UNIVERSITI PUTRA MALAYSIA

A STUDY OF PERCEIVED MANAGERIAL COMPETENCIES IN THE TELECOMMUNICATION INDUSTRY: A MALAYSIAN PERSPECTIVE

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By

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LIST OF ABBREVIATIONS

AMA	American Management Association
CEO	Chief Executive Officer
CMED	Council for Management Education and Development
GDP	Gross Domestic Product
HRD	Human Resource Department
KLSE	Kuala Lumpur Stock Exchange
MCI	Management Charter Initiative
MIM	Malaysian Institute of Management
MSC	Multimedia Super Corridor
WTO	World Trade Organisation
NFMED	National Forum for Management Education and Development
ROC	Registrar of Companies
ROI	Return On Investment

ABSTRACT

Abstract of thesis presented to the Senate of Universiti Putra Malaysia in partial fulfilment of the requirements for the degree of Master of Science.

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Chairperson :   **Dr. Nurol'ain Mustapha, Ph.D.**

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This study was conducted with the aim of providing an insight into the competency study from the Malaysian point of view, in general, and telecommunication industry, in particular. Specifically, it is the objective of this study to identify a list of competency elements and to determine whether they are necessary or important for managers to perform their managerial jobs.

Four hypotheses were formulated to achieve the objectives of the study. The four hypotheses were: 1) Managers do not perceive generic competencies to be necessary in carrying out their jobs, 2) There is no significant variation of competency elements across managerial levels, 3) There is no significant variation of competency

elements across functional areas, 4) There is no significant variation of competency elements across organisations in the industry.

Data for this study has been collected primarily through structured questionnaires. The ninety-one competency elements used in this study were based on the questionnaire developed by Hunt and Wallace (1997). Analysis of the data was performed using the Statistical Package for Social Science (SPSS). Several statistical tools such as descriptive analysis, factor analysis, analysis of variance and bonferroni post-hoc multiple comparison were used to analyse the data. The major findings are as follows:

Using descriptive analysis, the mean score for the ninety-one competency elements were ranked according to descending order. The findings indicated that managers perceived all the ninety- one competency elements as necessary for them to perform their jobs. Of the nine-one competency elements, more than 80% of the elements were perceived as necessary, pointing to the generic nature of the managerial competencies. Thus, Hypothesis 1 was supported.

From the twenty-three highly rated competencies, factor analysis produced a five dimensional competency model. These five dimensions were categorised into 1) problem solving, 2) personal management, 3) communication and integrity, 4) organisation knowledge, 5) image and direction.

Statistical tools such as ANOVA and Bonferroni Post Hoc multiple comparison were used to determine variation of competency elements across managerial levels, functions and between organisations. From the analysis, it was evidenced that there were variations across managerial levels. Nine (39%) out of twenty-three elements were significantly varied between top and lower level managers. Thus, the hypothesis 2 was less than partially supported.

Some significant results were also shown pertaining to the variation of competency elements across functional areas. Out of the twenty-three elements, six elements (26%) were significantly varied. The hypothesis 3 was less than partially supported. In addition, the analysis produced significant results between organisations in the industry. A total of fifteen (65%) out of twenty-three competency elements were significantly varied. Thus, hypothesis 4 was partially supported.

The current study is timely and of importance especially to managers in the telecommunication industry. They could utilise the competency model for managing human resources such as in recruitment and selection, training and development, and performance appraisal. The findings could also provide further information on the usefulness and value of the generic competency model of Hunt and Wallace and it could further widen the applicability of the generic competency model across culture and industry.

ABSTRAK

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk Ijazah Master Sains

PENGAJIAN KESEDARAN KECEKAPAN PENGURUSAN DALAM INDUSTRI TELEKOMUNIKASI: DARI PERSPEKTIF MALAYSIA

Oleh

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May 1999

Pengerusi   :   **Dr. Nurol'ain Mustapha, Ph.D.**

Fakulti   :   **Pusat Pengajian Siswazah Pengurusan Malaysia**

Kajian ini telah dijalankan bertujuan untuk memberi suatu pemahaman kecekapan dari pandangan perspektif konteks Malaysia amnya, dan industri telekomunikasi khususnya. Objektif kajian ini ialah untuk meneliti dan memastikan satu senarai unsur-unsur kecekapan yang perlu atau penting untuk pengurus-pengurus semasa menjalankan tugas mereka.

Empat hipotesis telah dihuraikan untuk mencapai objektif kajian ini. Ianya adalah: 1) para pengurus tidak menyedari sifat kecekapan umum adalah perlu semasa menjalankan tugas mereka. 2) tidak ada perbezaan yang menonjol pada unsur-unsur kecekapan di antara peringkat pengurusan. 3) tidak ada perbezaan yang menonjol pada unsur-unsur kecekapan di antara bahagian-bahagian yang berfungsi. 4) tidak ada

perbezaan yang menonjol pada unsur-unsur kecekapan di antara organisasi-organisai dalam industri itu sendiri.

Data untuk kajian ini dikumpul terutamanya menerusi penggunaan soalselidik yang distruktur khas. Sembilan puluh satu unsur-unsur kecekapan yang digunakan dalam kajian ini berdasarkan kepada soalselidik yang dibentuk oleh Hunt dan Wallace (1997). Pakaj Perangkaan Sains Sosial (SPSS) telah digunakan untuk menganalisiskan data-data yang diperolehi dari soalselidik. Selain daripada itu, kaedah-kaedah perangkaan seperti analisis deskriptif, analisis faktor, ANOVA dan sebagainya telah digunakan untuk menganalisiskan data-data tersebut. Hasil kajian utama adalah seperti berikut:

Dari analisis deskriptif, perhitungan purata untuk sembilan puluh satu unsur kecekapan telah diatur mengikut susunan urutan menurun. Hasil kajian tersebut menunjukkan bahawa para pengurus menyedari sembilan puluh satu unsur kecekapan perlu ketika melaksanakan tugas mereka. Dari senarai sembilan puluh satu unsur-unsur kecekapan, lebih daripada 80% unsur disedari mustahak, menunjukkan sifat kecekapan pengurusan bersifat umum. Oleh yang demikian, hipotesis 1 telah disokongi.

Dari dua puluh tiga unsur-unsur kecekapan yang terpenting, analisis faktor telah menghasilkan model kecekapan lima dimensi.   Kelima-limanya telah

digolongkan kepada 1) penyelesaian masalah, 2) pengurusan perseorangan, 3) komunikasi dan ketulusan, 4) pengetahuan organisasi, 5) imej dan haluan.

Kaedah-kaedah perangkaan seperti ANOVA dan sebagainya telah digunakan untuk menentukan perbezaan unsur-unsur kecekapan melintasi peringkat pengurusan, fungsi dan di anatara organisasi. Dari analisis tersebut, terbukti adanya perbezaan melintasi peringkat pengurusan. Sembilan (39%) dari dua puluh tiga unsur-unsur amat berbeza antara peringkat pengurusan atasan dan peringkat pengurusan bawahan. Maka, hipotesis 2 adalah kurang dari disokongi secara tidak menyeluruh.

Terdapat juga hasil-hasil kajian menonjol terhadap perbezaan unsur-unsur kecekapan dari aspek bahagian-bahagian yang berfungsi. Di antara dua puluh tiga unsur ini, enam (26%) daripadanya telah menunjukkan perbezaan menonjol. Oleh yang demikian, hipotesis 3 disokongi secara tidak menyeluruh. Tambahan juga, analisis ini mengemukakan hasil menonjol antara organisasi-organisasi dalam industri ini. Sebanyak lima belas (65%) dari dua puluh tiga unsur-unsur kecekapan menpunyai perbezaan yang menonjol. Maka, hipotesis 4 telah disokongi dengan separuhnya.

Kajian semasa ini amatlah tepat pada masa ini, dan penting terutama sekali kepada para pengurus dalam industri telekomunikasi. Para pengurus boleh menggunakan model tersebut untuk menguruskan sumber manusia seperti pengambilan dan pemilihan, latihan dan pembangunan serta penilaian prestasi. Hasil kajian tersebut juga boleh menyumbangkan maklumat-maklumat lanjut berkenaan

dengan faedah dan nilai model kecekapan umum yang dibentuk oleh Hunt dan

Wallace dan penggunaan model kecekapan boleh juga diperluaskan melintasi

kebudayaan dan organisasi.

CHAPTER ONE

INTRODUCTION

This chapter presents the background of the study, problem statement, objectives of the study, conceptual framework and hypotheses of the study. The chapter also cover importance and assumptions of the study.

Background

Organisations in nearly every sector of the economy in Malaysia were facing increases in the rate of environmental change, and corporate managers were making major structural changes so that their organisations were able to adapt to the new conditions. Increased global competition, technological innovation, and more sophisticated customers with a wider range of needs, are just some of the forces which have made the telecommunications industry, in particular, more turbulent and adaptable to changing conditions.

Most organisations probably have tried at least one of the new wave of human resources strategies that have made a splash in the marketplace in recent years. Re-engineering, downsizing, total quality management, teams and a wealth of other processes were being tried as organisations seek a competitive edge in an ever-changing business climate. One of these innovative strategies was the use of organisational and individual competencies to focus on organisation in its critical success factors and to develop individual behaviour that support "core competencies" (Tucker, 1994).

Recently, managers were now encouraged to list the competencies that organisations needed to operate successfully. These competencies are then used in selection, promotion, appraisal, counselling and vocational guidance. In fact, whether it was a very small business or a multi-billion ringgit organisations, managers were aware of the importance of the competency-based for the said objectives.

Environmental "triggers" precipitating strategic change have included the impact of new technology, new competitive arrangements such as the growth of mergers, acquisitions, strategic alliances, take-overs, and joint ventures, and change to the context in which organisations new operate.

In order to respond to increased customer sophistication and greater international competition, many organisations attempted to redefine their mission

and strategy, to diversify into new areas and to develop new products and services more rapidly. There has also been more emphasis on product and service quality and on "customer care", with organisations often introducing cultural change programmes to emphasize more commercial and less bureaucratic values and pressure on staff roles, with structural changes introduced to make the organisation more decentralised, flexible and responsive. All these have been perceived as requiring new managerial skills and competences.

Problem Statement

The Scenario of the World Telecommunications Industry

On February 15, 1997, the World Trade Organisation (WTO) signed an agreement that liberalised world wide telecommunications services significantly. The agreement signed by 69 countries appeared to pave the way for the global use of mobile telecommunications equipment.

This move has reflected the concerted effort by the parties involved to open up their markets gradually. The various signatories, which accounted for approximately 90 per cent of the world's telecommunications services, have addressed a wide range of issues, including future policy directions, legislative structure, market liberalisation and management of cross-boarder systems.

The agreement also provided that signatory countries were to open up their telecom market to more foreign firms and to grant more licences and allow increased competition. However, the extent to which countries have committed to open their markets varies as the terms of the agreements were not unilateral.

In terms of the specific area of market liberalisation in the wake of these negotiations, the United States of America was moving towards an open market in all areas of telecommunications while Canada has dropped its requirement for equal usage in mobile satellite systems and has pledged to remove existing providers' exclusive operating rights by 2002.

Within the European Union, Spain and Portugal were scheduled to introduce market liberalisation by the end of 1998 with Ireland and Greece following in 2000 and 2003, respectively elsewhere within the continent, Norway and Ireland were of course for full liberalisation, and Switzerland had agreed to end monopoly rights within its telecommunications to competition by 2003. Romania was aiming for cellular liberalisation by 2002 and Bulgaria was set for full competition by 2003, Within Africa, Ghana the Ivory Coast and Tunisia have agreed to open up mobile telecommunications service within their boarders.

A similar situation prevailed in Southeast Asia and the Pacific region where Australia, Hong Kong, Japan, Mauritius, New Zealand, and Philippines and

Singapore have signed up for varying degrees of international provider access until 2000.

Malaysia, was no exception. Since 1991, the Government of Malaysia has liberalised the telecommunication sector. Over the past few years the Malaysian government had licensed multiple supplier of basic and value-added services in the industry. These service providers were introducing more state-of-art services including videoconferencing, telecommerce and teleservice, thus producing opportunities for joint-ventures for the development of new products and services in the industry. In July 1996 the Malaysian government decided to allow her seven existing communication companies to operate without merging or buying each other out. These seven companies were:

- Telekom Malaysia Berhad (STMB) - (originally a government body with total monopoly, now corporatise but still partly owned by the government) offered fixed-line network and mobile services.

- Celcom (Malaysia) Sdn Bhd - offered mobile service, was licensed to operate a fixed-line service and was about to invest in low-orbit satellites.

- Binariang Berhad – offered mobile services, own Malaysia's first satellite (MEASAT) was licensed to operate a fixed-line network.

- Time Telecommunications Sdn Bhd – owned a fibre-optic network along the length of the peninsula, offered full facilities for fixed and mobile telephones, payphones and operates an international gateway.

- DiGi Telecommunications Sdn Bhd (Formerly known as Mutiara Telecoms) – offered mobile services, has an international gateway and was licensed to operate a domestic fixed-line network.

- Mobikom – offered mobile service.

- Syarikat Telefon Wireless – provided wireless local loop and was licensed to operate a fixed-line network.

The Scenario of the Malaysian Telecommunication Industry

In developing Malaysia from an agriculture society into industrial society, and now towards an information-rich society, the development of the information superhighway, in general, and the Multimedia Super Corridor (MSC) in particular, through the telecommunication infrastructure, was given priority by the government. The merging of telecommunications, broadcasting and computer technologies was expected to improve the quality of telecommunications services as well as bring changes in lifestyle and the way business is conducted. International strategic alliances among telecommunications, cable and video, broadcasting and computer operators were also expected to enhance the benefits of synergy derived from the merging of these technologies. With interactive multimedia along the information

superhighway, physical commuting would be reduced with teleconferencing, telemedicine, distance learning, video on demand, home banking and home shopping, networking, facilities through development in telecommunications infrastructure, would lead to improved quality life for the Malaysian public.

Private operators were expected to invest a total of RM25.4b during Seventh Malaysia Plan (7MP −1995-2000) whilst development allocation for Telecommunications and Post amounted to RM25.5 million. The telecommunication sub-sector was expected to be one of the highest growth sectors of the economy with advancement of the telecommunication technology.

The industry was expected to see many changes over the next few years. The prime reason for this was the proposed MSC project, which would feature high-speed telecommunications capabilities. Although the actual impact of MSC project was yet unknown, it cannot help but cause growth in the sector and strong competition among the telecommunication providers. However, due to the current economic crisis, some operators were struggling to survive. To lend them some assistance, the government recently raised the ceiling on foreign equity shareholding in local telecom firms to 61% in the hope that there would be some foreign capital injection.