CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

The first section of this chapter will discuss on the findings of the study. The next section will provide the recommended corrective action for Malaysia Airlines that is aimed for enhancing its effectiveness and efficiency of quality improvement programmes as well as for maintaining its relevancy in the present and future environment. Finally, the last section presents the conclusion of the study as well as suggestion for further research.

5.1 DISCUSSION OF THE RESEARCH RESULT

Organisations use consultants to help accomplish significant goals, such as facilitating organisation change. Consultants may be hired to advise or design the plan for change, but they are often not asked to participate in the implementation of their designs.

The findings of this study showed that statements on the internal support, which is refer to whether the external consultant brings expertise on organisational design and trains members to implement the design indicate the lowest means score of 3.47 as compared to other statements. The correlation analysis result also revealed that this statement has a negative correlation with most of the variables. Furthermore, there was a negative relationship between an external consultant that supposed to brings expertise on organisational design and trains members to implement the design and employees’ personal development ($r=-0.112$, $p=0.044$).
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.

The research result revealed that the improvement initiative goals were not directly link new behaviors with rewards. Furthermore, the reward system was not constantly revised to maintain a high level of desired behaviors. This has leads to affect the motivation of individual team members and effectiveness of the quality improvement initiatives. However, the study shows that gender has no effect on reward allocation element.

From to the multiple regression analysis result, in order for organisation members to actually perform the QCC programmes, middle managers support was the most important factor followed by stability of company's environment and technology but not with greater continual process of socialization and promotion of persistence about the change program.

In order for the employees to have the knowledge to perform the QCC programmes, a stable environment and technology was the most important factor. In the case of tenure, employees who had spent longer time working world have considerably more knowledge than those who are new do.
5.2 RECOMMENDATIONS

Based on the result of the research, there are four issues that need to be address and resolve by Malaysian Airlines in order to achieve the objectives of the implemented change.

5.2.1 External Consultant Engagement Issues

According to McLachlin (1998), a consulting engagement may be considered successful if the client is satisfied that the consultant has met expectations and the consultant is satisfied that his or her reputation has been enhanced, with expectations of future revenue streams.

Above all, Malaysia Airlines must be clear about why consulting help is being considered and what the consultant is expected to do, rather than simply proceeding with a vague notion that obtaining outside help might be beneficial. In particular, it is very important to decide which type of consultant is needed, at the very least which of Schein's (1990) three models of consulting is appropriate.

That is, does one need:

i. An expert to undertake a well-defined assignment,

ii. A doctor to diagnose an organisational illness and prescribe a cure,

or

iii. A process consultant to help the organisation help itself?
Finding the right consultant is easier if the client has thought through the problem and has a firm grasp on his/her needs (Shenson, 1990).

Second, Malaysia Airlines should nevertheless acknowledge that finding the right consultant is difficult. Along with obtaining multiple bids, strong efforts should be made to assess the competence and integrity of potential consultants. This is best done via personal informal networks and multiple sources (Dawes et al., 1991). Informal networks are important because the sources of information need to be knowledgeable and credible without having a direct interest in the choice of consultant.

Finally, Malaysia Airlines must always take management responsibility and maintain control over the engagement. The consultant should never be put in charge, especially if the assignment is unfocused and over an unlimited time. This means at least using clear and limited assignments that specify timetables and attainable goals (with any planned long-term engagement managed as a series of limited assignments).

For any assignment, there should be a fit between the capabilities of the consultant and the expectations of the client. While clients may hire consultants for a variety of reasons, they expect that the consultant's capabilities will at least match their situations and be of direct benefit.
5.2.2 Revision of Reward Allocation System

Since QCC is a team-based quality improvement programmes, Malaysia Airlines management should design the reward allocation systems based on the teams' performance. With the growing emphasis on teamwork, many organisations are seeking better ways to link this emerging form of work to compensation. There are differing views as to how team pay should be configured, with many suggesting that the application of individually-based reward systems may not necessarily support team-based approaches to work organisation (Zingheim and Schuster, 1997).

In contrast with such individual reward systems, team-based rewards comprise systems in which a portion of individual pay is contingent on measurable group performance. Individual-based rewards, on the other hand, include incentive plans such as individual performance-related pay. Arguments for adopting team-based rewards include supporting team-based structures, fostering co-operation among team members (Tjosvold, 1986), promoting team productivity and overcoming limitations of larger group-based plans such as gainsharing (DeMatteo et al., 1998).

The literature on the link between the reward system and TQM has been rather sparse. Noted TQM theorist Juran (1993) has cited shortcomings in the reward system as a key reason why he believes TQM often fails in US organizations. Several articles in practitioner oriented publications have also
mentioned the need for alignment of the reward system to support successful TQM implementation (Clinton et al., 1994; Wilkinson, 1993).

The traditional reward systems are based on the principles of scientific management, which emphasize a functional division of labour, hierarchical differentiation in authority and direct standardisation of work routines (Agarwal and Singh, 1998). Often, these types of reward system do not reward and reinforce the kinds of behaviours required by teamwork.

A review of the literature, suggests that the reward system should be aligned to motivate employees performance that is consistent with the firm’s strategy, attract and retain people with the knowledge, skills and abilities required to realize the firm’s strategic goals, and create a supportive culture and structure (Nadler and Tushman, 1988). Furthermore, the literature argues that alignment of the reward system with organisational strategy helps to determine organisational effectiveness.
5.2.3 Middle Management Support

The finding of the study showed that middle management support was the most important factor for employees to perform the new ways of working. The result is consistent with research by Bardoel and Sohal (1999) which state that effective involvement of middle managers is important for the success of quality programmes.

In order to ensure a sufficient and strong support from middle managers, the top management of Malaysia Airlines should involve them in quality interventions at an early stage of quality programmes. Senior management also should work hard to understand and involve middle managers in QCC efforts such as involvement in designing and promoting QCC, creating different but meaningful roles for them in supporting widespread quality improvement initiatives, and providing training and development not only in QCC concepts and practices, but also in new leadership skills.

In this sense, getting middle managers to buy-in and be involved in a positive manner is viewed as key to the success of TQM (Olian and Rynes, 1991). Ishikawa (1985) says that middle management can contribute greatly to quality improvement but conventional organisational arrangements do not encourage their contributions. He calls for senior management to provide greater attention to encourage new roles for middle managers.
5.2.4 Promote the Concept of Continuous Learning

QCC activity is a continuous improvement process.

Continuous improvement is a process that involves everyone, employees and managers alike. It is a process that involves the ongoing rearranging and redesigning of elements of the organisation; it requires the continuous rethinking of the patterns that connect and relate different elements of the organisation and connect them with the environment; it is a process that bundles together data collection, interpretation, research, experimentation and diffusion; and it involves the individual, the team and the total organisation (Mitki et al., 1997).

Continuous improvement requires management paradigm shift: from profit maximisation to serving customer needs by providing goods and services of highest quality; from static cost minimisation to dynamic optimisation; from hierarchical structure to self management; from productivity maximisation through specialisation on the basis of comparative advantage to system-based optimisation with emphasis on dynamic performance and; from individual learning to team and organisation-based learning (Dean and Bowen, 1994; Grant et al., 1994; Sitkin et al., 1994).

The nature of the learning system's structural mechanisms seems to play a key role in the development of continuous improvement (Lillrank and Kano, 1989; Shani and Rogberg, 1994).
Based on the result of One-way Anova analysis, the promotion of continuous learning process among Malaysia Airlines employees were found to be low as compared to top management and middle management. In order to rectify this problem, Malaysia Airlines management should enhance the promotional activities for continuous learning and consider creating a mechanism for employees to gain access to needed knowledge that will help them to perform their job more effectively and efficiently.
5.3 CONCLUSION

The major findings from this research study include:

(1) Higher levels of organisation members’ knowledge were strongly correlated with how they actually perform the new ways of working (as a result of QCC programmes);

(2) Higher levels of organisation members’ knowledge and new ways of working performance were significantly related with greater middle management support, and stability of company’s environment and technology, but not with greater continual process of socialization and promotion of persistence about the change program.

More than anything else, this study underscores the importance of the reward system for successful implementation of QCC programmes, especially putting the extrinsic reward system behind the use of QCC practices on the job. This set of findings reinforces Lawler’s (1981) comments about the important relationship between reward systems and all change efforts:

Reward systems can and often do have an influence on the effectiveness of organisational change efforts. When the impact of a change programmes on the reward system is not taken into account, the reward system can become an important impediment to individuals accepting the change. On the other hand, when the reward system is considered and made part of the change strategy, it can make a positive contribution to a change effort. It is precisely because of the
systemic nature of organisations that almost any change effort has implications for the reward system.

Basically, this study met the objectives to gauge the effectiveness of QCC programmes in Malaysia Airlines.

For more insights into the study, future research should include longer time period of the study with the extension to the evaluation of the effectiveness in other quality improvement initiatives that has been implemented by Malaysia Airlines.

An attempt should also be made with a bigger scope of study such as study on the Malaysia Airlines as a whole rather than just focusing on certain division or department. This will ensure that the result more generalisable and more accurate, which will be more helpful for enhancing the performance of Malaysia Airlines.