

Stories of institutional change: Regulation/ digitalization

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This story really happened

- Bad old days: “Half the country is waiting for a telephone; the other half is waiting for dial tone”
 - In early 1980s, NARESA [now NSF] found that 38% of telephones in Greater Colombo area were out of service at any given time
- The 1998 tariff determination required reimbursement of pro-rated fixed rental for period of service interruption exceeding
 - 7 days for residential customer (pro-rated amount for 7 days = LKR 42/less than USD 0.5)
 - 3 days for a business customer (calculated from a higher rental)
 - In 1999, the reimbursement was set at daily rental x1.5

Changed SLT's organizational culture

- Irate customers were likely to demand reimbursements (in their bills)
- How was SLT going to manage the onslaught and ensure that those not eligible did not get reimbursed?
- Had to set up systems at Regional Telecom Engineer (RTE) offices to
 - Receive and record each complaint (when the count down would start)
 - Channel the complaints as quickly as possible to repair crews and record "service restored" reports in the system as quickly as possible
 - In cases where threshold was exceeded, communicate the reimbursement request to billing department

For first time, SLT was motivated to create a complaints case file

- Essentially, each complaint had to have its own file and unique identifier
- That file had to be updated promptly and made available in realtime to
 - Repair Department (within same RTE Office)
 - Billing Department (HQ)
 - Regulatory Affairs (HQ)
 - Also, to unit receiving customer complaints, face-to-face or on the phone (RTE & HQ)
- Because a unique identifier existed, it could be given to the complainant too
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How can a dynamic file be made available in realtime to multiple units within the RTE office and to HQ?

- Not possible without digitalization

Complementary activities by the regulatory agency conducted in parallel

- Interactions arranged with a QoS [Quality of Service] Advocate from a Canadian telephone company
- Lots of talk about quality on TV and other media, including publicity about the new provision re reimbursement and the ways by which people can complain
- Requested quarterly reports on complaints received, resolved, and reimbursements made by RTE office
 - Regulatory unit/CEO now could now see what kinds of QoS problems were occurring where → benchmarking of RTE Offices

Supporting activities by NTT management

- Got rid of government style salary increments & promotions based solely on seniority
- KPI-based salary increases directly into bank accounts
- Led to engineers in charge of RTE Offices being motivated to show high performance
- In new competitive environment, SLT had to compete on quality of service

Pressure to change organizational culture

- External
 - From customers
 - From regulatory agency
- Internal
 - From CEO, who realized phones out of service are
 - Not producing revenue
 - Causing additional costs and negative publicity

Was culture changed?

- The doling out of favors to influential people or prioritizing repairs based on under-the table payments could not continue
- Huge shock to system when regulator ordered refund of the equivalent of USD 1 million to customers in 1999
- RTEs had to reform; quality of service went into KPIs
- In 2000, SLT celebrated first complaint-free day in its history

Assignment for Groups of 5

- Appoint a person to report on your group work
- Please think of a similar case within the experience of at least one person in the group
 - Must involve data collection and sharing of data on a distributed network
 - Must have attempted to change organizational culture, successfully or not
 - Check with me if your case fits criteria

Alternative assignment for Groups of 5

- If no one can think of an existing case, construct a hypothetical for the planned bus exchange
 - Has to involve data collection (specify what and how)
 - Processing of data (where and by whom)
 - Sharing of data or results on a distributed network (to whom)
 - What is the change in organizational culture you envisage?