



Restructuring in Nepal Telecom and Foundations of Organization Structure



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Background

At present, Nepal Telecom has two main issues which are in implementation phase, they are issuing of shares to employees and restructuring of organization. Both these motions have got importance from the time of corporation to the company. The corporation got converted into company as per privatization policy. This policy has come in light to foster the communication sector. It has brought the competition breaking the prevailing monopoly of Nepal Telecom. Specifically, in this context the matter of restructuring the organization is too relevant and meaningful from the employee's point of view, organizational and shareholder's point of view. But the restructuring should be in such direction that would enhance the productivity, profitability along with motivation to employees. To increase the productivity, the one most important thing is to mobilize the human resources, to drive or induce them as per organization's willingness in order to get the job accomplished effectively and efficiently. As it is long-term strategy and this perspective must be in the way of getting favorable employee behavior; not in the way of imposing upon them.

Basics of organizational structure

Simply organizational structure indicates how the job tasks are formally divided, grouped and coordinated. There are numbers of factor which should be addressed while designing the organization's structure. Designing organizational structure is specifically a management's

job. If we count these factors, the six are key elements that must be addressed. These are:

1. Work Specialization
2. Departmentalization
3. Chain of Command
4. Span of Control
5. Centralization and Decentralization
6. Formalization

1. Work Specialization: The essence of work specialization is that, rather than an entire job being done by one individual, it is broken down into a number of steps, with each steps being completed by a separate individual. To some extent work specialization increases efficiency and productivity. But in some jobs it also brings boredom, fatigue, stress, low productivity, poor quality, increase absenteeism and high turnover. In such cases, productivity could be increased by enlarging, rather than narrowing, the scope of job activities. By giving a variety of activities, allowing them to do a whole and complete job and putting them into teams with interchangeable skills, they often achieved significantly higher output with increased employee's satisfaction. So, the management should understand the economy it provides in the certain types of jobs and problems it creates when it is carried too far.

2. Departmentalization: When the correlated tasks are assembled together it gives the job and if the jobs get grouped together, the underlying basis for grouping the job is departmentalization. One of the most popular ways to group activities is by functions performed. Jobs



can also be departmentalized by the type of product, geography, process, and customers. In our organization there is a need of R&D department to bring out the quality products and services by finding innovation. This department can find the way by which the whole organization could take the competitive advantages from environment.

3. Chain of Command: It answers question from employees such as "To whom do I go if I have problem?" and "To whom am I responsible?" so it is an unbroken line of authority that extend from the top of the organization to the lowest echelon and clarifies who reports to whoms. It comprises two complementary concepts: authority and unity of command. Authority refers to the rights inherent I a managerial position to give orders and to expect the orders to be obeyed. Likewise, unity of command preserves the concept of an unbroken line of authority. it states that a person should have one and only superior to whom he or she is directly responsible. If the unity of command is broken and employee might have to go with conflicting demands or priorities from several supervisors.

4. Span of control: It indicates the number of subordinates a manger can efficiently and effectively direct. The span of control is important because, to a large degree it determines the numbers of levels and managers an organization has. All things being equal the wider the span, the more efficient the organization. (Stephen P. Robbins). At present this key element has given a high priority in Nepal Telecom. As organization's services – increasing day by day, it becomes too large in shape and size.

The global trend in recent years has been towards wider span of controls. They are consistent with recent efforts by companies to reduce cost, cut overheads, speed of decision making, increase flexibility, get closer to customer and empower employees.

5. Centralization and Decentralization: In some organizations top managers make all decisions and at other extreme there are organizations in which decision making is pushed down to the managers who are closest

to the action. The formal one are highly centralized and latter decentralized. If the top management makes the organization's key decisions with little or no input from lower level personnel the organization is said centralized. In contrast the more that lower level personnel provide input or are actually given the discretion to make decisions the more decentralization there is. In large companies, lower level managers are close to 'the actions' and typically have more detailed knowledge about problems than top managers. Consistent with recent management effort to make organization more flexible and responsive there has been a marked trend towards decentralizing decision making.

6. Formalization: It refers to the degree which jobs within the organizations are standardized. If there are explicit job descriptions, lots of organizational rules and clearly defined procedures covering work processes in organization, it can be said there is a high formalization. If a job is highly formalized, the job incumbent has a minimum amount of discretion over what is to be done, when it is to be done and how he or she should do it. Employees can be expected always to handle same input in exactly the same way resulting in a consistent and uniform output. So, the management should find which job needs what degree of formalization.

Missing in prevailing organization structure

Present era is the era of globalization. The world is getting so small due to globalization. Technology, innovation and emergence of the borderless concept in the field of investment and trade bring both opportunity and threat to the existing enterprises in the economy. The government of Nepal has adopted the policy of privatization in the light of economic liberalization and globalization. After the conversion of corporation into company, number of service provider has come in the market and they are in the way of getting better position in market. Up to this time frame, we possess the most part of market share but no tie remains same for a long in the field of investment. As Nepal is member of WTO, Nepali enterprises can reap the lots of benefits an grasp



the opportunities but at the same there will be the threat of international business houses. So, it is now the necessity of the organization to find out its strength and weaknesses in order to cope with the opportunities and threat in the environment. Following are the missings in prevailing structure-

1. No all tasks are well coordinated to give a specific job. Few jobs are well defined; they possess job description and job specification. But in practice the job is not placed by the right employee, they lack clearly defined job specification, job description and systematic job evaluation. What is to be performed by whom- it is not clear.
2. There must be the common basis for grouping the job in order to form a department. In Nepal Telecom, jobs should be departmentalized by the type of product, geography, process and customers. A missing department in Nepal telecom is R & D department.
3. There is a lack of clear cut line of authority of who reports to whom.
4. There is no any specific span of control in our organization. But one thing is clear that how many levels and managers our organization has.
5. Our company has followed the quite traditional technique for granting the authority. All power and authority are resumed by top level and decisions are made by them. But the lower level manager are those people in who are "close to action" and face problems with customer as well as employee, hence, they must be participated in decision making.
6. No all jobs are formalized in order to get the standardized one.
7. The company should clearly state which jobs are core and which are secondary one. The non core job should be identified.
8. Team work, work group and group dynamics should be clearly defined. It needs to be practiced for better outcome.

Corporate Restructuring as a solution

It is a long term strategy. Once it has been adopted, it is irrevocable for a long duration. It is adopted not only to change the structure but in order to foster productivity enhancing efficiency, increasing motivation and lowering the absenteeism and employee turnover. It leads to cut down the overheads without deteriorating the quality of service. Rather it will increase the customer satisfaction and customer delightment. It addresses all the missings in prevailing structure and finally finds company in a new shape. In Nepal telecom, restructuring is an hot issue, when two or more employee gather they generally discuss about it. This "restructuring" has got importance mainly for one issue whether they get one promotion for upper level or only the people at top level get the chance. But only the issue of increment in level is not a basic factor for it. So, it should cover the all dimension of organizational structure to fulfill the motive of corporate restructuring. Hence, it should cover the all levels, departments and directorates including training centre. It should fill all the gaps and correct the deviations.

Conclusion

As mentioned earlier, our company will have its journey through a restructuring process-a long-term strategy. Organizational restructuring has simple meaning of thinking of existing organizational structure, finding the lacking, deficiencies, drawbacks, outdated frameworks and rethink to remove all those by getting policies and plans for new structure. In this way" Restructuring" refers to the dismantling or replacing the existing structure by relevant, goal oriented, competitive structures satisfying the people within the organizations.

The great challenge to the management is to address the all key elements for designing the structure. The management should consider the basic element such as span of control, formalization, decentralization etc. whose status is somehow contradictory and controversial in the prevailing structure. **The management should adopt that structure which will reduce the cost, cut the overheads and finally increase the productivity making the employees' morale high.**