

Sector Reform and Utility Commercialization | SRUC

Human Resource Incentive Study and Design in India

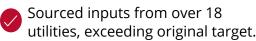
SRUC engaged with a range of power utilities worldwide to conduct a study on human resource incentives (HRI) that can be used to encourage employees to combat non-technical electricity losses. As a follow on to the study, SRUC designed an HRI program with Indian utility, JBVNL, to help the company engage its employees to meet its loss reduction targets.

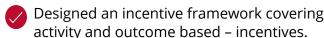
OUR

WORK

 One standard to enhance energy sector governance formally adopted -An incentive program at JBVNL

Goal of the study was to identify internal loss-reduction approaches to help other utilities facing similar challenges:





At JBVNL, enhanced employee

engagement and created mechanisms to improve the financial performance.

Cooperating p.

SRUC partnered with **USAID India** to design an incentive program for **IBVNL**



THE CHALLENGE

While customer-facing and technical solutions to improve utility performance are well documented, there are few global assessments that explore the incentive programs utilities use to reward staff who demonstrate a clear contribution to loss reduction. This understanding could provide utilities a new avenue to address commercial losses on their networks. Critically:

- The various technical and commercial loss reduction initiatives in a utility need to be complemented with equivalent commitment and motivation from employees.
- Publicly owned power utilities in India have faced challenge in implementing incentive schemes due to lack of reliable baseline information / systems for monitoring achievements.



APPROACH

SRUC carried out the HRI study/pilot as follows:

- Selected an initial set of utilities and distributed questionnaire to 18 utilities around the world with different ownership structures, in various geographies, and under different regulatory regimes.
- Finalized the study, then presented and disseminated findings to USAID Energy Division and other donors.
- Using key findings from the study, conducted a selection process for an Indian utility with which to design a HRI program.
- Designed a program with IBVNL with several phases; work included a cost benefit analysis, detailed formulas for rewards, and an internal communications plan.ince



RESULTS & FOLLOW-ON

SRUC's engagement with utilities during execution of the HRI study resulted in the following key impacts and follow-on:

- Utility companies in India requested follow-on assistance from SRUC to understand the lossreduction incentives discussed in the study in more depth and/or to host a pilot project to test some of the methodologies.
- The Board of JBVNL has approved a full adoption of the SRUC-designed HRI program.

"The report is quite comprehensive and offers cutting-edge perspectives on global trends in incentive schemes for utilities that will drive critical strategic deliverables like ATC and C reduction." - Aik Alenkhe, Eko Distribution Company Plc. Nigeria