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DECISION MAKING APPROACHES IN PROJECT MANAGEMENT: A STUDY IN THE MALAYSIAN CONSTRUCTION INDUSTRY

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This case was written by Che Sobry Abdullah, Shahimi Mohtar, Azhar Ahmad, Mohd Imran Khusairi Shafee and Rahimi Abidin, UUM College of Business. 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.

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Introduction

It was May 1992; Jamilus Hussien, had been given 24-hour notice to report for duty to head the new airport task force that was the KL International Airport (KLIA). The Public Works Department engineer was overwhelmed.

“I had managed million ringgit projects, but to be summoned overnight for a multi-billion ringgit project floored me....”

The Government allocated one billion ringgit for initial start-up costs that included land acquisition for the replacement airport in Sepang. The responsibility was assigned to KL International Airport Berhad (KLIAB), a newly formed wholly government-owned entity under the Minister of Finance Incorporated and Jamilus Hussein as the Managing Director. The rest of the task force had similar directives, and were thrown into the deep end to evaluate a project that had no precedence in Malaysia. Normally this kind of project will take 10 to 12 years. Apparently, the biggest challenge for KLIAB was the deadline. The urgency to have the airport built by 1998 required innovative strategies to manage the project.

KLIAB: The Background

Initially, the role of KLIAB was limited to project management, overseeing a consortium of Japanese and British consultants and contractors called the Anglo Japanese Airport Consortium, appointed to develop and construct the airport. A consortium of four companies was instructed by the Malaysian government to create a master plan for the new international airport. The Anglo-Japanese Airport Consortium (AJAC) comprised of Balfour Beatty, Trafalgar House, GEC Marconi and Marubeni Corporation. AJAC engaged several foreign and local experts including the practice Arkitek Jururancang, led by Hj Esa Bin Hj Mohamed, an architect and master planner who later took on the role of the Chairman of AJAC (Kara, 2007).

The Malaysian government and AJAC decided that the design architect for the main terminal – the primary element of the airport – should be selected through an international competition. One Japanese and four British architects were invited to submit proposals and presentations were held in London at the end of April 1992. Kisho Kurokawa's concept of a 'symbiosis between architecture and the forest' secured the commission. Work began with the local architect and master plan team in May 1992.

On the 1st August 1992, led by Jamilus, KLIAB group comprised senior government officials formed the task force called the KLIA Project Management Group. The multidisciplinary group from different government departments and agencies gathered in makeshift premises to pore over submissions made by the master plan consultants. They formed the nucleus of the task force that evolved to become the 400-strong KLIAB in 1992.

It was a sharp learning curve for the task force, which first reviewed the KLIA Masterplan and then the Project Definition and Engineering Design Proposal (PEDP), both prepared by AJAC. The PEDP culminated in the Engineering Design Contract, which laid the foundation for the fast-track KLIA project by identifying core activities that must be carried out in advance for the new airport to meet its operational deadline. Subsequently, a fall-out with AJAC ended with KLIAB being thrust into the leading role of developing and building the thoroughly modern world class airport. From then on there was no turning back for the fledgling company entrusted to steer the fast-track airport project to successful completion within six years.

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