

Executive Summary

National air carrier Malaysia Airlines has gone through a lot in its three decades of existence. The Asian financial crisis in 1997 coupled with the negative impact of September 11 incidents on airline industry worldwide; resulted in the company registering losses for 5 straight years since 1997.

In February 2001, the government of Malaysia has bought over the controlling stake of the company, with the intention to turnaround the ailing company. The new management, in July 2002 unveiled a total turnaround strategy. A part of the turnaround strategy, MAS Gemilang programme was launched to encourage the employees in making improvement in their work processes to lift the company out of its current predicament. The objective of this programme is to revitalise the company and rebuild it into a strong and respected business entity commensurate with its status as the national flag carrier.

This study attempts to gauge the effectiveness of one of the three initiatives that are putting in place under umbrella of MAS Gemilang i.e. Quality Control Circle (QCC) programme.

The study used the survey approach encompassing the population of the employees of the two main divisions in Malaysian Airlines, namely Technical Ground Operation Division and Network Revenue Management Division. The data obtained through the survey was analysed by using SPSS.

This study reveal that the external consultant brought by Malaysia Airlines was not effective enough to bring the expertise to the employees. According to key personnel of the Organisation Development Department, external consultants did bring the expertise in the initial stage of implementation. However, since the QCC programmes are divisionally driven by Malaysia Airlines, they no longer rely on external consultant.

Current reward system also is not appropriate enough to support the implementation of new ways of working. Middle management support and employees knowledge are among the most important factors to influence the performance of quality improvement i.e QCC.

The management should exploit the findings, which identified the drawbacks in the change process. Some of the improvement recommends are in terms of hiring external consultant, revision of reward allocation system, continuous learning process and to ensure middle management support.