CLOSING DOWN OF REGIONAL TRAINING CENTRES: THE DILEMMMA OF A GENERAL MANAGER AT TELCO MALAYSIA BERHAD

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This case was written by Nazahah Abd Rahim, Mohd Fadhli Mahmud, Abdullah Lin and Martin Marissa Malek, Universiti Utara Malaysia. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

Disclaimer: This case is written solely for educational purposes and is not intended to represent successful or unsuccessful managerial decision making. The author/s may have disguised names, financial and other recognizable information to protect confidentiality.
While driving back home, Mazli’s mind was occupied with the outcomes of the meeting with Dato’ Rahim, the Chief of Human Capital Officer (CHCO), and Akmal, the Vice-President of Training and Development of Telco Malaysia Berhad (Telco). He felt very disturbed with the outcomes as he totally disagreed with the proposal and decision made by his superior. He felt that he was not appreciated since he was not called for any discussion prior to making the decision. As the General Manager of the Training Centre, he believed that his views should be considered since he knew best all the training operations at Telco.

While driving, Mazli thought to himself,

“Important decision such as this should not be made in a hurry. Need to look from all possible angles and carefully weigh the pros and cons. I have been here longer than Dato’ Rahim and I know the business and my trainers well. Yes, he may have a higher position than me but he should give me some credit and include me in the discussions prior to making such an important decision that would greatly impact those under me.”

Dato’ Rahim’s idea was to centralize all the training activities and close all regional training centres. Hence, all training activities would be managed centrally. By centralizing and closing the regional training centres, he anticipated a reduction in manpower and resources, thus, improving the organizational effectiveness. This was what he believed and he wanted to implement the change as soon as possible. He shared his plan with Akmal, and Akmal agreed with Dato’ Rahim’s proposal. It seemed that Akmal did not have the courage to argue but rather followed his superior’s decision. To implement the project, Mazli was asked to conduct a study and propose plans with regards to restructuring manpower, training activities and policies. That would mean preparing a strategy and an action plan that contradicted with what he thought was right; all to be submitted to his superior in just two days.

Telco Malaysia Berhad

Telco Malaysia Berhad (Telco), Malaysia’s broadband champion and a leading integrated information and communications group, offered a comprehensive range of communication services and solutions in broadband, data and fixed-line. As a market leader, Telco was driven by stakeholder value creation in a highly competitive environment. The group emphasized the delivery of an enhanced customer experience via continuous customer service, quality improvements and innovations, whilst focusing on increased operational efficiency and productivity.

Telco was one of the biggest Government Link Companies (GLC) in Malaysia and a leading telecommunication company in the country. As a telecommunication company, Telco’s operation and products were largely technologically driven. Therefore, the technical, IT and management training were very crucial to ensure the operation and maintenance were running smoothly. In order to support these activities and to ensure staff were skilful and knowledgeable, Telco had set up a number of regional training centres throughout Malaysia.

Telco Training Centre

The Telco Training Centre headquarters was located in the heart of Kuala Lumpur, the capital city of Malaysia. In addition, there were five regional training centres located in Sabah, Sarawak, the Northern region, the Southern region and Eastern Peninsular of Malaysia (see Exhibit 1). In total, there were about 300 staff at Telco training centres throughout Malaysia. Basically, the training centre was
responsible for conducting trainings on technical, IT, and management to all staff and contractors. The trainings conducted by Telco training centres were very crucial and seen as the backbone to the company’s operations and services. The training centres were very highly regarded by most of the Telco staff as they provided knowledge and skills to all the staff and contractors. All the training centres were fully equipped with training facilities such as training rooms, technical labs, printing machines, audio-video instruments and assembly halls. The centres were also equipped with cafés and sport centres. The trainings were basically delivered either in classrooms or on-the field (i.e. hands-on training). Other types of training included e-learning and comprehensive e-notes. All the training records and administrative matters were supported by the IT on-line system.

Telco trainings were divided into four units; School of Telecommunication, School of IT, School of Management and Training Management Unit (see Exhibit 2). Each school had its own specific trainer for each program. Some trainers were qualified to deliver trainings for more than one programme. Telco had invested a lot of money in developing and certifying internal trainers. Most of the trainers had been working in training centres for more than 15 years and some of them had reached 30 years of service. As part of its succession management program, Telco hired young and energetic staff in 2009 to become trainers. Telco believed that new trainers could bring fresh and innovative ideas into its training and development activities.

Who’s who?

Dato’ Rahim joined Telco as Group Chief of Human Capital in year 2009. Prior to joining Telco, Dato’ Rahim was with many other GLCs and private companies in Human Resource and Communication divisions. He held various positions in previous companies ranging from General Manager, Vice President, and a few other high level positions. He was opinionated and expected people to listen to his ideas. He always thought that he was in the right direction and expected people to follow his way of doing things. Even though, he liked to be challenged he could sometimes be a bit sensitive when the majority of the people disagreed with his plans, associating that with poor stakeholder management. Despite these objections, he would still proceed with what he had planned. On some occasions, he would indirectly penalise those who had disagreed with his plans. Hence, some people would try to avoid having direct confrontations with him.

Akmal, the Vice-President of Training and Development had a different character from Dato’ Rahim. He disliked arguments and would rather prefer to follow the instructions of his superior. The employees in Telco believed that he was a follower who always put himself in a safe position in order to survive in the organization. This was one of his plus points, enabling him to stay longer in Telco. Akmal was a graduate from University Malaya majoring in Business Administration. He had more than 25 years of working experience in the same field.

Mazli, the General Manager of Telco Training Centre on the other hand graduated from the University of Manchester, United Kingdom. He had a Bachelor’s Degree and a Masters in Business Administration from the same university. He was pursuing his Doctorate of Business Administration with University Utara Malaysia, when the incident took place. He had more than 20 years of working experience inclusive of technical/engineering and training. He had been with many other companies prior to joining Telco in 2001 as a Senior Training Manager. He was promoted to General Manager of Training in 2007, and is responsible for all training activities at the Headquarters (HQ) and all the regions.
Mazli was an analytical, people oriented and result oriented person. His staff considered him as a practical person. He would do anything possible that could help his team reach their goals, ignore silly details and useless actions that would only waste their time. Although he is a practical person, he would collect all ideas put forward in discussions and effectively delegate tasks to the people who best could fit the role. He would listen to his subordinates and value their ideas, the characteristics which made him very likeable and easy to work with. He knew the strengths and weaknesses of each person in his team and he was able to entrust full responsibility accordingly. His aim was to bring the best out of every members of the Training Centre including the staffs in the regional centres. He would make the final call when the group was unable to reach a consensus and he would take responsibility for the decisions he made.

Leadership Clash

Dato’ Rahim viewed himself as a great performer and a valuable asset to Telco. He wanted to prove to the CEO that he could contribute to the company’s financial performance by reducing the Operating Expenses (OPEX) in the HR Group. He promised the CEO that he would bring down the OPEX by 40% by restructuring the Human Resource Division, especially the training and development department. One of his strategies was to reduce the headcount at HR department which totalled about 600 people. Most of the HR staff were based at training centres. His target was therefore, to reduce the staff at training centres by centralizing the training operations thereby closing all regional training centres.

Knowing the character of Akmal, Dato’ Rahim felt that he could easily convinced Akmal to agree with his plan. He shared his plan with Akmal in the absence of Mazli. He knew that Mazli might disagree with his plan. He started his conversation with Akmal by sharing his vision and mission of Telco. Later, he related his vision to support Telco’s vision. He explained that,

“…we are not moving according to technological change. We are basically operating our HR like in the old days, not much improvement! I want to make a change!”

Akmal was a bit stunned when he heard his superior’s outburst. He asked Dato’ Rahim,

“What do you mean?”

Dato’ Rahim responded,

“I am going to restructure the training department. There are too many people there. We can reduce the people there by changing the way we work! Do you get what I mean?”

Akmal just kept quiet but later nodded indicating his agreement of Dato’ Rahim’s plan. Dato’ Rahim continued,

“Never mind, I guess you agree with me. I will explain the details to you tomorrow. Please call Mazli and ask him to join our meeting at 10 am tomorrow in my office”.

Akmal left Dato’ Rahim’s office with many questions in his head. One of the things lingering in his head was whether Dato’ Rahim would still need him to oversee the training department since Mazli could do the job on his own, without him.
“Well, I guess that is not important to me, as long as I have the job in this company, which is more important.”

...Mazli said to himself.

At 9.45 am, Mazli went to see Akmal. Both of them walked to the lift to meet Dato’ Rahim at his office located two floors above theirs. Mazli had asked Akmal what the meeting was all about and Akmal just shrugged.

“Akmal, do you know why Dato’ Rahim called us to his office? His Secretary did not actually elaborate when I asked the reason for this meeting.”

Akmal replied,

“Oh, you know our Boss. He is full of ideas on how best to make this company better. And when he is determined to do something, he will do it whether we like it or not.”

Akmal just smiled and continued,

“It’s best that we just sit there and listen and now at intervals and smile. That works for me.”

Mazli was taken-aback by the lack of candour and the very laidback reply from Akmal. But he had always felt that Akmal preferred to play safe and stayed out of trouble. But to him that was not right. Mazli replied,

“Call me prudent, but I do believe in taking the time to evaluate all aspects before we change and stir things up. And I strongly believe that we should be daring enough to question our Bosses if they seemed to overlook some points that could hurt the organisation in the long run. That’s what we are paid for, to ensure that we put the organisation’s interests above everything else.”

Akmal just continued walking towards Dato’ Rahim’s office without missing a beat as if he did not hear what Mazli had just said.

Dato’ Rahim’s secretary asked them to wait since Dato’ Rahim was on the phone. At 10.05 am, both of them were called in and the ensuing drama started.

Dato’ Rahim welcomed and thanked both Akmal and Mazli. As usual, Dato’ Rahim would communicate any meeting with a casual conversation before proceeding with the meeting agenda. Dato’ Rahim shared the company’s vision and mission and how their departments could support the quest to achieve the vision and mission. He also stated that one of his strategies to make their department more efficient was by implementing the cost-cutting exercise. He was referring to the training centres where he believed that by restructuring the training centres, he could reduce the cost, manpower and other resources. He said,

“...well, we have to change the way we do things here. We need to use technology”.

He further added,

“Based on my observation of other MNCs, they say, ‘we do more with the same’."
He looked at Akmal and asked him,

“What do you think?”

As expected, Akmal just nodded his head to show his agreement.

“How about you, Mazli? Do you think this strategy is good for Telco?”

…asked Dato’ Rahim to Mazli. Mazli just kept quiet. He wanted to say something, but hesitated,

“Err…”

…without missing a beat Dato’ Rahim continued,

“I guess you too agree with me, right?”

Mazli continued to keep quiet. Dato’ Rahim knew that Mazli had some objections but he chose to ignore. He just wanted to implement his plan so that he could prove to the CEO that he was really a good performer and able to fulfil his promise to reduce the HR OPEX by 40%. Dato’ Rahim continued,

“I think the training department team is too complacent and has been in their comfort zone for too long. Now, it is time for us to come out from the comfort zone”.

Mazli wanted to object and state his views but Akmal interfered by saying,

“I guess we have agreed to it, let’s do it”.

Dato’ Rahim smiled and said,

“Great! I know that I can count on both of you to get on board and ensure this plan works. I will let Mazli come out with the plan and share with us this coming Thursday. Please discuss with Akmal and come up with a solid plan for my review.”

Mazli and Akmal left Dato’ Rahim’s office with mixed feelings. As for Mazli, he felt as if there was a bomb in his head, a bomb that could explode anytime. Mazli felt miserable, angry and very frustrated. He just hated to be pushed to a corner and made to feel that he was no one important. The way that Dato’ Rahim relayed the change in plans to both him and Akmal was typically the way he bulldozed into things, without any care of what others would think. Mazli lamented to himself,

“I do have my valid points, but when he has made sure Akmal was at his corner, there is nothing much that I can do for fear of being labelled as someone difficult or a trouble-maker. I don’t jump into making decisions without looking at all possible angles but I guess Dato’ Rahim is all eager to get things going and ensured that he gets his way.”

The hustle and bustle of the Kuala Lumpur steel jungle made him feel more stressful. He wondered, he was given a big project by Telco to administer and conduct both technical and non-technical trainings to Telco staff and vendors for the years 2009 to 2011. That was a big project for the training department but he wondered why Dato’ Rahim wanted to reduce the training team. There were still many training programmes requiring many trainer that needed to be done. With the restructuring,
some of the trainers would be transferred to other departments. The crucial question was whether the remaining few trainers would be able to support the training activities. Once the trainers had been transferred to other departments, their job priority would also be different. It would not be easy to get them to support the training centres if their future job was to be more important than providing training. Dato' Rahim and Akmal thought that the trainers would be willing to support them in providing trainings but in reality, trainers would only support the training department if they were available and if the tasks were approved by their department heads. Mazli’s work would then be made more difficult!

At the Crossroads

Kamal, one of Mazli’s trainers, had tendered his resignation the week before. Mazli had long acknowledged Kamal’s talent, energetic personality and commitment to work. From Kamal’s colleagues, Mazli knew that Kamal left Telco not because of a better opportunity but because he was unhappy with Telco’s HR department. He told his friends that the management team was not appreciative of his contributions to the organisation. He had done a tremendous job and contributed a lot to the organisation but the recognition and rewards were very little. Mazli tried his best to give some rewards but most of the time, his proposals were rejected by his superiors. He also realised that some of his good trainers were also looking for other jobs. There were also some trainers who requested to be transferred to other departments. They felt that the HR department was not capable of looking after their welfare. With the situation at hand, it was quite easy for talented trainers to get a job somewhere else. This was because of the good demand for trainers. Mazli was afraid of losing his good and talented trainers. Telco had invested a lot of money to train and certify those young trainers. It would be a big loss to Telco should they decide to leave.

To Mazli, the management decision was made at the wrong time. It could backfire and adversely affect HR. While other companies were enhancing their training department, Telco was doing the opposite. He could not help wondering, why the management was so reluctant to make the training department a profit-making centre. The participations for training activities held by the training centres were very good and were well received (see Exhibit 3 and Exhibit 4). Instead of giving subsidised trainings, Telco could charge their vendors at reasonable rates for the trainings.

It was already midnight. Mazli had one more day to think and come up with the plan. He needed to think how to merge all the regional training centres to be under HQ training centre; who should be absorbed and who should be transferred to HQ and other departments? What would their new job scope etc. be? Another tough challenge was how to communicate to all staff involved in the change. What if they refused to be transferred to Kuala Lumpur? In addition, a crucial aspect to be addressed was whether Telco would be giving compensations should the staff agree to be relocated to HQ.

“Huh, there are too many things to handle,”

...sighed Mazli.

Mazli looked at the time on his hand phone. It was already 2.00 a.m. At the same time, he scrolled through some of the messages he recently received. One of the messages was from his friend as well as a head-hunter. He enquired if Mazli would like to consider a VP position at one of the telecommunication companies in Malaysia. One drawback about the job was that he would need to be relocated to East Malaysia should he accept the offer. Basing on his pent-up emotions and frustration now, he was tempted to just throw in the towel, pack up and leave.
“Huh, what a miserable day!”

Mazli rested his head on the table and he fell asleep...

**Exhibit 1: Telco Training Centres**

![Diagram of Telco Training Centres]

**Exhibit 2: Organizational Chart - Telco Training Centre**

![Diagram of Organizational Chart]

Chief Human Capital Officer

- **Dato' Rahim**

Vice President Training & Development Dept

- **Akmal**

General Manager of Training Centre

- **Mazli**

Asst Gen. Manager School of Telecommunication

- **Thamile**

Manager

- **Wahub**

Trainer

- **Kamal**

Asst Gen. Manager School of IT

- **Hajimi**

Manager

- **Rosmi**

Trainer

- **Syuhaizan**

Asst Gen. Manager School of Management

- **Marxella**

Manager

- **Ahmad**

Trainer

- **Helmi**

Asst Gen. Manager Training Management Unit

- **Muind**

Manager Regional Branch

- **Nazmin**
Exhibit 3: Number of participants who attended and not attended the trainings

<table>
<thead>
<tr>
<th>MONTH</th>
<th>ATTENDED</th>
<th>NOT ATTEND</th>
<th>% ATTENDED</th>
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<tr>
<td>JAN</td>
<td>417</td>
<td>113</td>
<td>78.68%</td>
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<tr>
<td>FEB</td>
<td>733</td>
<td>215</td>
<td>77.32%</td>
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<tr>
<td>MAC</td>
<td>1641</td>
<td>88</td>
<td>94.91%</td>
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<tr>
<td>TOTAL</td>
<td>2791</td>
<td>416</td>
<td>83.64%</td>
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Exhibit 4: Telco Training Centres Participants for January until March 2013