

# **From KESC to K-Electric A Company Reborn**

## Foreword

# **Transition Towards Transformation**

This is a book larger than the sum of its parts. What are its parts? An initiative by the private sector management team representing the management-controlling private share-holders of a State-owned utility firm to present its experience over about a 6-year period. An account of how an organization which was a wholly publicly-owned, wholly Government-controlled public entity for over ninety out of its hundred-year existence fairly quickly became an entirely privately-managed domain: yet still remaining an entity in which the majority of shares remained with the public. A validly proud presentation of how a well-led team of individuals working in difficult circumstances was able to improve the provision of an essential need while achieving daunting objectives. And all this in a huge metropolis of ambivalence, part prickly porcupine, partly redolent with fond memories, with millions living in peaceful, productive co-existence often punctuated by spasms of virulent violence.

The 17 chapters are like the nuts and bolts of the parts. From the bones that are bare, to the future that is bright, from the conundrum of Karachi, to the colouring of the brand, this publication spans a large territory of facts and events, of inheritance and aspiration. There are also symbolic characters created to represent members of staff, media, customers so as to periodically humanize the narrative. There are quotes from actual persons excerpted from comments to summarize a trend or a development. Thus, all the elementary components for a comprehensive book are present. They combine to become a faithful record of how a monolith quite indifferent to its environs became a tangibly different monolith newly sensitive to the society it serves.

Substantial research and effort has been invested in assembling data, interviewing personnel and persons, identifying multiple internal and external facets, detailing processes and projects. A book commissioned for the purpose of an organization being able to project its own story, undiverted by other versions, is predictably up-beat and positive about its sponsor. It is neatly written and compiled. The work appears to

fully and efficiently meet its brief. It will certainly be a most appropriate gift for the curious, and for all who are interested. And it will serve as a valuable document for posterity.

Yet the book, whether inadvertently or by subtle design, sometimes with explicit references and sometimes by inference, weaves a canvas larger than the portrait of a particular organization. At certain points, by way of indicating conditions outside, there are specific names and events cited that are not directly related to the company. But this book obliges the reader to consider the totality of the context in which the company goes through a basic change for the first time in its long existence. To begin with, there is the political context. Coinciding approximately with the advent of new elected, civil Governments in 2008 after the exit of a military-led civil government at the Centre, the attempt to move the company out of the conventional public sector realm became a notable solitary example of its own exclusive kind.

In those very years, the very same new elected Governments, at the Centre and in Sindh, were making, in several cases, some bizarre appointments to major public sector organizations. These comprised individuals who were patently unsuitable and unqualified for their respective jobs. Their postings were being challenged, and many were removed by either suo motto actions of the Supreme Court or in response to public interest petitions filed by aggrieved parties or citizens.

To aggravate matters further, most public sector entities continued to massively drain the public exchequer. A lethal combination of corruption, incompetence and, in the power sector, by a strangulating circular debt which also affected KESC. Standards of service for the individual citizen and for institutional customers of public sector organizations went into steep decline. On the ground, in the air, through pipelines or in plants, civil electoral democracy seemed to perversely facilitate a callous apathy to public duty. Onward of 2002, even the phenomenal expansion of 24/7 TV news channels which often exposed instances of malpractices and malfeasance in the public sector did not appear to deter the intrinsic sickness of State-owned bodies.

The fact that was either disregarded or remained un-reported is that there do exist in Pakistan some outstanding examples of excellence in State entities. These function quite superbly in nuclear energy for peaceful uses, and for weapons development, precision engineering, heavy mechanical engineering, defence production, agricultural research, national data bases for citizens and ID cards, some parts of higher education, some aspects of all three Armed Forces. Such institutions contradict the prevalent notion of all things to do with Government control, being like the kiss of death in terms of efficiency and integrity. Regrettably, KESC could not be counted amongst this fine list in the first decade of the 21st century.

Simultaneous to the plethora of scams and outrageous instances of the misuse of State organizations, there took place the passage of KESC under new management through virtually uncharted waters. Where, on the one hand, State and Government remained both major share-holders and stake-holders and, on the other, specially after the adoption of the 18<sup>th</sup> Constitutional Amendment in 2010, the Provincial Government of Sindh acquired a new potency with regard to a public sector entity operating in its jurisdiction. The private management of KESC had to deal with the long-entrenched privileges of the Union reinforced by the populist public, and misleading appeals by political leaders articulating workers' rights and opposing rationalization and down-sizing. To compound the complications, post-2008 there was a sudden vacuum in elected Local Government units in the city, a network of community participation that could have facilitated the firm's brave attempts to curb theft and to mobilize empathetic participation by citizens for common gain.

Then, like sour icing on the cake, with a candour rare for such a company- sponsored publication, the text refers to the wide-spread speculation about the-then- Head of State having an alleged covert personal financial interest in ensuring sale of the required percentage of shares and management control to The Abraaj Group.

In general economic terms, the post-2008 period was one of reduced growth rates and persistent public expectations for the better. Extremism and terrorism, mis-governance and re-activism rather than pro-activism; natural disasters like floods and myriad man-made crises, all of them frequently impacted, directly or indirectly, the forever growing city of Karachi. These had a direct bearing on how quickly or smoothly the new approach could be implemented at KESC.

What one missed reading dearly in the book was more about the early, formative years of KESC in the first decades of the 20th century. Though photographs are reproduced from those times, some more detailed material would have been enlightening. Similarly, there is a dire need to learn more about how KESC heroically coped with the sudden, over-night expansion of a small town in 1947 into the rapidly growing capital for about 12 years of a uniquely two-winged country, hungry for power, both electric and political! Perhaps a second edition will fill this critical need; to know about how the leaders and staff of a vital public service utility responded to a large-scale emergency with limited resources.

As the book reminds the reader of the context in which actions occurred in the first years of the 21st century, one appreciates the clarity and singularity of a new vision for the organization at the outset. We witness the formulation of a strategy which began with good intent and firmness, but was capable of adjustment as new needs arose. The youthfulness of the new team without long experience of managing fundamental change nevertheless being able to steer into entirely new directions, learning while they were

leading. The assertion of steely strength to defy coercive pressures both from inside and outside the firm. Perhaps on occasion, carried to excess in the wrong direction! One read with disquiet at one point that the Chairman/CEO of KESC had declined to appear personally before a Parliamentary Standing Committee in Islamabad on the grounds that, as Head of a privately managed entity, he was not obliged to do so and that other mechanisms already in place to enforce accountability were adequate. Whereas, public or private, all citizens and organizations in a democratic system are subject to appearance before a Parliamentary body. One hopes that the initial report was either incorrect or that the initial intent was later revised because humility is an indispensable asset, be it in persons or institutions, public or private. In any case, in real life, in the handful of instances where this writer has inter-acted with the Head of KESC and his senior colleagues, one has found only adequacy of warmth and sincerity and no hint of arrogance. May this feature thrive forever!

Any future edition of the book could be embellished by greater detail---without revealing too many inside secrets!---of the intense internal debate and discourse that must surely have recurred as the journey into the unknown proceeded. Judging by the unusual frankness already referred to earlier in this Foreword, there is a refreshing commitment to open-mindedness and transparency which should help fill out some gray areas which may arise on some issues.

One applauds the new KESC's practical and demonstrated support to the social sector for the public good, to the safety and well-being of its own staff, to ensure environmentally healthy generation, transmission and distribution of energy, and to hopefully, prefer clean coal technology rather than conventional, high pollution process as the firm plans for the demanding years ahead.

Contrary to the poetic adage that no man is an island, this book shows how an institution, in a relative sense, can become an island of progressive change in the midst of stagnation or decline or despair. Of how professional values and practices, combined with individual and collective integrity can make persons as well as their organization into role models for others and specially for the young and the unspoilt.

The book should be compulsory reading for all chief executives and for the senior as well as the middle and junior-level management of all public sector organizations in Pakistan. Not necessarily because their organization is already, or soon will be, partially or wholly privatized. But to be read in order to learn how a forward-looking, progressive approach in an entity whose shares are still majority State-owned, can yet become a dynamic change-agent for the benefit of all---for staff, for share-holders, for stake-holders, for customers, and for the nation itself. One is glad to know that the KESC turn-around is already a case-

study in leading business colleges in Pakistan and overseas, though this distinction should never permit a pat-on-the-back from becoming the narcotic of smugness.

To disseminate the lessons learnt as widely as possible, one hopes that preferably the entire text, or at least a representative summary be translated into Urdu and Sindhi, and be circulated optimally, including to its mass of customers who have a right to know. Especially about how a monopoly, State or private, need not remain the epitome of complacency and insularity.

While the book lists several purposeful campaigns in public relations, media advertising and community-oriented communications, this informative and educative book under-lines the need for KESC to invest far more heavily in the task of regular, continuous, sustained multi-dimensional communications. To raise public awareness to a far higher level than at present about the remarkable efforts at reform, renewal and re-shaping of KESC. Not to use media only on a random, sporadic basis but as an on-going, sustained extension of its service-provision to the citizens and residents of Karachi.

Let not this paean to the virtues of private management make one oblivious to the harsh reality of certain aspects of private enterprise. Where it encourages innovation, offers incentives, prevents inefficiency to keep pace with market competitiveness, the private sector is also prone to profiteering, to sheer greed, to sub-standard production, to tax evasion, to corruption, to cleverly circumventing official checks and balances, to using advertising to mask or divert attention from its sins.

While the dramatic and pivotal changes made in KESC these past years represent a historic and admirable achievement, the test of time is a perennial challenge. To endure, to sustain excellence, beyond individuals, beyond times ahead that are likely to be volatile and turbulent, given our trends of population growth and slow response to emerging threats. But and in conclusion, this is a book about hope, well and thoughtfully grounded, not airy and wishful.

This is an invigorating testament of an unprecedented transition that has become the start of an extraordinary Transformation.

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