

## A Case study of organizational behavior and Leadership: The Almost Glory Company

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**ABSTRACT:** *The case is written for MBA or senior undergraduate courses on Management and Organizational Behaviour, leadership or strategy implementation. The case can be taught towards the end of a Management course to learn about organization and its behavior. This case can be used in the segment focusing on action and leadership. The case study focusing on the progress on Bumiputra company and development where has implied an approach regarding leadership and how did the decision affected the development of the entity.*

**KEYWORDS** – *Action focus, Bumiputra company, leadership, management, Organizational behavior.*

### INTRODUCTION

The case is written for MBA or senior undergraduates courses on Management and Organization Behavior.

### CASE OVERVIEW

A brilliant and ambitious young man, Dr Azman has founded a startup IT company, Azman Tech Sdn Bhd (ATSB). It was interesting the way ATSB has started and it first year of the company went very well until a few conflicts arise including personal issue that made ATSB collapsed in its fourth year. Types of management, leadership, attitudes and lack of experiences are mixed together as up and down factors.

### CASE STUDY

It happened 4 years ago.

One day, there was a student from Malaysia, he sat on the table, apparently focusing and doing work using his notebook at Starbucks Cafe in Nice, France. Suddenly, an old man approached him. He was walking on a walkway near the cafe and he greeted him with a smile.

Haji Ali: Assalamualaikum wrt. Malaysian?

Azman: Waalaikumussalam. Yes sir, I am.

Haji Ali: Well .. I am happy to see Malaysian here. My name is Ali. How are you? What are you doing here?

Azman: I'm fine. Thank you. I'm Azman and a student here. How about you?

Haji Ali: Oh I see. I'm on vacation . This is my second trip in Nice. My first time was 5 years ago. Can I sit here? So you do your assignment?

Azman: Yes. Sure. My college assignment? No. I did my part time job as a programmer. I developed one of the systems that was assigned to me. However, it needs to be submitted tomorrow. They asked me to develop a survey application system.

Haji Ali: All right. I have no idea about computers and programming.

Azman: Lol. Expected.

Since the first conversation, they have met and discussed each other every day until the last day when Haji Ali had said goodbye. The holiday period ends.

Haji Ali: Azman, I am very happy. Meet new friends like you but I need to go now. So, when you come back for good next time, if you need any support, call me okay. This is my number. We see what we can do together.

Azman: All right Haji. I will contact you later. Insha-Allah

### **About 3 years ago**

This is the day. !! Dr Azman has decided to quit as a lecturer after 4 months working at Universiti Malaysia Pahang (UMP). He holds a Ph.D. for a radar and telecommunications thesis from the University of Nice Sophia Antipolis, France. He spent almost 10 years in France beginning from his later age.

An excellent young man who studies engineering but at the same time, he has a high interest in Information Technology (IT) especially in coding / programming systems. In fact, while studying at the University, he made a lot of money from part-time work as a programmer. Many companies have asked him to develop the system. But he is a student who is fully sponsored by the Malaysian Public Service Department (PSD). Therefore, he has to provide services to the government after graduating from the university. His signed contract stipulates at least eight years of service but now he will breach the contract and have to pay his damages or compensation fee.

Dr Azman remembered his last conversation with HJ Ali. He called and discussed with him about his future plans. At the end of the discussion, Haji Ali promised to guide and support him. Thank god. Mission accomplished. Actually, Haji Ali is a millionaire. He's a successful businessman. If you look at his looks, he's like a normal 60-year-old man but when he starts talking about his mind and from body language, you know he's not an ordinary man. People might think he is quite humble, down to earth and sometimes somewhat mysterious type of person. Anyway, he has 17 companies under him

and two of them are public listed companies. You cannot find his name as a shareholder of the company since he use proxy. It's a secret of success in the corporate world, always low and under the radar of mainstream and media. However, he is the man behind the scenes that mastering all the activities and strategies. All CEOs are obliged to report directly to him at any time and in any place.

The agreement is easy. Dr Azman will prepare and run a startup company, and Haji Ali will play a role as a partner of funds. Her daughter will be a shareholder of the company. As part of the agreement, Haji Ali gave one million ringgit (RM1 000 000.00) as an initial capital injection to Azman Tech Sdn Bhd (ATSB) and in return, 80% of the shares are under the name of his daughter and Dr Azman will be the company's Chief Executive Officer (CEO) and also a director with 20% shares. Haji Ali also will be ATSB adviser when required. Time after time, they will discuss about company directions and strategies.

Without wasting time, Dr Azman started the first step fast, the talent acquisition process. Five talents have been selected to lead each company department. They are known as "the six powers". Dr. Lutfi will lead the operation, Fairuz will lead technical, Dr Raja will lead Research & Development (R & D), Johan will lead Sales & Marketing, Nadzri will head the Human Resources and Finance Department and will all report directly to Dr Azman as CEO of the company. Dr Azman recognizes them since the college. He considers them as a young talented malay group and among the best in the field for example, Fairuz previously worked with France Amazon.com as a technical manager. He wants 100% Bumiputra company.

Azman Tech Sdn Bhd (ATSB) is a fast-growing IT company focusing on software development, providing customized systems including mobile applications according to customer requirements, user interface (UI) and web user experience (UX) web hosting and design & development on Internet of Things (IoT) applications. Flexible time has been practicing on ATSB, if approved by their boss, they can also work at home. Within 1 year, Azman Tech Sdn Bhd has 25 staffs with 80% of whom are technical experts and among its customers are MDEC, IPG MediaBrand, SMECorp, MARA, BERNAS, Selangor state government and Ministry of Youth & Sports. Total project value is about three (3) million ringgit. It is a good performance for a new startup company. Dr Azman wants ATSB to become a public-listed and reputable IT industry within five years. It has two offices, a main office in Kuala Lumpur with a branch in Kota Bharu, Kelantan.

Why is the office in Kelantan? First, Dr Azman is a Kelantanese. Secondly, the dream that Dr Azman wants to achieve in his life is to position the global information technological center, home-based technology in Kota Bharu, Kelantan. It's like a silicon valley in the USA that is in Kelantan. Imagine if many leading companies like Google, Facebook, Apple have offices in Kelantan, it will benefit many Malaysians, especially Kelantan as the new global IT center. This strategy being seen as it benefits the local in terms of job opportunities, technology development, infrastructure development, global recognition and more.

It looks like everything goes smoothly as planned. Thus, in the second year of the company, Azman Tech Sdn Bhd will set two key objectives, the company's revenue collection of six million ringgit and has its own building. It seems easy to achieve this goal as ATSB is one of three companies that have been selected to be consolidated as a consortium. The Consortium has acquired Digital Free Trade Zone (DFTZ) Free e-Services platform, worth RM60 million within a five-year contract with the Royal Malaysian Customs Department and the Malaysian Digital Economy Corporation (MDEC). A Memorandum of Understanding (MoU) agreement was handled by all parties and witnessed by YAB Perdana Mentari Malaysia and Mr Jack Ma of AliBaba.com in early January this year. DFTZ is a country agenda with collaboration with the founder of AliBaba.com, Mr. Jack Ma. Its objective is to set up Malaysia as a regional eCommerce hub and to drive Malaysian SME exports through eCommerce to the world. It's a great achievement for a new company like ATSB.

Traveling forward, ATSB takes on more staff, again mostly from technical backgrounds. However, Johan as Head of Sales and Marketing Department (S & M) also asked for additional staff but unfortunately, it was rejected by Dr Azman. At present, the company already has 46 staffs but the S & M department has only 6 employees including Johan himself. His subordinates began complaining as it was tiring enough for them to do various tasks such as scheduling appointments and meetings with new and existing customers, showing and finding ways to sell products and services deemed necessary by customers and management, analysis and planning to involve target markets, make plans and make recommendations to acquire customers and then retain them on the basis of guarantees or guarantees, government tenders and quotation submissions. All because of the effort towards achieving the company's KPI.

Just in the perspective of Dr Azman, the company needs to find and own a specialist and promising talents in the market as part of a strategy to raise the company's reputation and gain attention from the IT community. However, some of the top management disagreed with the results due to the company's financial balance problems later on. Most IT specialist salaries are relatively high and will be burdened with the company's cash flow but as always, they have to accept a private decision from Dr Azman. Meanwhile, Dr Azman also took a new personal assistant, a fairly modern and attractive girl, her name is Cik Lisa.

### **Final year of ATSB**

One day ATSB's top management was called for an extraordinary meeting and it was chaired by Haji Ali himself. But ATSB's Chief Executive Officer, Dr Azman could not attend as he was on leave for personal reason. Actually there are rumors scattered around the office that he has a problem with his wife, Mrs. Lisa cum his personal assistant. Some say their relationship is not tolerated by his parents and it is aggravating that his family does not know about the marriage. However, the atmosphere of the meeting on that day was very stressful and Haji Ali's face was very serious without a smile. Everyone seemed uncomfortable, silent and they were waiting for Haji Ali to speak.

Haji Ali: I believe everybody here knows about our current situation. We really run out of money, in real terms and only a miracle that can save us now. Somehow we lack everything needed, motivation, creativity, coordination and even discipline. I do not know what happened to this company. It should be frustrating for you, and for me as a businessman, it's quite easy, I have set my mind, if a business does not go well at a certain time and amount, I will stop and close the business. That easy. Briefly on current finance, simple math, our monthly or overhead expenses are three hundred thousand (RM300,000.00) ringgit and our monthly income is about one hundred thousand (RM100,000.00) ringgit. Therefore, I have to put my own money two hundred thousand dollars (RM200,000.00) into this company's account every month for the last 6 months so everyone is happy and get their salary. But how long can it last? Do you think this is a charitable company and I am a donor to you all? I would also like to present about the project's performance, the progress of which is very slowly achieving. We have been fined for several projects due to the delay and I am quite worried about our reputation for the DFTZ project. MDEC warns us of delays in planning schedules. This is not acceptable!!

Silent mode for everyone.

Haji Ali: Having said so, I want to be honest with you, we have 72 staff now, a very big number and burdensome with the company's finances now, so we decided to reduce or dump the number of employees, 70% or 50 than you will be disposed by the end of this month. However, we will proceed to resolve all the projects that are in our hands, we will take any mandatory action including for outsourcing to other companies if necessary to resolve them. An employee retrenchment assessment will be conducted by my daughter, Mrs. Annisa cum director of ATSB.

### **Last day - November 22, 2017**

The last day today for ATSB. A farewell ceremony is arranged for them. All stakeholders of the company consisting of 1 donor, 2 shareholders, 5 top management and the last 10 employees have been notified. All agree to dissolve the company as a far-reaching but best decision for all. At the same time, the management also invited all staff and former ATSB staff. Almost all employees and former employees are present at the ATSB farewell ceremony. On that day, Dr Azman gave her last remarks, acknowledging all the mistakes including some personal and emotional decisions made by him. Therefore, he asks for forgiveness from everyone. Regardless, he said that while he was at ATSB, it was a great combination of great and bad experiences for them. Most importantly, they learned a lot from ATSB incidents and this was acknowledged by all those present. Dr Azman said the next destination for him was to work abroad, France was the best choice for him. Actually, many of them work with international companies now. They're talented just maybe fate does not fit ATSB this time. Sad but true.

## DISCUSSION QUESTIONS

- 4.1. What is Organizational Behaviour and advantages of knowing Organizational Behaviour?
- 4.2. Please provide 2 types of leadership that you know and its advantages and disadvantages? Do you think Dr Azman is a leader or a manager?
- 4.3. Please provide proof of incidents to support your views. ATSB is one of example that used time flexible approach to its employee as part of initiative to improve the quality of work-life balance.
- 4.4. Please define work-life balance in your perspective? Can family members work at the same company?
- 4.5. What do think in Azman Tech Sdn Bhd scenario and your proposed solution?
- 4.6. What is the best way to manage employees in a start-up?

## CONCLUSION

The leadership approach that being implemented by the decision maker has drawn the consequences to the organization itself where it involved the stakeholder and determined the directions of the organization. Being a leader, there were many concern takes into account when strategized.

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