unsettled period in Lebanon. Precisely because electricity is such a key commodity for the development of a modern state EdL must strive to achieve high standards of profitability, quality of supply and service to customers.

This section examines the impact of the key organisational components, structure and systems, on the effectiveness of EdL.

### **2.2     STRUCTURE:**

The structure of an organisation is a key element influencing the efficiency of its operations.

EdL conforms to the standard utility organisation type common throughout Europe and the United States up to the 1980s. This type of organisation, classified as 'machine bureaucracy' proved to be the ideal organisation type to produce consistently high quality and reliable electricity supply and services.

However, despite the advantages of standardisation and scale which this type of organisation provides, there are also some characteristics which create difficulties in time of change. The main disadvantages are that they are monolithic, large, tightly controlled and work best in a stable environment. Above all, they are slow to adapt or change direction. They are also highly centralised.

The organisation structure of EdL is outmoded and incapable, in its present form of responding to the challenges which the company faces:

- It is too highly centralised and inflexible and this is reflected in the operating procedures and systems.
- Decision making, for even minor matters, is too centralised and slow. Delegated authority levels are very restrictive.

- The number of management units reporting directly to the Director General is too large (some 20 reports) and impacts on co-ordination and efficiency.
- There is relatively poor co-ordination and information flows within as well as across functions.
- Planning is mostly short term with action based on reacting to problems as they arise. Objectives are mostly short term and generally based on what can be forecast from past performance.
- Communication is mainly in the form of directives on a need to know basis. Little information is sought from subordinate staff. Staff are given information on a 'message passing' basis. There is little or no involved discussion of on the job activities.
- The absence of real responsibility and accountability has created a demotivated atmosphere. There is no incentive for managers to push and drive the various systems to achieve commercial results.
- With the exception of payroll and billing, most of the operating systems are manual and time consuming. They inhibit proper controls and make it very difficult to get fast, comprehensive and accurate management information.

There is therefore a clear need to restructure the organisation and create a more commercial approach in each functional area with management more responsible and accountable for results. There is also a need to revise the management systems and procedures and to computerise them to meet the needs of a modern company. The introduction of information technology will have a major impact on the way the company is reorganised.

### **2.3 Impact of information technology:**

No influence will have broader implications on the future design of organisations than the developments in new technology. Information technology has the potential to be used across every area of business activity and in all sectors of the company.

The core business of any power utility is driven by complex information flows. This means that information technology will have a profound impact on the EdL organisation of the future. To achieve the necessary changes in a timely and effective manner should be regarded as a strategic issue.

EdL is currently at the initial stages of information technology (IT) development which largely comprises the conversion of existing systems - accounting, technical, personnel- to IT with a significant gain in efficiency and performance. Because of the rapid

development in IT systems EdL will also have the capability of learning from the experience of other utilities and extend information technology to new applications such as:

- Maintenance management systems for power stations
- Materials management systems for stores and purchasing
- Work management systems for design, costing and scheduling of distribution work.
- Accounting and cost control systems
- Customer systems for metering, billing and service
- Personnel management information system
- Executive information systems which produce a wide range of reports on key areas drawn from all systems.

The introduction of the new generation of information technology systems will facilitate the flattening of the management structure and improve productivity. There is also likely to be a change in role and in interdependencies between functions and management areas. The constraints imposed by location and geography will be reduced.

#### **2.4 The need for change:**

There is a need to reorganise the way in which EdL does its business so that the factors which currently inhibit an effective commercial style operation are eliminated.

The changes in structure and systems should be clearly necessary and provide a significant benefit to the company by:

- Developing a more rigorous approach to corporate planning
- Creating a more commercial approach with management more responsible and accountable for results.
- Enhance decision making and reduce the large span of control
- Make a significant change in effectiveness
- Correct deficiencies in co-ordination
- Prevent delays in implementing work programmes
- Improve quality, reliability and safety
- Improve the quality and standards of customer service
- Revise business procedures and develop and implement modern management information systems.
- Improve human resource management and achieve enhanced motivation, efficiency and productivity.

#### **2.5 Recommended criteria for organisation change:**

There is a need to consider restructuring the company along broad functional lines such as:

Generation

Transmission  
Distribution  
Finance  
Human Resources  
General Secretariat  
Strategic Development (at least for duration of the redevelopment)

However, in depth recommendations on the specific format which a restructuring should take are outside the remit of this document. For this reason, the following criteria are listed as a guide in the development of proposals for change in the organisation structure.

- Structure must be logical, simple and easily understood and acceptable, and support emphasis on corporate management.
- Substructures to be task / activity-oriented and flexible, allowing an entire structure to disappear when its need is past or for the assimilation of a new structure without undue organisation stress.
- Structure should facilitate identification, communication and measurement of individual objectives, enhance decision-making, and encourage and permit incumbents to perform at the maximum of their potential.
- There should be the minimum number of hierarchical levels and grouping of like functions necessary to provide good organisation, motivation and control.
- Appropriate authority and responsibility should be delegated as low as possible in the organisation.
- The location of management, administrative and information systems activities should achieve economies of scale and allow work to be performed in the most cost-efficient location.
- Work should be performed as close as possible to where the product of that work is needed and be most economically performed.
- Responsibility for corporate planning and strategic development as well as co-ordination of all other planning should be located centrally.
- The structure must be consistent with authority and approval levels, and provide checks and balances as necessary.

- The structure must optimise individual and group productivity and utilisation.
- Except under exceptional circumstances, the span of control at senior management level should be no less than four or greater than eight.
- Generally speaking, managers of equal position should be responsible for work of equal impact.
- The form and style of the structure (e.g. titles) should truly reflect the character of the organisation as well as the specific tasks to be accomplished.
- The philosophy of individual accountability should be the guiding management principle.
- The organisation should promote a high quality of work-life, an effective communications process and create commitment and motivation among management and staff.
- The structure must facilitate logical succession planning and organisation development, including effective rotation of personnel.
- The structure must satisfy the needs of the Board of EdL and the Ministry where ultimate accountability for all actions of the company resides.

*SECTION 3.*

**HUMAN RESOURCE MANAGEMENT**

**3.1 PERSPECTIVE**

**3.2 PERSONNEL STRUCTURE EDL**

**3.3 DUTIES OF EDL PERSONNEL DEPARTMENT**

**3.4 HUMAN RESOURCE PLANNING**

**3.5 STAFF MORALE AND MOTIVATION**

**3.6 REWARD SYSTEM**

**3.7 JOB EVALUATION**

**3.8 RECRUITMENT AND SELECTION**

**3.9 PROMOTION / ASSESSMENT SYSTEM**

**3.10 PERSONNEL ADMINISTRATION**

### **3     HUMAN RESOURCES MANAGEMENT**

#### **3.1     PERSPECTIVE:**

The human resources of a company are universally recognised as being its most important asset. The profitability, and even the survival, of the company depends on the quality of the management and workforce. Modern personnel management is concerned with the acquisition, utilisation, development / training and retention of the company's human resources; The overall aim is to make an effective contribution to the objectives of the organisation.

Two major factors influence the approach which a company takes to personnel management. These are the external environment and the organisational context.

The impact of the external environment was examined in Section 1 of this study. Strategic issues facing EdL were identified and the development of a new regulatory arrangement with the government in the form of a management contract was recommended.

The organisation context was reviewed in Section 2 of this study. Key issues were identified and the development of a new organisation structure and systems was recommended to support the introduction of a more commercial and customer driven management approach.

In this section the study reviews:

- \*     The present personnel organisation structure and function.
- \*     The major human resources issues requiring change.
- \*     The need for a revised corporate personnel function.

### **3.2 Present personnel organisation structure EDL:**

The present personnel organisation structure consists of the Director Personnel and nine staff who are engaged in three divisions. These are:

1. Secretariat
2. Examination and Studies
3. Personnel files.

The head of personnel Dept. Report directly to the Director General. The present personnel dept. is a centralised function; there are no 'personnel' staff employed in other departments, regions or power stations. The main duties of the personnel dept. are listed in the following paragraph.

### **3.3 Duties of EDL personnel dept.:**

The main duties of the personnel dept. in EdL are:

- Responsibility for all personnel issues except preparation and payment of salaries.
- Implement new employment procedures and regulations including the preparation, administration and evaluation of relevant entrance level tests.
- Preparation of statistics on a monthly basis on personnel matters. These statistics focus particularly on the monthly listing of staff by name / level etc. in the different depts. and takes any changes into account.
- Continuously maintain, manage and update the personnel files of all EdL employees and temporary staff.
- Check and follow up on administrative organisational charts.
- Manage all stages of the recruitment and selection process including the issuing of advertisements for vacancies, accepting candidates applications, administration of relevant employment examinations and making appointments in accordance with existing procedures. Following appointments the personnel files are updated and notifications of the appointments are circulated inside and outside EdL.
- Prepare files on cases to be submitted to the general disciplinary board.
- Deal with queries and requests for information about EdL employees emanating from inside and outside the company. Requests include

information for certificates, employment cards as well as for information of a confidential nature.

- Maintain records of employee vacations.
- Liaison with the council for the Civil Service and submit application files for review or for approval.
- Review all employee issues and provide advice regarding requests for vacations, transfer, assistance or status modifications and on other issues such as disciplinary action, absenteeism, dismissal etc. ...
- Deal with general employee issues such as issuing permits, employment certificates and cards.
- Prepare drafts.

The basic policy with regards to personnel issues for the Civil Service and the public sector is laid down by government decrees. These decrees cover recruitment standards, promotion policy, salaries, discipline and grievance procedures.

General:

- Recruitment and Selection standards and procedures
- Promotion policy
- General principles of approach to minimum salaries, working time, holidays, sick pay etc.
- Discipline and grievance procedures.

The framework within which the personnel function in EdL must operate is clearly defined. For this reason the work of the EdL personnel function has tended to be largely operational rather than strategic or policy making in nature. However, some changes have been initiated within existing guidelines but these have proved to be lengthy and time consuming. In effect the personnel function has little room to manoeuvre.

### **3.4 Human Resource planning:**

Due to circumstances, Human resource planning in EdL is relatively underdeveloped. Restrictions caused by government employment decrees and the ban on recruitment of permanent staff since 1983 also contribute to the absence of any real future HR planning.

While a lot of general data is available about staff there is a lack of qualitative information on overall numbers, by grade levels and by location and salary. However, it is not possible to analyse or model this data unless it is transferred to a different system (by hand). Also, it is not possible to identify the number of staff employed according to work categories i.e. electricians, fitters etc. except by checking the hand drawn organigrams or checking through the personal files.

The last organigrams were drawn in 1979 and so are out of date. The head of personnel has requested managers to prepare up to date charts for their areas and this is expected to be done later this year. However a preview of the organigrams highlights a further issue. The requirement for staff, the establishment for each area, is based on historical staffing levels and is not related to either the volume of work or the quality of the workforce.

There are no measures of work performance or productivity. The absence of some agreed measures to monitor and judge work performance renders it impossible to extrapolate future staffing needs. A major concern here must be the general acceptance by managers that only about twenty per cent of the staff are effective.

In addition, for historical reasons, employees work a nominal 32 hr. week; many are said to work less. When annual holidays, state holidays and sick absenteeism are taken into account it becomes clear that a core human resource planning issue is to know the actual productive hours worked by all staff.

### **Job skills profiling:**

Never before has it been so vitally important for EdL to get the right skills in place and develop the highest level competencies to do the work at all levels in the company.

There are two career streams in EdL, administrative and technical. Within each stream staff are grouped under six broad grade (category) bands which are related to their salary scales and general work content. While the grade bands give some indications of the work type they are inadequate for human resource analysis and planning. There are no job descriptions available for specific work functions in EdL.

The starting point for defining the skills and training needs of the EdL workforce must be with the occupational groups of jobs currently existing in the company. To simplify the process, jobs with similar skill requirements should be grouped into 'job series' which define the skills and competencies required for each job holder to become 'expert' in the position.

All jobs across the entire company should have a job skills profile which describes the job in terms of its technical and non technical skills and the level of competency required by the job holder.

The information that will be available as a result of the job skills analysis will provide excellent information for human resource management issues. In particular it will identify the skill 'gaps' in key skill areas across the different areas of the company. As a result, training plans can be formulated that can more accurately focus on the skills where the key gaps exist.

The job skills data base will also provide information for recruitment purposes by describing the job skills and competencies required to fill vacancies. This information

will also provide managers with the necessary information to carry out assessments of their staff and to identify areas where the individuals personal skill profile falls short of the required job profile for their current job.

There is a clear need to establish a profile of the skills and competencies needed for the various types of jobs in EdL. Job analysis needs to be carried out to define job skills profiles in terms of skill attributes and levels of competence essential and desirable for the jobs.

### **Succession planning:**

Succession planning is an important element of the overall human resource planning process. The aim of succession planning is to ensure that as far as possible suitable managers are available to fill vacancies created by promotion, retirements, resignations etc.

Because of the non recruitment policy over the last years in EdL, the average age of staff is 50 years of age. However, because management is such a key category they need to be examined as a discrete group.

There are two management career streams in EdL, Technical and Administrative. The management succession details for both groups are shown in appendix. These figures shows that:

There are 23 senior administrative staff. Of these, 17 are under age 55.  
There are 138 senior technical staff. 104 of these are under 55 years of age.

On a purely numerical basis these figures would indicate the possibility of selecting successors from within existing staff to meet immediate / short term needs. Recruitment will be necessary to ensure sufficient future succession needs.

As mentioned previously, no formal human resource planning or assessment process currently exists. There is, therefore, no formal appraisal information which shows a rating of managers performance or potential to be promoted. There are also no key competencies against which managers can be judged. The introduction of human resource management systems recommended earlier will help to rectify the situation.

To meet the challenge of the future, the company needs to make a definite commitment to management as a professional discipline.

To achieve this it needs to:

- to define the competencies required.
- introduce a formal selection process based on these.
- to enhance and develop these competencies by formal training and varied job experience.
- to require professional standards of performance.

**Recommendations:**

In order to carry out effective human resource planning there is a need to:

- establish an adequate data base on existing staff including qualitative as well as quantitative data.
- develop detailed specifications for each work category / job covering details of knowledge, skills, qualifications required for the different level of jobs.
- establish the competencies required for different jobs in addition to the technical requirements.
- commence a planned programme aimed at developing work performance indices which will be based on best practice and provide a target to aim for.
- following on from this there is a need to commence a planned programme of right-sizing. There is a need to determine the true staffing needs of the organisation if all constraints and poor work practices were removed.

**3.5 Staff morale and motivation:**

There is an overall consensus that morale and motivation for most staff is low. This is seen as being caused by a range of factors most notably:

- a tendency to live in the past. there is an understandable pride in the past glory in EdL when the company was vibrant and a wistful desire to turn the clock back 20 years. This creates a culture which is resistant to change.
- a general feeling of inertia; of hopelessness and inability to change or progress anything. The restrictions imposed by government regulations are the most common reason given for this.
- a low level reward system and difficult economic circumstances. The acceptance of the need to work on a second job means diminished loyalty to EdL.
- Poor attitudes, poor work habits derived during the war years. Custom and practice together with the belief that salaries are too low are used to justify poor productivity and short working hours.
- The poor public image of the company.
- The shortage of vital and, at times, even the most basic equipment.

- Lack of management / staff communication on corporate issues.
- The absence of any disciplinary powers by management.
- A culture of low risk, low reward, avoid conflict or controversy.
- A management outlook that does not put a high premium on the competencies necessary to motivate staff.
- The lack of recruitment and thus no new energy and skills, into the company on a permanent basis for many years.
- Lack of promotional / career opportunities

**Recommendation:**

There is a need to:

- develop managerial competency to motivate staff and to relate reward to performance.
- develop a new work ethic with emphasis on reward being based on performance.
- review the reward and promotional systems (Reward must be seen in a broader context then monetary).
- greater emphasis needs to be placed on the development of positive employee relations. The development of an effective communications system between management and staff would be a good starting point.
- managers must be given authority, with guidelines, to exercise disciplinary sanctions if required.

**3.6 Reward system:**

The salary system at EdL is based on an integrated salary system used throughout the Lebanese public service.

A minimum salary is set for each level in ascending order (6 categories / grades). There is an incremental scale of 15 points within each level. Increments are paid on a two year basis regardless of work performance.

While there is a set minimum salary a very significant addition to normal salary is paid through extensive use of a bonus system. The result of this system is that the bonus system can equal from 30% to 100% of basic salary without the recipient being required to enhance performance. The additional payments now equal the total amount paid in salaries. The salaries / bonus payments for 1993 are shown in appendix . The budget for 1994 shows \$14.7 m. for salaries and \$14.6 m. for other payments.

The critical issue here is that if most employees get bonuses without having to enhance performance then the incentive dimension is missing from the reward package.

EdL employees also benefit from some other conditions of employment such as cheaper rates for electricity / medical benefits etc. which are not regarded as reward payment by staff.

However, as mentioned in the previous section on staff morale, the general perception of staff management and staff is that the total compensation package is too low. A major increase of 70% has been approved for 1994 but this is not seen as correcting the perceived imbalance between compensation and cost of living.

It is not possible to make an informed statement on the relativity between EdL total compensation package and the cost of living in Lebanon. This would require an in depth study. However, a preliminary review of EdL salary scales, with adjustments for bonuses etc., would appear to indicate that EdL salary scales are uncompetitive with similar positions in the private sector.

(Note: a review of all public service salaries has recently been initiated by the Ministry.)

### **Salary Administration policies:**

While there are motivations other than money, pay is a major factor in the employment contract. It is the job of management to find the package of inducements which encourages maximum employee productivity. To be effective, the reward package must be developed to fit the needs of the company.

There is a need for EdL management to set clear objectives to be achieved through use of the system. These should include:

- Ability to attract suitable employees, particularly at professional and skilled levels.
- Obtain optimal performance from employees.
- Encourage employees to improve their attendance, commitment and work performance.

- Have sufficient flexibility to reward high performers and deal with poor performers.
- Operate at minimum cost.
- Ensure that jobs of equivalent value to the organisation are rewarded equally.
- Ensure that employees feel fairly rewarded for the jobs they do.

However, the development and operation of a revised reward system must be done within the context of an agreed arrangement with the government and the particular organisational circumstances within which EdL is currently working.

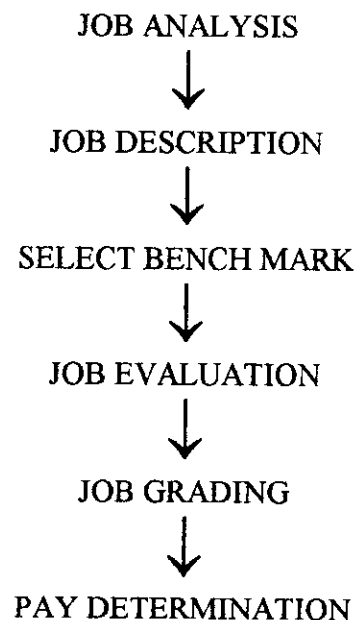
To achieve the objectives listed above requires a structured approach to the evaluation of the relative worth of jobs.

### 3.7 **Job evaluation:**

Job evaluation is a systematised and structured approach to establish the relative value of jobs within the company. It measures the relative value of jobs by identifying and assessing differences between jobs.

The need for detailed job descriptions was discussed in a previous section of this study dealing with human resource planning.

The process of job evaluation is not stand alone but intrinsically linked with all the other human resource systems in the company. The diagram below sets out the basic steps to be followed in evaluating jobs.



Recommendations:

A salary and benefits policy should be developed which will:

- Ensure that what salary is paid is fair in comparison with payments received by other employers within EdL organisation.
- Ensure that EdL pay rates are fair in comparison with other employers. The circumstances of the company must also be taken into account.
- Encourage effective performance and commitment by employees.
- Incorporate a significant level of the current average bonus paid into salary, and then operate a bonus scheme with a maximum of 20% as a rigorously applied incentive.
- Take all 'benefits' and 'conditions' into account when considering the true rate of pay.
- Match salary reward to performance and output.
- Use a structured job evaluation system to determine the relative value of jobs in EdL, taking competency, skills and responsibility into account.

### **3.8 Recruitment / Selection:**

Conditions are set by the civil service for all public bodies including EdL. The regulations state the educational / experience requirements and the appropriate pay scale for a range of jobs within grade bands.

The salary regulations and merging procedures are set out in great detail and give very little room for flexibility on entry level salaries. Provision is made for payment of attendance and merit bonuses.

The filling of positions must be approved by the civil service. All candidates must undergo an examination which is appropriate to the level of the vacancy.

EdL administers and marks the examinations for its own staff. Selection must be made in order of success on the examination results i.e. the candidate who tops the list of the examination results must be selected first and so on.

There is a medical examination for those selected.

There is no interview process.

The process of selection by examination result above is due to a historical need to ensure the fairness of the system. However, because this system does not seek to match the personal characteristics of applicants to jobs it is possible that the best person for the job is not always selected. The head of personnel would like to see the situation changed and have interviews introduced into the selection process.

The recruitment process is arguably the most important human resource activity and the way it is conducted is of crucial importance. There is a strong need for training selectors in modern ways of measuring human qualities and predicting whether or not people would be likely to succeed in different jobs. Provided the selectors are professionally trained, the selection process could be amended to include modern assessment methods such as psychometric testing and structured interviews.

A point that needs to be stressed is that recruitment and selection is about matching the skills and attributes of people to jobs. As already mentioned, there are no job descriptions available for positions in EdL. Assessment of candidates cannot be carried out unless proper job descriptions and person specifications are developed.

The final part of the selection process is the probationary period. There is a short, three month, probationary period in EdL. It is relatively informal.

The whole purpose of recruiting and selection is to find people who will prove to be well matched to the jobs for which they are engaged. There is a need to ensure that the performance of new recruits is assessed regularly over at least a 12 month period. Systematic feedback on performance is essential.

**Recommendations:**

There is an urgent need to recruit staff for management and operational purposes.

- However, before any recruitment takes place there is a need to develop clear job specifications and the competencies required to meet the needs of a new EdL.
- The process needs to be upgraded and the use of an interview process and other modern techniques introduced.
- A twelve month probation system should be introduced together with strict quarterly assessments.
- The professionalism of the personnel function and managers involved in recruitment must be developed and improved through training and obtaining HR qualifications.

**3.9 Promotion / Assessment system:**

The aims of a promotion system are to ensure that merit is rewarded and the best talent available within the company is selected to fill supervisory and management positions.

The promotional system also provides employees with the opportunity to advance their careers within the company and so acts as an incentive for enhanced work performance.

The regulations governing promotion in EdL are defined by the civil service. Once a person is employed there is automatic progression up their entry level pay scale every 2 years. Scales have increments and it takes 30 years service to reach the maximum point on the scale. There is no appraisal and no discrimination is made between high or low quality of work.

For promotion to the next level there is a prerequisite of a set number of years service (six years). This plays a major role in promotion and limits the field of candidates. There is no formal assessment or interview of candidates even if a number of candidates are available with requisite experience to fill a promotional position. Selection is made by the relevant Head of Department.

It is most unusual for a person to change career streams, for example, from personnel to accounts. But changes do occur within some broad categories such as technical staff. Examinations must be passed before some employees can move to a higher scale e.g. for a worker to become a supervisor. The rigidity of such requirements can cause frustration and prevent the best person from getting the job.

As noted before, there is no formal performance appraisal or assessment system operating in the company. There is no obvious reward system which recognises good performance. There are no formal job descriptions or person specifications for positions or person specifications for position in EdL. Also, there is no formal succession planning process.

Recommendations:

To ensure that the promotional system is seen as part of the reward process and works in the best interests of company and staff there is a need to:

- develop an assessment system which will evaluate existing employees to determine their potential for more senior positions.
- Revise the promotional / advancement system for all positions so that it is competency based, takes account of performance and includes modern selection techniques.

### **3.10 Personnel administration:**

#### **Personnel Information Systems:**

The personnel data base in EdL consists of computerised payroll data, manual personnel files for all 3,300 staff, hand drawn organigrams which are outdated - the last update was in 1979. They are currently being updated but on an old base which reduces their value.

It is possible to get overall statistics, salaries, age distributions and spread across grades. However, it is not possible to get essential qualitative or quantitative information from the existing records. For example, it is not possible to identify the number of line workers, electricians or fitters; or to identify their level of training; or their productivity. Given a great deal of time and investigation, these facts could probably be obtained by discussion with managers and by manual extraction of data from files.

It is therefore fair to say that, because of the scattered nature of the data and the great amount of data held on manual records and localised knowledge it is very difficult to obtain key information for human resource planning.

There is a clear need for EdL to update and computerise the human resource data base to meet the needs of a modern business.

#### **Computerised personnel information:**

The key role of a computerised personnel information system is to provide decision support by providing information which gives a factual basis for decisions concerning the planning, acquisition, development and utilisation and remuneration of human resources.

To be effective, management requires information. There is a need to develop an HR computerised data base and give the department and line managers direct access to it - while ensuring security of sensitive data.

The data base must provide information which highlights the importance of people and demonstrates the effects of HR decisions by management e.g. age profile, skills due to availability / lack of training etc. It will provide the facts. An effective HR data base will enable the company to get the best out of the talent available.

The ideal personnel information system should be an integrated system that provides a full solution to the HR management requirements. The system chosen should provide employee records management and reporting, training course and recruitment administration.

A computerised personnel management information system, designed for power utility purposes should provide decision support for management and improve administrative efficiency by speeding up the provision of data, by reducing the resources required to carry out routine administration, and by freeing resources for the higher value activities which are fundamental to the success of human resource management.

The main features of a computerised personnel information system designed specifically for use by a power utility are shown in appendix -.

**Recommendations:**

- Carry out a feasibility study to consider the range of applications for a computerised personnel information system.
- Analyse and define user requirements and ensure that all concerned are aware of what is planned and how they will benefit from it. Their contributions and support will be essential for the successful introduction of the system.
- Prepare a requirements specification for a computerised personnel management information system which emphasises that the system must be designed and proven for use in a power utility environment.

### **Welfare services:**

EdL provides employee welfare services. These include:

- Provision of medical services to EdL employees.
- Visits to sick employees in hospital.
- Payment of medical expenses for employees and dependants.
- Co-ordinates the provision of social and medical assistance.

These functions are carried out in the medical and social dept.

In addition, this function

- Carries out medical examinations on prospective employees.
- Provides training in first aid programmes.
- Deals with accidents at work.
- Verifies employee sick leave absences.

### **Organisational issues:**

The separation of the medical and welfare function from the personnel dept. creates an anomalous situation. Staff medical and welfare services should be consolidated with related services into the personnel administration function.

### **Recommendation:**

The medical and welfare function should be integrated with related service activities into the personnel administration function of the Personnel Dept.

### **Redeployment:**

EdL has traditionally been a life time employer. If the organisation is to succeed it will have to make a significant shift in the culture and demand an end to poor work practices. Also some staff may be required to move to areas where they will be more suited while others may have to be offered early retirement.

A range of actions will be required to deal with the changes. These include:

- Identify areas likely to be most affected by the changes and develop plans to deal with the issues in good time.
- Develop criteria for selecting employees for relocation, redeployment or exit.
- Identification of re-deployment possibilities.

- Consideration of retraining employees for opportunities outside the company.
- Financial incentives to leave the company.

*Recommendation:*

Assign responsibility to the personnel function to develop policies and action plans to cope with the staff management problems which will arise following company restructuring.

### **Communications:**

Communication in EdL is mainly in the form of directives on a need to know basis. Little information is sought from subordinates or others. People / Staff are given information on a "message passing" basis. There is little or no involved discussion of on the job activities.

Unless everyone knows what the business objectives are, what work has to be achieved to meet these goals, who needs to do what, when and how, then the organization will make little difference.

Generally, people are purposeful creatures and want to work. However, if they are not correctly directed they will transfer their old poor work practices and habits to the new organisation structure.

It is crucial that people are given the most basic information they need if they are to succeed. They must know the target to aim for. What they need is an understanding of:

- The dynamics of the business.
- Where the company is going i.e. its corporate objectives.
- The plan of how the objectives are to be achieved - an understanding of who does what, where and when.
- The likely changes that are going to happen.

This requires an effective communications process.

### **Recommendations:**

- The primary responsibility for staff communications rests with management and supervisors. There is a clear need to develop their communication skills through training.
- Communication with staff in EdL should be placed on a formal basis and a process of consistent communication should be developed.
- A number of options should be considered including management and staff briefings, use of notice boards, issue of regular news letters to all staff etc.
- Responsibility for the development and implementation of an effective communications process should be given to the personnel function.

*SECTION 4.*

**HUMAN RESOURCE DEVELOPMENT**

**4.1 INTRODUCTION**

**4.2 Organisational training needs:**

- The training gap
- Main impression and observations
- Human Resource Development manager

**4.3 Category Training needs:**

- Engineers
- Technician level
- Skilled workers
- Administrative category

**4.4 Management Development:**

- Professional and managerial staff
- Management Twinning programme
- Senior management dev. Prog.

**4.5 Training facilities**

- Technical
- Management / administrative.

**4.6 Action Plan**

## 4 HUMAN RESOURCE DEVELOPMENT

### 4.1 INTRODUCTION:

The process of human resource development starts from the strategic plans of the organisation which define where the business is going and, broadly, the resources needed to get there.

It is the function of human resource planning to translate these plans into more specific definitions of how many staff and what sort of skills and attributes will be needed in the future.

### 4.2 Organisational training needs:

Training needs analysis can therefore be summarised as starting with an attempt to assess total organisational training needs in the context of

- Management's plans for the future of the organisation
- The current organisation structure
- Current expectations about the use of employees.

A review of strategic and organisational issues in EdL was reported on in sections 1 and 2 of this study. This shows that there is a lot of uncertainty about the future direction of EdL. Some of the major issues of concern are:

- The role of the state vis a vis EdL.
- The need for more autonomy for EdL management coupled with a more commercially driven approach instead of a public service culture.
- The obvious need to restructure and streamline EdL organisation into at least a number of business units.
- The issue of independent power producers, concessions and possible privatisation.

The government has now initiated a further study to review all these issues and the terms of reference / invitation to tender have been prepared. In brief the study will ...

The major uncertainties about the future plans for EdL makes it very difficult to assess overall training needs at the organisational level. The best approach is to make some estimate of likely future scenarios using the existing organisation structure as a basis.

### **The training gap:**

A further difficulty is encountered when the attempt to analyse training needs shifts from the general to the particular.

Before training programmes can be organised for categories or individuals it is necessary to determine the gaps which exist in skills and knowledge required to perform jobs compared with the actual standards of the workforce. However, there are no job descriptions specifying skills, attributes or competencies for positions in EdL. In addition, there is no system of performance assessment to determine how well staff are able to do their work.

The training gap consists of the difference between:

- how EdL as a whole and the different functions within EdL actually perform and how they should perform;
- what the management and workforce knows and can do and what they should know and do;
- what the management and workforce actually do and what they should do.

The lack of sufficient personnel management information was discussed in an earlier section. This major gap in qualitative and quantitative data means that it is not possible to make a detailed diagnosis of training and development needs. A further detailed study of training needs would be required to develop detailed training proposals.

However, following discussions with management across all functions and visits to sites it is possible to construct a reasonable picture of the actual situation on the ground.

### **Main impression and observations:**

EdL is the national electricity utility. A major rehabilitation programme is in progress, under government direction, for the generation and distribution and transmission systems. This work is being financed with external assistance and the work is being carried out by major international contractors. However, EdL is suffering from major organisational and financial problems and there are shortages of materials, tools and spare parts.

For obvious reasons, formal training ceased in EdL during the war years. The emphasis was on day to day survival rather than concern about the future. The training facilities

for the distribution and transmission and generation functions were closed down and fell into disrepair or were damaged over the years.

Recruitment of permanent employees ceased but temporary employees were engaged in some categories. The only training given to new employees was by watching experienced staff from a previous generation and by learning on the job. Due to the duration of the cessation period of training its highly likely that even those older staff who were in a tutoring role did not obtain formal training either.

As a result, there is a generation of Engineers, Technical staff and craft workers who have experienced no formal training. While they are clearly capable of completing work at the practical level they are working to improvised standards and do not have the knowledge and benefit of the theoretical principles underlying the work procedures. While they have done well to keep the system functioning there is now a step change needed to improve the performance of the company.

Administrative staff have also learned through working with their more experienced colleagues. However, while this approach allows for continuity it does not encourage change but solidifies old ways of doing things. As an example there is no real use of modern computer systems or PC's and there is a general lack of skills in this area. The computer department is main frame configuration for billing and payroll systems.

For the same reasons, there has been very little management development or development of professional staff. Some senior managers have visited other power utilities but there is no formal development process.

#### Refurbishment work:

It is noted that the contractors carrying out refurbishment work on the three generation stations at Zouk, Jieh and Hraiche and on the Transmission / distribution overhead lines and cables are obliged to train EdL staff in the operation of new equipment. While this will help increase the effectiveness of some staff it is of limited benefit and cannot be regarded as an adequate response to the critical training needs of the EdL workforce.

### **Training needs:**

The conclusions which can be drawn from the discussions and observations can be summarised as follows:

Despite the development and implementation of a wide range of refurbishment programmes for the generation, transmission and distribution systems, no plan exists for the upskilling, training or development of EdL management and workforce. While the managers could be said to carry the responsibility for the training of their own staff, there is no co-ordinating driving force to ensure that training is planned and implemented.

To meet the challenges facing EdL the company needs to develop an approach to training and development which responds to the changing business environment / circumstances.

### **Human resource development manager:**

What the company needs is a management and workforce that can meet these challenges and that can respond quickly and flexibly to the changes facing the company. It needs an innovative, highly skilled, workforce which could achieve business success in difficult operating conditions. In short, the company needs a well trained and motivated workforce.

This can only be achieved by quality training and development. A new process for identifying training and development needs must be introduced throughout the company. A central Training and Development Manager or Human Resources Development Manager should be appointed to develop this process. The role of the HR Development manager should be facilitative and involve line management in identifying and meeting training and development needs in their areas.

## **4.3 Category Training needs:**

### **Engineers:**

There are 100 graduate engineers in EdL. They perform both technical and managerial tasks. This section deals with the technical aspects of their work; the managerial functions are covered later under 'Management Development'.

As graduates, all engineers have received a formal education and as such have a good grounding on which to build. However, fifty per cent of engineers are over fifty years of age and the rest are aged between their mid thirties and fifty. These younger engineers have learned through working with their older colleagues but have received little formal training.

There are 40 engineers in Regions / Distribution, 20 in Generation, 10 in Transmission / system op. and the rest are spread over other functions.

The main needs for engineers, particularly those in the younger age group are refresher courses in their appropriate area.

Distribution / Transmission:

- Construction, operation and protection of system equipment.
- Planning and design of new networks.
- Operation and control of distribution systems with particular reference to switching procedures.
- Fault and preventative maintenance.
- Safety engineering.

Generation:

- Power Station Technology; Electrical / mechanical.
- Operations: Boiler plant and Turbine plant.
- Maintenance planning.
- Engineering management: Efficiency / availability.
- Fuel handling.
- Water treatment.
- Technical standards.
- Safety engineering

The following requirements are common to all engineering disciplines:

- Planning, scheduling and control of work.
- Sufficient knowledge and appreciation of the craft skills used in EdL to enable engineers to monitor and control the output and quality of work.

System operation:

Operation of the EdL system after rehabilitation will be optimised technically and economically by its operation as a single integrated system: the power to be supplied to customers and the security of the supply can be optimised economically only in this manner. To control the re-integrated system the system control centre will need to have all necessary equipment and telecommunications equipment in operation and its staff retrained in system operation techniques.

The control centre staff will need to be guided by the advice and research of colleagues who will prepare running orders for generation, who will carry out studies to see the effect of generation or transmission line outages, who will specify maintenance programme outages etc. The unit will also require the expertise and facilities (computing hardware and software facilities, accurate up to date database etc.) to inform senior management of the effects of proposed changes in system expansion when they are under consideration.

This will require the establishment of a control division, staffed by high calibre graduates, equipped with the appropriate hardware and software required for such work. The establishment of such a division is a matter of urgency given that the rehabilitation programme is due for completion in Summer 1995 and the length of time required for its establishment, and the recruitment and training of its staff and the creation of the required accurate data bases.

A training programme needs to be designed and implemented for at least six high calibre engineering graduates. The programme should provide training and experience in system operating techniques in a modern power utility abroad followed by on site training on the new equipment in EdL.

### **Technical level:**

The term technician is used in this study to distinguish a disparate grouping of 428 technical staff from professional engineers and craftworkers. They have technical baccalaureat or technical diploma qualifications plus training. Their duties are very wide ranging and varied and include surveying, draughting, design, mapping, control room operations, station technicians, distribution and transmission technicians.

The training needs for such a disparate group are obviously very varied. However, some common requirements can be identified for broad groupings. The 428 technicians are located throughout EdL. 209 are located in the generation function (mostly in the stations); 97 are located in Distribution / Regions; and 56 are located in transmission. The rest are spread over a variety of areas.

The work of the technicians resembles that of the engineers but in more narrow way. The training requirements for technicians thus mirror the requirements for engineers but at a more applied level. Indeed it could be argued that a broader training for technicians, within their field of expertise, could considerably enhance their contribution to EdL by making them more flexible. The impact of new technology is likely to be high on this category. For example, CAD will practically eliminate manual drawing; GIS will change mapping; new control and instrumentation will impact on station work; ability to operate computerised system will become a requirement for all.

### **Skilled workers:**

There are 1016 defined as skilled workers in EdL. This includes electricians, mechanical fitters, lineworkers and supervisors / foremen. They carry out the bulk of the tasks associated with the ongoing operation and maintenance of generating stations and Transmission / Distribution Systems.

As noted previously, it is very difficult to get an accurate breakdown of actual numbers on a work category basis. The best indicator of the spread by discipline shows: 371 in Distribution / Regions (presumably electricians and lineworks); 138 in Transmission (presumably also electricians and lineworks) and 302 in Generation (fitters, plant attendants etc.). There are 200 others spread throughout the company.

The cessation of training during the war years impacted strongly on this grouping. While the older skilled workers received formal training many years ago the majority of them have not. Their knowledge and skills have been picked up on the job working with more experienced colleagues. Standards are therefore very varied and dependent on the ability of the tutor. To compensate for this wide variety in standards skilled workers require an integrated training programme which will fill in the gaps in the knowledge and skills needed to do their particular jobs.

The age distribution is of particular interest with this grouping and would influence the focus of training. For example, due to the nature of the work, lineworkers are unlikely to be capable of fully active involvement after 50 years of age. On the other hand senior experienced workers could provide a rich seam for future instructors. The 1000 workers in this group are distributed as follows:

360 aged 40 or under  
314 aged 40 to 50  
352 aged over 50

All of this group require training in safe work practices and work methods. They also need up-skilling and technical development in aspects of their own relevant disciplines:

- Generation Station Electrical skills technology.
- Generation Station Mechanical skills technology.
- Cable-jointing techniques.
- Construction and maintenance of overhead lines.
- Construction and maintenance of Substations.
- Metering and servicing.

In addition to the above all those with responsibility for staff (charge hands / foremen / supervisors) should be given training in:

- Efficient use of time
- Effective use of resources
- Supervisory skills.

### **Administrative Category:**

Administrative and clerical training is often the most neglected form of training in a company. But inefficiency in administrative and clerical work can be an important factor in reducing the efficiency of the organisation as a whole. EdL cannot afford to neglect training in modern administrative and clerical skills and new office procedures and systems.

There are some 800 staff designated as administrative / clerical staff in EdL. Around 30 of this group are graduates / professional staff and their training needs are covered under the management development section. The remainder can be divided roughly into two parts; 300 are admin / clerical and 480 are collectors and general workers.

The training of collectors is a matter for consideration in the context of the current review of billing and debt collection. An initiative is underway and the outcome will determine what the training needs for this group are. For example, issues such as the use of hand held computers to record meter readings and other changes are being considered.

From observation, the administrative / clerical staff in EdL are experienced in their use of existing systems and procedures. But their focus tends to be narrow and many administrative staff spend all their working lives in one area and become very specialised. The downside to this is a lack of breadth in their overall knowledge of systems and a general inertia towards change. The lack of rotation also prevents career development and can act as a demotivator.

There is now a major need for change, to do things differently, to revise systems to meet modern requirements and, above all; to introduce modern computerised accounting and management information systems. The payroll and billing system are computerised but these areas also require change. The need for a computerised personnel information system has already been referred to.

Administrative / clerical staff need training, according to their area of work in at least some of the following:

- Modern accounting and financial systems including: suppliers and customers accounts; procurement and materials management / control; budgeting and cash management.
- Personnel / HR management
- Computerised office systems.
- Computer literacy skills (include use of PCs, office software, word processing, keyboard skills etc.)

Supervisory staff also require training in:

- Planning, scheduling and control of work.
- Supervisory skills.

The proposals listed above should be regarded as a basic training need at this stage. In addition, staff should be encouraged to pursue further courses or studies leading to professional or commercial qualifications. Assistance could be given.

There should also be an emphasis on continuous training and development. The abilities of the administrative and clerical staff should be developed by providing broader experience within the company as well as by short technical courses on relevant topics. The aim should be to ensure that staff with potential are not allowed to stagnate within a department and that they are prepared for greater responsibility.

#### **4.4 Management Development:**

Management development requirements for EdL must be based on a review of the objectives, plans and structures of the organisation and the implications of present weaknesses and future demands on managerial requirements. These issues were reviewed in sections one and two of this study and a range of difficulties facing management were identified. These included:

- A too centralised and slow decision making process and very restrictive delegated authority levels.
- Inflexibility in the operating procedures and systems.
- Relatively poor co-ordination and information flows within as well as across functions.
- Planning mostly short term and reactive.
- Communication is mainly in the form of directives with little interaction with subordinate staff.
- Most of the operating systems are manual and time consuming which inhibits proper controls and makes it very difficult to get fast, comprehensive and accurate management information.
- Over the years, EdL has remained static and management put a high emphasis on patience, accuracy, routine and the passive safeguarding of assets.
- The absence of real responsibility and accountability has created a demotivated atmosphere. There is no incentive for managers to push and drive and change the way of doing business to achieve commercial results.

In summary, management and staff have become accustomed to inefficient systems and ways of doing business.

#### **Professional and Managerial staff:**

The type of manager required in the future will differ greatly from the typical manager who ran the company during the last 20 years. They must carry the responsibility to motivate and lead their staff and introduce them to new ideas and new work practices. The success of the change process in EdL will depend on the commitment and capabilities of the company's managers.

An organisational problem in providing for management training and development is the determination of how many and what kind of managers will be needed in the future. The present state of flux in EdL and the pending organisation review creates a lot of uncertainties. The absence of human resource planning, the need for job

descriptions and competency profiles and the need for a personnel management information system add to the problem.

The professional and managerial staff in EdL are small in number but critical to the success of the company. Due to circumstances, many existing managers are not equipped to meet the uncertain challenge of the future. An investment in training and development of this group will provide a substantial payback.

While it is possible to determine the general training and development needs of the professional and managerial staff it would be more beneficial to identify individual training needs. As this group is relatively small in number it is recommended that a programme of individual needs assessment be carried out. This would require the identification of the gap between the existing managers and the competencies required for the future. This process would identify training needs; identify those with potential for more senior positions and also those who will never progress. This will form the basis for determining future recruitment needs.

The task of implementing these human resource planning initiatives will be the responsibility of the revised personnel function.

In the interim, existing senior professional and managerial staff have the task of running the company. It is important that their development is not overlooked and that they too get the benefit of exposure to alternative ways of managing.

### **Management twinning programme:**

#### **Twinning arrangement:**

To be effective, training and development courses must be complemented with practical on the job experience. But the learning curve can be steep and take time. Time is not on the side of EdL. The need for change is urgent and immediate.

To ensure that the benefits of training are transferred to EdL managers in a systematic, organised and integrated way it is proposed that a number of experienced power utility managers be employed on a contract basis for up to 3 years to assist in the turnaround of the company.

These experienced 'Turnaround managers' drawn from a range of disciplines, will twin with their EdL counterparts and support them in the development and implementation of efficient management strategies and operational performance. The aim will be to enhance the capability of the EdL project team to take over the role of managing the company to the highest standards.

#### **Programme:**

Because of the lack of information regarding management performance the nature of the gap between the characteristics of the existing managers and the competencies for

the type of manager required in the future needs to be defined as quickly as possible. However, this will take time.

In the interim, to meet the immediate needs of EdL there is an urgent need to select, a core group of 5 to 10 managers, chosen on a cross functional basis from Generation, Transmission, Distribution, Accounting and personnel, who have demonstrated proven ability and potential to fill senior management positions if they are given appropriate training and development on a fast track basis.

Those selected must:

- be capable of running EdL as a business
- Develop a commercial management approach
- Introduce a performance orientated culture in their supervisors and staff.
- Change the style of management from a culture of low risk, low return into a more demanding, innovative and performance related approach.
- Progress institutional reform and restructuring
- Develop and train their staff in all the necessary skills and techniques.
- Be representative of the main functions of the business.

#### Formal training courses

Because of the urgent need to get those selected for training quickly upskilled in modern power utility management techniques, formal training overseas in a efficient modern power utility is recommended.

For improved operational performance, skills and knowledge is required in: economics, financial management, accounting, human resource management, information technology, general management, marketing and technical disciplines.

#### Transition Management:

The managers selected for fast track management training and development should be assigned responsibility for the revitalisation of EdL. They should work as a team on a cross functional project basis and target key areas essential for the turnaround of the company.

The management twinning programme will equip them for this role. In this approach, in addition to formal training courses, managers will be provided with the right variety of experience and learn from actually working on their jobs with experienced power utility managers.

#### **Senior management development programme:**

The training requirements of the senior managers in EdL have been identified following discussions with them and with the Director General.

It is proposed that a management development programme be provided for senior EdL managers to improve their management abilities by introducing them to modern management practices.

The programme will consist of a series of seminars and training visits overseas. The proposed series will include:

- The International perspective.
- The role of the manager in a performance culture (including Modern management best practice).
- Planning for the future / strategic management.
- Finance and Accounting.
- Human Resource Management.
- Information Technology.
- Customer Service.

The seminars will be held in Beirut. Visits of up to 10 days duration, by two or three senior managers, will also be arranged to provide course participants with a deeper understanding of areas of special interest to them.

Details of the proposed programme are given in appendix -.

#### **4.5 Training Facilities:**

##### **Technical:**

The provision of training requires:

- Qualified instructors
- Facilities: Buildings / workshops / classrooms
- equipment.

##### **Qualified Instructors:**

Due to the long periods without training its probable that no existing EdL staff are suitably qualified to give training courses. However, it should be possible for experienced power utility training instructors to identify, select and train a number of EdL electricians, fitters and lineworkers with the requisite knowledge and aptitude suitable for development as instructors.

As an interim measure, potential instructors will need to spend 6 months on a specific training course designed for power utility trainers. Because of the nature of the course requirements this will mean attending a course on training techniques and associated activities with a suitable utility abroad.

##### **Facilities:**

Some urgent on-the-job up-skilling can be given to EdL staff with improvised facilities by experienced instructors. However, proper training facilities and equipment are essential if EdL is to carry out an overall training programme to encompass all aspects

of technical training over a period of time and upgrade the skills and knowledge of the technical workforce.

There is, therefore, a need to carry out a study leading to the construction and equipment of a technical training centre. This study should cover the technical training needs of all the activities of EdL; power generation, transmission and distribution. The study should develop proposals including:

- The design of a technical training centre for EdL.
- Specify the equipment required for the centre.
- Completion of a plan for the operation of technical training at the new centre.
- Identify training needs and develop course curricula.

#### **Management / administrative:**

In the short term no special facilities may be required. Facilities for management / administrative training can be hired from hotels or institutions and prove adequate.

However, training in computer techniques will require the purchase of equipment and the provision of suitable rooms for training. Some facilities have recently been set aside for a PC centre and this could form the basis of a computer training centre. Consideration should also be given to the setting up of a learning centre within EdL which would provide continuous learning facilities.

There is a need to carry out a study which will:

- identify the training needs of management / administrative staff.
- Develop proposals for courses and course curricula.
- Identify equipment needs.
- Develop proposals for a learning centre
- develop long term proposals for the use of classroom facilities in the technical centre.

#### **4.6    Action plan:**

The situation facing EdL needs immediate action. Without an emergency or fast track approach to upskill key members of the workforce the other phases of a planned training programme will not succeed. It is appropriate to make the point also that unless there is a better motivated and trained workforce there will be no possibility of restructuring or privatising the company.

There is an urgent need to develop a planned approach to training in three phases:

Phase 1:        Immediate.

Phase 2:        The short term 1 to 3 years.

Phase 3:        Longer term 3 to 5 years.

In section 6, 'Implementation proposals', detailed recommendations are made for the introduction of change and training projects on a prioritised basis.

Recommendations:

- Appointment of Human Resources Training and Development manager to co-ordinate and drive company wide training and development.
- Provide refresher courses for all engineers in their appropriate area of work viz. Distribution / Transmission; Generation.
- Establish a system operation control division, staffed by high calibre graduates, equipped with the appropriate hardware and software required for such work.
- Design and implement a training programme for at least six high calibre graduates to staff the new system operation control division.
- Technicians and craft workers require immediate upskilling on technical developments in aspects of their work. They also require training in safe work practices and methods. They should be assessed during training to identify further training needs.
- Administrative and clerical staff need basic training in modern business skills; they also need a development programme to acquire broader experience and adaptability.
- The general training and development needs of managerial and professional staff has been identified. However, a programme of individual needs assessment is proposed as this group is relatively small in number and quite diverse.
- A management twinning programme is recommended. This requires the selection of a cross functional team of at least five EdL managers, with potential, for training and development by working on a project basis with a number of experienced utility managers who would be employed on a contract basis for up to 3 years to assist in the management of transition.
- The development needs of senior managers have been identified and a programme of seminars and visits has been proposed.
- Training facilities need to be developed. A study leading to the construction and equipment of a technical training centre is proposed. The study should cover design of the centre, specification of equipment,

completion of an operations plan, identify training needs and develop course curricula.

- A study to identify the specific training facilities required for administrative staff is proposed. The possibility of setting up a 'learning centre' to provide continuous learning facilities should also be considered.

*SECTION 5.*

**NEW ROLE OF HUMAN RESOURCES FUNCTION IN EDL**

**5.1 INTRODUCTION**

**5.2 CRITICAL REORGANISATION ISSUES**

**5.3 REORGANISATION OF THE PERSONNEL FUNCTION**

**5.4 NEW PERSONNEL ORGANISATION**

**5.5 NEED FOR NEW SKILLS**

**5.6 TRAINING SEMINARS**

## **5 NEW ROLE OF HUMAN RESOURCES FUNCTION IN EDL**

### **5.1 INTRODUCTION:**

Human Resources Management will be a most vital dynamic in moving EdL towards a new corporate objective and culture. HR management policies and practices must pervade the whole company and play a very significant role in developing the new culture.

The corporate HR function should concentrate on developing overall philosophy and long term strategies; corporate manpower plans and performance improvement studies. It should also design corporate processes such as recruitment and succession planning and develop HRM tools for the company to use such as performance appraisal, job analysis and job evaluation systems, and appropriate training and development programmes.

The human resource function in EdL must become both strategic and pragmatic. It must get involved in strategy and focus on the business objectives. It must adopt a consultative, facilitative role and work in partnership with line management (in Head office, Regions and Power Stations) to improve their ability to consistently bring out the best performance in their staff. In summary, human resource strategies and tactics must be aligned with the business objectives of EdL.

TO ACHIEVE THESE AIMS THE PERSONNEL DEPT. MUST BE REORGANISED AND GIVEN A SPECIAL RESPONSIBILITY FOR DRIVING THE CHANGE FORWARD.

### **5.2 Critical reorganisation issues:**

A number of key issues critical to improving the performance of human resource management were identified in the previous sections as follows:

- The personnel function does not have a strategic planning role or capability.
- There is no formal human resource planning or succession planning.
- The combination of payroll and manual staff records does not constitute an adequate personnel data base. There is a need for a computerised personnel management information system.
- There are no job descriptions for positions in EdL. Specifications need to be developed covering details of knowledge, skills, qualifications etc. required for the different categories of jobs.

- The competencies required for different positions / categories also need to be established in addition to the technical requirements.
- There are no formal work performance standards. A planned programme aimed at improving productivity to international standards should be started.
- There is no performance appraisal system for either new or existing employees in EdL. This requires development and implementation throughout the company.
- A formal job evaluation process is required to establish the pay relativities within occupational groups and between categories.
- There is no formal training and development process. There is a need to appoint a HR development manager to organise and drive this key area.
- Training and development needs should be identified for key categories and upskilling training provided as a matter of urgency. A management development programme should be initiated as quickly as possible.
- There are no technical training facilities or programmes. A training centre needs to be designed and equipped and instructors trained.
- Greater emphasis needs to be placed on the development of employee relations especially the building of better communications.
- The personnel function must focus greater attention on the key role of human resource management and development.
- There must be a clear establishment of the role of personnel on issues of corporate consequence, provision of advice, support and guidance for management and as a source of standards, procedures and innovation.

The personnel organisation restructuring should be inclusive of these new requirements. The new function will have responsibilities broader than those currently contained in the function and will need to develop new expertise.

### 5.3 **Reorganisation of the personnel function:**

From our review of EdL the most effective mechanism for meeting the company's requirement for human resource management is to have a central HR management function concentrating on strategy together with more devolved responsibility for personnel matters to the line managers.

The central HR function should concentrate on:

- Strategy: Ensuring issues to do with recruitment, performance, behaviour, training, reward, selection and working arrangements are taken into account in the company's business strategy.
- Policy: Developing a framework of HR policies, standards and procedures.
- High level advice: Provide senior management and line managers with specialist personnel advice and interpreting policies and procedures.
- Develop Systems: Streamline human resource systems in areas such as selection, training etc. so that they are responsive to local needs and can be implemented under the authority of the line.

#### **HR Responsibility for line managers:**

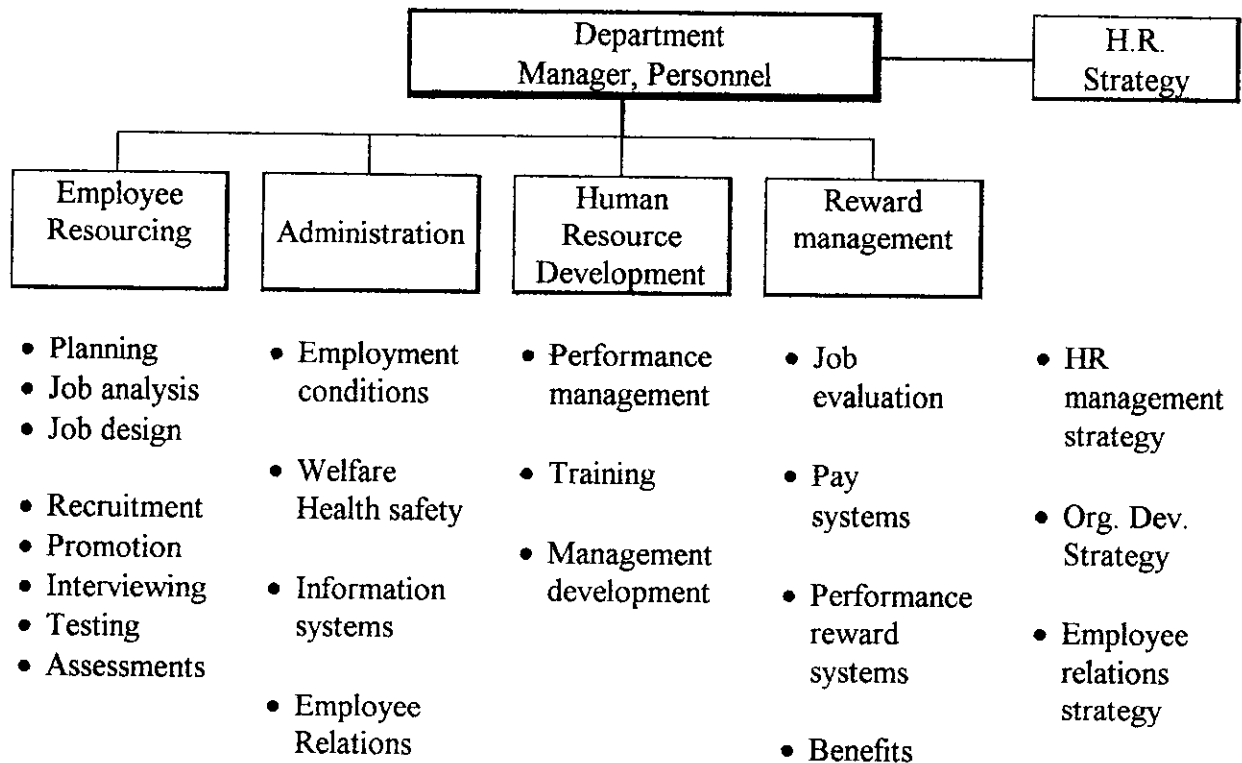
Line managers should have the right to manage their area of the business including the matters relating to human resources. There should be more responsibility and discretion vested in the line managers in the following areas:

- All day to day personnel activities
- All personnel administrative systems
- All responsibility for implementing HR policy.

The devolution of HR responsibility to line management can often be a matter for concern in a company which has traditionally operated very centralised procedures. However, experience has shown that, given training, line managers can become very effective in managing personnel matters relating to their staff, and that they become better overall managers as a result.

#### 5.4 New personnel organisation:

A new professional personnel organisation will be required to implement all the recommendations made in the previous sections of this study. The framework for the main functions proposed for the new personnel function are shown in this chart below:



The following is a brief description of the personnel activities shown in the organisation chart:

Employee Resourcing:

- Planning: Forecasting human resource requirements - making plans to achieve forecasts, taking steps to improve productivity.
- Job analysis/design: Deciding on the content of a job; its duties, responsibilities and relationships.
- Recruitment and Selection: Obtaining the number and type of people the organisation needs.

Administration:

Administration is concerned with providing the personnel services required by the activities carried out by the other units viz Employee Resourcing, Human Resource Development, Reward management and H.R. strategy. In addition the following activities will be the responsibility of this unit:

- Employment conditions: Conditions of services, deploying and redeploying with grievances such as discipline and redundancy, ensuring that employment law and personnel policies are implemented.
- Welfare, health and safety: Providing welfare services, administrative and monitoring health and safety programmes.
- Information Systems: Computerised personnel management information system and personnel records.
- Employee relations: Communications - developing an effective communications process for transmitting information of interest to employees.  
Industrial relations - co-operating and negotiating with trade unions (may be more necessary if company is restructured).

Human resource Development:

- Performance Management: Assessing and improving performance.
- Training: Systematically developing the knowledge and skills required to adequately perform jobs or tasks.

- **Management Development:** Ensuring that the organisation has the effective managers it requires to meet its present and future needs. Also the planning of careers of people with potential.

Reward Management:

- **Job evaluation:** Establishing the relative value of jobs in a pay structure.
- **Pay systems:** Developing and administering pay structures and systems.
- **Performance Reward Systems:** Relating rewards to efforts and results.
- **Benefits:** All benefits in kind - Bonus payments, merit award, pensions, sick pay, travelling, car etc.

Human Resource strategy:

It was noted previously that the human resources function in EdL must become strategic and develop policies and practices which support the business objectives of the company. This function must be the responsibility of the Head of the Department. A small specialised unit of two or three HR professionals is suggested to assist in developing this function and to ensure that all the activities carried out in the other units of personnel viz. Resourcing, Development, Reward and Administration are directed at achieving the corporate objectives.

Human Resource Strategies can be divided into three main areas:

- **Human resource Management strategy:** This area is concerned with the acquisition, motivation, and development of the human resources required by the organisation.
- **Organisation Development Strategy:** This area is concerned with developing an effective organisation.
- **Employee relations strategy:** This area is concerned with relationships between the company and its employees and their representatives.

**5.5 Need for new personnel skills:**

The existing personnel function is mainly equipped to deal with administrative issues. It has a small staff of 9 who are familiar with the current organisational work practices. They provide a needed service and reacts to requirements as they arise. The proposed

new personnel organisation must be more proactive. There must be professionalism in the exercise of personnel management. This means that the new function must develop a core of human resource expertise.

Personnel professionals should have special expertise in the matters that affect the human and organisational aspects of the business and in the formulation of appropriate personnel policies that take account of the particular needs of the company. They should be good communicators, understand human behaviour and have the necessary range of interpersonal skills and knowledge to perform their tasks.

Personnel management will not be the preserve of only the specialists. Line managers must also develop human resource management skills and the proposed management training programmes must contain HR training modules.

The new personnel Dept. must be an open dept. Positions must not be confined to only administrative staff. In addition to a core of HR specialists it must have a mix of other disciplines preferably drawn from other management areas such as engineers, accountants etc. Such staff could bring their experience into personnel and enrich it; and in turn they would be trained in HR skills which they will use when they move back to their depts / regions or stations.

Skills of a very high order of professionalism will therefore be required of the new personnel function. These personnel skills will touch every point of the business and so the human resource function will become more and more involved in the general management of the business.

The implementation of the new personnel organisation must be progressed quickly. Future staff must be:

- High calibre, highly motivated.
  - Persistent in their pursuit of goals
  - Aware of the role they must play in the future development of the organisation.
  - Prepared to diagnose and confront management problems and be active in their solution.
  - Skilled in Human Resource expertise
- or
- Skilled in a broad range of management competencies with the ability to be trained in modern human resource management practices.

## **5.6 Training Seminars:**

Training Seminars and visits should be arranged to meet the needs of the proposed new personnel organisation. The seminars should include modules on the following:

### **General Business management:**

- Role of manager
- Skills of management

- Strategy formulation

HR Planning:

- Resource forecasting
- Recruitment / Selection
- Interviewing skills
- Modern selection techniques
- Job analysis
- Job design

Reward management:

- Job evaluation
- Pay systems
- Performance assessment
- Motivation

HR Development:

- Training
- Management development
- Performance appraisal
- career and personal development

Employee relations:

- Communications
- Developing relationships
- Conflict management
- Grievance handling and discipline.

Information Technology:

- Designing and implementing computer based personnel management information system.
- Impact of IT on managers and organisation.

Organisation Development:

- Organisational structure
- Organisational design
- Identifying change opportunities
- Initiating and securing commitment to change
- overcoming resistance to change.

The course should also provide for practical training in essential skills such as: interviewing, meeting skills, time management, presentation skills and computer skills.

*SECTION 6.*

**IMPLEMENTATION PROPOSALS**

**6.1 FOCUS OF CHANGE**

**6.2 CHANGE STRATEGY**

**6.3 CHANGE PROGRAMME**

**6.4 PROJECTS**

- **JOB ANALYSIS / AND JOB DESCRIPTION STUDY**
- **JOB EVALUATION STUDY**
- **PROFESSIONAL ENGINEERS CONTROL DIVISION**
- **SYSTEM OPERATION TRAINING**
- **TECHNICAL AND CRAFT TRAINING**
- **TRAINING FACILITIES STUDY**
- **ADMINISTRATIVE / CLERICAL TRAINING**
- **MANAGEMENT DEVELOPMENT INITIATIVE**
- **SENIOR MANAGEMENT DEVELOPMENT PROGRAMME**
- **MANAGEMENT TWINNING / PROGRAMME**
- **PERSONNEL FUNCTION DEVELOPMENT**
- **PERSONNEL MANAGEMENT INFORMATION SYSTEM**

## 6 **IMPLEMENTATION PROPOSALS:**

### 6.1 **FOCUS OF CHANGE:**

The focus of the change programme is to support the national recovery process as outlined in 'Horizon 2000' CDR report:

The areas of change identified in previous sections are part of the process of transforming EdL. They are part of the transition strategy required to:

- Manage the crisis created by the war
- Revitalise the company, its people and systems.
- Turn EdL into a business organisation

The approach to change focuses on three areas:

- Build on a sound organisation
- Effective training and development of people
- Building a sound systems / technology infrastructure

<u>Build on a sound organisation</u>	<u>Effective training and Development of people</u>	<u>Building a sound Technology infrastructure</u>
Develop clear responsibilities, accountabilities and performance targets.	Ensure that the best people have the necessary skills and support.	Develop HR management systems.
Develop performance targets and job specifications for all management and occupational groups.	Develop management and workforce capability.	Establish a competitive reward system.
Implement new HR function.	Provide the management development and leadership support to ensure future managers and equipped to meet EdL needs.	Develop performance assessment.
	Develop training facilities, courses and Resources.	Use effective Computer information systems.
		Ensure that users are provided with a quality service.

The process of changing an organisation can be a long drawn out process requiring enormous amounts of energy and a powerful commitment from management. CHANGE MUST BE MANAGED.

It is proposed that the implementation of change should be managed on a phased basis; a structured approach over three years is suggested. Details of the projects to be managed and implemented over the next three years are shown in the following section on 'Change Strategy'.

## **6.2 Change Strategy:**

Three years has been chosen as a time frame to be long enough to achieve real change, while being short enough to introduce the necessary degree of urgency.

However, it is recognised that it will not be possible to tackle everything at once - there is a lead time necessary to identify specific needs, to provide facilities and to develop skills.

EdL need to move quickly in a rapid but controlled manner. The introduction of change has been defined on a project basis to allow EdL to maintain effective control of the status and direction of each project while continuing to manage the day to day business effectively. The work specifications for key projects are detailed at the end of this section.

### **Phasing of projects:**

The implementation of the work projects have been grouped into three main phases. Each phase will have a theme to indicate the type of change being tackled during that phase.

#### **THEMES OF CHANGE:**

- Phase 1 : Building a Sound Foundation.
- Phase 2 : Realising Big Improvements.
- Phase 3 : Establishing continuous improvement.

### **Phase 1: Building a sound Foundation**

In 1994/1995 there is a need to focus on a series of work packages (projects) which are either urgent in themselves, or need to be implemented to prepare for other important work packages to begin.

Examples of work which comes under this heading include:

- Development of HR management skills.
- Management development.
- Upskill existing staff by implementation of short crash courses.
- Development of existing professional and technical staff.
- Survey of training facility requirements.
- Development of job description and job evaluation systems.
- Introduce management twinning arrangement.
- Selection of HR specialists, including Development Manager.

## **Phase 2: Realising Big Improvements:**

The next phase is designed to see the realisation of the benefits of the urgent projects already implemented. This phase will take advantage of the foundations already laid and include:

- Construction and development of new training facilities.
- Train instructors for the new training centre.
- Develop course curricula.
- Introduce a personnel management information system.
- Develop Formal Human Resource management policies.
- Develop and introduce work performance standards.
- Develop and introduce performance assessment systems.

## **Phase 3: Establishing continuous improvement:**

This phase will build on the process improvements realised from the previous phases. The work projects will include:

- Recruitment and training of professional, technical and craft staff.
- Development and introduction of systematic training programmes.

### **6.3 Change management:**

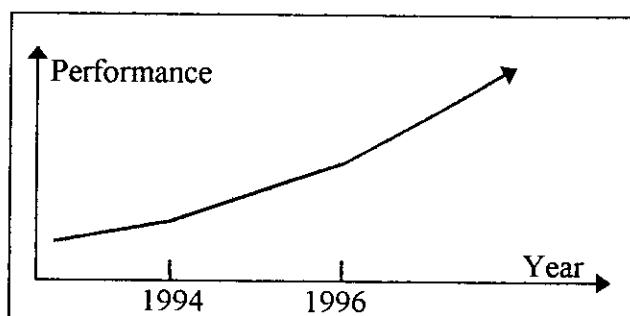
#### **SPEED OF CHANGE:**

- Long enough to achieve real change.
- Short enough to introduce degree of urgency.
- A number of projects at any one time.

#### **PHASING OF PROJECTS - THEMES OF CHANGE:**

- Phase 1 - 1994/95 : Building a Sound Foundation.
- Phase 2 - 1995/97 : Realising Big Improvements.
- Phase 3 - 1997/2000: Establishing Continuous Improvement.

From step change to continuous improvement:



The plan for the phased implementation programme is designed to produce a step change in performance, followed by an ongoing continuous improvement progress.

- ci Regular Progress Reporting.

**HR PROJECT** - **EDL: JOB ANALYSIS / JOB DESCRIPTION STUDY.**

**Description:**

Because of the linkage between EdL and the public service system there are no EdL specific job descriptions.

A job description sets out clearly and succinctly the job holder's overall role or responsibilities, specific tasks or accountabilities and reporting relationships. Its content is based on job analysis.

While this job analysis / job description project is self contained it also forms an important element of other projects. Job descriptions are required as the basis for job evaluation, identification of training needs and human resource planning.

**Objectives:**

- (1) To provide job descriptions for all unique EdL posts as a basis for the assignment and measurement of accountability.
- (2) To identify objective criteria on which to base a job evaluation system for EdL.

**THIS WILL INVOLVE:**

Setting up a small team consisting of

- an experienced utility human resource consultant.
- EdL representative from the personnel function
- EdL representative from the administrative and technical functions.

The team will then visit EdL work locations covering Power Stations, Regions, Sites and headquarters; they will carry out structured interviews with a wide cross section of EdL management and workforce; they will provide extensive information on the work of EdL for analysis by the consultant to provide:

- A list of job families which cater for the full range of EdL activity.
- Generic job descriptions for each of these job families.
- Detailed job descriptions covering a fully representative range of activity throughout EdL.
- A process for validation of all job descriptions.

On completion of the study, the policies and procedures associated with the job analysis/ job descriptions should be fully documented to allow for ongoing updating and changes.

**HR PROJECT** - **EDL: JOB EVALUATION STUDY:**

**Description:**

The present grading (category) structure within EdL is only loosely linked to job content. The grading (category) level of employees on recruitment is determined by reference to the job requirements at the time of recruitment and the individuals qualifications and / or experience on entry to the company. Promotions and regarding proposals for individuals are assessed on the basis of specified criteria, usually unrelated to the actual work requirements.

The present system, which is derived from public service procedures, has a number of drawbacks including:

- it is extremely inflexible
- has created anomalies
- has an over emphasis on qualifications and experience rather than on job content in applying salary levels
- lacks scope for career planning.

A job evaluation system is required to compare the different jobs in EdL to provide a basis for a grading and pay structure. The development of such a system is dependent on job analysis / job descriptions as a basis.

**Objectives:**

Develop a job evaluation system for EdL to compare the different jobs in EdL to provide a basis for a grading and pay structure.

An analysis of market rates should also be carried out to ensure that the reward management system is competitive.

**THIS WILL INVOLVE:**

Setting up a small team consisting of

- an experienced utility human resource consultant
- EdL representative from the personnel function
- EdL representatives from the administrative and technical functions.

The team will use the information provided by the job analysis / job description study. They will assist the consultant to:

- identify the clear and definable differences in job responsibilities which must be reflected in a number of grade levels.

- Make recommendations on the appropriate number of levels within each job family to distinguish between posts for grading.
- Develop a job rating / scoring system and detailed criteria for ranking of both administrative and technical positions.

The actions described above can be used to determine internal relativities. There is also a need to know what effect market rates are likely to have on the pay structure before deciding on internal pay differentials which properly reflect levels of skill and responsibility. This requires:

- A formal salary and benefits survey to analyse the external market reward norms for the different categories of employees.
- Establish instances where it is necessary to vary from norms bases on differing local market conditions.
- Fully analyse the current and future public service constraints on EdL autonomy (consider proposals for a management contract between govt. and EdL and also public sector review).

On completion of the study, the policies and procedures associated with the new reward structure should be fully documented to allow for ongoing updating and changes.

**HR PROJECT** - **EDL: PROFESSIONAL ENGINEERS TRAINING:**

**Description:**

There are 100 graduate engineers in EdL. They perform both technical and managerial tasks. As graduates, all engineers have received a formal education and as such have a good grounding on which to build. However, fifty per cent of engineers are over fifty years of age and the rest are aged between their mid thirties and fifty. These younger engineers have learned through working with their older colleagues but have received little formal training.

There are 40 engineers in Regions / Distribution, 20 in Generation, 10 in Transmission / system op. and the rest are spread over other functions.

The main needs for engineers, particularly those in the younger age group are refresher courses in their appropriate area.

**Distribution / Transmission:**

- Construction, operation and protection of system equipment.
- Planning and design of new networks.
- Operation and control of distribution systems with particular reference to switching procedures.
- Fault and preventative maintenance.
- Safety engineering.

**Generation:**

- Power Station Technology; Electrical / mechanical.
- Operations: Boiler plant and Turbine plant.
- Maintenance planning.
- Engineering management: Efficiency / availability.
- Fuel handling.
- Water treatment.
- Technical standards.
- Safety engineering

The following requirements are common to all engineering disciplines:

- Planning, scheduling and control of work.
- Sufficient knowledge and appreciation of the craft skills used in EdL to enable engineers to monitor and control the output and quality of work.

**Objective:**

Design and provide appropriate training to meet the needs of professional engineers in EdL.

THIS WILL INVOLVE:

- an on site review of training needs for professional engineers.
- Design of a short term crash programme.
- Immediate delivery of course in Lebanon.

**HR PROJECT** - **EDL: SYSTEM OPERATION TRAINING:**

**Description:**

Operation of the EdL system after rehabilitation will be optimised technically and economically by its operation as a single integrated system: the power to be supplied to customers and the security of the supply can be optimised economically only in this manner. To control the re-integrated system the system control centre will need to have all necessary equipment and telecommunications equipment in operation and its staff retrained in system operation techniques.

The control centre staff will need to be guided by the advice and research of colleagues who will prepare running orders for generation, who will carry out studies to see the effect of generation or transmission line outages, who will specify maintenance programme outages etc. The unit also require the expertise and facilities (computing hardware and software facilities, accurate up to date database etc.) to inform senior management of the effects of proposed changes in system expansion when they are under consideration.

This will require the establishment of a control division, staffed by high calibre graduates, equipped with the appropriate hardware and software required for such work. The establishment of such a division is a matter of urgency given that the rehabilitation programme is due for completion in Summer 1995 and the length of time required for its establishment, and the recruitment and training of its staff and the creation of the required accurate data bases.

**Objectives:**

Provide training and experience for EdL system operation engineers.

**THIS WILL INVOLVE:**

- Design and implementation of a training programme for at least six high calibre engineering graduates.
- The programme should provide training and experience in system operating techniques in a modern power utility abroad.
- Following completion of the external training module, training should be provided on site in EdL on the new equipment.

This training needs to be carried out as a matter of urgency given the completion date of summer 1995 for the rehabilitation programme.

**HR PROJECTS**       -       **EDL: TECHNICAL AND CRAFT TRAINING:**

**Description:**

Formal training ceased in EdL during the war years.

Recruitment of permanent employees also ceased but temporary employees were engaged in some categories. The only training given to new employees was by watching experienced staff from a previous generation and by learning on the job. Due to the long period without training its highly likely that even those older staff who were in a tutoring role did not obtain formal training either.

As a result, there is a generation of Technical staff and craft workers who have experienced no formal training. While they are clearly capable of completing work at the practical level they are working to improvised standards and do not have the knowledge and benefit of the theoretical principles underlying the work procedures. While they have done well to keep the system functioning there is now a step change needed to improve the performance of the company.

**Technician level:**

The term technician is used to distinguish a disparate grouping of 428 technical staff from professional engineers and craftworkers. They have technical bacalaureat or technical diploma qualifications plus training. Their duties are very wide ranging and varied and include surveying, draughtsman, design, mapping, control room operation, station technicians, distribution and transmission technicians.

The training needs for such a disparate group are obviously very varied. However, some common requirements can be identified for broad groupings. The 428 technicians are located throughout EdL. 209 are located in the generation function (mostly in the stations); 97 are located in Distribution / Regions; and 56 are located in transmission. The rest are spread over a variety of areas.

The work of the technicians resembles that of the engineers but in more narrow way. The training requirements for technicians thus mirror the requirements for engineers but at a more applied level. Indeed it could be argued that a broader training for technicians, within their field of expertise, could considerably enhance their contribution to EdL by making them more flexible. The impact of new technology is likely to be high on this category. For example, CAD will practically eliminate manual drawing; GIS will change mapping; new control and instrumentation will impact on station work; ability to operate computerised system will become a requirement for all.

**Skilled workers:**

There are 1016 defined as skilled workers in EdL. This includes electricians, mechanical fitters, lineworkers and supervisors / foremen. They carry out the bulk of the tasks associated with the ongoing operation and maintenance of generating stations and Transmission / Distribution Systems.

It is very difficult to get an accurate breakdown of actual numbers on a work category basis. The best indicator of the spread by discipline shows: 371 in Distribution / Regions (presumably electricians and lineworks); 138 in Transmission (presumably also electricians and lineworks) and 302 in Generation (fitters, plant attendants etc.). There are 200 others spread throughout the company.

The cessation of training during the war years impacted strongly on this grouping. While the older skilled workers received formal training many years ago the majority of them have not. Their knowledge and skills have been picked up on the job working with more experienced colleagues. Standards are therefore very varied and dependent on the ability of the tutor. To compensate for this wide variety in standards skilled workers require an integrated training programme which will fill in the gaps in the knowledge and skills needed to do their particular jobs.

The age distribution is of particular interest with this grouping and would influence the focus of training. For example, due to the nature of the work, lineworkers are unlikely to be capable of fully active involvement after 50 years of age. On the other hand senior experienced workers could provide a rich seam for future instructors. The 1000 workers in this group are distributed as follows:

360 aged 40 or under  
314 aged 40 to 50  
352 aged over 50

All of this group require training in safe work practices and work methods. They also need up-skilling and technical development in aspects of their own relevant disciplines:

- Generation Station Electrical skills technology.
- Generation Station Mechanical skills technology.
- Cable-jointing techniques.
- Construction and maintenance of overhead lines.
- Construction and maintenance of Substations.
- Metering and servicing.

In addition to the above all those with responsibility for staff (charge hands / foremen / supervisors) should be given training in:

- Efficient use of time
- Effective use of resources
- Supervisory skills.

**Objective:**

Identify specific training needs for the technician and skilled categories; design and implement a training programme to meet requirements.

THIS WILL BE DONE BY:

- an experienced utility human resources training expert will visit EdL and conduct a fact finding study.
- He will work with a small team consisting of representatives of EdL personnel, function, the stations and regions and headquarters.
- He will identify training needs for the technician and craft categories.
- He will develop proposals to upskill existing craft staff by implementation of short crash courses using trained instructors.
- He will make proposals to develop the competence of technician level staff. This will also require short crash courses given by trained instructors.
- Additional training modules may be required following individual competency assessment during the special crash courses.
- The study will also review the longer term needs of the technician and craft categories. This will include determination of future recruitment needs as well as defining the short and long term programmes required. These programmes may range from the short two or three week crash courses to a formal three or four year apprenticeship programme.

The findings from this project will form an essential element in the Training Facilities Study and the provision of suitable courses and curriculum development.

## HR PROJECT - EDL: TRAINING FACILITIES STUDY:

### Description:

For obvious reasons, formal training ceased in EdL during the war years. The emphasis was on day to day survival rather than concern about the future. The training facilities for the distribution and transmission and generation functions were closed down and fell into disrepair or were damaged over the years.

The provision of training requires:

- Qualified instructors
- Facilities: Buildings / workshops / classrooms
- equipment.

### Qualified Instructors:

Due to the long periods without training its probable that no existing EdL staff are suitably qualified to give training courses. However, it should be possible for experienced power utility training instructors to identify, select and train a number of EdL electricians, fitters and lineworkers with the requisite knowledge and aptitude suitable for development as instructors.

As an interim measure, potential instructors will need to spend 6 months on a specific training course designed for power utility trainers. Because of the nature of the course requirements this will mean attending a course on training techniques and associated activities with a suitable utility abroad.

### Facilities:

Some urgent on-the-job up-skilling can be given to EdL with improvised facilities by experienced instructors. However, proper training facilities and equipment are essential if EdL is to carry out an overall training programme to encompass all aspects of technical training over a period of time and upgrade the skills and knowledge of the technical workforce.

### Objective:

There is, therefore a need to carry out a study leading to the construction and equipment of a technical training centre. This study should cover the technical training needs of all the activities of EdL; power generation, transmission and distribution. The study should develop proposals including:

- The design of a technical training centre for EdL.
- Specify the equipment required for the centre.
- Completion of a plan for the operation of technical training at the new centre.
- Identify training needs and develop course curricula.

THIS WILL BE DONE BY:

- an experienced utility human resources training expert will visit EdL and conduct a fact finding study and needs analysis.
- He will evaluate existing facilities and available buildings for development of the technical training activity.
- Produce a conceptual design for the new training centre.
- Make a proposal for the staff requirements to operate the new training centre.
- Make a proposal for training the new staff.
- Make a proposal for provision of a curriculum development expert to design and write course materials and programmes.

In summary, the project requires proposals for the provision of a fully equipped modern technical training facility; the provision of training specialists in Beirut; the training of EdL instructors; the preparation of course curricula.

**HR PROJECT** - **EDL: ADMINISTRATIVE / CLERICAL TRAINING:**

**Description:**

There are some 800 staff designated as administrative / clerical staff in EdL. Around 30 of this group are graduates / professional staff and their training needs are covered separately. The remainder can be divided roughly into two parts; 300 are admin / clerical and 480 are collectors and general workers.

**Collectors:**

The training of collectors is a matter for consideration in the context of the current review of billing and debt collection. An initiative is underway and the outcome will determine what the training needs for this group are. For example, issues such as the use of hand held computers to record meter readings and other changes are being considered.

**Administrative / Clerical:**

The administrative / clerical staff in EdL are experienced in their use of existing systems and procedures. But their focus tends to be narrow and many administrative staff spend all their working lives in one area and become very specialised. The downside to this is a lack of breadth in their overall knowledge of systems and a general inertia towards change. The lack of rotation also prevents career development and can act as a demotivator.

There is now a major need for change, to do things differently, to revise systems to meet modern requirements and, above all, to introduce modern computerised accounting and management information systems. The payroll and billing system are computerised but these areas also require change. There is also a need for a computerised personnel information system.

Administrative / clerical staff need training, according to their area of work in at least some of the following:

- Modern accounting and financial systems including: suppliers and customers accounts procurement and materials management / control. Budgeting and cash management.
- Personnel / HR management
- Computerised office systems.
- Computer literacy skills (including use of PCs, office software, word processing, keyboard skills etc.)

Supervisory staff also require training in:

- Planning, scheduling and control of work.
- Supervisory skills.

**Objective:**

Identify specific training needs for the administrative / clerical category; design and implement a training programme to meet these requirements.

THIS WILL BE DONE BY:

- an experienced utility human resource training expert will visit EdL and conduct a fact finding study.
- He will identify and quantify the training requirements for the administrative / clerical categories.
- He will work with a small team consisting of representatives of EdL personnel function and the administrative departments.
- He will develop proposals to give administrative / clerical staff an appreciation of modern business systems.
- He will propose additional training modules of a more specialised nature following assessment of individual competency and needs during the introductory courses.

The findings from this project will form an important element in the design and implementation of computerised business and personnel systems.

**HR PROJECT** - **EDL: MANAGEMENT DEVELOPMENT INITIATIVE:**

**Description:**

The professional and managerial staff in EdL are small in number but critical to the success of the company. Due to circumstances, many existing managers are not equipped to meet the uncertain challenges of the future. An investment in training and development of this group will provide a substantial payback.

An organisational problem in providing for management training and development is the determination of how many and what kind of managers will be needed in the future. The present state of flux in EdL and the pending organisation review creates a lot of uncertainties.

While it is possible to determine the general training and development needs of the professional and managerial staff it would be more beneficial to identify individual training needs. As this group is relatively small in number it is recommended that a programme of individual needs assessment be carried out. This would require the identification of the gap between the existing managers and the competencies required for the future. This process would identify training needs; identify those with potential for more senior positions and also those who will never progress. This will form the basis for determining future recruitment needs.

**Objective:**

To assess the abilities and training needs of professional and managerial staff. Develop and implement a management development initiative which addresses the imbalance and improves the long term business performance of managers.

THIS WILL BE DONE BY:

- an experienced utility human resources expert will visit EdL and conduct a fact finding study.
- He will work with the representative from the personnel function responsible for staff assessment matters.
- In co-operation with senior management he will carry out a performance and potential assessment of managerial / professional level staff to identify training and development needs.
- He will develop proposals for a management development initiative which will provide managers with training and experience in best business practice and establish development as an ongoing process.

The findings from this project will form an important element in human resource planning for management succession.

**HR PROJECT** - **EDL: SENIOR MANAGEMENT DEVELOPMENT PROGRAMME:**

**Description:**

The training requirements of the senior managers in EdL have been identified following discussions with them and with the Director General.

**Objective:**

It is proposed that a management development programme be provided for senior EdL managers to improve their management abilities by introducing them to modern management practices.

THIS WILL BE DONE BY:

The programme will consist of a series of seminars and training visits overseas. The proposed series will include:

- The International perspective.
- The role of the manager in a performance culture (including Modern management best practice).
- Planning for the future / strategic management.
- Finance and Accounting.
- Human Resource Management.
- Information Technology.
- Customer Service.

The seminars will be held in Beirut. Visits of up to 10 days duration by two or three senior managers will also be arranged to provide course participants with a deeper understanding of areas of special interest to them.

**HR PROJECT** - **EDL: MANAGEMENT TWINNING / TRAINING PROGRAMME:**

**Description:**

The type of manager required in the future will differ greatly from the typical manager who ran the company during the last 20 years. They must carry the responsibility to motivate and lead their staff and introduce them to new ideas and new work practices. The success of the change process in EdL will depend on the commitment and capabilities of the company's managers.

**Objective:**

Quickly developing the best management talent in EdL to fill the top positions of the future and thereby improve the business performance of the company.

THIS WILL BE DONE BY:

- Selection.
- Training.
- Special assignments.
- Management twinning.

**Selection:**

Select a core group of 5 to 10 who have demonstrated proven ability and potential to fill senior management positions if they are given appropriate training and development on a fast track basis.

Those selected must:

- be capable of running EdL as a business
- Develop a commercial management approach
- Introduce a performance orientated culture in their supervisors and staff.
- Change the style of management from a culture of low risk, low return into a more demanding, innovative and performance related approach.
- Progress institutional reform and restructuring
- develop and train their staff in all the necessary skills and techniques

**Training:**

Because of the urgent need to get those selected for training quickly upskilled in modern power utility management techniques, formal training overseas in a efficient modern power utility is recommended.

For improved operational performance, skills and knowledge is required in: economics, financial management, accounting, human resource management, information technology, general management, marketing and technical disciplines.

**Special Assignments:**

The managers selected for fast track management training and development should be assigned responsibility for the revitalisation of EdL. They should work as a team on a cross functional project basis and target key areas essential for the turnaround of the company.

To equip them for their role a twinning programme of training and development is recommended. In this approach, in addition to formal training courses, managers are provided with the right variety of experience and learn from actually working on their jobs with experienced power utility managers.

**Twinning arrangement:**

To be effective, training and development courses must be complemented with practical on the job experience. But the learning curve can be steep and take time. Time is not on the side of EdL. The need for change is urgent and immediate.

To ensure that the benefits of training are transferred to EdL managers in a systematic, organised and integrated way it is proposed that a number of experienced power utility managers be employed on a contract basis for up to 3 years to assist in the turnaround of the company.

These experienced 'Turnaround managers' drawn from a range of disciplines, will twin with their EdL counterparts and support them in the development and implementation of efficient management strategies and operational performance. The aim will be to enhance the capability of the EdL project team to take over the role of managing the company to the highest standards.

**HR PROJECT** - **EDL: PERSONNEL FUNCTION DEVELOPMENT:**

**Description:**

Human resources management will play a vital role in moving EdL towards a new corporate objective and culture. To make the most effective contribution it is proposed that the personnel function be reorganised and provide a central human resource management function, concentrating on strategy and policies with more devolved responsibility for personnel matters to the line managers.

It is proposed that the central human resource function should concentrate on:

- **Strategy:** Ensuring issues to do with recruitment, performance, behaviour, training, reward, selection and working arrangements are taken into account in the company's business strategy.
- **Policy:** Developing a framework of HR policies, standards and procedures.
- **High level advice:** Provide senior management and line managers with specialist personnel advice and interpreting policies and procedures.
- **Develop Systems:** Streamline human resource systems in areas such as selection, training etc. so that they are responsive to local needs and can be implemented under the authority of the line.

**Need for new personnel skills:**

The existing personnel function is mainly equipped to deal with administrative issues. It has a small staff of 9 who are familiar with the current organisational work practices. They provide a needed service and react to requirements as they arise. The proposed new personnel organisation must be more proactive. There must be professionalism in the exercise of personnel management. This means that the new function must develop a core of human resource management expertise.

**Objective:**

To develop a core of human resource management expertise, personnel professionals must have special expertise in the matters that affect the human and organisational aspects of the business and in the formulation of appropriate personnel policies that take account of the particular needs of the company. They should be good communicators, understand human behaviour and have the necessary range of interpersonal skills and knowledge to perform their tasks.

THIS WILL BE DONE BY:

- Selection.
- Training and Development.

**Selection**

The new personnel Dept. must be an open dept. In addition to a core of HR specialists it must have a mix of other disciplines drawn from other professional areas.

Future staff must be:

- High calibre, highly motivated.
  - Persistent in their pursuit of goals
  - Aware of the role they must play in the future development of the organisation.
  - Prepared to diagnose and confront management problems and be active in their solution.
  - Skilled in Human Resource expertise
- or
- Skilled in a broad range of management competencies with the ability to be trained in modern human resource management practices.

**Training Seminars:**

Training Seminars and visits should be arranged to meet the needs of the proposed new personnel organisation. The seminars should include modules on the following:

**General Business management:**

- Role of manager
- Skills of management
- Strategy formulation

**HR Planning:**

- Resource forecasting
- Recruitment / Selection
- Interviewing skills
- Modern selection techniques
- Job analysis
- Job design

**Reward management:**

- Job evaluation
- Pay systems
- Performance assessment
- Motivation

**HR Development:**

- Training
- Management development
- Performance appraisal
- career and personal development

Employee relations:

- Communications
- Developing relationships
- Conflict management
- Grievance handling and discipline.

Information Technology:

- Designing and implementing computer based personnel management information system.
- Impact of IT on managers and organisation.

Organisation Development:

- Organisational structure
- Organisational design
- Identifying change opportunities
- Initiating and securing commitment to change
- overcoming resistance to change.

The course should also provide for practical training in essential skills such as: interviewing, meeting skills, time management, presentation skills and computer skills.

**Customised training courses:**

Additional customised training modules may be required following individual competency assessment during attendance at the training seminars.

For example:

When appointed, the new Human Resource Training and Development manager will have a critical role to play in contributing to improving organisational efficiency, productivity and safety. HR will have to upgrade his knowledge and expertise in designing training and development systems and organising and managing the training function and training centres.

**HR PROJECT** - **EDL: PERSONNEL MANAGEMENT INFORMATION SYSTEM:**

**Description:**

The personnel data base in EdL consists of computerised payroll data, manual personnel files for all 3,500 staff and hand drawn organigrams.

There is a clear need for EdL to update and computerise the human resource data base to meet the needs of a modern business.

**Objective:**

Develop and implement a computerised personnel management information system, designed for power utility purposes. It should provide decision support for management and improve administrative efficiency. It should be an integrated system that provides a full solution to the HR management requirements.

THIS WILL BE DONE BY:

- An expert in utility personnel management information systems will visit EdL. He will:
  - Carry out a feasibility study to consider the range of applications for a computerised personnel information system.
  - Analyse and define user requirements and ensure that all concerned are aware of what is planned and how they will benefit from it. Their contributions and support will be essential for the successful introduction of the system.
  - Prepare a requirements specification for a computerised personnel management information system which emphasises that the system must be designed and proven for use in a power utility environment.
  - Identify training needs to operate and provide ongoing development of the system.

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