MELAKA BROADBAND

THE COMPETENCY STUDY TO THE PERFORMANCE OF SALES

WORKFORCE IN CONSUMER SALES UNIT TM MELAKA

BY

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A thesis submitted in fulfillment of the requirement for the degree of Master of

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DEDICATION

To my parent, my late father Allahyarham Hj Abdullah bin Hj Tahir, a dedicated
father, an ex-school teacher, an avid sportsman and Puan Hjh Khatijah bte Hj Abd
Shukor, an inspired and dedicated mother as well as my wife, Hamidah Nahar
and our children; Nor Zaidah, Muhammad Afnan and Muhammad Hafidz with love
and blessing by Allah with excellent health and accepts our ibadah, InsyaAllah

ABSTRACT

Competent sales workforce is crucial for TM Melaka to face the global challenges and stiff competition. Competency is very much linked to workforce performance; and with proper competency and capabilities, it will increase sales productivity. The objective of the study is to examine the level of generic sales competencies of the sales workforce in Consumer Sales Unit in TM Melaka. Since competency-based training is an important element for the competency level, the study examined the preferred competency in behavioral, functional link to the performance of the sales workforce. The study also examined the relationship between the dependent variables (work performance) and selected independent variables. It will also measure the effect of technology as an enabler to assist the sales workforce in delivering exceptional service to the consumer. This study also investigates how competencies with the help of technology lead to broadband acceptance to the mass consumer. Further, it is argued that the level of sales workforce competencies is positively related to his/her performance, and that the quality of leader-member exchange positively moderates the relationship between competencies and performance especially to the know-how. Results based on analyses of data from a sample of 26 sales workforces, executives and managers from Consumer Sales Unit (CS), TM Melaka to support the researcher research model

Keywords: broadband, competencies, liberalization, motive and traits, self-concept, and knowledge and skills.

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I would like to send my appreciation to those who helped and guide me along the way especially to my supervisor, Prof Dr Salleh Yahya, Dean of the Faculty, my lecturers, Pak Jani who guided me how to use SPSS, En Zaini Maatan the State General Manager of TM, En Imran Ramli, Head of Consumer Sales, TM Melaka, Tuan Hj Abdullah Jamil of TM Training Center and my colleagues at UTeM for aspired me to walk this challenging path of becoming a good student, a husband, a father, a Millitary Commander in Regiment 514 (AW), a Head of Unit in TM and as a son to a dedicated mother. All I have done is aimed of becoming a slave of Allah, a committed Muslim and a good human being.

DECLARATION

I hereby declare that the project paper is based on my original work except for quotations and citations that have been duly acknowledged. I also declare it has not been previously or concurrently submitted for any other degree at UTeM or other institutions.

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ABBREVIATION

TM   Telekom Malaysia

CS   Consumer Sales, TM Melaka

HSBB -   High Speed Broadband

BBGP   Broadband for General Population

MBps   Mega byte per second

IP   Internet Protocol

PLC   Product Life Cycle

ICT   Information and Communication Technology

CRM   Customer Relationship Management

PMI   Product Marketing Innovation

IFE   Internal Factor Evaluation

EFE   External Factor Evaluation

TM TC   Telekom Malaysia Training Centre

TM COOL   Telekom Malaysia

                    Customer Centricity, One Company Mindset, Operational

                    Excellence, Leadership Through Innovation

NBI   National Broadband Initiative

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Telekom Malaysia Berhad (TM) is a Malaysia-based company engaged in the establishment, maintenance and provision of telecommunications and related services. TM operates in four segments: retail business, wholesale business, global business and shared services/others. Its retail business focuses on providing a range of solutions and building customer relationships in the consumer, small and medium enterprise (SME), enterprise and government. Its wholesale business offers a comprehensive range of unparalleled telecommunications facilities and services to licensed network operators, such as network facilities providers (NFP), network service providers (NSP) and applications service providers (ASP) for mobile, fixed line, worldwide interoperability for microwave access (WiMAX), broadband and Internet. Its global business provides voice, Internet, bandwidth and data services to demands from global carriers and enterprise customers.

According to McKinsey Organization Performance Profile dated 31st July 2008 on Telekom Malaysia (TM), on practices the TM staff surveyed were less positive in general. When considered with the superior outcome rating, this indicates an organisation that is confident in its abilities but at the same time not as confident about the effectiveness of the practices adopted at TM at this moment in terms of

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individual performance as well as the sales performance. In today's highly competitive environment, companies' traditional sources of competitive advantage, such as technology, patents and economies of scale, have been weakened by globalization and other environmental changes (Ulrich and Lake, 1990). As an alternative, a skilled, motivated, and flexible workforce can help develop a company's sustainable core competencies (Levine, 1995).

For the purpose of the study on Sales workforce in Consumer Sales Unit, TM Melaka, there are five emerging themes highlighted

i. Identification of behavioral or functional competencies that influenced the performance of the Sales workforce.

ii. Ensuring greater accountability by setting performance goals and strengthening consequence management

iii. Bridging the competency gap in building employee capabilities over the longer term

iv. The role of technology to enhance the productivity and performance of the Sales workforce.

v. Improving the sales workforce management processes to transparently support the evaluative and developmental aspects required for TM Melaka.

TM Melaka is aim to be a sustainable telecommunication company providing total customer care. The emerging of the broadband technology has changed the landscape of the telecommunication industry especially in Melaka as well as the marketing and sales strategies. It is also part of the aspiration in the National Broadband Initiative (NBI) launched by the Prime Minister at Dataran Merdeka on 24th March 2010.

As developing country, TM Melaka need to find a new growth engine based on technological innovation and excellent networking infrastructure strengthened by an inspired sales workforce to sell TM product and services. The objective of the thesis is to verify the effect of competency of both behavioral and functional, the training required by the sales workforce or marketer of TM Melaka and the impact of technology to their performance. Marketer is someone seeking a response (attention, a purchase, a vote, a donation) from another party, called the prospect, Philip Kotler, Kevin Lane Keller (2009, p8).

Customers today are demanding higher quality products, shorter lead times, increased flexibility regarding delivery, more technical advice, greater innovation, and increased collaboration from their sellers (Naude´, 1999). As TM's ability to operate within a regional context increases, the need to serve sophisticated and demanding markets all over Melaka becomes a strategic imperative. Thus, sales and marketing must cooperate and coordinate efforts to respond to customer demands. Therefore management of TM Melaka has strategized some measurement for survival and to meet the target given and the sales workforce has the great responsibilities in ensuring the subscription of Melaka broadband services.

The recent preparation of a good Business Model is the collaboration between TM and Melaka State Government to increase broadband port penetration under Streamyx segments in Melaka to 50% by 2010 hours on 20th October 2010. It has been seen as a milestone in new chapter in broadband market. This is the biggest challenge for the sales workforce especially the Consumer Sales, Melaka to take this responsibilities and implement the marketing plan accordingly.

Meanwhile, the government plans to develop the country's broadband infrastructure among Malaysians especially Melaka so that it can be more competitive against developed countries like Hong Kong, Singapore and South Korea where penetration is as high as 93 percent. The present penetration of Malaysia currently stands at 15.5 percent of which we are still lagging behind.

TM Melaka being the service provider was chosen for this thesis simply because Melaka was the first state selected by the Government of Malaysia to launch the pilot project of Melaka Broadband and the readinesses of the State Government under the proactive leadership of its Chief Minister and Prime Minister of Malaysia who endorsed the roll out with the clear policy. At the national level, more focus is placed on the role of public policy as it applies to the advancement of science and technology, Tarek Khalil (2000).

1.2   Significant of the study

Consumer Sales Unit (CS) in TM Melaka has the biggest responsibility to achieve the target of 50% broadband penetration to Melaka households by 20th October 2010, at 2020 hours as envisioned by The Chief Minister of Melaka, Datuk Mohd Ali Mohd Rustam. High Speed Broadband (HSBB) and Broadband for General Population (BBGP) Services is two broadband application identified by TM Melaka whose interfaces and binding are capable of being defined, described and discovered to revolutionary replacing the present networking via old copper cable system. Broadband is a services component that can be subscribed and accessed through the Internet. It is network independent and platform independent. For example, an application component run on old copper framework can call or

communicate with a Web Service via fiber optic cable and deployed on Internet Protocol (IP) platform. This may provide the flexibility for the end users and increase the traffic among the service providers. Due to these properties, TM has appealed to internet user community and providing better speed and quality to the end user. Within the development and the implementation of the HSBB and BBGP especially in Melaka based on service oriented architecture has been developed rapidly and been used in wide ranges of information technology applications. The applications are built by assembling appropriated services. Thus the diffusion of the technology, knowledge spillover through forum, seminar and advertisement are the key actions when providing the services and service-oriented applications. The emerging broadband technology also requires sales workforce of TM to work harder, to do more innovative marketing and selling initiatives of TM ranges of product. It's a doing of different things to get different result (revenue) as reminded by State General Manager of TM Melaka, En Zaini Maatan.

Exploiting broadband has many benefits. Thus the demand for its services is increasing rapidly. Many companies and organizations as well as individual rely heavily on internet to run their core business and many outsourced other application services over the Internet. More enterprises have collaborated with others to offer valued-added integrated. In addition, the user requirements and the changing of business environment are more complicated and TM has to be adaptive to the technology fast and strengthening its marketing strategy. Innovative marketing composition in this core area is the must. It has been one of major streams in creating more revenues to TM.

1.3   Statement of Problem

What competencies are required of successful performance improvement of the sales workforce so that they may define and deliver the desired result at the end of 2010?. One of the participants in the McKinsey survey commented that there is no correlation between performance, reward and consequence. He further said that "Thus you play safe by doing what you have always been doing without really understanding why that particular activity is being done". There is truth in his statement, realizing that at present, non-executive performance rating does not effect the payment of bonuses, increment etc. In unionised enviroment, TM non executives terms and condition of service are tied to Collective Agreement (CA) whereby executives are tied to Executive Terms of Condition of Service which their performance are measured by Managing and Performance System (MAPS) for one year period. Majority of the surveyed group in Consumer Sales are non executives.

The competencies of the present sales workforce have lagged behind in strategic terms in comparison to staff in DiGi, Maxis, Celcom, P1 Wimax. TM sales workforce in TM Melaka are aging staff in the range of 45-55 years old which comprises of 80% of the population in comparison with its competitor like DiGi and Maxis whereby their sales workforce are younger generations with energetic, highly motivated and inspired personnel. The younger and energetic staff especially young ladies have the advantages of attracting younger generation consumer group in providing value-added services through innovative package and services.

Because of this broadband potential, there is high expectation from the public especially younger generations, newly established families etc. Numerous marketing initiated by TM sales workforce are not attractive enough to capture this segments

although it was created by TM through advertisement in electronic and printed media to educate on the broadband usage and its application to the general public. These initiatives are to promote broadband as the standard platform for internet Services. However as the industry grow, management has to evaluate the marketing strategy and establish a strategy that is deliberately planned and intended with specific. Addressing this issue is the research problem on the following parameters

o   Identification of the behavioral and functional competencies to the performance of the sales workforce.

o   The impact of technology to the performance of the sales workforce.

o   Does performance of the sales workforce impacted the overall sales performance of TM Melaka

1.4   Objective of the Research

The objective of this project paper is to identify the behavioral and functional competencies of sales workforce in the Consumer Sales Unit and Sales Channel Unit TM Melaka and the impact of technology to their performance while proposing a new approach to innovative marketing and sales of the broadband segment in Melaka. Sales workforce must stand tall to market the broadband with confidence and make it saleable to the mass consumers to materialize the 50% penetration target. The study approach is based on the feedback from the questionnaire, the present SWOT analysis and the compilation of the secondary data from the company.

In addition to the new approach of marketing, a new framework which is used to implement the proposed approach is also introduced. The framework will have the following features:

- Responding to user request, constraints and preference while giving added value to the service provided.

- Combining user information with service descriptions via innovative marketing, business model as inputs for transformation engine.

- Appropriate knowledge diffusion to sales workforce who directly involved in direct sales or market planning in the consumer market.

- Applying the proposed method to generate the service composition description documents.

- To establish why innovative sales initiative is important and why TM Melaka should change its strategy to deliver by exceeding customer satisfaction.

- To identify the possible improvement that could be implemented by sales workforce instantly to attract new customers within Melaka especially the mass consumer market.

- To determine product marketing innovation (PMI) strategy while analyzing the external environment to find opportunities for future profitability and success for TM Melaka.

- To determine the views of the current customers both in consumer and commercial markets to determine their needs and how TM could satisfy them.

- To segment and critically analyze the customer base of the company and decide which of this segments, the company should prioritize for the customer relationship marketing plan.

- To establish a focused Customer Relationship Management (CRM) systems for which they can implement the recommendations into their business.

- To bridge the competency gaps between behavioral and functional and identify the appropriate skill set required for the sales workforce to ensure they

have the appropriate knowledge and confidence level to market broadband products.

- To recommend appropriate training for sales workforce in behavioral and technical training either internal training or via collaboration with external training partners.

1.5   Organization of the Project Paper

The organization of this paper will be structured as follows; the first section provides some background and a brief overview of related studies together with the conceptual framework, the second section describes the literature review and methodology. This is followed by data analysis and findings as well as the recommendation to the management of Consumer Sales Melaka on the room for improvement.

CHAPTER 2

LITERATURE REVIEW AND CONCEPTUAL APPROACH

2.1 Introduction

Competency focuses on one's actual performance in a situation. This means that competence is required before one can expect to achieve competency. Thus, competence makes one capable of fulfilling his/her job responsibilities. Competency is determined by comparing current work functioning with established performance standards developed in the work environment according to a specific role and setting. By achieving competence and competency, one can expand his/her range of selling skills and provide customers with exceptional care. Black and Wolf (1990) describe competence as the ability to perform in effective ways on different occasions including in differing and unexpected contexts. However, even if performance can be measured, there is a lack of evidence to suggest that good performance is always an adequate indicator of high degrees of competence.

2.2 Literature Review

In this review, the researcher will deal with four major issues:

a. The impact of Behavioral Competency to the sales workforce performance

b. The impact of Functional Competency to the sales workforce performance

c. The impact of training and development to the Sales workforce performance

d. The impact of technology to the performance of the sales workforce.

According to Boyatzis (1982) a job competency represents ability. An individual's set of competencies reflect their capability or what they can do. A job competency may be a motive, trait, skill, aspect of one's self-image or social role, or a body of knowledge that an individual uses, and the existence and possession of these characteristics may or may not be known to the individual. Similarly, Mitrani et al. (1992) state that competencies could be motives, traits, self-concepts, attitudes or values, content knowledge, or cognitive or behavioral skills.

A competency is an individual characteristic that can be measured or counted reliably and that can be shown to differentiate significantly between superior and average performers, or between effective and ineffective performers. Meanwhile, competency can be described as a set of behavior patterns that an incumbent needs to bring to a position in order to perform its tasks and functions in the delivery of desired results or outcomes (Bartram, et. al, 2002; Woodruffe, 1992). Spencer and Spencer (1993) viewed competency as "an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation". They identified five types of competency characteristics consisting of motives, traits, self-concept, knowledge and skills. First, motives are the things that an individual consistently thinks about or wants that stimulate action. Motives drive, direct and select behavior toward certain actions or goals and away from others. Second, traits are physical characteristics and consistent responses to situations or information. Third, self-concept is an individual's attitudes, values or self-image. Fourth, knowledge is the information that an individual has in specific content areas.