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UNIVERSITY OF SOUTHAMPTON

FACULTY OF BUSINESS AND LAW

School of Management

**Corporatisation in the Telecommunication Industry: A Case
Study
from Brunei Darussalam**

by

Halimatussaadah Dato Haji Metussin

Thesis for the degree of Doctor of Philosophy

December 2012

In the name of Allah, the Most Beneficent and the Most Merciful

*Dedicated to
Babah and Mama*

UNIVERSITY OF SOUTHAMPTON
ABSTRACT
FACULTY OF BUSINESS AND LAW
School of Management
Doctor of Philosophy

**CORPORATISATION IN THE TELECOMMUNICATION INDUSTRY: A CASE
STUDY FROM BRUNEI DARUSSALAM**

By Halimatussaadah Dato Haji Metussin

For any organisation to survive, it needs to be able to change. Due to problems that most governments are facing such as inefficiency, some governments have sought for corporatisation of state-owned enterprises (SOEs). Corporatisation means 'efforts to make SOEs operate as if they were private firms facing a competitive market or if monopolies, efficient regulation' (Shirley, 1999, p. 115). This is often conducted prior to privatisation. In contrast to the large quantity of literature concerning privatisation, little has been written on corporatisation. This research aims to fill this gap.

One of the keys to organisational change is leadership. This study also aims to explore the behaviour of leaders in managing change. It seeks both to observe the approaches to change that leaders adopt, and to investigate what the corporatisation process involves, using activity theory as a theoretical lens.

This research is based on a case study: the corporatisation process of Jabatan Telekom Brunei (JTB, which later became TelBru), a telecommunication organisation in one of the South-East Asian region, Brunei Darussalam. The official corporatisation of JTB took place in 2006. This research was conducted for four consecutive years, from 2009 until 2012. The findings are based on semi-structured interviews (eighty-eight interviews were conducted) supplemented with questionnaire and a substantial amount of documents related to the corporatisation, and are analysed using Miles and Huberman's (1994) approach.

The study identifies three distinct time periods: i) before the formation of TelBru; ii) the formation of TelBru (2002); iii) during the corporatisation period (2002-2006). Seven significant activities were found, all of which are described using the triangle Activity Model. The results of this research also provide empirical evidence that both top-down and bottom-up change approaches were adopted and overall, it was a slow change process characterised with both 'snail' (slow) and 'rushing' (fast) change. Additionally, seven leadership behaviours have emerged from this research: Tasking, Supporter, Change Communicator, People Person, Change Preparator, Old McDonald, and Problem Maker.

This study's contributions to the research field, and other implications the findings may have, are also discussed.

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DECLARATION OF AUTHORSHIP

I, Halimatussaadah Dato Haji Metussin

declare that the thesis entitled

Corporatisation in the Telecommunication Industry: A Case Study from Brunei Darussalam

and the work presented in the thesis are both my own, and have been generated by me as the result of my own original research. I confirm that:

- this work was done wholly or mainly while in candidature for a research degree at this University;
- where any part of this thesis has previously been submitted for a degree or any other qualification at this University or any other institution, this has been clearly stated;
- where I have consulted the published work of others, this is always clearly attributed;
- where I have quoted from the work of others, the source is always given. With the exception of such quotations, this thesis is entirely my own work;
- I have acknowledged all main sources of help;
- where the thesis is based on work done by myself jointly with others, I have made clear exactly what was done by others and what I have contributed myself;
- none of this work has been published before submission

Signed:

Date:.....

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ABBREVIATIONS

AGC:	Attorney General Chambers
AITI:	Authority of Info-Communications Technology Industry
BIA:	Brunei Investment Agency
BSC:	Balance Score Card
BT:	British Telecom
CHAT:	Cultural- Historical Activity Theory
CMS:	Customer Management System
DST:	Data Stream Technology Communications
DEPD:	Department of Economic Planning and Development
ETF:	Employee Trust Fund
InTi:	Infrastructure provider for the telecommunication industry license
HDI:	Human Development Index
HR:	Human Resources
HRMS:	Human Resource Management System
HSDPA:	High Speed Downlink Packet Access
ITU:	International Telecommunication Union
JKP:	Jawatankuasa Khas Perswastaaan
JTB:	Jabatan Telekom Brunei
KPI:	Key Performance Indicators
MIB:	Melayu Islam Brunei
Mincom:	Ministry of Communication
MOF:	Ministry of Finance
NDP:	National Development Plan
NHS:	National Health Service
NPM:	New Public Management
OSPD:	Outline of Strategies and Policies for Development
PSD:	Public Services Department
PWC:	Pricewaterhouse Coopers
PWD:	Public Works Department
RAGAM21:	Rangkaian Global Aliran Multimedia 21
RKN:	Rancangan Kemajuan Negara
SeTi:	Service provider for the telecommunication industry (SeTi) license

SCP: Special Committee on Privatisation
SME: Small-medium enterprises
SOE: State-owned enterprises
TelBru: Telekom Brunei Berhad
Telco: Telecommunication service provider
TQM: Total Quality Management
UK: United Kingdom

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The thesis studies the corporatisation process of a telecommunication organisation in Brunei Darussalam in South-East Asia, by analysing the activities involved, the approach to change adopted, and the behaviour of the leaders in the corporatisation process.

The main aim of this research is to explore the leadership behaviour in managing change. The study also seeks to understand the approach to change adopted, and investigate the activities involved in the corporatisation process. In addition to this, it aims to explore the reasons behind the contradictions or tensions that exist in corporatisation activities. This research adopts activity theory as its theoretical lens.

A qualitative study was conducted in four consecutive years, from 2009 until 2012. Interviews, documents and questionnaire were used as research methods. Altogether, eighty-eight interviews were conducted. The research adopted critical realism philosophy and employed Miles and Huberman's (1994) approach to data analysis.

This chapter is divided into three sections. Firstly, Significance of the Research discusses the importance of this research in terms of its contribution to the field. The second section will discuss the research questions and research methodology of this thesis. The final section will describe the structure of this thesis.

1.2 Significance of the Research

In the turbulent and dynamic environment of today's world, change is not uncommon. Change in organisations is critical for sustainable growth and long-term survival (By, 2005), as it inevitably happens every day (Helms-Mills, Dye

and Mills, 2008). Changing public organisations is possible but difficult because of their inherent characteristics and challenges (Rusaw, 2007; Karp and Helgø, 2008). Corporatisation is regarded as an organisational change: “efforts to make state-owned enterprises (SOEs) operate as if they were private firms facing a competitive market or if monopolies, efficient regulation” (Shirley, 1999, p. 115). Most studies in the corporatisation literature emphasis the effects of corporatisation in terms of ownership and performance (Aivazian, Ge, and Qiu, 2005; Bradbury, 1999; Boubakri and Cosset, 1998; Bozec and Breton, 2003; Gupta, 2005; Hooks and Van Staden, 2007; Malate, 2009; Mohamed, 2004; Shirley, 1999; Sun and Tong, 2003; Zhang, 2004) but little has been written on organisational change, with the exception of Bradbury (1999), Duncan and Bollard (1992) and Haji Chuchu (2005). This shows that there is still a limited amount of research on how corporatisation influences organisational change. This research will fill this gap. Activity theory is adopted for analysing the context of change and identifying contradictions that might present in the corporatisation activities.

Little existing research mention the activities involved in the corporatisation process, and even if when it does, it does not offer a thorough description of the activities, such as the objective, person involved and problems encountered in the activities. It is important for researchers to understand and explain how change takes place, by finding the origin of the problems and developing appropriate solutions for them, to ensure successful change. Thus, this research will provide insights on the change approach adopted in corporatisation.

Successful organisational change requires leadership (Miller, 2001) because the behaviour of leaders influences the organisation’s approach to implementing change (Higgs and Rowland, 2005, 2010). Behaviour is highly dependent on the organisational context, as different behaviours are embraced in dealing with different types of activities. This is an area still lacking in the literature. The role of culture in influencing the behaviours of the leaders is also explored. Thus, the present research will provide an understanding on the behaviour of leadership in handling corporatisation.

All in all, leadership behaviour in corporatisation has not yet been analysed. In order to enhance the understanding of the leadership behaviour, this research will also provide insights on corporatisation activities and the approach to change adopted in corporatisation.

1.3 Research Questions and Research Methodology

The main aim of this research is to explore leadership behaviour in managing change. In particular, this research wants to investigate the leadership behaviour in the corporatisation of a telecommunication service provider in Brunei Darussalam. Based on this main aim, the present research seeks to answer the following research question:

'How did the leaders lead the corporatisation of Jabatan Telekom Brunei in terms of leadership behaviour?'

This research also seeks to identify the activities involved and the change approach adopted in corporatisation. Thus, the main research question can be further expanded into three sub-questions:

- 1) *What are the activities involved in the corporatisation process?*
- 2) *What change approaches were adopted during the corporatisation?*
- 3) *How did the leaders behave during the corporatisation?*

In order to answer the research questions, this research employs a critical realism philosophy, and uses an inductive approach. A case study methodology is adopted, as it can answer the 'how' and 'what' of the research questions (Saunders, Lewis and Thornhill, 2007). The research methods used were interviews, documents and questionnaire, and the research was conducted in four consecutive years from 2009 until 2012. There were eighty-eight interviews conducted altogether, and substantial amount of documents were obtained from the research site. The data were analysed using Miles and Huberman's (1994) approach to data analysis. In order to apply activity theory as its theoretical lens, this research also incorporated Engeström's (1987) activity triangle model,

Mwanza's (2002) Eight-Step Model and Prenkert's (2006) Analysis Readiness Review.

1.4 Structure of the Thesis

This thesis has eight chapters altogether. The first chapter, Introduction, briefly introduces the significance of the research, research questions and research methodology. The second chapter, Literature Review, presents a literature review on organisational change, corporatisation, approaches to change, and leadership behaviour. The theoretical lens that will be used, activity theory, will also be discussed.

The third chapter, Research Methodology, describes the research philosophy, research design and data collection methods applied in this research. This chapter also discusses the steps of Miles and Huberman's (1994) data analysis approach, as well as the application of activity theory in this research. It also highlights the quality standard of the research.

The fourth chapter, the Telecommunication Industry in Brunei Darussalam, provides a case background of the country, industry and organisation selected for this research. Both Chapters Five and Six describe the findings of this research. The fifth chapter highlights the activities involved, and the approaches to change adopted in the corporatisation of JTB. The sixth chapter draws attention to the leadership behaviour in JTB's corporatisation.

The seventh chapter, Discussion, provides a detailed discussion of the findings from both Chapter Five and Chapter Six, in relation to the recent literature. The eighth and final chapter, Conclusion, provides a summary of the findings, research contributions to the existing literature, and the limitations of the research, as well as directions for future research.

CHAPTER TWO

ORGANISATIONAL CHANGE AND LEADERSHIP BEHAVIOUR

2.1 Introduction

Most of the literature on organisational change, such as Kotter (1996) and Pettigrew (1985), derives the change process from the private sector, and puts little emphasis on the public sector (Coram and Burnes, 2001). Public organisations are different from private ones in terms of ownership, organisational processes and environment (Nutt and Backoff, 1992). Public organisations are bombarded with challenges and public pressures to change their management practice and quality of service (Nutt, 2004), and, during a time of economic crisis and budget cuts, this is not easy. Some governments opt for internal restructuring within the organisation, whilst others opt for privatisation, which is the transfer of management and ownership to private entity so as to release the burden and create a new business mind-set among the employees. Others sought for corporatisation, a process often made before privatising the selected SOEs (Zhang, 2004). In comparison to the vast amount of privatisation literature, the activities that led to the corporatisation are still scarce in the literature and, thus, this research aims to fill this gap. The contradictions arising in the corporatisation activities are notably immense. The decision to create change does not come without difficulties and resistance from the employees and the public. Thus, a leader who can successfully lead, guide and, most importantly, influence the people to consider change as the best solution, is needed.

This chapter will initially discuss the organisational change literature and subsequently draw attention to corporatisation and privatisation. The literature regarding approaches to change will then be highlighted. This is followed by a discussion on change leadership behaviour, an area often overlooked in the literature on change (Higgs and Rowland, 2000, 2005). The significance of activity theory as this research's theoretical lens will then be highlighted. A summary concludes this chapter.

2.2 Organisational Change in Public Organisations

“Organisations never stand still” (Burnes, 2004a, p. 316)

Change in organisations is essential for sustainable growth, development and long-term survival (By, 2005). There is no general definition of change (Hughes, 2006; Majid, Abdullah, Yasir and Tabassum, 2011), as it can take the form of “transformation, development, metamorphosis, transmutation, evolution, regeneration, innovation, revolution and transition to list but a few” (Stickland, 1998, p. 14). Nonetheless, Havelock (1975, p. 4 in Ly, 2009) offers a definition of change: “any significant difference in the status quo usually intended to benefit the people involved”. Change is crucial for organisations, as it takes place every day knowingly or unknowingly (Helms-Mills et al., 2008), and it differs in accordance to the level of organisation (Senior and Swailes, 2010). In order to define change in organisations or organisational change, one has to highlight some of the numerous definitions of it, as shown in Table 1. Many authors have suggested that organisational change is a change process (Statt, 1999; Van de Ven and Poole, 2005), about bringing a difference to the organisations (Dawson, 2002; Langer, Alfirevic and Pavicic, 2005; Nelson, 2003; Rusaw, 2007; Van de Ven and Poole, 1995) in terms of organisational attributes (Helms-Mills et al., 2008; Lindquist, 1978), organisational behaviour (Kanter, Stein and Jick, 1992; Lindquist, 1978), organisational performance (Chiappetta and Sandbergh, 2004) and as a response to the environment (Coram and Burnes, 2001; Nelson, 2003). Additionally, Proehl (2001, p. 37) provides a useful explanation of the definition of change:

“In today’s organizations, we use the term change to describe activities ranging from transforming an organization’s basic culture and values to introducing a new policy or system. Change can refer to external shifts in technology, political climate or demographics as well as to internal modifications in structure, policies, or personnel. Change can be initiated from the top or can swell up from front-line employees; it can be viewed as positive and exciting or negative and threatening”.

Table 1 Definitions of Organisational Change
(Source: Researcher's compilation)

Author (s)	Definition of Organisational Change	Common Elements
Statt (1999, p. 118)	"The term that describes the process of change within an organization"	A change process
Van de Ven and Poole, (2005, p. 1380)	"A narrative describing a sequence of events on how development and change unfold"	
Dawson (2002, p. 16)	"New ways of organizing and working"	Bringing difference to the organisations
Langer et al. (2005, p. 37)	"Process of becoming different, in order to adapt to new assumptions"	
Nelson (2003, p. 18)	"Organisational change is typically conceptualised as moving from the status quo to a new, desired, configuration to better match the environment"	
Rusaw (2007, p. 349)	"A process in which people define a goal or direction that is more desirable than the present state of affairs; it also involves people creating conditions that will align assumptions, goals, and work"	
Van de Ven and Poole (1995, p. 512)	"An empirical observation of difference in form, quality or state over time in an organizational entity"	
Helms-Mills et al. (2008, p. 4)	"An alteration of a core aspect of an organization's operation. Core aspects include the structure, technology, culture, leadership, goal or personnel of organization"	Organisational attributes
Lindquist (1978, p. 1)	"The modification of, deletion of, or addition to attitudes and behaviors existing in a person, group, organization or larger system"	Organisational behaviour
Kanter et al. (1992, p. 11)	"... shift the behaviour of the whole organization, to one degree or another"	
Lindquist (1978, p. 1)	"The modification of, deletion of, or addition to attitudes and behaviors existing in a person, group, organization or larger system"	Organisational performance
Chiappetta and Sandbergh (2004, p. 61)	"Redesigning the fundamental organization and rethinking organizational processes and	

	strategies to achieve dramatic performance improvement measured in the following areas: profit, quality, service and speed”	
Coram and Burnes (2001, p. 97)	“Organisational change is a continuous process of experiment and adaptation aimed at matching an organisation’s capabilities to the needs and dictates of a dynamic and uncertain environment” (emergent approach view)	As a response to the environment

Change in public organisations is not uncommon. Nonetheless, despite the numerous continual efforts made by the governments to conduct change, there is still a paucity of organisational change studies from the public sector (Coram and Burnes, 2001; Fernandez and Rainey, 2006). Public and private are Latin words that means ‘of the people’ and ‘set apart’ respectively (Nutt and Backoff, 1992). In general, the main difference between public and private is its ownership (Rainey, Backoff and Levine, 1976).

Studies of the comparison between public and private organisations are legion, and can be traced back as early as the 1970s (Rainey and Bozeman, 2000). Andersen (2010a) describes two contrasting views when studying the differences between public and private organisations: one view insists that differences exist between them, but the other insists that they are the same. Rainey (2003) and Andersen (2010a) agree that there are problems in specifying the differences between the public and private sectors, as what they are heavily depends on the selected research sample, for instance, size and scope of the organisations. The ‘public-is-not-different’ view states that there are no dissimilarities between the public and private managers in perceived goal ambiguity or organisational formalisation (Rainey, Pandey and Bozeman, 1995; Rainey and Bozeman, 2000). In contrast, many researchers that believe that ‘public-is-different’. For instance, Rainey et al. (1976) state that such differences cannot be ignored, Wittmer (1991) says that differences exist in personality, work values, rewards and needs, and Rainey and Bozeman (2000) argue that public organisational goals are indeed ambiguous. Andersen (2010a, p. 138) stresses that “public organizations are fundamentally different from

private organizations as a consequence of the functions they provide to society". However, although the view that makes a distinction between public and private seems to be favoured, there are countless pieces of research that support the generic perspective of organisations (Andersen, 2010a; Pandey and Wright, 2006). Thus, a disparity is created in the literature. This research is in favour of the view that the public is different, on the basis of Andersen's (2010) beliefs.

Changing public organisation is different from the private sector because of the environment that they operate in, which in turn, could influence the behaviour of the leaders (Ring and Perry, 1985). Changing public organisation is possible but difficult because of its inherent characteristics and challenges whereby it is renowned heavy bureaucracies leading to time-consuming decision-making process; extensive number of stakeholders thus creating multiple views; involvement of politics within the public management and finally, the strong behaviour of 'following the book and procedures' among the public managers does not help to solve any problems (Rusaw, 2007; Karp and Helgø, 2008). Additionally, Coram and Burnes (2001, p. 95) states that the challenges faced by the public sector differs from the private sectors "in terms of public accountability, demonstrating value for money, and in meeting the increasing expectations, regarding service levels and quality, of both the general public and politicians".

Nutt and Backoff (1992) explain the private-public differences using three classifications, namely environmental (markets, constraints, political influences), transactional (coerciveness, scope of impact, public scrutiny and ownership), and organisational processes (goals, authority limits, performance expectations and incentives). The acknowledgement of these differences is vital for the operation and existence of the organisations (Euske, 2003).

Additionally, Rainey and Bozeman (2000) provide distinctions between public and private organisations, using four dimensions: (1) goal complexity and goal ambiguity; (2) organisational structure; (3) formalisation of personnel and

purchasing processes; (4) work-related attitude and values – work satisfaction, motivation, valuation of rewards, and work outcomes. These will be explained accordingly. Firstly, Parker and Bradley (2000), Rainey (2003) and Sims (2010) states that the organisational goals for public organisations are defined by the government and more focused towards creating value and the betterment of the society creating protection for them and responding to their needs, for instance, public safety and enhanced standard of living. Nonetheless, the organisational goals are laden with vagueness, multiplicity and conflicts such as efficiency vs. public accountability (Rainey and Bozeman, 2000; Rainey et al., 1976). It is this vagueness feature that creates a peculiar separation between the public and private organisations as stated by Nutt and Backoff (1993, p. 223) “this ambiguity provides a sharp distinction between strategic management in public and in private organizations”. Boyne (2002) and Parker and Bradley (2000) states that the multiplicity and conflicts features are attributed to the numerous stakeholders whereas vagueness, because the goals are made by the politicians and not managers. This could constrain the “autonomy of public sector managers to pursue organisational goals” (Parker and Bradley, 2000, p. 130).

Secondly, many researchers agree that the organisational structure of the public organisations are characterised with heavy bureaucracy, numerous red tapes and paucity of managerial autonomy (Boyne, 2002; Rainey, 2003, 1989; Rainey et al., 1976). Nonetheless, past researches conclude that there were little difference between public and private organisation in the measure of formalization and red tapes in general (Bozeman and Loveless, 1987; Rainey and Bozeman, 2000; Rainey et al.1995). Weber (1948 in Parker and Bradley, 2000, p. 130) define bureaucracy as: “hierarchical, rule enforcing, impersonal in the application of laws and constituted by members with specialized technical knowledge of rules and procedures”. Strong bureaucratic structure leads to heavy formality in decision-making process and inflexibility (Boyne, 2002). Additionally, red tapes which is common in most public sectors relates to “excessive or meaningless paperwork, a high degree of formalization and constraint, unnecessary rules, procedures and regulations; inefficiency;

unjustifiable delays; and as a result from all this, frustration and vexation” (Bozeman, 1993, p. 274).

Thirdly, past researches that measures the formalization and red tapes specifically in the formalisation of personnel and purchasing processes concludes that it differs greatly among public and private organisations due to factors such as ownership (Rainey and Bozeman, 2000; Rainey et al., 1995). Government ownership creates greater authority on certain activities such as personnel processes and accounting matters such as budgeting and purchasing and such authoritative power may lead to heavy formalisation and red tapes (Rainey and Bozeman, 2000). As a consequence of bureaucracy and endless red tapes, public organisations do not enjoy managerial autonomy and flexibility that private organisations often have especially in employee recruitment and layoffs (Boyne, 2002; Rainey and Bozeman, 2000; Nutt and Backoff, 1992).

Fourthly, Rainey and Bozeman (2000) and Rainey et al. (1976) highlight that public managers have lower level of work-related attitude and values – work satisfaction, motivation, valuation of rewards, and work outcomes, as compared to the private managers.

Public organisations are facing a soar in turbulence and conflict (Karp and Helgø, 2008; Wise, 2002) due to budget constraints, rising public costs, piercing public scrutiny, poor quality of products and services, unpredictable events, and public pressures, to name a few. In consequence, for the past few decades, a new mechanism known as New Public Management (NPM) has emerged, urging the public organisations to adopt the managerial behaviour and practice of the private organisations such as Total Quality Management (TQM) (Boyne, 2002), and the late 1980 and 1990s witnessed the transfer of 23 private Chief Executives to public sector organisations in the UK (Horton and Jones, 1996). Parker and Bradley (2000, p. 131) describe NPM as “a shift in emphasis from rule enforcement and administration to the attainment of results through entrepreneurial management strategies, mission statements, performance management and performance based rewards.”

However, some scholars (for example, Boyne, 2002; Boyne, Jenkins and Poole, 1999; Haque, 1996) do not agree with NPM, stating that it is not applicable, due to the nature and characteristics of the public organisations. Boyne (2002, p. 98) states: "If public and private organizations are fundamentally different, there is little point in seeking to draw lessons from management in the private sector." Additionally, it is shocking to witness that change initiatives in the private sectors fail as often as 70% of the time (Andersen, 2010b; Beer and Nohria, 2000; Higgs and Rowland, 2005), and that the public still want to emulate the quasi-market efforts (Karp and Helgø, 2008). Even so, as governments vary in their approach to performing change (Wise, 2002), other organisational change alternatives are sought, such as corporatisation and privatisation (Parker and Bradley, 2000), so as to reduce the government burden and improve quality. Corporatisation is related to NPM because corporatisation incorporates the private sector model (Wei, 2002) as well as being run and treated like a private organisation. A corporatized organisation emphasises the importance of being responsive to the dynamic environment; becoming goal-oriented especially in attaining efficiency and productivity as well as realising the importance of empowerment and decentralization of decision making. This will be highlighted in the next section.

Based on the literature mentioned above, it can be summarised that:

- 1) Organisational change is critical for the survival of organisations.
- 2) There are numerous definitions of organisational change.
- 3) There is a limited amount of literature on organisational change in the public sector.

2.2.1 Corporatisation as Organisational Change

The past decades have seen the increase of privatisation and corporatisation in the world (Shirley, 1999; Omran, 2004). Privatisation began as early as the 1950s in Germany, but it was the privatisation of British Telecom (BT) in United Kingdom (UK) during Margaret Thatcher's administration in the 1980s that led the privatisation wave worldwide (Aivazian et al., 2005;

Bortolotta, Fantinib, Siniscalco, 2003, p. 305; Bozec and Breton, 2003; OECD, 2003; Parker and Saal, 2003; Parker and Kirkpatrick, 2005). The UK approach to privatisation involved the adoption of a new regulatory regime, and handling both political and public unrest. This research focuses on the corporatisation, but will subtly discuss privatisation as well, because corporatisation is often a prerequisite of privatisation, and the forces and aims of corporatisation and privatisation are considerably similar.

In order to understand both corporatisation and privatisation, the term 'state-owned enterprises' (SOEs), which is commonly used in the literature, is defined. SOEs are business entities owned, managed, and financially funded by the Government, and where privatisation and corporatisation have not yet been executed (Lee, 2009). Before any government sectors are privatised, they often have to undergo corporatisation (Bradbury, 1999; Stiglitz, 2000; Zhang, 2004). For instance, Korea Telecom was initially corporatised in 1982, and was only privatized in 1991; Jabatan Telekom Malaysia was corporatised in 1986 as Syarikat Telekom Malaysia before it was privatized as Telekom Malaysia in 1990 (Singh, 2000).

Corporatisation is "a hybrid form between state-owned enterprises and private firm" (Cambini, Filippini, Piacenza and Vannoni, 2009, p. 196) and it can be defined in terms of employing commercially-oriented management techniques, regulation and priming for privatisation, as shown below:

- 1) Employing commercially-oriented management techniques: "the application of specific commercially-oriented management techniques to improve the efficacy of government business enterprises" (Jane and Dollery, 2006, p. 54).
- 2) Regulation: "Efforts to make SOEs operate as if they were private firms facing a competitive market or if monopolies, efficient regulation" by "...incorporating SOEs under the same commercial laws as private firms..." through the removal of entry barriers and subsidies (Shirley, 1999, p. 115).

- 3) Priming for privatisation: “the process by which an SOE is transformed into a private corporate prior to its sale to the private sector”: where the SOE is groomed for privatisation (Parker and Saal, 2003, p. 90).

Privatisation, on the other hand, is an alternative to corporatisation (Straubhaar, 1995) that involves “the transfer of productive assets from the state sector to the private sector” (Parker and Kirkpatrick, 2005, p. 514) or “the transfer of ownership rights of state-owned enterprise to the private sector” (Bortolotta et al., 2003, p. 305). In other words, it is the “the total adoption of the private sector model by selling public ownership to private hands” (Wei, 2002, p. 219), and listing on the stock market (Arnesen, 2007).

In comparison to privatisation, corporatisation does not involve any significant transfer of ownership, thus preserving the state ownership and preventing the “loss of national economic sovereignty to foreign capital and withdrawal of public protection against private greed” (Mody, 1992, p. 7). Moreover, it involves the disassociation of ownership and control (Eliassen and From, 2007), resulting in the transfer of control from the government to managers, by relinquishing control in certain areas such as resource allocation and decision making (Li, Sun and Liu, 2006), as well as operations such as hiring, promotion, and wages (Bradbury, 1999; Lee, 1999) and thus leading to flexibility and financial and managerial autonomy (Bradbury, 1999; Straubhaar, 1995; Wei, 2002), and making them responsible for their own behaviour and decisions (Park and Zhou, 2009). All of these play an important role in improving the accountability and performance measures of the corporatised organisation (Bradbury, 1999).

The government will still retain its ownership and influence, because it believes that the corporatised SOEs hold significant value to the national economy (Liu, Yin and Zhang, 2008). For example, when SOEs were corporatised in China, the government still preserved the control of state asset management (Tian and Lau, 2001). The government preserves its influence by either appointing a government-selected Board of Directors, or having golden

shares in the SOEs (Ure, 2003; Parker and Saal, 2003) giving “the government the right to veto major decisions pertaining to very crucial issues” (Yonnedi, 2010, p. 557). Another approach is by enforcing indirect influence on the SOE through regulations (Cambini et al., 2009), and the establishment of a statutory body (Eliassen and From, 2007), for instance, in Brunei’s telecommunication industry, the statutory body’s purpose is to grant telecommunication licenses and monitor the industry. Corporatisation incorporates the private sector model (Wei, 2002) and treats the SOEs under laws that are the same as other private organisations, as well as opening the SOEs to real competition (Shirley, 1999). Nevertheless, Wei (2002) argues that, for corporatisation to be successful, governmental support is crucial, especially in providing a fair competitive market through policy amendments.

Prior to corporatisation, SOEs receive financial support from the government. Therefore, they are not concerned with any financial threats, such as bankruptcy and acquisition (Ramamurti, 2000). Since corporatisation often leads to financial autonomy, it can have an impact on the financial funding of the SOEs from the government: certain corporatised SOEs will no longer receive funding at all (Shirley, 1999; Ure, 2003), or will only be allocated funding based on certain criteria. For instance, in Australia, the majority of the funding for the corporatised SOEs is allocated based on their performance (Neumann and Guthrie, 2002). Additionally, the corporatised organisation is responsible for obtaining capital in the debt market (Ure, 2003). Once they are treated under the same laws as other private organisations, they will have to pay income tax (Bradbury, 1999). All of these, in turn, could affect the financial performance of a corporatised organisation (Hooks and van Staden, 2007), and, being self-financed, the corporatised organisation is also in charge of their financial performance in terms of profits and losses (Lee, 1999).

Bozec and Breton (2003) believe that corporatisation involves a change of objectives, whereby the social objectives are transformed into profit-oriented ones, such as maximising profitability and efficiency. This replaces their old aim of focusing on the politician’s objectives, so as to fully utilise the resources

efficiently (Heracleous, 2001; Boycko, Shleifer and Vishny, 1996). With this new mentality, the organisation is able to see the importance of the quality of the products, services and customer service. Additionally, clear directions and managerial autonomy (Wei, 2002), as well as being business-oriented with lucid commercial focus (Martin, 2004), are needed to ensure the accomplishment of the new objectives.

To summarise, the characteristics of a corporatised organisation are as follows:

- 1) A corporatised organisation is still owned by the government, but run like a private one.
- 2) A corporatised organisation earns the right to control certain areas, such as decision-making, resource allocation and operation.
- 3) A corporatised organisation is subjected to the same laws as private organisations.
- 4) A corporatised organization is responsible for its own financial performance, and may no longer be financially supported by the government.
- 5) A corporatised organisation changes its objectives, goals and focus from social to profit-seeking ones.

Corporatisation is considered as an effective reform for problematic SOEs (Lee, 1999). Corporatisation takes place because it can be considered as the best approach to solve a plethora of problems that the government is facing, including: inefficiency, corruption, overstaffing, massive welfare encumbrance, poor performance, standards and quality, deteriorating infrastructure, vague responsibilities and finally, poor directions, and accountability (Martin, 2004; Okten and Arin, 2006; Tiem and Thanh, 1997; Wei, 2002; Zhu, 1999). Nevertheless, corporatisation and privatisation could even take place in highly-performing and efficient SOEs, such as in the case of Singapore Telecom, where the government decided to privatise Singapore Telecom not because of the aforementioned problems, but to prime them for the challenging telecommunication market, where competition is intensive and technology is

dynamic (Heracleous, 2001). In Korea, the pressures to corporatise were due to international pressure from the World Trade Organisation (WTO), and to encourage competition in the private sector (Park and Zhou, 2009).

An issue arises as to whether one should proceed with privatisation after corporatisation. This is dependent upon the country's political, economic and cultural conditions (Eliassen and From, 2007; Hassard, Morris, Sheehan and Yuxin, 2010; Zhu, 1999). Although privatisation has proved to be successful in certain developed countries such as the UK, and developing countries such as Malaysia and Singapore, there is a quantity of evidence that, in Eastern European countries such as Russia and Hungary, and developing countries such as Turkey and Egypt, privatisation does not lead to the expected improved performance (Heracleous, 2001). Boubakri and Cosset (1998), Heracleous (2001), Omran (2004) and Ramamurti (2000) believe that this is due to the lack of enhanced market-supporting institutions such as regulations and a competitive market, weak financial markets, and blurred strategic directions, as well as the lack of a competent workforce. For instance, Turkey faced problems in its privatisation programme because of poor regulatory framework, political interference, and public protests (Okten and Arin, 2006). In Egypt, the privatisation programme was delayed due to the mediocre performance of the Egyptian stock market (Omran, 2004). The privatisation of Korea Telecom was also deferred to the year 1991 because of the sluggish stock market in the 1980s (Jin, 2006).

There is a significant body of literature that argues privatisation is not an only option, and is unnecessary, for instance, Vernon-Wortzel and Wortzel (1989) believe that SOEs do not have to choose privatisation, but can place an emphasis on organisation, by having clear and focused strategic goals, improved remuneration and control systems, as well as market-oriented organisational culture. Similarly, Palcic and Reeves (2010), in their study of Ireland's telecommunication operator, Telecom Éireann, assert that privatisation is not always linked to improved performance, and suggest that privatisation requires competitive product markets and suitable internal organisational

characteristics. Omran (2004) finds that the performance of SOEs and privatized organisation shows little change post-privatisation, due to the spill-over effect, whereby the SOEs are exposed to the same environment as the privatized ones, and they simply follow the trajectory of the privatized organisation. Even without privatisation, the performance of SOEs can still be improved, due to restructuring (Aivazian et al., 2005), forming corporate structure (Martin, 2004), change of objectives (Bozec and Breton, 2005), accountability (Bradbury, 1999; Martin, 2004), and performance improvement (Dewenter and Malatesta, 2001; Martin, 2004) during corporatisation. Efficiency enhancement due to restructuring cannot be ascribed to changes in ownership, but rather the political drive to boost profit and efficient operations (Dewenter and Malatesta, 2001). Evidently, China chose corporatisation as its primary, single solution, without resorting to privatisation for its problematic SOEs (Zhang, 2004). Additionally, New Zealand has taken the same approach, in corporatising its electricity utilities to prepare them for competition (Hooks and Van Staden, 2007).

Problems do still occur after corporatisation, but proceeding with privatisation does not guarantee that they will be solved (Aivazian et al., 2005), or lead to an increase in their profitability (Dewenter and Malatesta, 2001). Financially speaking, Qian and Tong (2003) stated that the financial performance of corporatised SOEs declined after restructuring, despite an improvement in their performance. This is supported by Liu et al. (2008), Zhang (2004) and Zhu (1999): they posit that corporatisation only improve the performance of SOEs in the short run, but not in the long run. This, they argue, is due to reasons such as the failure of the stock market to enhance resource allocation, as well as heavy government intervention, whereby “politicians do not stop seeing the public enterprise as a zone of control and patronage” (Straubhaar, 1995, p. 26). Zhu (1999) suggests that these problems could be solved through the development of market-oriented institutions, as argued by Boubakri and Cosset (1998), Heracleous (2001), Omran (2004) and Ramamurti (2000). The most effective way to do this is by means of a strong enforcement of law and regulations, along with robust financial markets.

Corporatisation and privatisation often create debates in the economic literature regarding efficiency and policy framework (Megginson and Netter, 2001; Parker and Saal, 2003). Most of the literature highlights the effects of corporatisation in terms of the ownership and performance (Aivazian et al., 2005; Bradbury, 1999; Boubakri and Cosset 1998; Bozec and Breton, 2003; Gupta, 2005; Hooks and Van Staden, 2007; Malate, 2009; Mohamed, 1994; Shirley, 1999; Sun and Tong, 2003; Zhang, 2004), production costs (Cambini et al., 2009), accounting change (Abu Bakar and Scapens, 2007), corporate governance (Broadman, 2001; Chen, 2005), politics (Christensen and Pallesen, 2001), regulation (Lee, 2002; Ka Ho, 2007), liberalisation and strategic leadership (Park and Zhou, 2009), and wages and employment (Lee, 1999). Table 2 presents the studies of corporatisation in the literature: it can be seen that the main focus has been placed on performance. It can also be seen that the literature that meticulously highlights how corporatisation influences organisational change is very limited. Along these lines, Bradbury (1999) discusses the financial aspect of a corporatised organisation in New Zealand; Duncan and Bollard (1992) explore the performance and organisational changes in the corporatisation and privatisation of eight of New Zealand's SOEs; and Martin (2004) describes the activities involved in the corporatisation of the water authority in Victoria, Australia. Haji Chuchu (2005) performs a quantitative study on managing corporatisation in Jabatan Telekom Brunei, Brunei Darussalam, by focusing on three aspects of change – people, structure and technology, and observes the reasons behind the employee resistance to change, and the importance of leadership in managing change.

Table 2 Studies of Corporatisation in the Literature
(Source: Researcher's compilation)

Research focus	Author (s)	Research Sample
Performance	Aivazian et al., (2005)	Corporatisation of manufacturing SOEs in China
Performance	Mohamed (1994)	Corporatisation and privatisation of Jabatan Telekom Malaysia in Malaysia
Performance	Malate (2009)	Corporatisation of five State Universities and Colleges (SUCs) in the Philippines
Performance	Zhang (2004)	Corporatisation of China's state industry
Performance and activities in the corporatisation process	Martin (2004)	Corporatisation of the water authority in Victoria, Australia.
Performance and organisational change	Duncan and Bollard (1992)	Corporatisation of New Zealand's SOEs
Financial performance	Bozec and Breton (2003)	Corporatisation of Canada SOEs.
Financial performance	Bradbury (1999)	Corporatisation of the New Zealand Government Computing Services
Financial performance	Hooks and Van Staden (2007)	Corporatisation of New Zealand electricity utilities
Accounting change	Abu Kasim and Scapens (2007)	Corporatisation of Malaysia's public utility
Change management	Haji Chuchu (2005)	Corporatisation of Jabatan Telekom Brunei, Brunei Darussalam
Corporate governance	Broadman (2001)	Corporatisation of SOEs in Russia and China
Corporate governance	Chen (2005)	Corporatisation of China's state-owned enterprises
Costs	Cambini et al. (2009)	Corporatisation of local bus companies in Italy
Politics	Christensen and Pallesen (2001)	Corporatisation of SOEs in Denmark
Regulation	Lee (2002)	Corporatisation and privatisation of Jabatan Telekom Malaysia in Malaysia

Regulation and governance	Ka Ho (2007)	Corporatisation and privatisation of universities in Malaysia and Thailand
Telecommunication liberalisation and strategic leadership	Park and Zhou (2009)	Corporatisation of telecommunication SOEs in China and Korea
Wages and employment	Lee (1999)	Corporatisation of China's SOEs

Bozec and Breton (2003) define the corporatisation process as the process involving a change of authorisation from social to profitability goals, as well as “forcing SOEs to transform their operations from non-profit to profit seeking organizations” (p. 43). Bozec and Breton (2003) argue that the signs of the corporatisation process include: the objectives and pricing regulations being amended, financial goals being adopted, revenue-generating activities being concentrated upon (Bozec and Breton, 2003). In a similar vein, this research regards the corporatisation process as any activities that lead to the official corporatisation of the organisation: this is an area lacking in the existing literature.

Based on the literature on corporatisation, the process of corporatisation includes the reformation of regulations and policies (Aivazian et al., 2005; Cambini et al., 2009; Hooks and Van Staden, 2007; Park and Zhou, 2009), organisational restructuring (Aivazian et al., 2005; Martin, 2004; Park and Zhou, 2009; Tian and Lau, 2001), the formation of a board of directors (Bradbury, 1999; Hooks and Van Staden, 2007; Martin, 2004; Tian and Lau, 2001) and the corporatisation of groups or teams (in charge of the corporatisation process), merging (Martin, 2004), the formation of an independent regulator (Park and Zhou, 2009), changes of accounting methods (Abu Bakar and Scapens, 2007; Bradbury, 1999), and the transfer of assets from the government to the corporatised organisation (Bradbury, 1999).

However, the activities described in the aforementioned literature do not provide a comprehensive description of the activities, including, for instance, the objective of each activity, the person in charge of the activity, and the problems

faced in the activity. This is vital so as to understand and explicate how change takes place, and to find the root of and cure for any problems with corporatisation, as well as ensuring the success of the corporatisation process. Straubhaar (1995) states that corporatised organisations become more vulnerable as they are exposed to painstaking changes for financial and efficiency viability, and adds that the employees do not instantly become market-oriented and efficient employees. A study by Zhang (2004) on the corporatisation of China's state industry finds that employees who are not market-oriented, and are not replaced, can hold back the company's exploration of profit-seeking activities.

To the researcher's knowledge, no research in the literature has been meticulously described the activities involved in the corporatisation process. Thus, the first research question is as follows:

1) What are the activities involved in the corporatisation process?

In order to know how to manage change such as corporatisation, the key is to understand how the approach to change that is adopted suits the organisation's conditions and environment (Coram and Burnes, 2001), so as to know what incorporates a successful corporatisation. Thus, the literature on approaches to change will be discussed next.

2.3 Approach to Change

The question of how to effectively manage organisational change is intriguing, and has been hotly contested in the literature for the past few decades (Burnes, 2005; Kotter, 1996; Pettigrew, 1990; Romanelli and Tushman, 1994; Stickland, 1998). Pettigrew (1985) critiqued the existing literature as being aprocessual, acontextual, and ahistorical. As time passes, the environment becomes more complicated: Pettigrew, Woodman and Cameron (2001) state that the study of change should emphasize the temporal and spatial context, and that six main issues should be addressed as still

nascent in the organisational change literature: 1) multiple contexts and levels of analysis, 2) time, history, process and action, 3) linkage between change processes and organisational performance, 4) international and cross-cultural comparisons, 5) the response towards change; the role of intervention and customisations in change; sequence and pace of change and differences between episodic and continuous change processes, and 6) collaboration between scholars and practitioners in exploring change.

Change differs in terms of its frequency, pace and scale. Burnes (2004a) states that it is vital to recognise these differences in order to know a suitable approach to change management. There are numerous types of change terminology introduced by different authors, as summarised in Table 3. For instance, Grundy (1993, in Senior and Swailes, 2010) introduce three types of change, namely, smooth incremental, bumpy incremental, and discontinuous. Smooth incremental change is an anticipated, systematic and slow type of change, common from the 1950s till the 1970s. It can be considered obsolete with respect to the current environment (By, 2005; Coram and Burnes, 2001), whereas bumpy incremental change relates to changes that took place in a safe period, but were combined with 'bumps' that "enables periodic readjustment to occur without cataclysmic effect" (Grundy, 1993, p. 24). This would include, for instance, reorganisation (Senior and Swailes, 2010). Burnes (2004a) and Balogun and Hailey (2004) describe bumpy incremental change as a punctuated equilibrium. In contrast to these two, discontinuous change is "a change which is marked by rapid shifts in strategy, structure or culture, or in all three" (Grundy, 1993, p. 26). This includes, for example, privatisation (Senior and Swailes, 2010). In a similar vein, Dunphy and Stace (1993), on the basis of 13 organisations from various industries in Australia, present four types of change: fine-tuning, incremental adjustment, modular transformation, and corporate transformation. Senior and Swailes (2010) state that the first two categories are similar to Grundy's smooth incremental change, whereas modular transformation is redolent of Grundy's incremental change, and corporate transformation is similar to Grundy's discontinuous change.

Luecke (2003) identifies two types of change, namely discontinuous and continuous incremental change. Discontinuous change is described as a “single, abrupt shift from the past”, where the change process is “followed by periods of organizational complacency and stasis” (Luecke, 2003, p. 102). On the other hand, continuous incremental change is concerned with continuous change using “a series of small, continuous or semi continuous change” (Luecke, 2003, p. 103). In contrast to this, Miller and Friesen (1982) suggest two types of change, namely quantum and piecemeal incremental. Quantum refers to simultaneous change that is conducted in a “concerted and dramatic” (p. 870) way, whereas piecemeal incremental is about dealing with change “incrementally and disjointedly with one problem and one goal at a time” (p. 868).

Tushman, Newman and Romanelli (1988) describe three types of change, namely converging (fine-tuning), converging (incremental) and discontinuous or frame breaking. The punctuated equilibrium, as noted by Romanelli and Tushman (1994, p. 1141), regards “organizations as evolving through relatively long periods of stability (equilibrium periods) in their basic patterns of activity that are punctuated by relatively short bursts of fundamental change (revolutionary periods)”. Because of this, Balogun and Hailey (1999) assert that such change leads to inertia and resistance to change and thus requires reactive and coercive revolutionary change, or, in other words, discontinuous change (Eisenbach, Watson and Pillai, 1999). Brown and Eisenhardt (1997) do not advocate incremental and punctuated equilibrium change, because they believe that change is continuous. In addition, Plowman, Baker, Beck, Kulkarni, Solansky and Travis (2007), in their study of radical change in an American church, where the church initially provided free breakfast to homeless people followed by health, legal and job search services, to the extent that many homeless people came into the district causing inconvenience to the locals. Such radical and continuous change was not intentional, nor was it triggered by a change of leadership or financial problem. Plowman et al. (2007) provide a change framework, which suggests the pace of change to be continuous and episodic, and the scope of change to be convergent and radical. They conclude

that change is radical and continuous, and thus disagree with the 'slow and radical' view of Tushman et al. (1994).

**Table 3 Some Types of Change from the Literature
(Source: Researcher's compilation)**

Author (s)	Types of change
Grundy (1993)	i) Smooth incremental ii) Bumpy incremental iii) Discontinuous
Dunphy and Stace (1993)	i) Fine-tuning ii) Incremental adjustment iii) Modular transformation iv) Corporate transformation
Luecke (2003)	i) Discontinuous change ii) Continuous incremental change
Miller and Friesen (1982)	i) Quantum change ii) Piecemeal incremental
Plowman et al. (2007)	Pace of change: i) Continuous ii) Episodic Scope of change: i) Convergent ii) Radical
Tushman et al. (1988)	i) Converging (fine-tuning), ii) Converging (incremental) iii) Discontinuous or frame breaking

From the types of change described above, three commonly outlined types of change can be derived, namely incremental, continuous, and discontinuous change. Incremental change believes that change is an on-going event, and relates to the transformation of an organisation "whereby individual parts of an organisation deal incrementally and separately with one problem and one goal at a time" (Burnes, 2004b, p. 889). Mintzberg (1978) states that incremental change takes place combined with revolutionary change and, in the case of the current environment, revolutionary periods tend to be longer and stable periods shorter (Burnes, 2004a). Continuous transformation, by definition, means that change is incessant and unpredictable: that it is the only

way for an organisation to survive in a competitive and dynamic environment, such as retail or the telecommunication industry (Balogun and Hailey, 1999; Brown and Eisenhardt, 1997; Burnes, 2004a). Burnes (2004a) states that change is conducted continuously in order to meet the fast-changing environment (By 2005). In contrast, discontinuous change reflects a one-time change event with rapid, dramatic change, which is often argued to be cost-effective (By, 2005), high performance (Miller and Freisen, 1982; Luecke, 2003) and reducing uncertainty (Miller and Freisen, 1982). Nonetheless, By (2005), Grundy (1993) and Luecke (2003) contend that such change is not permanent, and could lead to other major changes due to the existence of complacency among the top management, narrow-mindedness among the employees, and, most importantly, changes in the environment (Luecke, 2003).

Four approaches towards change influence the literature: namely, planned change, top-down change, emergent change, bottom-up change (Ashburner, Ferlie and FitzGerald, 1996; Bamford and Forrester, 2003; By, 2005; Kanter et al., 1992; Meyer, Ashleigh, George and Jones, 2007; Ryan, Williams, Charles and Waterhouse, 2008; Smeds, Haho and Alvesalo, 2003; Weick, 2000). These approaches towards change are not mutually exclusive whereby one can combine them (Ryan et al., 2008).

In recent decades, planned change has been dominant in both change management literature and in practice (Bamford and Forrester, 2003) and implemented for the purpose of organisational effectiveness (Burnes, 2004a). Coram and Burnes (2001, p. 96) state that “planned change is an iterative, cyclical, process involving diagnosis, action and evaluation, and further action and evaluation”, with the help of managers, employees and consultants as collaboration efforts (Burnes, 2004a; Coram and Burnes, 2001). Planned change originated from Kurt Lewin’s (1951 in Mintzberg Ahlstrand and Lampel, 1998) three stages of change. The three stages of change are unfreezing, changing, and refreezing, whereby each stage concentrated on changing the attitude of the people and, only then, business processes can be changed (By, 2005, Burnes, 2004a). This is a process of change from one state to another

(Elrodd II and Tippett, 2002), and suggests that old behaviour should be abandoned in favour of the easy adoption of new behaviour (Bamford and Forrester, 2003).

The planned change approach is not without its criticisms, which notoriously began in the early 1980s (Burnes, 1996; By, 2005; Kanter, Stein and Jick, 1992). Firstly, this type of change suits incremental changes, but is not recommended for radical transformation (Brown and Eisendhardt, 1997; Burnes, 2004a; By, 2005; Dawson, 1994; Dunphy and Stace, 1993), but there are several authors that disagree with the latter, stating that incremental change will eventually lead to radical transformation after a period of time (Burnes, 2004c; Quinn, 1980). Secondly, this approach assumes that change steps are constant, predetermined and discrete (Burnes, 1996, 2004; By, 2005), and that change operates in a stable and predictable environment (Coram and Burnes, 2001). Such assumptions are not particularly applicable in certain environments, especially in dynamic and turbulent environments where change is necessary for organisational longevity, and not relying on discrete change events (Bamford and Forrester, 2003).

Thirdly, another assumption of planned change is that all people are participative, cooperative, and see eye-to-eye in the change programmes. However, this is not the case in real life, where organisational politics and disagreements are common and inherent in organisations (Bamford and Forrester, 2003; Burnes, 1996, 2004; By, 2005; Coram and Burnes, 2001). The final critique is the assumption that planned change is suited for all types of organisations and environments (Coram and Burnes, 2001; Burnes, 2004a). Dunphy and Stace (1993) argue that this is impossible, because different situations require different approaches to change.

Planned change depends heavily on directive top-down approach (Burnes, 2004a, Ryan et al., 2008) that requires collaboration and team efforts in the change programme, and is thus lengthy and time-consuming, features, which

are heavily-critiqued (Burnes, 2005; Coram and Burnes, 2001; Kanter et al., 1992).

Top-down change is where plans or activities are driven mainly by the senior or top management (Mullins, 2005). This approach towards change is suitable when communicating the overall change vision and when change is radical and strategically significant and where senior managers are the right people to drive the change (McNulty and Ferlie, 2004; Ryan et al., 2008). Such approach is often adopted during public sector reform (Ryan et al., 2008). The senior managers recognise the need for change which is often due to external pressure to change (Dunphy and Stace, 1993) and then, they make the necessary decisions so that the change plan can be implemented throughout the whole organisation (Meyer, Ashleigh, George and Jones, 2007). Ryan et al. (2008, p. 27) provide a helpful description of the top-down approach:

“In top-down change, senior executives generally conceive, plan and direct implementation. Middle management is responsible for the detailed coordination and internal management of change, while non-managerial employees are vital with respect to embedding change...”

Top-down change is often associated with transformational leadership whereby senior or top managers can ‘transform’ the organisation by fostering positive relationship with the employees through motivation and support (Bass and Avolio, 1994; Ryan et al., 2008). Nonetheless, the disadvantages of top-down change are high level of employee resistance and low level of employee commitment in implementing change which often resulting from forced change, lack of change transparency and lack of employee participation in decision-making (Coram and Burnes, 2001; Ryan et al., 2008; Worren, Ruddle and Moore, 1999),

The criticisms of planned change led to the introduction of emergent change in the early 1980s (Coram and Burnes, 2001). Emergent change regards “change as process that unfolds through the interplay of multiple variables (context, political processes and consultation) within an organisation”

(Burnes, 2004a, p. 293) and “adaptation to an unpredictable and ever-changing environment” (Burnes, 2004a, p. 316). In a similar vein, Weick (2000, p. 237) defines emergent change as follows:

“Emergent change consists of ongoing accommodations, adaptations, and alternations that produce fundamental change without priori intentions to do so. Emergent change occurs when people reaccomplish routines and when they deal with contingencies, breakdowns and opportunities in everyday work.”

Emergent change highlights the importance of organisational learning, politics and culture, and assumes that all the organisations work in a turbulent, dynamic environment (Burnes, 2004a; Coram and Burnes, 2001). Additionally, it reinforces the empowerment of people due to the lack of feasibility in planning and implementing the change action in situations of quick and complicated change (Bamford and Forrester, 2003). Advocates of emergent change view it as complex, continuous, unpredictable, processual, holistic, and multifaceted (Burnes, 2004a; Coram and Burnes, 2001; Hughes, 2006; Pettigrew, 1979; 1985, 1990, 1997).

However, emergent change has also been criticised. Firstly, in comparison to the planned approach, which is only effective in a stable environment, it appears that emergent change generally cannot work in all situations due to the assumption that emergent change can only be effective in a dynamic and turbulent environment (Bamford and Forrester, 2003; Burnes, 2004a). Secondly, according to Burnes (2004a), emergent change over-emphasises the study of politics and culture in change approach. The final criticism is the lack of coherency among the advocates of emergent change, whereby they agree to disagree on planned change, but not on the elements of emergent change, such as organisational structure and culture (Bamford and Forrester, 2003; Burnes, 2004a; Majid et al., 2011). They also disagree on definitions of what emergent change should involve. For instance, Pettigrew (1997) applies a processual approach to emergent change, but Kanter et al. (1992) and Kotter (1996) reject this view because they are more interested in managing change instead of analysing change (Burnes, 2004a).

Emergent change emphasises a bottom-up approach, which recognises the importance of communication and information gathering (Coram and Burnes, 2001). Bottom-up change often involves consultation between the senior managers and the middle and first-line managers whereby there are direct employee participation in regards to finding the need for change and developing the change plan (Meyer et al., 2007; Ryan et al., 2008). In contrast to top-down change, bottom-up change can lead to employee commitment as well as preventing uncertainties and resistance among the employees as change is more transparent (Meyer et al., 2007). Ryan et al. (2008, p. 29) describe the bottom-up approach as follows:

“...The bottom-up strategy enables employees to determine changes in how they work that would turn management’s vision into reality, whilst at the same time, meeting local operating requirements and employee needs.”

Looking at these approaches, one can comprehend these approaches towards changes have their own qualities and suitability in accordance with the conditions of the organisations and the environment they are working in (Coram and Burnes, 2001). For instance, Bamford and Forrester (2003) state that planned change is apposite to a stable and certain environment, whereas emergent change functions best in a turbulent and uncertain environment. Since both are situational approaches, Burnes (2004b) and Coram and Burnes (2001) highlight that there is no ‘one best way’ to manage change because one successful change approach will not necessarily work in another situation. Esain, Williams and Massey (2008) find that both planned and emergent approaches exist in large organisations. In studying the planned change approach in organisation, using Lewin’s Three Step Model, Drummond-Hay and Bamford (2009) conclude that the implementation of the Three Step Model requires employees to be ready to change. On the other hand, Ford (2009) identifies the differences between small and large organisations in implementing change. Ryan et al.’s (2008) study in a public sector organisation in Australia finds that planned change, or the top-down change approach, is effective when combined with other change strategies such as communication. In contrast, Higgs and Rowland’s (2005) study in seven organisations in the UK deduces

that planned change leads to failure, whereas emergent change leads to success. All of these studies can be summarised in the following table:

Table 4 Some of the Evidence of Planned and Emergent Change in the Literature
(Source: Researcher's compilation)

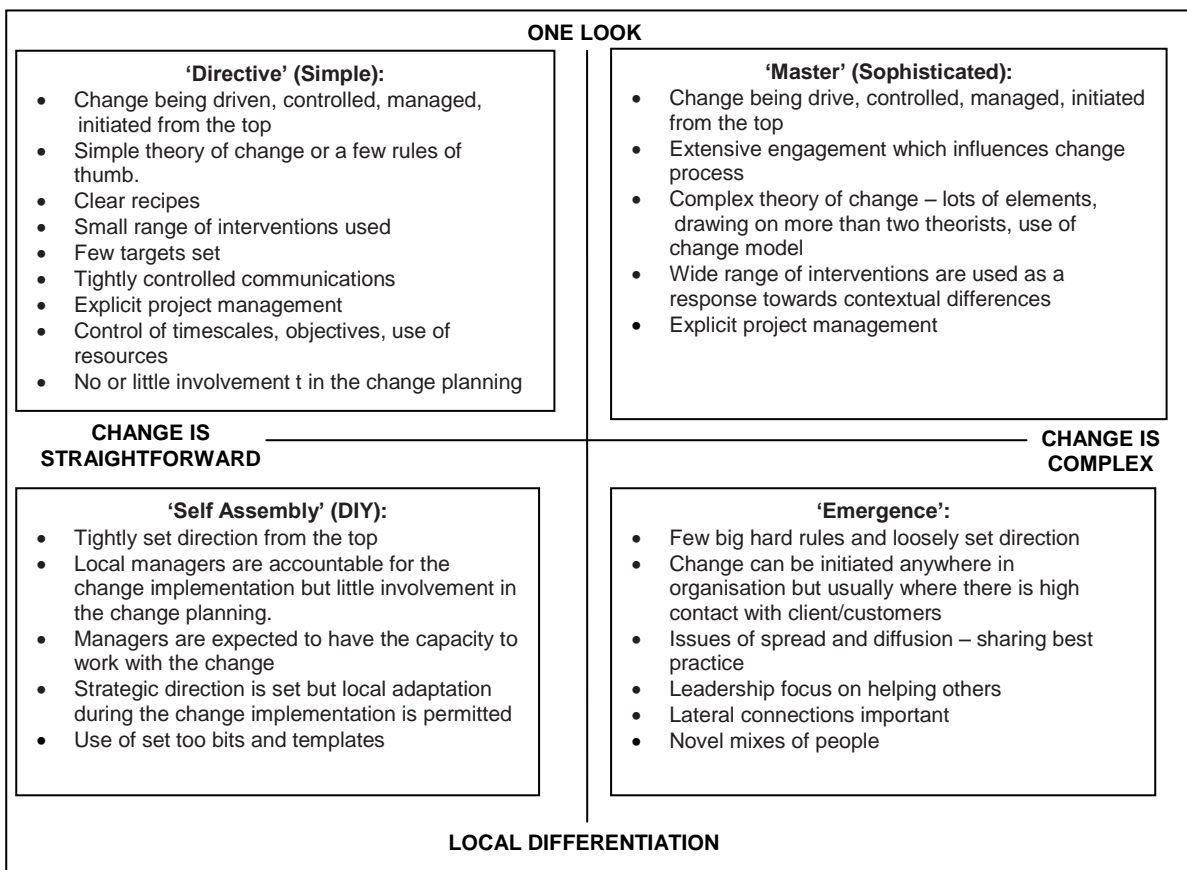
Change approach	Author (s)	Research focus	Research sample	Research findings	What can be concluded?
Planned and emergent change	Bamford and Forrester (2003)	Implementation of planned and emergent change initiatives that shape the organisational change	<ul style="list-style-type: none"> • One manufacturing organisation in the UK • Qualitative analysis 	<ul style="list-style-type: none"> • External forces (such as economic environment) and internal forces (such as financial reporting and organisational structure) play a major role in implementing change initiatives • 'Middle-out' change, whereby the middle managers who have direct influence on the forces make suggestions to the senior managers and, subsequently, the senior managers provide planned change initiatives to the middle managers 	<ul style="list-style-type: none"> • Environment plays a vital role in change initiative implementation • Change management and change approach are highly dependent on the environment
Planned or emergent change or a combination of both?	Burnes (2004b)	Planned or emergent change or combination of both?	<ul style="list-style-type: none"> • A construction organisation in the UK • Qualitative analysis 	There is no 'one best way' approach to manage change, as it is dependent on the organisational context	
Planned or emergent change or combination of both?	Coram and Burnes (2001)	How the public sector can and ought to manage change?	<ul style="list-style-type: none"> • Privatisation of the Property Services Agency (PSA) in the UK. • Qualitative analysis 	<ul style="list-style-type: none"> • Planned, directive change can only be suited for a stable public sector organisation, whereas an emergent, prescriptive approach is needed for a privatised organisation and the emphasis should be made on structural and cultural change as well as dealings with the employees 	
Planned or emergent change or a combination of	Esain et al. (2008)	How to achieve change in public service organizations	<ul style="list-style-type: none"> • NHS Hospital trust in the UK • Qualitative analysis 	Both planned and emergent approaches to change will exist in an organization, especially in large, organisations with hierarchical structures, such as public	Evidence of a planned and/or emergent change approach in organisation(s).

both?				service organisations	
Planned change	Drummond-Hay and Bamford (2009)	To study planning and change management	<ul style="list-style-type: none"> • NHS Hospital trust in the UK • Qualitative analysis 	Change based on Lewin's 1951 'Three Step Model' can only take place if the organisation and the employees want to change and readily accept the outcomes	
Planned change	Ford (2009)	To distinguish processes used in both small and large organisations to execute planned change, as well as their outcomes	<ul style="list-style-type: none"> • Data collected from middle-level and upper-level managers from service and manufacturing organisations, attending change management seminars in Europe and the USA • Questionnaire survey 	In contrast to large organisations, small organisations have significantly lower levels of refreezing activities as well as lower levels of implementation success	
Planned change	Ryan et al. (2008)	To determine the effectiveness of top-down change in a large public sector organization	<ul style="list-style-type: none"> • A public sector organisation in Australia • Qualitative analysis 	Successful organisational change requires the combination of a top-down change strategy and other change strategies such as honest consultation, deep two-way communication and others.	
Emergent change	Higgs and Rowland (2005)	<ul style="list-style-type: none"> • Effective approach to change management • Leadership behaviours that could lead to effective change management 	<ul style="list-style-type: none"> • Case study methodology • 7 organisations from different sectors in the UK • Qualitative and quantitative analysis 	An emergent change approach leads to success in change, whereas planned change leads to failure in change.	

Higgs and Rowland (2005) looked into the approaches to change adopted in the literature, found four aspects of change approaches discussed, and arranged them in two axes. The four aspects were: change as a predictable phenomenon, change as a complex phenomenon, change as a uniform approach, and change as a disseminated and differentiated approach. From this, they created a typology of change approach, which is, 'directive', 'self assembly', 'master' and 'emergence'. The typology can be detailed in the following diagram:

Figure 1 Approaches of Change Typology

(Source: Adapted from: Higgs and Rowland, 2005, p. 127; Higgs and Rowland, 2011)



Using this change typology, Higgs and Rowland (2011) concludes that a change programme that acknowledges the complexity of change ('Master' and 'Emergence') produces much more successful change implementation, as compared to believing that change is expected, programmatic and straightforward ('Directive' and 'Self Assembly').

There are numerous works that discuss the change process. For instance, Griffith (2001) states that the change process requires three elements, namely: a change programme, change actions, and the skills needed to support the first two. Whelan-Berry and Somerville (2010, p. 181) have summarised the organisational change process as a planned change process:

- “1) develop a clear vision;
- 2) move the change vision to the group and individual level;
- 3) enable the individual employees adoption of change;
- 4) sustain the momentum of change implementation;
- 5) institutionalize the change.”

Similarly, Moran and Brightman (2001) state that the planned change process includes:

- 1) understanding of the current situation;
- 2) determining the future state and creating a change plan;
- 3) enlisting others until a critical mass is attained; and
- 4) tracking, creating targets and stabilizing results.

Fernandez and Rainey (2006) describe a planned change process, but this time it is for the transformation of the public sector:

- 1) determine the need and vision of change;
- 2) create a plan;
- 3) create employee support for change and reduce resistance;
- 4) maintain top-management cooperation and dedication;
- 5) generate support from external stakeholders;
- 6) provide resources;
- 7) embed change into the organisation.

As opposed to the planned change approaches shown above, and as highlighted previously, an emergent approach truly believes in the importance of organisational culture and organisational learning. In fact, it recognises the significance of relationships between different organisational levels. This model is presented by Beer, Eisentat and Spector (1990) in their six emergent steps to effective change (p. 161-164):

- “1) Mobilize commitment to change through joint diagnosis of business problems.

- 2) Develop a shared vision of how to organize and manage for competitiveness.
- 3) Foster consensus for the new vision, competence to enact it and cohesion to move it along.
- 4) Spread revitalization to all departments without pushing it from the top.
- 5) Institutionalize revitalization through formal policies, systems and structures.
- 6) Monitor and adjust strategies in response to the problems in the revitalization process”.

Although there are similarities in the change process between private and public organisations, it should be noted again that the environment and the challenges faced by each are different. A planned change approach is common in public organisations, but it will not be effective if these public organisations practice quasi-market means using this approach (Coram and Burnes, 2001).

To encapsulate these ideas, three issues should be highlighted:

- i) There are many types of change, such as incremental and continuous change.
- ii) Approaches to change can either be planned or emergent or both or top-down or bottom-up. There is no ‘one best way’ to manage change (Burnes, 1996 and Dunphy and Stace, 1993).
- iii) Change is contextual and complex.

Corporatisation is a contextual reform where the interrelatedness of the external and internal environment of the organisation may either contribute to or hinder the success of the corporatisation process. Corporatisation can often be seen as a planned top-down approach to change, which is often initiated by the government through the selection of SOEs to be corporatised, deregulation and the reformation of policies. The complexity of the corporatisation process is so immense that it is often adopted gradually, as in the case of the corporatisation of China’s SOEs (Aivazian et al., 2005). There is a dearth of research that specifically discusses the approach to change adopted during corporatisation, with the exception of Coram and Burnes (2001), who studied how privatisation can be managed, and what change approach needs to be adopted.

With this background of the existing literature on approaches to change in mind, the second research question is offered:

(2) What change approaches were adopted during the corporatisation?

One of the keys to successful organisational change is leadership (Miller, 2001). Leadership is vital in implementing change in the public sector (Andersen, 2010b), especially in the case of corporatisation, where employee resistance is inevitably common. Additionally, the change process is become ever more intricate, and this creates a challenge for many leaders (Fernandez and Rainey, 2006). An important question to ask is: How do the leaders behave in managing change? Leadership behaviour is significant, as it influences approaches to implementing change (Higgs and Rowland, 2005, 2010), and this will be discussed next.

2.4 Change Leadership

“Leadership produces change” (Kotter, 1990a, p. 35)

“Leadership is acutely sensitive to context” (Pettigrew and Whipp, 1993, p. 6)

A search in the Web of Knowledge database in 2011 on articles using the term ‘leadership’ has produced a staggering number of 62,779 articles. This evidently shows the intensity of leadership being discussed in existing literature and research. Nonetheless, despite a large volume of written material on leadership, the definition and concept of leadership still remain ambiguous (Pfeffer, 1976). Yukl (2002, p. 19) even states that “there is no correct definition” of leadership. Several authors, such as Rost (1993) and Barker (2002) have tried to provide definitions of leadership, but all of seemed generic or incomplete (Winston and Patterson, 2006). In a recent attempt, Winston and Patterson (2006, p. 7-8) endeavoured to provide an integrative definition of leadership by reviewing 160 articles that define leadership. They subsequently used 93 variables to introduce a very long description of what defines leadership. For this research, the long definition by Winston and Patterson (2006) is shortened, taking into account only some vital points, as shown below:

“A leader is one or more people who selects, equips, trains, and influences one or more follower(s) who have diverse gifts, abilities, and skills and focuses the follower(s) to the organization’s mission and objectives...

The leader recognizes the diversity of the follower(s) and achieves unity of common values and directions without destroying the uniqueness of the person...

The leader recognizes the impact and importance of audiences outside of the organization’s system and presents the organization to outside audiences in such a manner that the audiences have a clear impression of the organization’s purpose and goals and can clearly see the purpose and goals lived out in the life of the leader...”

From the above definition of leadership, it can be construed that leaders are vital in leading the followers and the organisations. The significance of outside audiences – the company’s interaction with the outside world – is also crucial. Regarding organisational change, leadership is arguably a very important change driver. Leaders can lead and implement change or initiate change (Whelan-Berry and Somerville, 2010). As Miller (2001, p. 359) states, “strong leadership is central to successful major change”. Leadership in change is “a person’s ability, in a formally assigned hierarchical role, to influence a group to achieve organizational goals” (O’Reilly, Caldwell, Chatman, Lapid and Self, 2010, p. 106) by influencing the employees’ attitude and values (Hagen, Hassan and Amin, 1998). Similarly, Kotter (1990a) describe a leader overseeing change as the one who develops direction and vision, and supports and encourages people towards achieving and implementing the vision and create change, so as to survive any competitive hindrance in the surrounding environment. Kotter (1990a) also mentions that the elements of good or effective leadership have been debateable for a long time. Van Wart (2003, p. 214) provides a valuable description of what effective leadership is:

“Effective leadership provides higher-quality and more efficient goods and services; it provides a sense of cohesiveness, personal development, and higher levels of satisfaction among those conducting the work; and it provides an overarching sense of direction and vision, an alignment with the environment, a healthy mechanism for innovation and creativity, and a resource for invigorating the organizational culture”.

This research relates leaders to top management: who are responsible for the direction of the organisation (Burnes, 2009) and making strategic decisions (Mullins, 2005), for example, managing director, general manager, chief operating officer, chief finance officer, and board of directors.

2.4.1 Leadership Behaviour in Change

It is without doubt that “leading change is one of the most difficult leadership tasks” (Karp, 2006, p. 3). Up to 70% of change initiatives fail, rather than leading to successful change in organisations (Andersen, 2010b; Beer and Nohria, 2000; Higgs and Rowland, 2005). There are many reasons for this failure (Higgs and Rowland, 2000). One of the most common reasons that change initiatives fail is poor execution (Miller, 2001). Additionally, Karp and Helgø (2008) have blamed the high rates of change-initiative failure on leaders who do not realise the complexity of the change process. Change and leaders are always associated with each other (Van Wart, 2005). The success of change is seen as depending on the leadership behaviour during the change process (Higgs, 2003; Higgs and Rowland, 2001, 2005; Kotter, 1990a, 1996; Whelan-Berry and Somerville, 2010). This is because leadership behaviour influences a company’s approach to implementing change (Higgs and Rowland, 2005; 2010). Several studies have clearly revealed the significance of leadership behaviour (Higgs and Rowland, 2005, 2010, 2011; James, 2005) to the success of change. Table Five provides a summary of some literature on the role and behaviour of leadership in the management of change, as shown below:

Table 5 Evidence from Literature on the Role and Behaviour of Leadership in Change Management
(Source: Researcher's compilation)

Author	Research focus	Research design	Key findings	What can be concluded?
Andersen (2010b)	Public and private managers' actions in instigating and implementing organisational change	<ul style="list-style-type: none"> • Study of public and private organisations in Sweden • Sample comprises of 61 senior managers of social insurance officers, 176 principals and deputy principals, and 106 private managers • Quantitative analysis 	<ul style="list-style-type: none"> • Public managers are more change-oriented than private managers 	
Arvonen and Pettersson (2002)	To explore the relationship between leadership behaviour and organisational effectiveness in terms of costs and changes	<ul style="list-style-type: none"> • A large international industrial company from Sweden. Sample includes 363 employees from 49 departments • Instrument used is the CPE model developed by Ekvall & Arvonen (1991). The model comprises of three dimensions namely change/development, production/task/structure and employee/relation • Quantitative analysis 	<ul style="list-style-type: none"> • Change-oriented and relation-oriented leadership behaviour can lead to change but not organisational cost-effectiveness • Structure-oriented and relation-oriented leadership behaviour will lead to cost-effectiveness 	Leadership behaviour is related to organisational effectiveness.
Battilana, Gilmartin, Sengul, Pache and Alexander (2010)	Investigate the relationship between managers' leadership competencies (in terms of person-oriented and task-oriented behaviours) and the emphasis made on activities in planned organizational change implementation	<ul style="list-style-type: none"> • National Health Service (NHS) in the UK • Sample consists of 89 change projects implemented by 89 managers in 77 different organizations within the NHS • Quantitative analysis 	<ul style="list-style-type: none"> • Leaders who have person-oriented behaviours focus more on communicating activities of planned organizational change implementation • Leaders who emphasize task-oriented behaviours concentrate on mobilizing and evaluating activities of planned organizational change implementation 	
Higgs and Rowland (2005)	<ul style="list-style-type: none"> • Effective approach to change management • Leadership behaviours that 	<ul style="list-style-type: none"> • Case study methodology • 7 organisations from different sectors in the UK 	<ul style="list-style-type: none"> • Three leadership behaviours are formed: shaping behaviour, framing change, 	A change approach that recognises complexity is proved to be successful,

	could lead to effective change management	<ul style="list-style-type: none"> Qualitative and quantitative analysis 	and creating capacity. Shaping behaviour is proved to be a hindrance to the success of change.	and vice versa.
Higgs and Rowland (2010)	<ul style="list-style-type: none"> The consequences of 'blind' leadership to change and organisational systems in terms of legitimate and shadow systems The significance of self-awareness to change leadership 	<ul style="list-style-type: none"> 33 organisations from various sectors in the UK Qualitative analysis 	<ul style="list-style-type: none"> Identified four 'traps' that could lead to 'stuckness': leader as revolutionary, leader as protector, leader as hero, leader as magician 	Self-awareness in leadership is important in change implementation to prevent 'stuckness' in the organisational system
Higgs and Rowland (2011)	<ul style="list-style-type: none"> To investigate the impact of the leadership behaviour on successful change implementation To identify the effectiveness of both 'framing change' and 'creating capacity' in creating successful change implementation To explore whether 'shaping behaviour' together with facilitating and engaging behaviour will lead to failure in change implementation 	<ul style="list-style-type: none"> 33 organisations from various sectors Using Higgs and Rowland's (2005) typology of change approach and change leadership behaviour Qualitative analysis 	<ul style="list-style-type: none"> Change approach that are complex are more successful than 'programmatic' change approach 	<ul style="list-style-type: none"> Both 'framing change' and 'creating capacity' leadership behaviour indeed lead to successful change implementation 'Shaping behaviour' is negatively related to successful change implementation
Wren and Dulewicz (2005)	<ul style="list-style-type: none"> Identify leadership dimensions that contribute to successful change Identify leader activities that lead to successful change 	<ul style="list-style-type: none"> Senior management of the UK's Royal Air Force Instruments used are Dulewicz and Higgs' (2003, 2005) Leadership Dimensions Questionnaire and Kotter (1996) and Drucker's (2004) list of leader activities Quantitative analysis 	<ul style="list-style-type: none"> Leader activities that contributed to successful change : "created a clear vision of the future after the change", "adjusted work culture to meet the long term needs of the change" and "generated early successes in the change programme" (p. 307) 	Leadership dimensions that lead to successful change are "managing resources, engaging communication and empowering" (p. 295)

Higgs and Rowland (2000; 2005) and Avolio, Walumbwa and Weber (2009) highlight the scarcity of empirical research into leadership behaviour in the change context, and reveal the myriad application of quantitative analysis in describing leadership behaviour. In addition to this, authors such as Arvonen and Ekvall (1999), Bass (1990), Battilana et al. (2010), and Hawkins and Dulewicz (2009) have agreed that different behaviours are adopted in dealing with different types of activities, and are highly dependent on the organisational context, an area which is also often overlooked in the literature on change (Higgs and Rowland, 2000, 2005).

Although there are many contrasting concepts of leadership behaviour, their differences are as crucial as their similarities, as studying them can assist in predicting and comprehending leadership (Silvia and McGuire, 2010). Although the study of the significance of leadership behaviour in organisational change did not begin until the late 1970s (Skogstad and Einarsen, 1999), Fleishman (1953 in Silvia and McGuire, 2010) discovered that leadership behaviours can be comprised of consideration and initiating structures, whereby the consideration relates to people and initiating structures relates to task. Burns (1978) later related leadership behaviour in terms of organisational change by introducing two types of leadership behaviour: transactional and transformational leadership. Bass also introduced transformational and transactional leadership. He later also added another category: laissez-faire (LF) leadership (Bass, 1985; Bass and Avolio, 1994). Transactional leadership highlights the importance of giving rewards or discipline in exchange for the work performance and services given, hence, the name 'transaction' (Bass, 1985; Bass and Avolio, 1994). Transformational leadership is an extension of transactional leadership. It can perhaps be best explored using four 'I's: idealized influence (leaders are seen as influential and trustworthy), inspirational motivation (leaders motivate the followers), intellectual stimulation (leaders encourage innovativeness and creativeness) and finally, individualised consideration (leaders are highly-attentive to individuals) (Bass and Avolio, 1994). Kotter (1990b) stated that transformational leadership could contribute to successful change. The significance of transformational leadership has been exceptionally recognised in the literature. Hawkins and Dulewicz (2009, p. 254)

stated that “the transformational approach to leadership is perhaps the dominant single approach within leadership theory today,” and yet, it is “very difficult to master” (James, 2005, p. 295). In contrast to transactional and transformational leadership, laissez-faire (LF) leadership represents the most problematic leadership style, as Bass and Avolio (1994, p. 4) acidly say, “the most inactive as well as the most ineffective according to almost all research on the style”.

In similar vein to Bass’s (1990) transformational leadership, Ekvall and Arvonen (1991) introduced a change-centred leadership behaviour, that can be defined as leading by “visionary qualities, creativity and action for implementation” (Arvonen and Pettersson, 2002, p. 103). Yukl (1999) later introduced three leadership behaviours: task-oriented behaviour, relations-oriented behaviour and change-oriented behaviour. On the other hand, Van Wart (2004, 2005, 2008) stated that leadership behaviour was comprised of three types of behaviour: organisational-oriented, task-oriented and people-oriented.

Additionally, other significant studies have been made (Battilana et al., 2010; Higgs and Rowland, 2005; Andersen, 2010b; James, 2005). In a study of the UK’s National Health Service (NHS) made by Battilana et al. (2010), they use task-oriented and person-oriented behaviours model (Bass, 1990), as they see this as appropriate for studying organisational change. They emphasised three main activities of planned organisational change implementation: communication of change, mobilization of change, and evaluation of change implementation. They discovered that leaders’ behaviour corresponds in various ways in dealing with certain change activities. Leaders with task-oriented behaviours tend to concentrate on the mobilization and evaluation of change implementation, whereas leaders with person-oriented behaviours tended to be more interested in communicating change.

In contrast, Higgs and Rowland (2005) found three leadership behaviours, namely, shaping behaviour, framing change, and creating capacity, as shown below:

- i) *Shaping behaviour*: an ego-driven, leader-centric type of leadership behaviour to change that “likes to be the ‘mover and shaker’, sets the pace for others to follow, and expects others to do what they do” (Higgs and Rowland, 2005, p. 372).
- ii) *Framing change*: this approach involves employees, whose contribution and trust are viewed as vital in implementing change. Leaders with this behaviour model tend to “work with others to create a vision and direction, and helps them to see why things need changing and why there is no going back” (Higgs and Rowland, 2005, p. 372).
- iii) *Creating capacity*: this leadership behaviour recognises the need for building capacity in the employees and organisations as a whole so as to ensure that the organisational systems are suited for change. This approach involves “developing people’s skills in implementing change, letting them know how they are doing and coaching them to improve” (Higgs and Rowland, 2005, p. 372).

This study of the leadership behaviour in various change contexts in seven organisations across various sectors in the UK concluded that directive leadership or shaping behaviour does not lead to success in change, whereas both framing change and creating capacity attained success in change.

In a consecutive qualitative study by Higgs and Rowland (2011), they explore the effectiveness of ‘framing change’ and ‘creating capacity’ in creating successful change implementation and whether ‘shaping behaviour’ together with facilitating and engaging behaviour will lead to failure in change implementation. They also identify another four sets of behaviour, as elaborated below:

- i) *Attractor*: entices the members of the organisation to attain its purpose. “The leaders pull people toward what the organization is trying to do, not toward themselves” (Higgs and Rowland, 2011, p. 314).
- ii) *Edge and tension*: the leader intensifies the problems produced by the change process “by helping people see the repeating and unhelpful patterns of behaviour in the culture while at the same time staying firm to keep the change process on course” (Higgs and Rowland, 2011, p. 314).

- iii) *Container*: the leaders ‘contain’ the unnerving change process. The leader “provides calm, confident and affirming signals that allow people to find positive meaning and sense in an anxious situation” (Higgs and Rowland, 2011, p. 314).
- iv) *Transforming Space*: “The leader creates change in the ‘here and now’ based on the assumption that the only thing you can change is the present moment” (Higgs and Rowland, 2011, p. 314).

These four new sets of behaviour could be categorised into the aforementioned ‘framing change’ and ‘creating capacity’ sets of behaviour, as illustrated in Table 6:

**Table 6 Higgs and Rowland’s (2011) New Change Leadership Behaviour
(Source: Researcher’s Compilation)**

Original Three Sets of Leadership Behaviour	New Sets Of Leadership Behaviour
Framing Change	Attractor Edge and Tension Container
Creating Capacity	Container Transforming Space

Higgs and Rowland’s (2011) study provides evidence that both ‘framing change’ and ‘creating capacity’ leadership behaviour lead to successful change implementation, and that ‘shaping behaviour’ can have a negative impact on the success of implementing change. They assert that leaders should focus “on doing change with people rather than doing change to them” (p. 331).

Andersen (2010b) studies the change-oriented behaviour of leaders in both public and private organisations in Sweden by using four leadership components: namely, leadership style, decision-making style, operational demands and motivation profile. His study concludes that public managers are more adjusted towards change than private managers. He argues that such

distinctions are ascribed to organisation, career choice, and promotion measures.

James (2005) uses a model formed by Dunphy and Stace (1993), to develop a study on the leadership style and type of organisational change during the corporatisation of an Australian electric organisation. He states that the change was corporate/modular transformation, whereby organisational restructuring took place, and new managerial appointments and new visions and missions were adopted in both divisions and the organisation as a whole. Furthermore, the leadership style was directive/consultative, meaning that change was directed by top management, and that the employees were consulted about the method of change.

As a summary, five issues regarding models of leadership and change can be found, as shown below:

- i) The success of change depends on leadership behaviour during the change process.
- ii) Leadership behaviour influences approaches to implementing change.
- iii) There has thus far been limited research in leadership behaviour in the change context.
- iv) There has been a limited number of qualitative analyses in describing leadership behaviour.
- v) Different leadership behaviours are adopted in dealing with different types of activities. Appropriate leadership behaviour is highly dependent on the organisational context, an area that is also often overlooked in the literature on change.

Many researchers such as Blunt and Jones (1997), Burnes (2009), Dorfman, Howell, Hibino, Lee, Tate and Bautista (1997) and Spreitzer, Perttula, and Xin (2005) highlight that culture can reflect the leadership behaviour. Two perspectives on the relationship between leadership and culture can be found in the literature, namely universal and culture-specific (Bass, 1990; Dorfman et al., 1997; Spreitzer et al., 2005). The universal perspective advocates that "certain leadership constructs are comparable across cultures" (Dorfman et al., 1997, p.

234). Another recent and similar concept is the variform universal, which can be defined as “when a general principle holds across cultures but the enactment of that principle differs across culture” (Spreitzer et al., 2005, p. 206). Spreitzer et al.’s (2005) research adopted the variform functional universality perspective on the effectiveness of transformational leadership in American and Taiwanese culture on the value of traditionality. They found that whilst transformational leadership can be found in Taiwanese culture, leaders with high traditional values do not relate task-oriented of the transformational leadership to effectiveness. The second perspective, the culture-specific suggests “certain leadership constructs and behaviours are likely to be unique to a given culture” (Dorfman et al., 1997, p. 234). It also reflects the view that leadership theories developed in the West may or may not apply in other parts of the world due to cultural differences (Burnes, 2009), for instance, the Western culture are more individualistic as compared to the Asian culture (Dorfman’s et al., 1997). Following the work of Spreitzer et al. (2005), this research stand on the variform universal perspective and assume that whilst leadership behaviours can be generalisable, their enactment may be different across cultures.

There is no one best way to lead as effective leadership is contextual (Burnes, 2009). Dorfman’s et al. (1997) study on leadership behaviour across five cultures namely Japan, South Korea, Taiwan, Mexico and the United States, have found that leadership behaviours such as participativeness, directiveness and contingent punishment only had positive influence in two cultures whereas leader supportiveness, contingent reward and charismatic resulted in positive impacts in all five cultures. This further enunciates the view that the effectiveness of leaders is highly dependent on the organisational setting and workforce (Burnes, 2009). Nonetheless, based on the researcher’s knowledge, there is no literature that specifically discusses the difference between Western and Bruneian leadership behaviour. This research will be focusing on the Bruneian leadership behaviour in Brunei cultural setting in the context of corporatisation. The Brunei cultural context will be discussed in Chapter Four.

As highlighted by Higgs and Rowland (2000, 2005), there is still scant research on leadership behaviour, especially with regard to the public sector. Thus, this research seeks to bridge this gap. Against this background, the following main research question is offered:

“How did the leaders lead the corporatisation in terms of leadership behaviour?”

From this main question, and based on the abovementioned literature background, another three research questions are identified:

- 1) *What are the activities involved in the corporatisation process?*
- 2) *What change approaches were adopted during the corporatisation?*
- 3) *How did the leaders behave during the corporatisation?*

This research will answer these questions by using Activity Theory as its theoretical lens. The rationale behind this will be discussed in the next sub-chapter.

2.5 Activity Theory

Activities that take place during the corporatisation process are not widely mentioned in the literature, let alone by means of the activity theory lens. Activity theory or “cultural-historical activity theory” (CHAT) is “a process of social interaction within historical and cultural contexts” (Vygotsky, 1978 in Jarzabkowski, 2003, p. 24), which highlights the relationship between historical and cultural perspectives within an activity. Activity theory was developed in the 1920s and 1930s by Russian psychological scholars, Lev Semenovich Vygotsky (1896-1934), Alexei Leont’ev (1904-1979) and Alexander Luria (1902-1977), and it was later further expanded and developed by Finnish scholar, Yrjö Engeström.

Activity is described as mainly “social practices oriented at objects” (Engeström, 1999, p. 380) and “a form of doing directed to an object and activities are distinguished from each other according to their objects” (Kuuti,

1996, p. 27). Activity primarily consists of “human interaction with the objective reality” (Kaptelinin, 1996, p. 107).

Despite the influence from the Russian psychological school, activity theory is now regarded as multi-disciplinary. It has been used in many disciplines, including human-computer interaction (Mwanza, 2002; Nardi, 1996a), developmental work research (Engeström, 1996, 2000), learning (Daniels, Edwards, Engeström, Gallagher and Ludvigsen, 2010; Engeström, 2001; Mwanza and Engeström, 2005; Virkkunen and Kuuti, 2000), educational technology (Murphy and Rodriguez-Manzanares, 2008), and strategic management (Blackler, Crump and McDonald., 2000; Jarzabkowski, 2003; Jarzabkowski and Balogun, 2009). Nonetheless, while there are many researchers applying activity theory, there are limited numbers doing so in the area of organisational change, with the exception of Blackler, Crump and McDonald (1999) and Engeström (1996; 2000). Kuuti (1996, p. 25), in describing activity theory as multidisciplinary, states that:

“Activity theory is a philosophical and cross-disciplinary framework for studying different forms of human practices as development processes, with both individual and social levels interlinked at the same time”.

2.5.1 Significance of Activity Theory to this Research

The significance of activity theory to this research is as follows:

- 1) Activity theory’s concepts of subject, contradictions, and goal-directed activity are significant for this research, because they can help understand and describe activity in relation to the corporatisation process, and in particular how the activity affects the corporatisation.
- 2) Activity theory can explore the role of the subjects (leadership); corporatisation activities (goal-directed activity), inherent problems (contradictions) in the corporatisation process, and explain how the changes take place.

- 3) Activity theory is suitable for studying process in organisational change (Yamagata-Lynch, 2010), because it can handle retrospective process (Jarzabkowski and Balogun, 2009) and document how past activities might affect and influence new activities.
- 4) The lens of activity theory could explain the outcome of the activity, and how the actors alter the goal and achieve goal-directed actions (Jarzabkowski and Balogun, 2009).
- 5) Activity theory could detect disturbances, contradictions and changes within the activity systems, and how these might affect other activities and the corporatisation process as a whole.
- 6) Activity theory can assist in planning because it takes into account the difficulty of planning due to the various different interests of the actors (Jarzabkowski and Balogun, 2009).

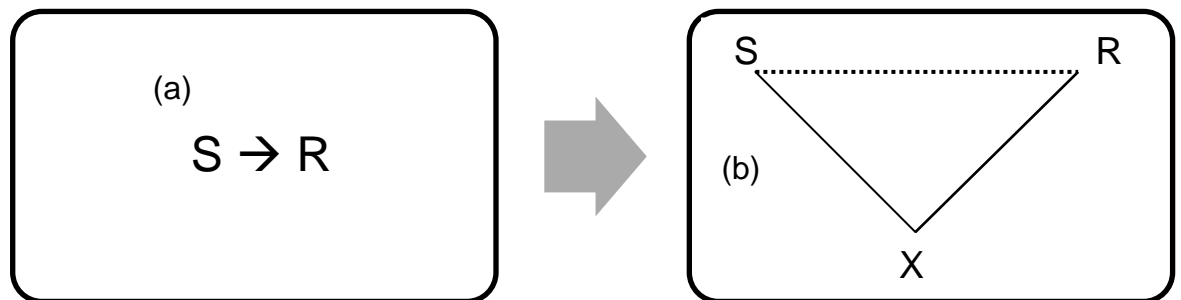
2.5.2 Origins and Principles of Activity Theory

The activity model originates from Vygotsky's (1978) concepts of mediation and Leont'ev's concept of activity (Blackler et al., 2000). Vygotsky's concept of mediation reflects on the study of humans as individuals and focuses upon humans and the use of language (Vygotsky, 1978). The notion of mediation suggests that the interaction between individual and environment is constantly changing (Yamagata-Lynch, 2010), and is neither direct nor simple, as shown in Figure 2(a). Mediated action is "an interaction between the individual and mediating artefacts, tools and signs, a semiotically produced cognitive tool, that resulted from the interaction" (Yamagata-Lynch, 2010, p. 16). In simple words, mediation "explains how individual actors, the community, and their shared endeavours are integrated in the pursuit of activity" (Jarzabkowski, 2005, p. 35). The stimulus or sign (S) requires a mediation tool (as shown in dotted lines in Figure 2(b)) to link with the response (R), so as to produce an interaction or new relationship between them, as shown in Figure 2. In addition to this, the sign has a reverse action feature, where it does not function on the environment but the individual. Vygotsky (1978, p. 40) states:

“Because this auxiliary stimulus possesses the specific function of reverse action, it transfers the psychological operation to higher and qualitatively new forms and permits humans, by the aid of extrinsic stimuli, to control their behaviour from the outside. The use of signs leads humans to a specific structure of behaviour that breaks away from biological development and creates new forms of a culturally-based psychological process.”

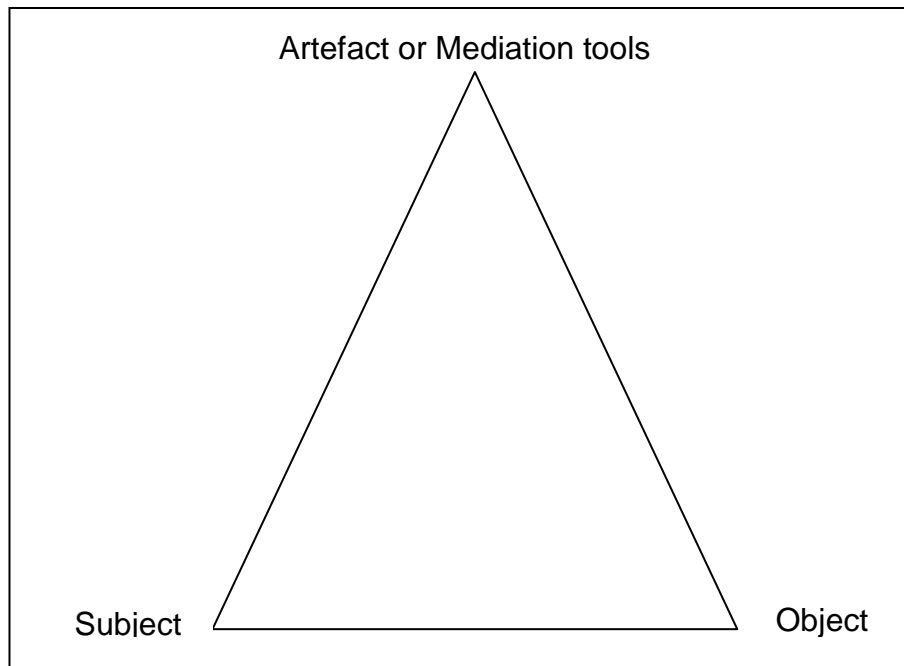
Figure 2 A Stimulus-Response Process

(Source: Adapted from: Vygotsky, 1978)



The activity model by Vygotsky (1978), shown above in Figure 2(b), is often illustrated as it is in Figure 2. It still represents the same concept of mediation, and the idea that it is not a straightforward stimulus-response association (Yamagata-Lynch, 2010). The activity theory model developed by Vygotsky (1978) consists of mediational means (such as writing, speaking), subjects (such as individual) and finally, object or motive, as shown in Figure 3. Figure 3 also highlights that a sign is presumed to be an “artefact of the mediated action process” (Yamagata-Lynch, 2010, p. 16) and thus, it does not exist in the triangular model.

Figure 3 Activity Theory Model by Vygotsky
(Source: Adapted from Wells, 2002)



Leont'ev (1978) later adds the notion of activity and hierarchical levels of activity to the model that touches on the relationship and contradictions between and within them. He differentiates object-oriented activity (collective activity) and goal-directed actions (individual action) (CRADLE, 2009; Yamagata-Lynch, 2010), and introduces the element of 'division of labour'. Object-oriented activities are collective activities oriented towards object and motive and performed by the community (Leont'ev, 1978) in the long run. The subject forms the object and, in turn, the object moulds the activity and decides on the goals and actions (CRADLE, 2009). On the other hand, goal-directed actions are individual actions oriented towards achieving goals and this is rather brief but has a clear and finite objective (Virkkunen and Kuuti, 2000; Yamagata-Lynch, 2010). It can also refer to the individual's actions in partaking in the object-oriented activity (Yamagata-Lynch, 2010).

Another scholar, Engeström (1987) later introduced the activity system to this theory. Activity system is the "unit of analysis associated with activity theory" (Blackler et al., 1999, p. 6), and it is where the activities are held. In this

case, it refers to the organisation (Blackler, 1993; Blackler et al., 2000; Jarzabkowski, 2003). Activity systems are situational in nature and thus, it is imperative to know the elements that are present in the activity system (Prekert, 2006) in order to have an in-depth understanding of the activity (Marken, 2006). An activity system is a triangular model (as depicted in Figure 3) that consists of the following elements (Engeström, 1996, p. 67):

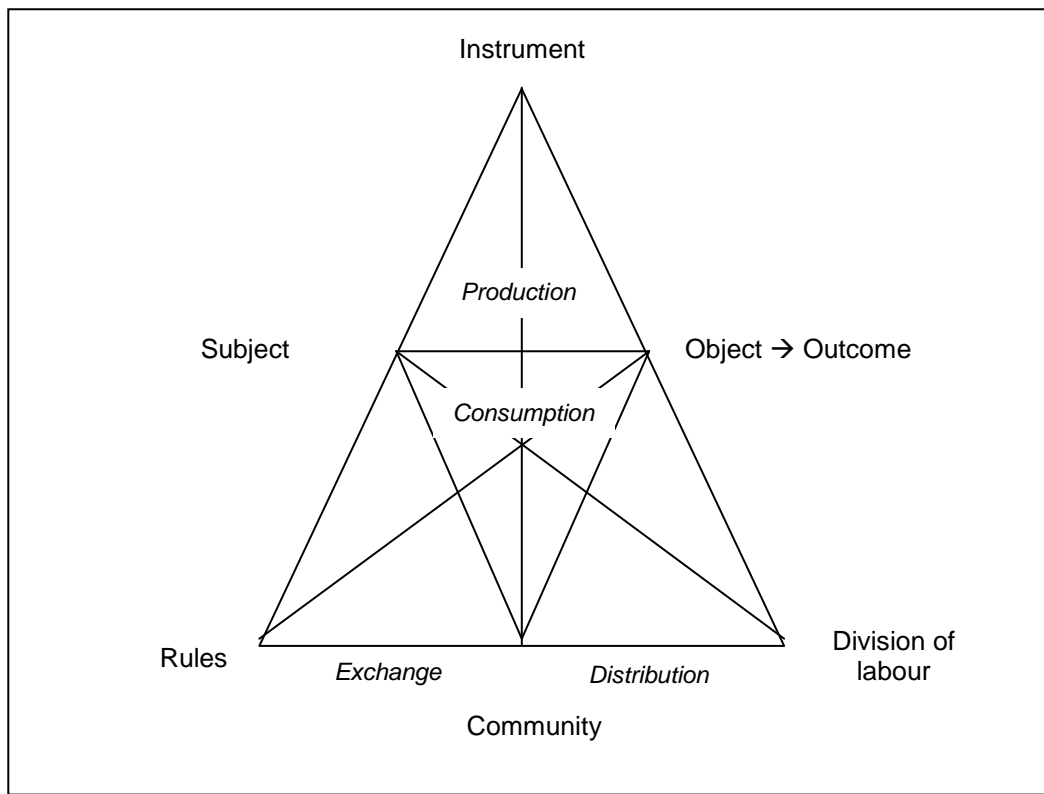
- 1) The subject is “the individual or sub-group whose agency is chosen as the point of view in the analysis” (Engeström, 1996, p. 67). This can be regarded as an actor or participant or performer in the activity system, depending on whose point of view is regarded as significant (Marken, 2006).
- 2) The object can be defined as “the raw material or problem space at which the activity is directed, and which is moulded and transformed into outcomes with help of physical and symbolic, external and internal mediating instruments, including both tools and signs” (Engeström, 1996, p. 67). It can be also regarded as the “true motive of activity... as that which the activity system was acting upon” (Marken, 2006, p. 31). The object determines how the subject and the rest of the elements are defined (Prekert, 2006). The outcome is the result of the object, and can be attained from the interaction between subject and object.
- 3) Tools are “social others and artefacts that can act as resources for the subject in the activity” (Yamagata-Lynch, 2010, p. 2). Tools can be physical, or simply procedures of the activity (Marken, 2006).
- 4) Community consists of “multiple individuals and/or sub-groups who share the same general object and who construct themselves as distinct from other communities” (Engeström, 1996, p. 67). It can be the “stakeholders in the system” or “others who provide context for the work being done by the subject,” as long as there is “some shared element that defines a community across the activity system” (Marken, 2006, p. 31).
- 5) Division of labour refers to “both the horizontal division of tasks between the members of the community and to the vertical division of power and status” (Engeström, 1996, p. 67).

- 6) Rules are “the explicit and implicit regulations, norms and conventions that constrain actions and interactions within the activity system” (Engeström, 1996, p. 67).

The elements of the activity system are constantly changing and interacting with one another (Barab, Barnett, Yamagata-Lynch, Squire and Keating, 2002). Engeström (1987 in Blackler et al., 2000) also modifies the activity theory of Vygotsky and Leont’ev, by suggesting that mediation should focus on the relationship with other elements of the activity system. The notion of mediation is important in the activity system as it is associated with “the occurrence of qualitatively new events, events that would not otherwise have been possible” (Blackler, 1993, p. 869). As illustrated in Figure 4, the single large triangle contains four significant sub-triangles, whereby one of the sub-triangles, consumption (located in the centre of the triangle) is subordinated to the remaining three, production, distribution, and exchange, and each sub-triangle has its own activity, but they are wholly-related and not separated (Engeström, 1987). Engeström (1987) states that:

- (a) The relationship between the subject and the object of activity is mediated by tools. This is known as ‘production’, which is located at the uppermost sub-triangle (Engeström, 1987).
- (b) The relationship between the community and the object of activity is mediated by the division of labour. This can be regarded as ‘distribution’, located at the right corner sub-triangle (Engeström, 1987).
- (c) The relationship between the subject and the communities is mediated by rules and procedures, and this is situated at the left corner sub-triangle, and can be identified as ‘exchange’ (Engeström, 1987).

Figure 4 Engeström's Activity Triangle Model
(Source: Adapted from: Engeström, 1987, p. 78)



Additionally, Engeström (2001) identifies five principles of activity theory, as discussed below:

- 1) First principle: activity system as a unit of analysis.
- 2) Second principle: activity systems are full of multi-voicedness because a system “is always a community of multiple points of views, traditions and interests” (Engeström, 2001, p. 136). In addition, it “carries multiple layers and strands of history engraved in its artefacts, rules and conventions” (Engeström, 2001, p. 136).
- 3) Third principle: activity systems depend on the historic past of the activity: “activity systems take shape and get transformed over lengthy periods of time. Their problems and potentials can only be understood against their own history” (Engeström, 2001p. 136).
- 4) Fourth principle: the importance of contradictions as sources of change, whereby “contradictions are not same as problems or conflicts” but “are historically accumulating structural tensions within

and between activity systems,” (Engeström, 2001, p. 137) that can produce disturbances and change.

- 5) Fifth principle: activity systems expect expansive transformations. “Activity systems move through relatively long cycles of qualitative transformations,” causing contradictions and change to take place (Engeström, 2001, p. 137). An expansive transformation can be achieved “when the object and motive of activity are reconceptualised to embrace a radically wider horizon of possibilities than in the previous mode of the activity” (Engeström, 2001, p. 137).

Since this research involves the study of leadership behaviour and approaches to change in corporatisation activities, more emphasis will be placed on object-oriented activities and the ‘subject’ (leaders), as well as the contradictions that might exist in the activities. It is not within the scope of this research to focus on all the key elements of the activity system. Each activity system represents the corporatisation activities that exist in the corporatisation process.

The subjects are imperative, as they “interact purposefully with their contexts” (Jarzabkowski and Balogun, 2009, p. 1262) and “it is from the point of view of the subject actor that the activity systems analyses the activity” (Prektert, 2006, p. 475). Nonetheless, this research will not take the interpretive approach of studying the subjects, as in the case of Jarzabkowski and Balogun (2009). Instead, it will realise the behaviour of the leaders in the activity system. It is believed that the way the subjects behave influence the activity system, and the approach to change that is adopted. Accordingly, it is better to understand how the subject handles and resolves the contradictions that might be present in the activity system.

The contradictions, being the source of change, will thus help explain what problems exist in each activity and how the subjects (leaders) behave in managing them. Yamagata-Lynch (2010) states that activity system can

“...describe how human activity and the setting in which it is situated co-evolve over time and change the nature of

future activities while participants deal with new barriers and new possibilities” (p. 11).

An overview of the principle of contradictions will be highlighted next.

2.5.2.1 Principle of Contradictions

“Contradiction is in some ways the heart of Activity Theory.”

(Marken, 2006, p. 33)

Engeström (1987) highlighted the significance of contradictions within the activity system. Blackler et al. (2000, p. 281) described an activity system as a ‘disturbance-producing system,’ in which contradictions are inherent due to the “contextual systemic contradictions and the nature of each individual component of the activity system” (Yamagata-Lynch, 2010, p. 2; see also Engeström, 1987; Jarzabkowski, 2003). This influences the interactions between the elements, as well as the success of achieving the object (Yamagata-Lynch, 2010). Additionally, Kuuti (1996, p. 34) provides a useful depiction of contradiction: “a misfit within elements, between them, between activities or between different developmental phases of a single activity.” On a similar note, Murphy and Rodriguez-Manzanares (2008, p. 445) describe contradiction as “tension, contrast, denial or opposition between two propositions.” Virkkunen and Kuuti (2000, p. 302) regard contradictions as a problem with the functions of the activity system – “fundamental tensions and misalignments in the structure that typically manifest themselves as problems, ruptures and breakdowns in the functioning of the activity system.” There are many different ways of describing contradictions. Kuuti (1996, p. 34) states that contradictions can be seen as “problems, ruptures, breakdowns, clashes”; Blackler et al. (1999, p. 7) relate to it as “incoherencies, inconsistencies and tensions,” whereas Barab et al. (2002) refer to it as “systemic tensions”, Yamagata-Lynch (2010), “systemic contradictions” and Prenkert (2006), “paradox”.

Contradictions take place within and between the elements of an activity system, and in the interactions of the activity system with other activity systems (CRADLE, 2009). There are four levels of contradictions: primary, secondary, tertiary, and quaternary (Engeström, 1987), as depicted in Figure 5. Marken (2006) states that explaining tertiary and quaternary contradictions is difficult to do due to their complexity.

Level 1: Primary contradictions refer to contradictions that exist within the elements of the central activity (Engeström, 1987).

Level 2: Secondary contradictions are contradictions between the elements of the central activity (Engeström, 1987).

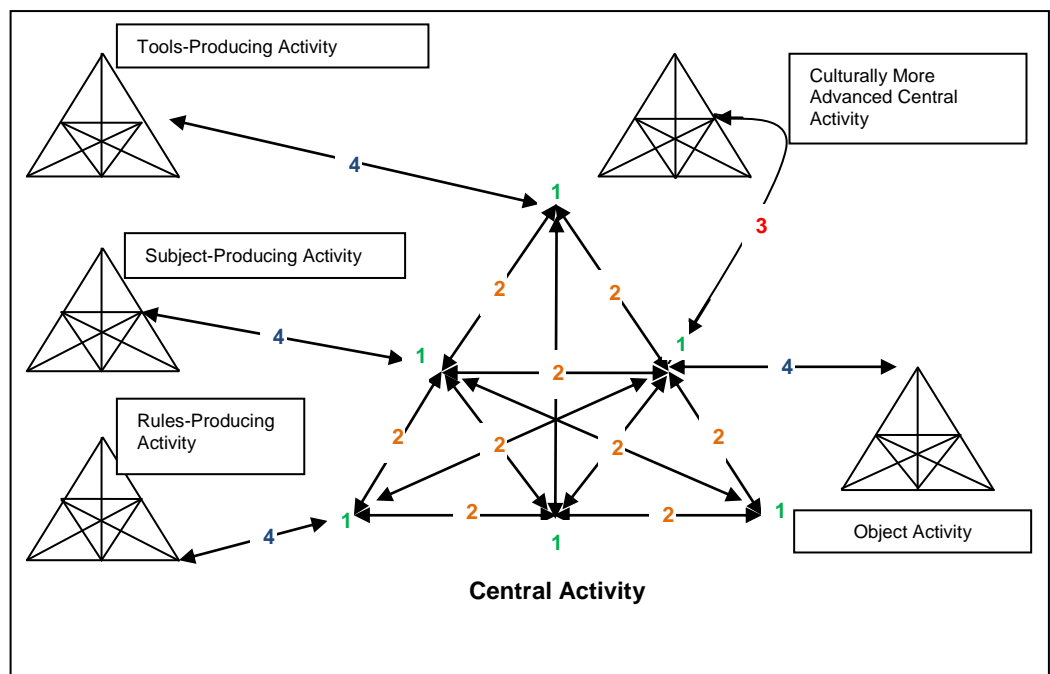
Level 3: Tertiary contradictions exist between the object of the central activity and the object of a culturally more advanced form of the central activity; Engeström (1987, p. 88) provides an example of this - a primary student comes to school to play with his classmates (the dominant object) but both teachers and parents want the student to study (the culturally more advanced object) and thus, “the culturally more advanced object might be the sought by the subjects of the central activity themselves”. Tertiary contradictions are complicated contradictions. Marken (2006) gives an example, regarding the question of whether homosexuals should married or not being dependent on the object of the activity of marriage. If the object is for reproduction, there is obviously little reason for homosexuals to get married. However, if the object is celebrating true love and commitment, then homosexuals should be allowed to get married. This shows the clashes of two objects regarding the purpose of marriage, and which one is a ‘culturally more advanced form’ cannot be seen as the responsibility of the activity model but, rather, the judgement of a human being (Marken, 2006). On a simpler note, Virkkunen and Kuuti (2000, p. 302) describe tertiary contradictions as the contradictions between “the old and the new way”.

Level 4: Quaternary contradictions signify contradictions between the central activity and other neighbouring activity systems

(Engeström, 1987). The neighbouring activities could include the following:

- i) Activities where the outcome of the central activity is connected with the object of the activity (known as object-activities) (Engeström, 1987).
- ii) Activities that produce the tools of the central activity (Tools-producing activities), such as Science and Art (Engeström, 1987).
- iii) Activities that create the subjects of the central activity (Subject-producing activities), for instance, through schooling of the subjects (Engeström, 1987).
- iv) Activities that produce the rules of the central activity (Rule-producing activities), such as administration (Engeström, 1987).

Figure 5 Four Levels of Contradictions in the Activity System
(Source: Adapted from: CRADLE, 2009; Engeström, 1987)



Contradictions can be regarded as the compelling vigour for collective learning, innovation, development, and change (Blackler et al., 1999; Engeström, 2001). A change in the context can considerably affect the whole activity system, and this change takes place because of inherent contradictions resulting from various contrasting interpretations (Blackler 1993; Engeström, Engestrom and Suntio, 2002; Jarzabkowski, 2003). Additionally, Barab et al. (2002, p. 80) highlight contradictions as significant for understanding change in the activity system, by viewing them as a system duality that can force the system to develop and change:

“Tensions are critical to understanding what motivates particular actions and in understanding the evolution of a system more generally. These tensions can be thought of as system dualities, and it is through understanding the interplay within and among these dualities that one can best understand and support the continued innovation of the system”.

As illustrated in a study by Barab et al. (2002), contradictions can influence the activity system. This study considered the learning of undergraduate students, and it clearly revealed that the one activity system can affect another activity system. The study also included the role of systemic contradictions, and how they hinder performance within an activity system. In a similar vein, Jarzabkowski (2003) in examining the micro strategic practices in three UK universities: Warwick University, Oxford Brookes University, and London School of Economics and Political Science, applies the activity theory framework to explore how the strategic practices interact and are mediated by their activities. This study also aimed to identify the reason for the occurrence of contradictions between the different practices. Each case represents unique similarities and differences with regards to the subjects (top management team), contradictions, continuity, and change. The study by Jarzabkowski (2003) concludes that changes are not necessarily caused by the top management team, or even by radical events, such as downturn and the appointment of a new top management team, but by the changing interpretations of both new and existing practices.

Blackler et al. (2000) adopted a different approach in their study on this topic. They studied different groups of experts achieving multiple objectives, as well as identifying contradictions that exist in their activity networks ('overlapping activity systems') (p. 282), by using concepts such as 'perspective shaping', 'perspective making', and 'perspective taking'. Additionally, activity theory can be used to highlight expected contradictions in the future. Marken (2006) presented a study of global sales and the marketing training department in a US multi-national corporation. In it, he used activity theory to successfully identify potential contradictions that might exist within and between the elements of the activity of preparing a training program in a Japanese affiliate of this corporation, in order to significantly avoid these contradictions.

Engeström and Sannino (2011, p. 368) assert that "Contradictions are often mentioned as a significant factor behind organizational change". In the context of organisational change, Blackler et al. (1999) in their study of a change programme in a design and manufacturing organisation, using activity theory, have found that changes take place from one activity system to another, and that an emphasis should be placed on any new perceptions and conceptions of the activity of these changes. They also found that the complexity and interconnectedness of the activity systems have resulted in a change in the expertise and management approaches. Highlighting the significance of contradictions in changes, they state that all of these "are unlikely to be achieved without difficulty" (Blackler et al., 1999, p. 26).

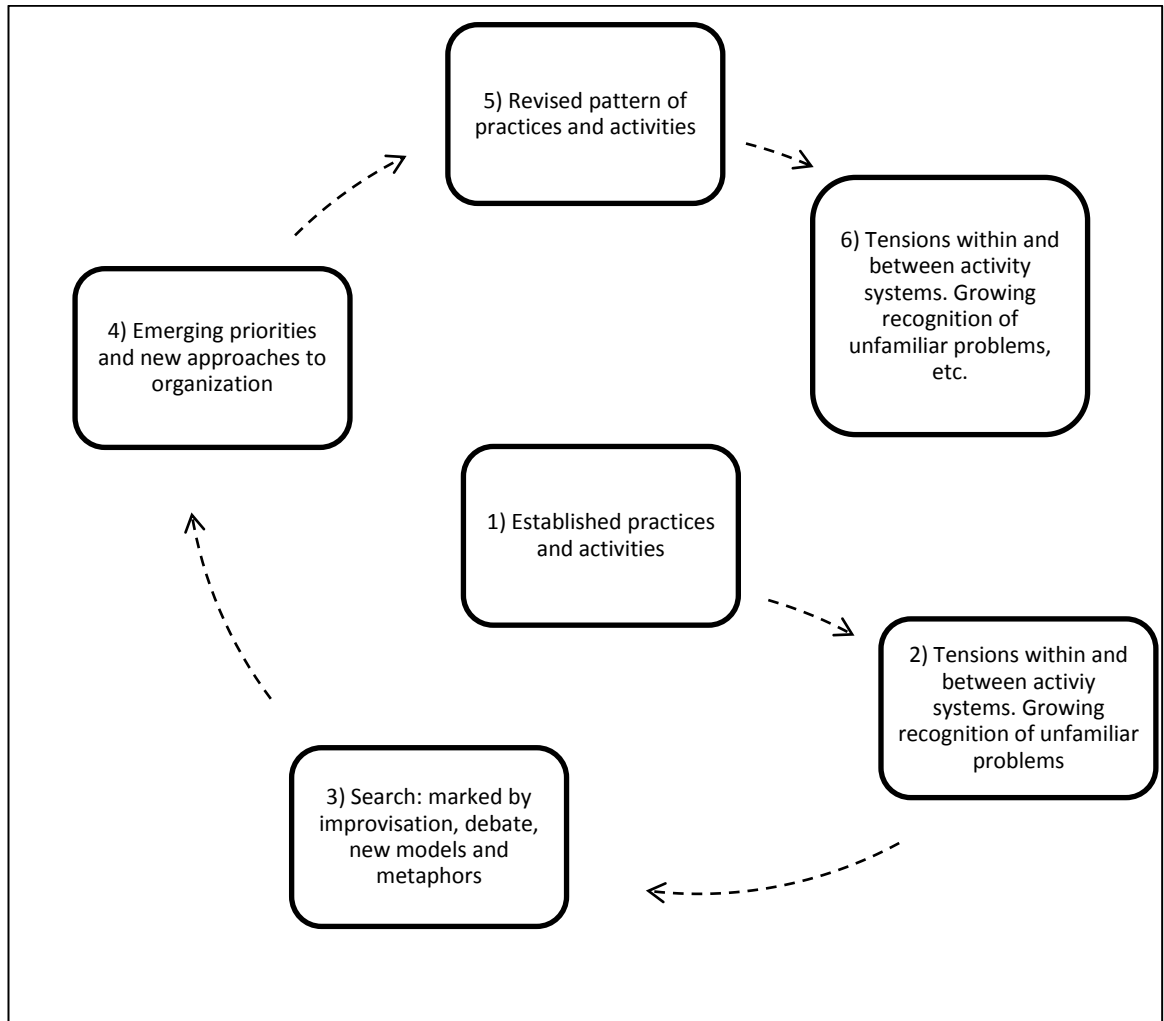
The process of change, as seen through the lens of activity theory, is illustrated in Figure 6. The figure below shows a cycle of change and the ability of the activity system to recognize tensions, develop solutions, remediate, and, finally, revise the activities. However, the cycle continues, because the revised activities will soon develop unwanted tensions and contradictions (Blackler et al., 1999). As the elements of the activity system clash, contradictions takes place, creating the need for change, for which the blame is often laid on the subject (individual), rather than the other elements of the activity system (Virkkunen and Kuuti, 2000). As contradictions are identified, efforts are made to solve these contradictions, and thus, new priorities, approaches and the

adoption of new tools will surface, creating contradictions between the old and new activities, or between the past and the future ones (Blackler et al., 1999; Jarzabkowski, 2003; Virkkunen and Kuuti, 2000). Contradictions can have impact on how these will be solved: they could lead to returning to old practices (Virkkunen and Kuuti, 2000). These tensions and contradictions can be solved by the subject's "skill, determination and creativity", in terms of creating new precedents and remediating the activity system (Blackler et al., 1999, p. 8). Contradictions that are solved will help the different elements of the activity system to harmonise and cooperate with another (Virkkunen and Kuuti, 2000). Nonetheless, it is the subjects who often pose problems in dealing with contradictions:

"In many cases, the actors build individual and collective defences in order not to encounter the contradictory demands of their situation and thus make problem identification and problem solving difficult. The development can also be hampered because the actors cannot develop an agreeable solution to the contradictions or do not recognize the systemic and collective nature of their problems and try to manage the situation by individual solutions." (Virkkunen and Kuuti, 2000, p. 303-304).

Figure 6 Contradictions and their Development within the Activity Systems

(Source: Adopted from: Blackler et al., 1999, p. 8)



There is still a limited strand of literature that has been concentrating on identifying and analysing contradictions (Engeström and Sannino, 2011), as well as discovering the origin and impact of contradictions in the activity systems (Prenekert, 2006). There have, however, been few contributors to this issue, including Prenekert (2006) and Engeström and Sannino (2011). Activity systems analysis is central to identifying the contradictions in the activities, and how the contradictions influence the activity system (Yamagata-Lynch, 2010). This will be discussed next.

2.5.3 Activity Systems Analysis

Activity systems analysis is “a methodology that spawned from CHAT that can be valuable for qualitative researchers and practitioners who investigate issues related to real-world complex learning environments” (Yamagata-Lynch, 2010). Although activity theory originated in the 1920s, there is not much research that highlights the application of activity theory as a research methodology (Mwanza, 2002; Yamagata-Lynch, 2010). A standard approach is relying on Engeström’s triangle activity model, as shown in Figure 4, which is simply a triangular, descriptive presentation of the activity that describes the elements of the activity. Despite providing contextualisation (Murphy and Rodriguez-Manzanares, 2008), it does not explain how the elements are derived, what the roles of the mediators are, and how the contradictions are analysed (Mwanza, 2002; Yamagata-Lynch, 2010). Marken (2006) has stated that activity systems analysis is very complex, and that it is difficult to clarify, due to the lack of literature that describes the application of activity theory. Nonetheless, modern activity theory scholars such as Mwanza (2002), Prenkert (2006) and Yamagata-Lynch (2010) have respectively addressed this issue and provided the ‘Eight-step-model’, ‘Analysis Readiness Review’, and published a book specifically addressing activity system analysis methods.

Yamagata-Lynch (2010) mentions the benefits of activity system analysis: Firstly, it helps us to understand human activity in a collective context through the presentation of the triangle model. Secondly, it provides guidance for researchers in their research design, analysis and conclusion. Thirdly, it offers “a systematic and systemic approach to understanding human activities and interactions in real-world complex environments” (p. 1). Fourthly, it can comprehend the relation of an activity and its context, and how activities can affect the context and vice versa. Finally, it recognises the ability of historicity that exists in the activity “by identifying how the results from a past activity affect new activities” (p. 2).

Meanwhile, Prenkert (2006, p. 475) has highlighted four features significant to the activity systems analysis, namely: “(1) an explicit object-

orientation; (2) a recognition of the collective character of human activity; (3) a notion of cultural mediation and (4) an incorporation of contradiction and paradox as the sources of change.” In a similar vein, Nardi (1996b, p. 95) has pointed out four methodological features of activity theory: “(1) A research time frame long enough to understand the users’ objects; (2) Attention to broad patterns of activity rather than narrow episodic fragments that fail to reveal the overall direction and import of an activity; (3) The use of a varied set of data collection technique; (4) A commitment to understanding things from users’ point of view”.

As noted by Yamagata-Lynch (2010) and Prenkert (2006), this research will initially describe each activity in the corporatisation process, by using the triangle model diagram, with the help of Mwanza’s (2002) Eight-Step Model, to exhibit the application of activity theory and describe each element of the activity system. This is followed by the identification of any contradictions that can be found in the activity using Prenkert’s (2006) Analysis Readiness Review, and finally, the leadership behaviour in each activity. More discussion in this regard will be elaborated in the next chapter, on Research Methodology.

In summary:

- 1) Activity theory is now multi-disciplinary, but there is still limited research on the application of activity theory in organisational change, especially in the context of corporatisation.
- 2) Activity systems analysis is an analytical, rewarding tool that could provide rich data and help us to understand a complex environment.
- 3) There are four levels of contradictions: primary, secondary, tertiary, and quaternary contradictions.
- 4) There is a lack of empirical studies that highlight contradictions as the sources of change in the activity systems.

2.6 Summary

A review of the literature of organisational change, corporatisation as organisational change, approaches to change, leadership behaviour, and

activity theory, has been explicitly made. The organisational change literature is focused on change in the public sector, in particular through the process of corporatisation. Corporatisation was defined according to three aspects: commercially-oriented management techniques, regulation, and priming for privatisation. The existing literature on this topic still has little that explores the activities involved in the corporatisation process. The exploration of these activities in this study will be accompanied with an investigation of the approach to change adopted in the managing the corporatisation process. As has been seen, approaches to change can be planned or emergent or both. It can also be top-down and bottom-up. After this, leadership behaviour was highlighted as the key to the door of successful organisational change, because it can influence the approach to change adopted when implementing change. There is still dearth of literature regarding leadership behaviour in the change context. There is also a need for qualitative analysis for examining leadership behaviour. Finally, the literature review on activity theory is explored, exposing the theory as a fruitful tool for analysing change contexts, and identifying contradictions that might be present in the activities surrounding the corporatisation process.

The next chapter will discuss the research methodology adopted here.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology and methods that have been adopted. There are eight sections of this methodology: research aim, research philosophy, research design, data collection methods, data analysis, application of activity theory, quality standards of the research, and finally, summary.

The first section, Research Aim, will mention the research questions used by this research and its contribution to the literature. The second section, Research Philosophy, will deliberate on critical realism as the chosen research philosophy of this research. The third section, Research Design, examines the reasons behind the application of the case study as the research methodology, and argues for the choice of Brunei Darussalam, the telecommunication industry, and Jabatan Telekom Brunei (JTB)/TelBru as the country, industry and organisation respectively selected for this research. This section also deliberates on the research time period and research access for the research. The fourth section, Data Collection Methods, highlights the use of interviews, document reviews and questionnaire as the research methods. The fifth section, Data Analysis, examines Miles and Huberman's (1994) approach of data analysis and the application of NVivo8 software in data analysis. The sixth section, Application of Activity Theory, discusses how activity theory will be utilised. This will explore Mwanza's (2002) Eight Step Model and Prenkert's (2006) Analysis Readiness Review. The seventh section, Quality Standards of the Research, investigates the objectivity, reliability and validity of this research. This chapter will finally conclude with a summary.

3.2 Research Aim

The existing literature regarding corporatisation bombards the reader with economic, ownership, and performance issues, but includes little on the activities involved in the corporatisation process. Thus, this research seeks to identify the activities that are involved in the corporatisation process. Additionally, in order to know how to manage a form of change such as corporatisation, it is important to know a suitable approach to change. Since there is little research that exclusively discusses what might be an appropriate approach to change during corporatisation, this research will bridge this gap by identifying the change approaches embraced in the corporatisation process. Additionally, any organisational change recognises the significant role of leadership. Accordingly, the main research question asks how the leaders led the corporatisation of Jabatan Telekom Brunei in terms of their leadership behaviour. So, derived from the aforementioned research aim, this research wishes to answer the following:

Main Question:

“How did the leaders lead the corporatisation of Jabatan Telekom Brunei in terms of leadership behaviour?”

From this main question, three more questions can be obtained:

- 1) *What are the activities involved in the corporatisation process?*
- 2) *What approaches to change were adopted during the corporatisation process?*
- 3) *How did the leaders behave during the corporatisation?*

This research will contribute to the organisational change field, specifically in the context of corporatisation, where the activities will be analysed through the lens of activity theory. This research will also provide solid evidence regarding the approach to change adopted, and a deeper understanding of

leadership behaviours in the corporatisation process. A discussion of the research philosophy adopted in this research is provided next.

3.3 Research Philosophy

This research is qualitative, following critical realism philosophy, and using an inductive approach seeking to answer what activities were required during corporatisation, and how the leaders guided the activities during the corporatisation. A qualitative study, rather than a quantitative one, is preferred for this research, as it is more suitable for studying processes. This is due to the following reasons (Patton, 2002, p. 159):

- “(a) Depicting process requires detailed descriptions of how people engage with each other;
- (b) The experience of process typically varies for different people so their experiences need to be captured in their own words;
- (c) Process is fluid and dynamic so it cannot fairly summarized on a single rating scale at one point in time;
- (d) Participants’ perceptions are a key process consideration.”

The research philosophy applied in this research is critical realism. There are two types of realism: direct realism, and critical realism (Bhaskar, 1989 in Saunders et al., 2007). Direct realism believes that “what the senses show us as reality is the truth: that objects have an existence independent of the human mind” (Saunders et al., 2007, p. 104). Direct realism assumes that “what you see is what you get” (p. 105), whereas critical realism suggests that the senses can be deceitful (Saunders et al., 2007). Critical realism follows the stance of objectivism (Johnson and Duberley, 2000), and notes that what we observe is “apprehended only imperfectly and probabilistically” (Guba and Lincoln, 1994, p. 111). Yeung (1997, p. 52) provides a good description of critical realism:

“A scientific philosophy that celebrates the existence of reality independent of human consciousness (realist ontology), ascribes causal powers to human reasons and social structures (realist ontology), rejects relativism in social and scientific discourses (realist epistemology) and reorientates the social sciences towards its emancipatory goals (realist epistemology).”

Critical realism is suitable for this research for several reasons. Firstly, critical realism is able to provide an explanation of perception of a certain phenomenon, in this case, corporatisation. In addition, it enables a “disinterested scientist”, such as a decision maker or a policy maker (Guba and Lincoln, 1994, p. 112) to predict and control the activities of corporatisation in the future. Secondly, critical realism believes that change is dynamic and possible in the social world (Saunders et al., 2007). This is reflected by the corporatisation process, which involves a change in management from being a welfare-minded to commercial and market-driven. Thirdly, it allows an understanding of the corporatisation process, by studying the social structures which are the top managers and activities that led to the corporatisation, as the latter could not occur “independently of the social actors involved in the knowledge derivation process” (Saunders et al., 2007, p. 105).

The methodological emphasis of a critical realist research is placed on discovering more information and seeking opinions with regards to the meanings and reasons behind people’s actions (Guba and Lincoln, 1994). Critical realist research also emphasizes value-free research using qualitative research methods (Guba and Lincoln, 1994; Yeung, 1997).

Due to its qualitative nature, this research uses an inductive approach, because it can provide a “close understanding of the research context” (Saunders et al., 2007, p. 120) such as corporatisation. In contrast to the deductive approach, an inductive approach does not rely on early assumptions or hypothesis but the available data, and this can be reflected from the use of qualitative research methods, such as open-ended interviews and observations (Patton, 2002). In addition, the inductive approach is flexible: it allows changes during the research process (Patton, 2002; Saunders et al., 2007). Since the research approach is inductive, Yin’s (2009) approach to case studies will not be used in this research, because of the use of hypothesis testing, known as analytic induction (Patton, 2002), which is not recommended in a qualitative research, due to its similarity to quantitative research. Because of this, this research will adopt Miles and Huberman’s (1994) case study approach.

The next section will elaborate the design for this research.

3.4 Research Design

Research design is “the general plan of how you will go about answering the research questions” (Saunders et al., 2007, p. 131). The research design will discuss the adopted research methodology, the case and country selected, time periods, research access, and ethical considerations.

3.4.1 Research Methodology

The research methodology used for this qualitative research is a case study. A case study can be defined as “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson, 2002, p. 178). Case study methodologies are used so as to attain a deep understanding of the area in question. Using different kinds of research methods means that information can be derived in various ways, a term known as triangulation (Saunders et al., 2007). Stake (2005) provides a good explanation about the benefits of case studies to a wide and diverse audience:

“For a research community, case study optimizes understanding by pursuing scholarly research questions. It gains credibility by thoroughly triangulating the descriptions and interpretations, not just in a single step but continuously throughout the period of study. For qualitative research community, case study concentrates on experiential knowledge of the case and close attention to the influence of its social, political and other contexts. For almost any audience, optimizing understanding of the case requires meticulous attention to its activities” (Stake, 2005, p. 443-444).

A case study is used for this research because it can answer the ‘what’, ‘how’ and ‘why’ questions of the research questions (Saunders et al., 2007). In addition, it is suitable for studying process in a comprehensive and precise manner (Flick, 2009). Moreover, the researcher has no control of the behavioural events, meaning that behaviours cannot be influenced by the researcher. Since corporatisation was done in the past, the researcher cannot

influence the process. Therefore, the form case study is suitable for this research. To further justify why a case study is used for this research instead of other research methodologies, a summary table is made to depict the rationale for not choosing the alternatives:

Table 7 Reasons for Not Selecting Other Research Methodologies
(Source: Researcher's compilation)

Research Methodology	Reasons for not selecting this Research Methodology
Experiment	<ul style="list-style-type: none"> • It is only for answering the 'how' and 'why' research questions (Saunders et al., 2001) • It is for explaining causal relationship between one independent variable with a dependent variable (Flick, 2009; Saunders et al., 2001) • It is often conducted in laboratories rather than organisational settings (Saunders et al., 2001)
Survey	<ul style="list-style-type: none"> • It is for deductive approach and often used for quantitative research (Flick, 2009; Saunders et al., 2001)
Action research	<ul style="list-style-type: none"> • It does not help answer the research questions as it is basically "a research in action rather than research about action" (Saunders et al., 2001, p. 140) • It requires the involvement of the researcher with the organisation especially in solving certain matters (Patton, 2002; Saunders et al., 2001) • It is very time consuming due to the action research process (Saunders et al., 2001)
Archival research	<ul style="list-style-type: none"> • The research data sources is only limited to administrative records and documents and confidentiality issues can be a problem (Saunders et al., 2001)
Ethnography	<ul style="list-style-type: none"> • It requires the involvement of the researcher in the research settings (Saunders et al., 2001) • It is a very time consuming research process that requires high flexibility to changes (Saunders et al., 2001)

Realising the advantages of multiple-case study (Yin, 2009), this researcher initially wanted to conduct a multiple case study, by making an international comparison between an organisation in the UK and one in Brunei. However, research access to organisations in the UK was hard: the researcher

did not receive any response from them. In addition to time constraints, it was then decided that only one organisation would be selected for this research. Therefore, a single case study would be employed for this research. This is an intrinsic (Stake, 2005) and revelatory (Yin, 2009) single case study. This case is an intrinsic case study because the researcher “wants better understanding of this particular case” (Stake, 2005, p. 445), as the selected organisation was the first organisation to experience corporatisation in Brunei Darussalam. Additionally, this case is a revelatory case study, because the researcher has the opportunity to “observe and analyse a phenomenon previously inaccessible” (Yin, 2009, p. 48). The researcher was the first person given the opportunity to qualitatively analyse the corporatisation process, as well as having high research access to all of the employees and the organisation’s documents, with the exception of financial documents due to confidentiality issues. Additionally, Yin (2009) states that the limitation of a single case study can be ameliorated through references to established literature and theory. Furthermore, this case study can explain how the activities of the corporatisation process were developed over time. This is substantiated with a thorough description of the activity process: the actor, objectives, outcomes and problems faced in each activity. Thus, this research makes a contribution to the field by becoming the first qualitative research about corporatisation to be conducted in Brunei Darussalam.

The limitations of choosing a case study as the research methodology are the issue of generalisation and the potential bias of the researcher. Generalisation can be defined as “the derivation of and argumentation for conclusions covering many or all cases of a certain type based on one or more observations of the real world” (Lukka and Kasanen, 1995, p. 72). In other words, it is “the extent to which theory developed within one study may be exported to provide explanatory theory for the experiences of other individuals who are in comparable situations” (Horsburgh, 2003, p. 311). Since this research has only adopted a single case study, the issue of generalisation will definitely surface. Flyvbjerg (2006) argues that it is wrong to state that a single case study cannot generalise, because it actually depends on the selection of

the case and the methods of selecting it: it is bound to be influenced by the research questions and research surroundings. In a similar vein, Stake (2005, p. 460) also states that the rationale of a case study is “not to represent the world but to represent the case.” The issue of generalisation in this research is solved through the use of the triangulation of data sources and meticulous analysis and discussion of the findings (Lukka and Kasanen, 1995).

The second limitation of case studies is researcher bias. Sword (1999, p. 277) states that there is no research that is not constrained by “biases, assumptions, and personality of the researcher”. This is particularly true when using case study, because the researcher is directly involved with data collection, analysis and conclusion (Yin, 2009; Horsburgh, 2003). This limitation can be overcome through data triangulation (Stake, 2005), confirmation and validation from the selected organisation, as well as reporting the findings using evidence from data sources (Yin, 2009).

3.4.2 Country, Industry and Case Selection

Brunei Darussalam is the selected country for this research for several reasons. Firstly, there is lack of research literature on organisations in that country. Secondly, Brunei Darussalam is a small, developing country with a population of only 408,786 (Central Intelligence Agency, 2012). Brunei is an open economy and well known for its high dependency on its oil and gas industry. Brunei was ranked as having the fifth highest gross domestic product per capita (GDP) in the world in 2010 (De No, 2010), but despite this, Brunei is evidently characterised as having underdeveloped market-supporting institutions, such as property rights, regulatory institutions, and capital market. Nevertheless, a 2008 World Trade Organization report stated that there have been significant improvements in the institutions, especially in telecommunication and regulatory institutions, since its last review in 2001. Thirdly, Brunei is governed by an absolute monarchy system, where the Sultan (King) is the Prime Minister, Minister of Defence, and Minister of Finance. The Sultan is a well-respected man renowned for his kindness and generosity for

the population's well-being. Because of the way the country is governed, Brunei's political condition is stable. Hence, Brunei represents a unique case study for this research, because of the lack of literature, economic and political context of the nation.

Additionally, Brunei is chosen for this research because of the cultural differences between the West and South East Asia and thus, it is believed that distinct leadership behaviour approaches will be adopted in different context (Dorfman, et al.,1997).

Brunei Darussalam is a country that has been dominated by state-owned enterprises for decades. The first corporatisation in the country was the corporatisation of the telecommunication organisation, Jabatan Telekom Brunei (JTB) to Telekom Brunei Berhad (Telbru). The corporatisation agenda started in the early 1990s, when the country experienced a severe fiscal deficit, but the progress of the corporatisation process was far too slow. Nevertheless, the government prioritized the privatisation agenda in the Eight National Development Plan (World Trade Organization, 2001).

The telecommunication industry is selected for this research because it has been targeted for corporatisation and privatisation by many governments around the world. The telecommunication industry requires high investments because of the constant developments in technology. This creates problems for the government, because governments cannot afford to support and sustain such high investment. In consequence, the majority of governments have been opting for corporatisation and privatisation. Although there are numerous pieces of research that discuss the privatisation of the telecommunication industry, there is a limited amount of research that focuses on its corporatisation. This research will thus help fill this gap.

This research has chosen TelBru, previously known as Jabatan Telekom Brunei (JTB) prior to corporatisation, as its main focus of study. This is firstly because, it represents the first corporatised organisation in Brunei, and TelBru

is seen as the benchmark for other government agencies that will follow suit. A further description of this organisation will be elaborated in Chapter Four. Secondly, this company recently underwent the corporatisation programme. It was officially corporatised on 1 April 2006, after nearly two decades of the corporatisation process. Thus, the research will highlight the retrospective activities and processes of the corporatisation, seeking to find the answer how the leaders led the organisation to corporatisation. Nevertheless, since the corporatisation process involves many government agencies, the researcher also chose the Authority for Info-Communications Technology Industry (AITI), who acts as the regulator during the process, and the Department of Economic Planning and Development (DEPD), who acts on behalf of the Government and formed the secretariat of the Jawantankuasa Khas Perswastaaan (JKP) or Special Privatisation Committee (SCP). In addition, the researcher wished to gain access to more information regarding the process, as some questions could only be answered by AITI and DEPD.

3.4.3 Research Time Period

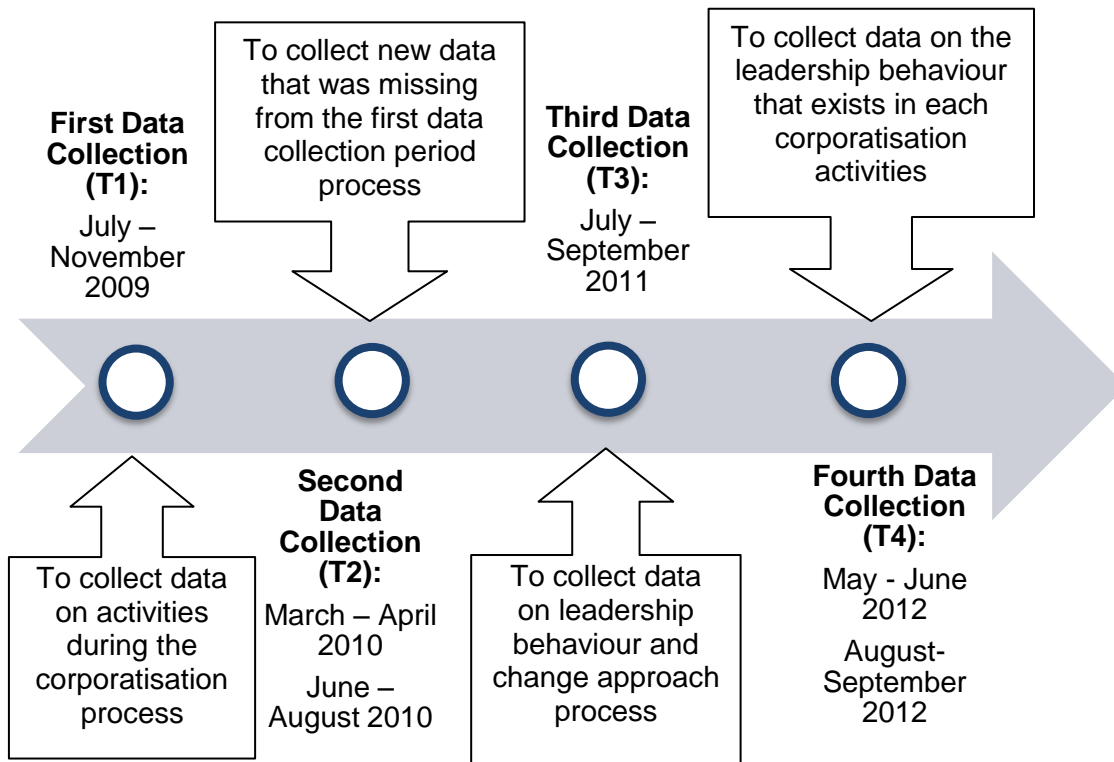
The study was conducted in four consecutive years. The first one was from July until November 2009; the second one, from March until April 2010 and from June to August 2010; the third was from July until September 2011 and finally, the fourth was from May until June 2012 and from August until September 2012. In between these periods, the researcher made contact with the respondents via phone or email. The reason for having four time durations for this study was mainly to collect new intensive data that was missing from the first data collection period. The third data collection period mainly focused on collecting new data about the leadership behaviour and approaches to change. For the fourth data collection, the researcher collected data on the leadership behaviour that might exist during each corporatisation activities. During the first three research periods, the researcher conducted semi-structured interviews and in-depth interviews with the top and middle managers, especially those who were directly involved with the corporatisation process, so as to identify the activities, tools, and actors during the process, and gain more information about

the reasons behind their actions and decisions (Mwanza, 2002; Saunders et al., 2007). The fourth data collection was conducted using both questionnaires and semi-structured interviews with the same respondents from the third data collection.

The researcher was given a table at which to work in the E-Government Business Unit in TelBru from July until November 2009, and was given full access to the corporatisation documents, except for the financial reports and minutes of the Board of Director's meetings, due to confidentiality issues. For the second data collection, from March until August 2010, the researcher successfully gained access again to the same three organisations (TelBru, AITI and DEPD), and conducted interviews with them so as to gather missing data and solve any missing connections in the data. The researcher was heavily pregnant during that time and took one and a half months for recovery from late-April 2010 until June 2010, but continued her data collection after that. As for the third data collection, the researcher made her data collection at one organisation only, TelBru, because the researcher sought to find data regarding the leadership behaviours and change approaches adopted during the corporatisation. For the fourth data collection, the researcher also collected data in TelBru only since the researcher wanted to identify the linkage between the corporatisation activities and the leadership behaviour. The researcher was heavily pregnant during that time and took one and a half months for recovery from mid-June until early August 2012 and the data collection quickly resumed after that.

In order to easily understand the research time period, all of the aforementioned is illustrated in the following figure.

Figure 7 Research Time Period
(Sources: Researcher’s compilation)



3.4.4 Research Access

Prior to data collection, the researcher had gained formal and written access approval from TelBru, AITI and DEPD to conduct data collection, with regards to having interviews with the top and middle managers, and gaining access to the organisations’ documents, including memos, strategic plans, administrative records, and other documents. For confidentiality purposes during data collection, informed consent was given beforehand, and it was agreed that the names of the interviewee would not be revealed in this research. Additionally, the interviews were recorded: the researcher asked permission before recording the interviews, and the interviewee had the right to stop the interview at any time. Fortunately, the majority of the interviewees gave their consent for the interviews to be recorded.

The data collection methods for this research will be highlighted next.

3.5 Data Collection Methods

One of the strengths of adopting a case study is the fact that multiple sources of data can be applied in order to gain rich and numerous data (Yin, 2009). Patton (2002) argues that the use of a mono-method is not sufficient for a qualitative study, because it is susceptible to errors, and will be skewed by any weaknesses in the single method that is chosen. Thus, the use of multiple research methods or data sources, known as data sources triangulation (Flick, 2009), will help prevent this, and allow further validation of the findings. Each method will help to validate the others. The different data sources can also produce consistent or conflicting data, which can either help to confirm or explain the research findings, or create a new data set and challenge existing results (Miles and Huberman, 1994). Hence, the triangulation of data will further intensify the research data (Saunders et al., 2007). The research methods used are interviews, document reviews and questionnaire. This will be discussed next. The following table summarises the primary data sources for this research.

**Table 8 Summary of the Primary Data Sources for this Research
(Source: Researcher's Compilation)**

Sources of Data:	Interviews	Documents
Organisation		
Telekom Brunei Berhad (Telbru)	<p>73 (41 recorded)</p> <p>i) Top managers: 9 people</p> <p>ii) Middle managers: 42 people</p>	<ul style="list-style-type: none"> • Corporatisation reports, such as dialogue session reports, and corporatisation slides, such as the tender evaluation and recommendation slides, to the Board of Directors • Annual reports from 2006/2007 to 2009/2010 • Tender proposal reports, consultants' reports and presentation slides • Strategic documents such as TelBru's strategic

		plans <ul style="list-style-type: none"> • Pamphlets on the Products and services offered by TelBru
Department of Economic Planning and Development (DEPD)	7 i) Top manager : 1 people ii) Middle manager : 1 people	<ul style="list-style-type: none"> • National Development Plans and Statistic Data • Powerpoint slides on Brunei's Privatisation Master Plan
Authority for Info-Communications Technology Industry (AITI)	8 (6 recorded) i) Top managers: 3 people ii) Middle managers: 2 people	<ul style="list-style-type: none"> • Licensing and regulatory framework • Legislations such as AITI Order and Telecommunications Order
TOTAL	88	

3.5.1 Interviews

Semi-structured interviews and in-depth (unstructured) interviews are common research methods used in qualitative research. They are also referred to as 'qualitative research interviews' (King, 2004). A qualitative research interview is "an interview whose purpose is to gather descriptions of the life-world of the interviewee, with respect to interpretation of the meaning of the described phenomena" (Kvale, 1983, p. 174). Thus, the interviewer raised questions regarding the real-life experiences of the interviewee, rather than abstraction and general opinions (King, 2004; Saunders et al., 2007).

The interview questions were open-ended and semi-structured questions, so as to explore the reasons behind the interviewees' actions. The questions were derived from the literature, and were designed in a way that they could answer the respective research questions. Open-ended questions enable the interviewee to "define and describe a situation or event" (Saunders et al., 2007, p. 329). Semi-structured interviews are non-standardised, but with prepared questions and themes that may guide the interviews (Saunders et al., 2007). Since it is not standardised, the questions may differ from one interview to

another, in accordance with the interviewee's background, organisational context, the interviewee's position in the organisation, and the stage of the research at the time of interview. The interviews began with an explanation of the purpose of the research and confidentiality aspects, as well as an explanation of the consent use of electronic equipment to record the interview. The interviewee had the right to switch off the equipment.

The researcher adopted this research method for several reasons. Firstly, the purpose of the research required the researcher to conduct interviews with the top and middle level of management in order to gain more information about the reasons behind their actions and decisions (Saunders et al., 2007), as well as historical information about the corporatisation activities, and the leadership behaviours during the process of corporatisation (Creswell, 2009). In addition, it allows the interviewee to share their ideas, and this can lead to the development of another potential interview question, as well as free discussion on an interesting topic (King, 2004; Saunders et al., 2007).

Secondly, it is found that managers are more willing to attend an interview than fill in a questionnaire (King, 2004; Patton, 2002; Saunders et al., 2007). When they participate in interviews, the interviewees can know how their feedback will be used in the research, especially in terms of strict anonymity, as well as obtaining personal direct feedback from the researcher (King, 2004). The researcher also recorded the interviews, because the researcher believes that by recording the interview, concentration in terms of questioning and listening would be enhanced. Moreover, the recorded interview can be listened to repeatedly and thus direct quotes can be taken (Saunders et al., 2007; Patton, 2002).

Nonetheless, the limitation of using interviews is the respondent's bias when answering the questions (Creswell, 2009) especially when they're relying on memories about past events. However, this was overcome by using critical incident technique (Flanagan, 1954; Saunders et al., 2007; Higgs and Rowland, 2011), where the respondents gave details of the events or activities according

to time. Critical incident can be defined as “an activity or event where the consequences were so clear that the respondent has a definite idea regarding the effects” (Keaveney, 1995 in Saunders et al., 2007, p. 325). In some interviews, the researcher provided a completed critical incident chart for the interviewees to see and validate, as well as getting a clear picture of the research in question. Another limitation to recording interviews is that it can decrease reliability and hinder interview responses, as interviewees are fully aware that they are being recorded (Saunders et al., 2007). However, this can be overcome by using another research method (Yin, 2009) and, in this case, corroborating with document reviews.

As is shown in Table 8, there were eighty-eight interviews conducted in this research, of which seventy-three were made in TelBru, seven in DEPD, and eight in AITI. For the first and second data collections, the interviewees were both top and middle managers, and were selected based on their job position and their role and involvement during the corporatisation process. For the third data collection, the researcher interviewed both top and middle managers from different departments who worked with TelBru/JTB prior to the 2006's official corporatisation, and had direct or indirect involvement and experience of the whole corporatisation process, which commenced in 1986. For the fourth data collection, the researcher interviewed the same interviewees from the third data collection. Most of the interviews lasted for between forty minutes and one and a half hours. Forty-seven interviews were recorded: the remaining forty-one were not recorded due to confidentiality issues and fear of direct quotation. Nonetheless, notes of the interviews were written on a book. The researcher often transcribed the interviews made within twenty-four hours of the interviews (Eisenhardt, 1989). The interviews were conducted in both Malay and English language, since Malay is the mother tongue for Bruneians and is the national language for Brunei Darussalam. The majority of the Bruneians understand and speak English, because English is a compulsory subject in schools in Brunei. Most of the interviewees spoke both in English and Malay throughout the interviews and this is reflected in the interview transcripts and memos.

The interview quotation in this research will be arranged in this order: Respondent Number_ Management level. For instance, Respondent 1_TM means Respondent 1 from the top management level whereas Respondent 2_MM represents Respondent 2 from the middle management level.

3.5.2 Document Review

Document review or analysis means analysing and scrutinizing books, advertisements, newspapers, official memos, minutes, records, web files, strategy files, organizational records, and publications (Patton, 2002). The strength of using this research method is that it helps the researcher to be hassle-free, since documents are accurate, easily accessed and especially written due to certain important purposes (Creswell, 2009; Yin, 2009).

Since the research focuses on retrospective activities, observation is not possible. Therefore, the use of documents is very useful as it helps validate the researcher's findings and discussions during the interviews, as well as producing a time-line for the activities of the corporatisation process (Bryman and Bell, 2003). The limitation of using documents is potential lack of access to some documents due to strong confidentiality and sensitivity issues (Yin, 2009). Another limitation is that the documents may not be genuinely accurate (Creswell, 2009), but this can be overcome by asking for validation from the organisation about the information that is found in the documents.

The researcher used documents in various ways. Prior to data collection, the researcher used documents from the organisations to provide the researcher with an intensive background about the organisations. It also helped the researcher to develop questions for the interviews, as well as identifying the right people to be interviewed. Research access for documents was requested at the beginning of the research, and most of the responses given were positive, although restrictions were made on financial documents, such as financial reports, as well as minutes of meetings for the Board of Director's (TelBru) and the Special Committee on Privatisation's meetings (DEPD). This is

due to confidentiality and sensitivity issues. The list of documents obtained from each organisation was shown previously in Table 8.

3.5.3 Questionnaire

Questionnaire is a structured technique (Beiske, 2002) where “each person is asked to respond to the same set of questions in pre-determined order” (Saunders et al., 2007, p. 354-355).

The strength of using this research method is that it is a quick method as the set of questions are standardised (Boynton and Greenhalgh, 2004). Since the questionnaire can be completed in privacy, anonymity can be achieved with this method and the respondents can give honest answers (Sociology Central, 2012). The drawbacks of using this method are that the respondent might not understand the questions properly and the response rate might be low (Sociology Central, 2012). The researcher prevented this limitation by providing contact details in the questionnaire should the respondents have questions to ask.

This research method was adopted in the fourth data collection only. The questionnaire used open-ended questions in order to gain more information from the respondents. The respondents for the questionnaire were the same ones from the third data collection and the response rate was 57%. During the first part of the fourth data collection period (May-June 2012), the questionnaire were administered by delivering to the respondents and collected at a later date. This was because the researcher was heavily pregnant to conduct interviews and that the data collection would still be ongoing during the post-natal recovery period (mid-June until early August 2012) as the questionnaire can be completed with the absence of the researcher. In the second part of the data collection period (August until September 2012), the researcher adopted the semi-structured interview and administered the questionnaires using both structured interview and the delivery-and-collection technique as some of the

respondents were busy to be interviewed and preferred to answer the questionnaire instead.

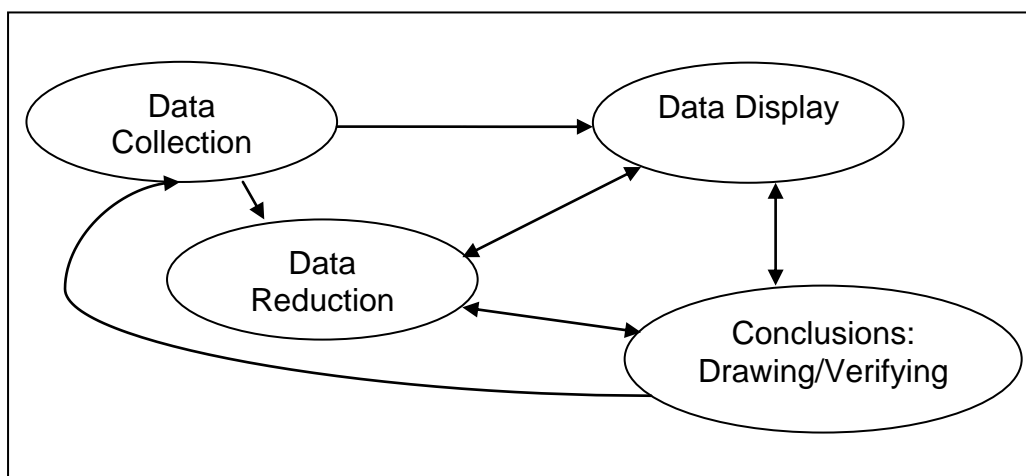
The next section will elaborate on how the data will be analysed.

3.6 Data Analysis

The qualitative data collected are analysed using the Miles and Huberman (1994) approach, whereby three stages are involved: data reduction, data display, and conclusion drawing verification. Miles and Huberman's (1994) data analysis is a continuous, iterative process. This data analysis model can be seen below:

Figure 8 Data Analysis

(Sources: Adopted from: Miles and Huberman, 1994, p. 12)



All of these stages will be explored in detail next.

3.6.1 Data Reduction

The researcher tended to adopt data reduction after every data collection. According to Miles and Huberman (1994, p. 10), data reduction is “the process of selecting, focusing, simplifying, abstracting and transforming of the data that appear in written-up field notes or transcriptions.” Data reduction is part of the

analysis, because it helps to manage and reduce voluminous amounts of data. Examples of data reduction are writing summaries and memos, as well as coding. This research used the contact summary sheet, document summary form, memoing, and coding for the purpose of data reduction. This helps the researcher to gain significant information from different data sources.

A contact summary sheet was used after every interview to note any main issues and information arising. The sheet can also summarise significant points from the interviews, and can assist in planning for the next contact, as well as recommending new or revised codes and supplementing data analysis (Miles and Huberman, 1994). This sheet was filled in on the day of the interview, while memories were still clear, and to prevent loss of vital data.

Another data reduction technique used in this research was the document summary form. The researcher used this form to analyse data and summarise information obtained from the collected documents such as annual reports and brochures. The form also provides summaries and clarification on the importance of the documents. The researcher attached the form on top of every analysed document. Additionally, the researcher used memos to write innovative and new ideas. The memos were dated, linked to the field notes or interview summaries, and coded. The memo-ing was a technique used frequently throughout the research data collection and data analysis.

Coding is necessary for organising information. Codes are “tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study” (Miles and Huberman, 1994, p. 56). The advantage of using coding is that it can help the researcher to “quickly find, pull out and cluster the segments relating to a particular question, hypothesis, construct or theme” (Miles and Huberman, 1994, p. 57).

Since the interviews were transcribed in both Malay and English, the interview transcripts were also coded and analysed using both languages. It was only after coding and drawing conclusions that translation from Malay to

the English language took place, in order for the thesis to be written, and to prevent the loss of the real meaning of the data. The codes were derived using both priori and inductive coding (Miles and Huberman, 1994; Higgs and Rowland, 2011). The priori ones were developed prior to data collection, in order to direct the focus of the researcher to the research questions (Miles and Huberman, 1994). These codes were derived from the literature, and were designed to answer the research questions. The inductive coding, on the other hand, consisted of codes that were developed after the data was collected (Miles and Huberman, 1994). The start-list codes were amended as new codes were added, whereas some codes were revised or deleted after the completion of data collection. Pattern codes were also employed and added to the list of codes. Pattern codes are “explanatory or inferential codes, that identify an emergent theme, configuration or explanation” (Miles and Huberman, 1994, p. 69). The importance of pattern codes is that the research is becoming more focused, as well as reducing the voluminous data into more manageable segments. The final codes for this research are shown in Appendix I.

3.6.2 Data Display and Drawing/Verifying Conclusions

After the data coding, the next stage of the data analysis was data display. Data display is where information is organised and assembled, so that conclusion and actions can be made. This can include displaying information using charts and graphs (Miles and Huberman, 1994). Data display can provide a visual of the data and thus, the researcher can easily analyse the data further by identifying the relationships in the data. This can lead to drawing the conclusion (Saunders et al., 2007).

Since this research focuses on the activities in the corporatisation process, the time and the sequences of these activities were essential. This is because, in order to explain the activities using the perspective of activity theory, the research relies on the patterns developed by the sequences of the corporatisation activities that took place. For this purpose, the researcher adopted the critical incident chart to display the significant activities that had a

“strong catalytic effect” (Miles and Huberman, 1994, p. 115) on the activities in the corporatisation process, as shown in Appendix II. In addition to this, the researcher developed a model that illustrates the context of the organisation, showing events that led to the decisions made by the Government of Brunei to corporatise JTB, and the series of activities that finally officiated the corporatisation of JTB to TelBru, as shown in Appendix III.

In drawing the conclusions, the researcher adopted several tactics, including: i) noting patterns and themes; ii) clustering; iii) making metaphors; iv) counting; v) making comparisons (Miles and Huberman, 1994).

3.6.3 The Use of Nvivo8 Software

Prior to the first data collection, the researcher attended a training course on using NVivo8, software so as to familiarise with the software. The researcher then decided to use the software for practicality and convenience purposes. The researcher attended NVivo training software again after the second data collection to recap and update with new techniques and features. This research used NVivo8 software to assist in organizing and storing data, writing memos, coding data and, most importantly, analysing data. In addition, the use of NVivo8 aids in data display. It is easier for the researcher to create models making visual links and relationships with the data collected (as shown in Appendix III). Furthermore, it can save time in grouping and organising data, which can be very time-consuming. Coding of data using NVivo8 software is simple because one can code, recode and retrieve the data (Saunders et al., 2007).

The next section will elaborate on how activity theory is applied in this research.

3.7 Application of Activity Theory

This research employs activity theory as its theoretical lens, as discussed in Chapter Two. This section will examine how activity theory will be applied in this research. There are no clear procedures on how to employ activity theory in practice and, as a result, this creates flexibility and independence for the researcher in terms of its application (Mwanza, 2002). Relying on the activity triangle model alone is not sufficient for this research, because it is far too descriptive (Mwanza, 2002) and past research has not clearly stated procedure for the application of activity theory (Mwanza, 2002), with the exception of Yamagata-Lynch (2010).

In order to identify leadership behaviour and a change approach in corporatisation activities, the element of object-oriented activities and 'subjects' (leaders), as well as the contradictions that might exist in the activities, were heavily emphasized. Thus, this research adopted Engeström's (1987) activity triangle model, Mwanza's (2002) Eight-Step Model, and Prenkert's (2006) Analysis Readiness Review, for the following reasons.

- 1) Engeström's (1987) activity triangle model can provide a descriptive presentation of the activity, describing the elements of the activity (as illustrated in Figure 4 in Chapter Two).
- 2) Mwanza's (2002) Eight Step Model can provide a further analysis and explanation of the activities and relationships within and between the elements of the activity system (as shown in Table 9).
- 3) Prenkert's (2006) Analysis Readiness Review can identify the contradictions within and between the elements of the activity system (as shown in Table 10).

**Table 9 The Eight Step Model
(Sources: Adapted from: Mwanza, 2002)**

Steps	Elements	Questions
1	Activity	What sort of activity am I interested in?
2	Objective	Why is the activity taking place?

3	Subject	Who is involved in carrying out this activity?
4	Tools	How were the subjects performing this activity?
5	Rules and Regulations	Are there any cultural norms, rules or regulations governing the performance of the activity?
6	Division of Labour	Who is responsible for what when carrying out this activity, and how are the roles organised?
7	Community	What is the environment in which this activity is carried out?
8	Outcome	What is the outcome from carrying out this activity?

Prekert's (2006) Analysis Readiness Review contains thirteen steps. Step 1-8 simply probes the elements of the activity system, whereas Step 9 identifies the inner contradictions and the remaining Steps 10-13 explore the outcomes of the contradictions (Prekert, 2006). Thus, for the purpose of this research, only Steps 9-13 were used, because they can analyse the change process (Prekert 2006), and Mwanza's (2002) Eight Step Model has already pinpointed the elements of the activity system. The questions for Steps 9-13 are shown below:

**Table 10 Analysis Readiness Review
(Sources: Adopted from: Prekert, 2006)**

Existence of Inner Contradictions	
Step 9	<ul style="list-style-type: none"> i) Are there any paradoxes, contradictions, or double binds within the elements of the central activity? ii) Are there any paradoxes, contradictions, or double binds between the elements of the central activity?
Outcomes of the Contradictions	
Step 10	<ul style="list-style-type: none"> i) What activities are interfacing with the central activity? ii) What are the neighbouring activity systems? (follow steps 1-8 again).
Step 11	<ul style="list-style-type: none"> i) Are there any paradoxes, contradictions, or double binds between the central activity and neighbouring activities? ii) Are there any creative, innovative solutions to the tensions created by the contradictions? iii) Are there any tentative or preliminary solutions?
Step 12	<ul style="list-style-type: none"> i) Is there an evolutionary, more elaborated, new activity system emerging?
Step 13	<ul style="list-style-type: none"> i) Are there any paradoxes, contradictions, or double binds

	between the old and new activities/activity systems?
--	------------------------------------------------------

The researcher also analysed contradictions by “zooming in on the analysis” (Murphy and Rodriguez-Manzanares, 2008, p. 449), because zooming in and zooming out of the analysis can help reveal contradictions (Yamagata-Lynch, 2010). The researcher did this by focusing on a specific area and sometimes analysing and comparing data from different data sources (Murphy and Rodriguez-Manzanares, 2008).

The next section will discuss the quality standards of this research by exploring its reliability and validity.

3.8 Quality Standards of the Research

It is expected that the quality standards of research will be high, and credible enough for it to be considered rigorous and trustworthy research. Yin (2009) states that four tests are available and applicable for case studies. The four tests are: construct validity (to test for operational measure), internal validity (to identify any causal relationships), external validity (to test for generalisation), and reliability (to test the data collection procedures) (Yin, 2009).

To increase the construct validity, this research employed multiple data sources, namely interviews and documents. The data from these sources were compared to find any inconsistencies or conflicts in the data. Additionally, the adoption of Miles and Huberman’s (1994) data analysis assisted this research in achieving a chain of evidence (Yin, 2009). Since this research is conducted in four consecutive time periods, the draft of the case study was sent to the respondents after each research time period for perusal review and validation of findings. In order to increase the internal validity, especially during the data analysis, this research employed pattern matching by matching the findings with the current literature.

It is without doubt that external validity is considered as an obstacle for any case study (Yin, 2009). Since this is a single case study, generalisation can prove to be difficult. Being an intrinsic case study, this research does not intend to generalise for the whole population, but rather to represent the understanding of the case study. Therefore, generalisation should not be a big issue for this research (Sauders et al., 2007).

To increase the reliability of this research, the researcher documented the steps and procedure during the data collection and analysis. Additionally, the use of NVivo8 software made it possible for the researcher to create a case study database where most data from different sources, such as interview transcripts and copies of documents, was organised and kept. Some data, in the form of papers, were carefully labelled using the document sheet form, and stored in files.

The next section will provide a summary of this chapter.

3.9 Summary

This chapter is primarily concerned with the research methodology. This is a qualitative research that adopts critical realism philosophy and employs an inductive approach. The rationale for choosing these methods is discussed in this chapter. The research methodology employed for this qualitative research is a case study, and the advantages and limitations of using a case study are examined. All in all, this research is based on an intrinsic (Stake, 2005) and revelatory (Yin, 2009) single case study.

The research was conducted at a telecommunication service provider organisation in Brunei Darussalam, known as TelBru, and previously known as JTB prior to corporatisation. The research was conducted in four consecutive years from 2009 to 2012. The research methods used are interviews, document reviews and questionnaire, in order to achieve triangulation of data sources. Eighty-eight interviews were conducted altogether, and a wealth of documents

supplemented this research. The data was analysed using the Miles and Huberman (1994) approach, which involves three stages: data reduction, data display, and conclusion drawing verification. To assist the research in managing and analysing the data, this research used NVivo8 software. In order to apply activity theory as its theoretical lens, this research embraced Engeström's (1987) activity triangle model, Mwanza's (2002) Eight-Step Model and Prenkert's (2006) Analysis Readiness Review. Additionally, this research has met the requirements of Yin's (2009) four quality control tests of construct validity, internal validity, external validity, and reliability.

The next chapter, Chapter 4, provides a case background for this research. Chapters 5 and 6 are devoted to describing the empirical findings of this research. Chapter 5 focuses on the corporatisation activities and the approach to change in this research, and Chapter 6 focuses on the leadership behaviour in the corporatisation of JTB.

CHAPTER FOUR

TELECOMMUNICATION INDUSTRY IN BRUNEI DARUSSALAM

4.1 Introduction

This chapter provides a background of the case research by initially presenting an introduction to the country where the case is situated, Brunei Darussalam. The culture and leadership of Brunei will also be highlighted. Subsequently, this chapter will give an overview of the telecommunication industry in Brunei, comprising of the Ministry of Communication (Mincom) as the policy maker; AITI as the regulator, and three telecommunication infrastructure providers: DST Group, Telbru Communication, and B-Mobile Communication. This is followed by the rationale behind the corporatisation of JTB, as well as exploring the legislations behind JTB's corporatisation. The duties and responsibilities of the Special Committee on Privatisation (SCP) are also highlighted, and this chapter concludes with a summary.

4.2 Brunei Darussalam

Brunei Darussalam is one of the world's smallest nations, with a land area of only 5765 sq km, and a population of 390,000 (Oxford Business Group, 2008). Brunei Darussalam is situated in South-East Asia, on the North-Western coast of the third largest island in the world, Borneo Island (please refer to Appendix IV). Islam is the official religion and Malay is the official language in Brunei. The English language is widely spoken in the country.

The capital city of Brunei is Bandar Seri Begawan and it is situated in the geographically smallest district of Brunei, Brunei-Muara. Brunei is divided into four districts: namely Brunei-Muara (69% of the population), Tutong (11%), Kuala Belait (17%) and Temburong (3%) (Tuan, 2003). Belait district is the largest district. This is where oil and gas activities are carried out. Brunei-Muara district is where most of the economic and business activities occur.

Brunei, which was once a British protectorate for almost 100 years, gained independence in 1984. The government in Brunei is by absolute monarchy where the His Majesty the Sultan is the Prime Minister, Minister of Finance, and Minister of Defence (Oxford Business Group, 2008).

Brunei is heavily dependent on its petroleum (natural gas and oil) industry, representing 69% of the GDP in 2006. This makes the country susceptible to the lapse of the natural resources (World Trade Organization, 2008). Brunei also exports machinery, clothing, and transport equipment, but these accounted for less than ten per cent of the exports in 2006 (World Trade Organization, 2008). However, Brunei is also heavily dependent on its imports, ranging from foods to transportation. This amounted to USD1.7bn (£1.1bn) in 2006 (World Trade Organization, 2008). The telecommunication and information and communication technology (ICT) industry in Brunei contributed significantly to the economy, amounting to at least B\$300 million (£144.08m), with a ten per cent average annual increase (Mohammad, 2006). The initiatives made by the Brunei Government to strengthen the telecommunication industry as well as the privatisation initiatives stated in Brunei's National Development Plans (NDP) or Rancangan Kemajuan Negara (RKN) are highlighted in Appendix V.

Brunei has a national vision – Brunei Vision 2035, where it strives to become in the Global Top 10 in the UN Human Development Index (HDI), especially in regards to the standard of living, political stability and income per capita. It seeks to gain world recognition for Brunei's well-educated and skilled populace, as well as its vigorous and sustainable economy (Oxford Business Group, 2008; Brunei Economic Development Board, 2011a). Under the United Nation Human Development Index 2011, Brunei is currently ranked 33 out of 187 countries (United Nations Development Programme, 2011), showing that Brunei has attained its socio-economic objectives stated in the NDP.

Brunei's currency is currently pegged with the Singapore Dollar at parity due to the Currency Interchangeability Agreement with Singapore (World Trade Organization, 2008). Inflation in Brunei is stable due to price controls and

government subsidies on many amenities such as electricity, petrol and rice (World Trade Organization, 2008).

Brunei's private sector is generally weak, despite the attractive investment incentives, due to the lack of human resources. The majority of the population is employed with the government because of its lucrative salaries and various benefits (World Trade Organization, 2008). Because of this, the private sector in Brunei is dominated by Asian immigrant workers. In addition, there is a lack of transparency and public accountability in the government sector, as well as a lack of market-supporting institutions, including the unavailability of Brunei's own stock market (World Trade Organization, 2008).

Aziz (2008) blamed the slow pace of development in Brunei on bureaucracy and heavy control. As a consequence, it creates time-consuming decision-making processes, enissophobia (fear of criticism or being criticized) and fear to make decisions (Aziz, 2008).

Brunei has a population of 408,786 consisting of various ethnic groups namely Malay (66.3% of the population), Chinese (11.2%), indigenous (3.4%) and others (19.1%) (Central Intelligence Agency, 2012). The population enjoys exceptional standards of living and an excellent welfare system. There is free education, medical care, housing, and no tax on income, goods, or services are imposed (World Trade Organization, 2008). Brunei's per capita GDP is one of the highest in Asia - B\$48,400, equivalent to US\$35,187 (£22,066.35) (Oxford Business Group, 2008).

Aziz (2008) and Clarke and Salleh (2011) describe Brunei's culture as a collectivist culture that values family ties and group amity. The culture of Brunei will be further elaborated next.

4.2.1 Culture and Leadership in Brunei

“If Malay traditions are Brunei’s cultural root, then Islam is its heart.”

(Brunei Tourism, 2005)

The national philosophy of Brunei and the backbone for Brunei’s cultural identity is ‘Melayu Islam Beraja (MIB)’ or Malay Muslim Monarchy. The main basis of the ideology of MIB are ‘adat istiadat’ and Islam whereby both Malay and Monarchy concepts are based on the existence and practices of ‘adat istiadat’ and Islam is the religion and belief of the Bruneians (Haji Abd Hamid, 2003). MIB forms the basis for the social and political form of the state, espousing the monarchy and practising the Islamic way of life (Oxford Business Group, 2008). The MIB creates “an inextricable link between Malay, ethnic identity, Malay language (the official language), the nation and Islam” (Hj Awg Chuchu and Saxena, 2009, p. 42).

Brunei is a country with strong Islamic ideology whereby the Islamic symbols and the verses of the Holy Qur’an are made as the Brunei Government’s official symbols (Haji Abd Hamid, 2003). For instance, national motto of Brunei which can be seen on the crescent of the Brunei flag, is written in Arabic script and can be translated as ‘Always in service with God’s Guidance’. During the proclamation of Independence of Brunei Darussalam in 1984, the late Sultan Omar Ali Saifuddin III called ‘Allahu Akhbar’ (Allah is Great) three times instead of saying ‘Merdeka’ (freedom). Even though these are simply words or slogans, it showed that the verses of the Holy Qur’an are given a special place in government’s activities so as to raise Islamic spirits and values (Haji Abd Hamid, 2003). The Brunei Government also promotes religious ceremonies and educations and does not allow the establishment of night clubs and selling or public consumption of alcoholic drinks.

In terms of Hofstede’s (1980) cultural dimensions, Brunei Malay culture can be regarded as collectivist culture with high power distance. It is a collectivist culture because they value the sense of togetherness based on the

Malay proverb 'Bersatu kita teguh, bercerai kita roboh' which means 'United we stand, divided we fall' (Low, 2011). In the working environment, Malays like to help one another as they believe it can foster a positive work culture (Low, 2011). Because of the small number of population, Bruneians tend to know or related with one another (Aziz, 2008). The culture of Brunei is colourfully described by Aziz (2008, p. 175):

"In many respects, Brunei people embrace the same basic Southeast Asian values, with a passion for traditionalism but a desire for modernity. They share the Asian gentleness and hospitality..."

In addition, Low (2008, p.3) states the following:

"The Bruneian Malays are also well known for their values such as respecting one's elders, obedience to one's parents, being loyal and obeying one's leaders, as well as showing empathy and being considerate to others"

In Brunei, the Malays are a culture-conscious society. Despite the modern western influence in Asia, Brunei Malay customs and traditions are still widely-practiced, for instance, during weddings (consists of ten ceremonies), celebrating the first child of a wedded couple (Majlis Mandi Berlawat) and funerals (Aziz, 2008; Haji Abdul Hamid, 2003). These customs and traditions are part of the unique cultural identity for Brunei (Aziz, 2008). Respect is highly valued in Brunei and such can also be found in the work environment. It is considered rude when greeting someone by their first name or referring an elderly with the word 'Kau' (means 'You') instead of 'Kita' (also means 'You' but in a polite way). The Bruneians also do not like to 'meracak' (looking down on people) and 'tidak bapirawis' (disrespectful) (Haji Abdul Hamid, 2003).

Brunei has high power distance which is not uncommon in many Southeast Asian countries (Gupta, Surie, Javidan and Chokkar, 2002). Bruneians recognise and accept hierarchical order and relationships in their communities and organisations. Because of this, they do not like confrontations and being too outspoken (Henry and Ho, 2010; Othman and Mclellan, 2000), as it might be considered as culturally unacceptable (Clarke and Salleh, 2011)

Nonetheless, the Bruneian Malays are 'class'-conscious (Aziz, 2008), risk-averse people (Kifle and Low, 2009) and introverts (Low, 2011). The rich nation has made its population to become a class-conscious society to the extent that some people would do anything in order to belong in an elite crowd (Aziz, 2008). Additionally, this has also made the Bruneians to be very selective in choosing a job, thus causing the rise of unemployment in Brunei (Aziz, 2008). Malay Bruneians are not risk-takers when compared to the Chinese people (Kifle and Low, 2009). Some Bruneians are introverts whereby one would have to dig deep in order to get information. Thus, this would create a challenge for leaders to know the 'real' situation.

In line with the MIB ideology, benevolent leadership or father leadership and Malay leadership are widely practised in Brunei (Low, 2008, 2011; Low and Mohd Zain, 2008). A leader is highly-regarded and highly-respected in Bruneian culture. Father leadership is a type of leadership behaviour that believes that "people of staff should be treated like the leader's family members and that the 'all-in-the-family' feeling and the leader-followers' bonding/ relationship matters" (Low, 2008, p.1). In return, this type of behaviour creates sense of loyalty and commitment among the followers as well as cultivating rapport between the leaders and the followers (Low, 2011). An exemplar of this is the ruler of Brunei, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah whereby he is seen as a fatherly figure who takes care of the welfare and the betterment of the society by providing benefits to the populace such as no income tax and free education, to name a few (Low, 2008, 2011).

In similar vein, Low (2011) states that Malay leadership style is relevant in the Bruneian context. Malay leadership style is a "leadership style based on their cultural and religious values, and being predominantly Muslim, Malay leaders put into practice the Islamic values" (Low, 2011, p. 16). For instance, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah incorporates Islamic values and teachings in his government by building religious schools, mosques and Islamic centres (Low, 2011). Malay leadership behaviour in Brunei includes (i) Being fair and kind to their followers; (ii) Being fatherly; (iii)

Being people oriented; (iv) Being a good communicator and friendly and not being too assertive; (v) Leading by collectivistic value; (vi) Being directive (Low, 2011). The Malay people enjoy harmonious and trustworthy relationships with their colleagues and superiors as signs of respect and loyalty are highly valued by the Malays.

Similarly, in a study made by Low, Md Zain and Sik-Liong (2012) using 34 Bruneians from both public and private sector found seven key principles on how to manage the Bruneian people: managers should lead by example, be trustworthy and high integrity, be a listener and communicator to the employees, must attain employees' support and commitment and finally, create high sense of unity among the employees. These key principles can encourage positive relationship between the leader and followers especially through excellent teamwork and this can lead to an increase in the organisational performance in terms of productivity and efficiency. Nonetheless, there is no study on the leadership behaviour of Brunei leaders in the context of change and in this case, corporatisation.

The telecommunication industry in Brunei comprises of Mincom as the policy maker; AITI as the regulator, and three telecommunication infrastructure providers, DST Group, Telbru Communication, and B-Mobile Communication. This will be discussed in detail next.

4.3 Telecommunication Industry in Brunei

The telecommunication industry in Brunei has a high ranking in Asia, especially in terms of penetration and infrastructure. The number of fixed line subscribers has fluctuated slightly between the year 2006 and March 2011. There was a rapid growth rate of 106.72% of mobile subscribers in the period from 2006 until March 2011, and an increase from 301,322 in 2006 to 439,149 mobile subscribers in March 2011 (AITI, 2011a).

The mobile industry is mainly occupied by prepaid subscribers, rather than subscribers who pay afterwards. There was also an increase in internet users, from 40.97% in 2006 to 82.93% in June 2010. Internet subscription saw an increase of users from 19,104 in 2006 to 48,812 subscribers in March 2011. The majority of the users are fixed broadband subscribers. All of these developments can be summarised at the following table:

Table 11 ICT Core Indicators, 2006-March 2011
(Source: AITI, 2011)

Core indicators	Statistics for the year					
	2006	2007	2008	2009	2010	March 2011
Fixed line subscribers	80,176	79,554	80,786	80,549	79,901	79,813
Fixed line subscribers penetration	20.93%	20.40%	20.30%	19.83%	19.42%	19.40%
Mobile subscribers	301,322	366,138	398,857	412,882	435,104	439,149
• Post-paying subscribers	46,766	51,383	54,908	55,812	62,961	63,140
• Prepaid subscribers	254,566	314,755	343,949	357,070	372,143	376,009
Mobile subscribers penetration	78.68%	93.88%	100.22%	101.65%	105.73%	106.72%
Internet subscribers	19,104	19,980	37,385	45,342	48,732	48,812
• Mobile broadband subscribers	-	-	13,565	19,561	22,000	22,450
• Dial-up subscribers	8,643	8,363	6,929	5,752	5,015	4,610
• Fixed broadband subscribers	10,461	11,617	16,891	20,029	21,699	21,752
Internet subscribers Penetration	4.99%	5.16%	9.46%	11.22%	11.89%	11.91%

The percentage indicators are calculated based on Brunei's population: year 2006: 383,000; year 2007: 390,000; year 2008: 398,000; year 2009: 406,200; year 2010: 411,510 (Source: AITI, 2011)

The changes in the telecommunication industry in Brunei are mainly due to liberalisation, corporatisation, competition, and technological innovation (Haji Buntar, 2004). The Government of Brunei Darussalam is currently liberalising

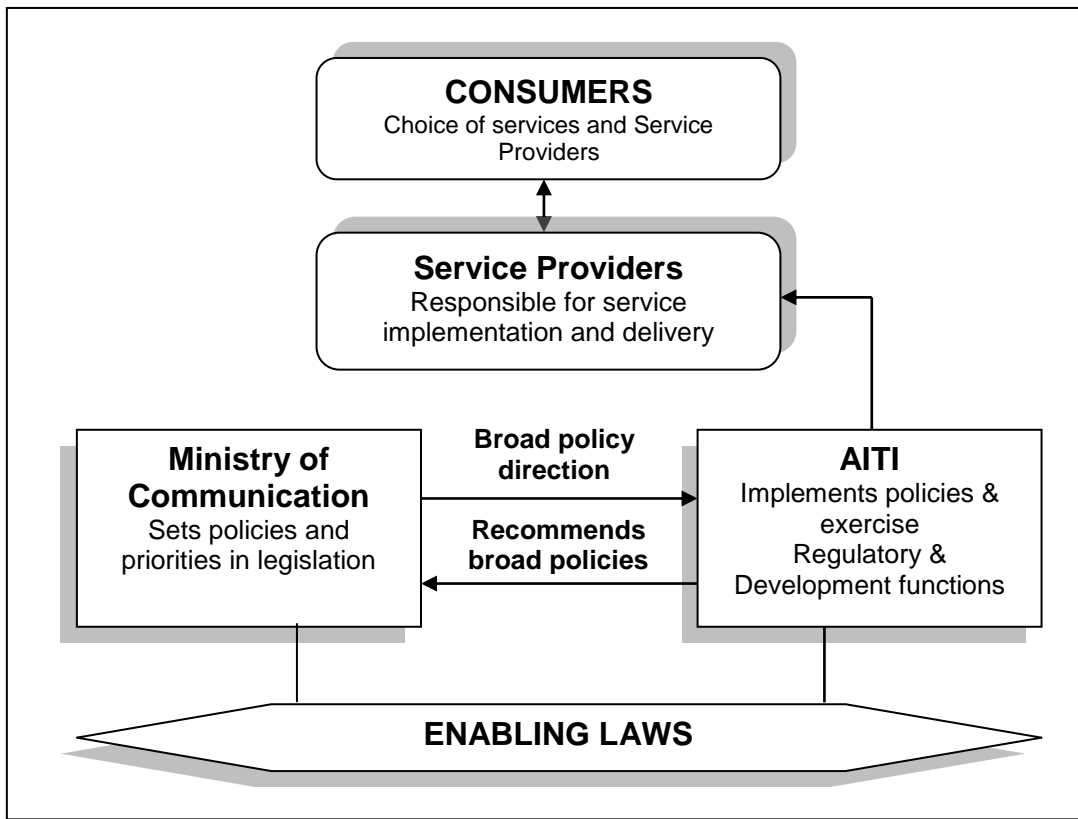
the market so as to promote competition. In the past, the market was monopolised by the only provider of fixed-line network services in Brunei, which was the government-owned Jabatan Telekom Brunei (JTB), or the Telecommunication Department, and the only mobile service provider, Data Stream Technology Communications (DSTCom) of the DST Group (Oxford Business Group, 2008; World Trade Organization, 2008).

The pure monopoly telecommunication industry has now changed to oligopoly in 2005. There is now “regulatory intervention and imperfect competition” (Brunei Darussalam – Country Report, 2003, p. 2). Endeavours have been made to create strong competition, as well as encouraging and challenging local companies to enter foreign markets (Brunei Darussalam – Country Report, 2003). The oligopoly market consists of three telecommunications service providers: TelBru (previously known as JTB), the main fixed-line network service provider, and DSTCom and B-Mobile as the mobile service providers. All of these are owned locally without any foreign ownership (World Trade Organization, 2008).

The players in the industry: Mincom, AITI, TelBru, DSTCom, and B-Mobile, play vital roles in ensuring the efficiency and effectiveness of the telecommunication industry as well as meeting the needs of the customers by offering innovative and high quality products and services. Mincom is responsible for being the policy maker and creating policies and regulations. The independent statutory body, AITI, is the regulator, with the responsibility of implementing the policies and creating awareness of information technology amongst the public. The service providers, TelBru (fixed-line), DSTCom (mobile), and B-Mobile (mobile) are responsible for providing products and services to the customers, in line with the imposed regulations and policies. Consumers are the ones who have product and service preferences, and can observe different price plans as offered by the service. The duties of the industry players can be demonstrated below:

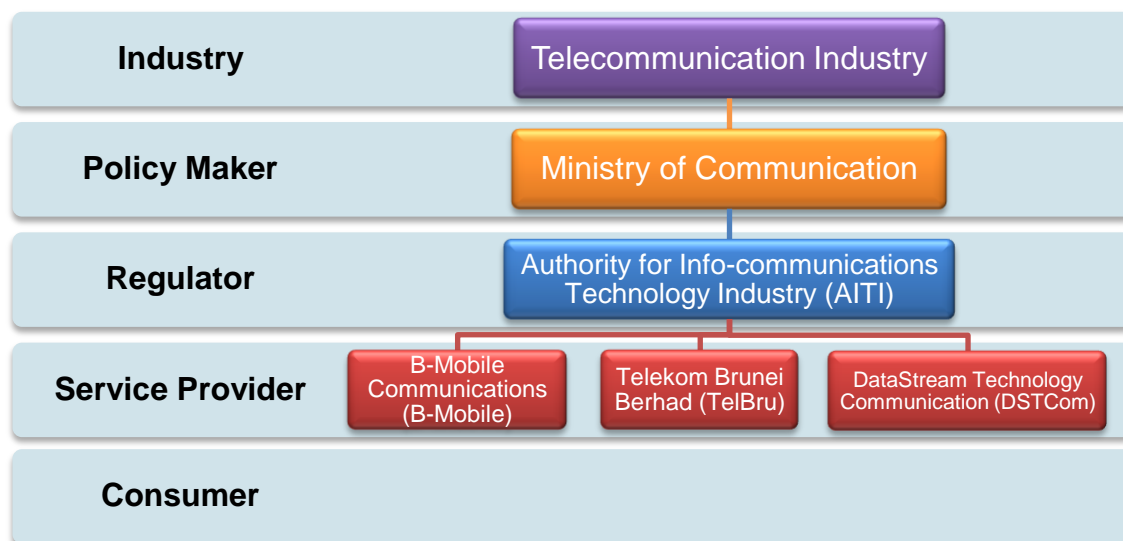
Figure 9 Industry Players in Brunei’s Telecommunication Industry

(Source: Adopted from AITI, 2010)



A brief introduction to each of the telecommunication industry players will be presented next. For the sake of simplicity, another illustration of the industry players is shown below:

Figure 10 Telecommunication Industry Players in Brunei
(Source: Researcher's compilation)



4.3.1 Ministry of Communications (Mincom)

Mincom was established after the independence of Brunei Darussalam in 1984 (Ministry of Communications, 2011). The Ministry previously had six departments under it: Telecommunications Department, Civil Aviation Department, Land Transport Department, Ports Department, Postal Services Department, and Marine Department. At present, there are five departments remaining, after the corporatisation of the Department of Telecommunications or JTB in 2006 (Ministry of Communications, 2011). The vision of Mincom is “towards a sophisticated society and excellence in communications for enhancing national competitiveness”, and its mission is “to create a conducive and dynamic environment for sophisticated society; to establish and sustain hubbing activities in communications; and to provide safe, efficient, accessible and secure communications so as to enhance national competitiveness and quality of life in the knowledge-based economy” (Ministry of Communications, 2011).

The main functions and roles of Mincom are “to plan, create and develop the transportation industry – maritime, land and air and communications industry – global post and telecommunications; to fulfil the country's needs,

progress and prosperity; to prepare and update the country's laws and regulations via services offered to the public made easy, fast, safe, reliable and satisfactory and finally, to establish a competitive and conducive climate for growth of industries and to develop and promote services offered by the departments under the Ministry of Communications” (Ministry of Communications, 2010).

Mincom is headed by the Minister of Communications, appointed by the Government of Brunei Darussalam. Prior to the corporatisation of the Department of Telecommunications or Jabatan Telekom Brunei (JTB) in 2006, JTB played a dual role as both regulator and service provider. With the corporatisation of JTB, JTB's role as the authority were transferred to AITI, who acts as a statutory body that grants licenses and implements regulatory functions (AITI, 2011b; World Trade Organization, 2008).

4.3.2 Authority for Info-communications Technology Industry (AITI)

AITI was established in 2003 and is a statutory body for the information and communication technology (ICT) industry in Brunei (AITI, 2011b). Taking effect after the Telecommunications Order 2001 in 2006, AITI was given the authority to grant licenses to service providers (AITI, 2011b). One of AITI's main functions involves acting as a regulator for the telecommunication industry (AITI, 2011b). Additionally, the management of the national radio frequency spectrum, and the promotion of information and communication technology to the public, are among the functions and duties of AITI (AITI, 2011b).

The vision of AITI is “providing a conducive ICT environment to promote an innovative and vibrant ICT industry that will enrich quality of life and propel the nation forward” (AITI, 2011c). The missions of AITI are: “1) To provide licenses and regulate telecommunications and radiocommunications systems and services, and to manage the national radiofrequency spectrum in Brunei Darussalam; 2) To promote the development and growth of the ICT industry; 3)

To represent the country at international forums in order to keep pace of international changes and development” (AITI, 2011c).

AITI is headed by a Chief Executive Officer, who is appointed by the Members of Authority consisting of senior Government officials and top managers from the private sectors. AITI offers two types of license, an infrastructure provider for the telecommunication industry (InTi) license, and a service provider for the telecommunication industry (SeTi) license. An operator who possesses and offers infrastructure, systems, networks, facilities, and other equipment for telecommunication services is required to apply for an InTi license. The application fee is B\$10,000.00 (£4,802.92) per licensing activity, and a supplementary B\$10,000.00 (£4,802.92) fee for any required frequency spectrum. A SeTi license is obligatory for an operator who sells and provides services, and the operator can utilize the infrastructure owned by InTi licensees. The operator does not necessarily own the infrastructure. The application fee is B\$5,000.00 (£2,401.45) per licensing activity (AITI, 2010).

As a regulator, AITI is responsible for overseeing the telecommunication industry and implementing the policies for the respective service providers and consumers. The three telecommunication service providers in Brunei will be discussed next.

4.3.3 Telecommunication Service Providers

There are three telecommunications service providers in Brunei: DSTCom and B-Mobile as the mobile service providers, and TelBru (previously known as JTB) as the main fixed-line network service provider. A short profile of each telecommunication service provider is revealed below.

4.3.3.1 DataStream Technology Communication (DST)

DataStream Technology Communications Sdn. Bhd. (DST) is a subsidiary company of DST Group, and was incorporated in 1995. DST was previously an

AMPS type analogue service provider, and it now offers a 3.5G HSDPA (High Speed Downlink Packet Access) service. DST had the advantage of being a monopoly for nearly a decade and was the only mobile service provider until 2005. DST owns 78% of the market share in the mobile telecommunication industry (Ericsson, 2008), and employs over 700 employees (DST, 2011).

4.3.3.2 B-Mobile Communications

A second mobile service provider, known as B-Mobile Communications (B-Mobile) commenced operations in 2005 through a joint venture between TelBru and QAF Comserve (World Trade Organization, 2008). QAF Comserve is a member of QAF Brunei Group, and is a locally-owned private limited company established in 2003, specialising in telecommunication and IT infrastructure in Brunei. B-Mobile was a pioneer in introducing 3G mobile technology to the industry, and thus gained a competitive advantage from DSTCom. B-Mobile offers a comprehensive range of products and services including post-paid and prepaid plans, as well as the latest 3.5G Mobile Broadband, known as Zoom! Broadband, in 2008 (B-Mobile, 2011).

B-Mobile's entry to Brunei's market has created a big impact on the telecommunication industry, where the market witnessed a price war between the mobile service providers. To acquire a high market share, B-Mobile's marketing strategy was to offer interesting products and services at a very low price. Nevertheless, DST followed their path by launching a more advanced technology including 3.5G services in early 2008 (Oxford Business Group, 2008).

4.3.3.3 TelBru

On 1st April 2006, JTB was corporatised to Telbru, and it is now a public limited company (Telbru, 2010a). TelBru is the only fixed-line provider in Brunei, and will retain its monopoly until the year 2016, subject to the Government's approval (World Trade Organization, 2008). Telbru has 761 competent

employees (Telbru, 2008). Their new slogan is “Making a Difference” (Telbru, 2008). TelBru’s vision is “to be a leading company in telecommunications and information technology in the region,” and its missions are as follows:

- 1) “For customers: TelBru strives to provide a range of excellent telecommunication and Information technology products and services, exceeding customers’ expectations.
- 2) For business growth: Staying ahead of competition and improve our market share in a vast and competitive telecommunications and Information Technology arena.
- 3) For future market growth: Build international or regional businesses.
- 4) For shareholders: Maximizing profitability” (TelBru, 2011a).

This research selects TelBru as its single case study, as it is the first corporatised government department in Brunei. The history of JTB is told in Appendix VI. The following sub-chapter will examine the drivers and motives for corporatisation, as well as the legislations that enabled the corporatisation of JTB.

4.4 Corporatisation of JTB

This section will answer the question: ‘What was driving the corporatisation in JTB?’ It will also provide an overview of the three new legislations and the Special Committee on Privatisation (SCP) that were created due to the corporatisation of JTB.

4.4.1 Reasons for the Corporatisation of JTB

The corporatisation of JTB was purely a governmental move, with initiatives beginning in the late 1980s. The corporatisation was mentioned in 5th National Development Plan. Although restructuring within JTB could be done without undergoing corporatisation, this would have meant JTB was still a government agency, and would have been operating for social and welfare purposes rather than for a dynamic and technology-driven business (Little,

1990). There were many motives for the corporatisation of JTB. Firstly, the Brunei Government realised that the market environment of the telecommunication industry was dynamic due to technological innovation and changing customer demands. It is an industry that requires a huge amount of investment for its growth and survival. Furthermore, the technological advances in telecommunication require mammoth investments for the efficient and effective flow of the products and services, and this should not be the burden of the Government and taxpayers (Chowdary, 1992). Thus, the corporatisation of JTB would reduce the Brunei Government's financial burden and expenditure, as well as its administrative burden (7th NDP; 8th NDP; TelBru, 2002a).

Secondly, the Brunei Government decided to corporatise JTB after witnessing the impact of privatisation on other countries, such as the privatisation of British Telecom (BT) in the UK where there were positive impacts on the organisation (Respondent 1_TMT). With this in mind, they had taken the initiative to conduct a study as to whether corporatisation would be a correct move in the Brunei business environment. The Brunei Government decided to pursue corporatisation as an initial step before embarking towards privatisation, primarily because they wanted to see the impact of corporatisation, and to ensure that there were no drastic change of ownership from being a government body to being a privately or publicly owned entity, as the Brunei Government still wanted to have control over the organisation. This is because telecommunications can be regarded as a national asset, as it contributes effectively to the economy. It also has a role in national security, as can be seen by the transfer of sensitive information (Ure, 2003). Respondent 1_TM states that:

“One of the initial studies was to understand whether or not corporatisation was going to be effective for TelBru. When they conducted a session exploring corporatisation, they looked at various levels of corporatisation... so the government tried to see where they should set the bar. Like other countries, we also needed to think in terms of different stages. Eventually, the government decided to corporatise first so they would still have control over it.” (Respondent 1_TM)

Thirdly, as mentioned previously, the majority of Brunei's workforce works in the public sector due to its lucrative benefits. This means that the Bruneian workforce is selective in choosing their jobs, and prefers to work for the government rather than in the private sector. Since a corporatised organisation would be treated as private, the corporatisation of JTB would help to respond to the government's desire that more Bruneians work in the private sector (7th NDP; Respondent 2_MM).

Fourthly, the corporatisation of JTB could help to generate a competitive and dynamic private sector, as well as producing efficient and effective products and services to customers (8th NDP). Customers would benefit from this through competitive pricing and more choices available in the market. This was agreed by Respondent 3_TM, as corporatisation was seen as helping create competition in the market, especially as TelBru would introduce enhanced products and services and competitive prices:

"We can see there is competition going on in the price of services... customers will win and there will be more choices for the public."
(Respondent 3_TM)

Fifthly, the Brunei Government deemed that JTB should start to become a revenue-generating organisation, able to concentrate on the importance of financial aspects such as profit and revenue, and the significance of customer service quality, as stated by Respondent 3_TM:

"If a company is not government-owned, it will be judged by its performance, profit, and revenue. But if it is government-owned, it does not focus on these. It just plans the services to be provided, but there is no control, and no corporatisation cost." (Respondent 3_TM)

The sixth important reason for corporatising JTB was that several functions of a telecommunication company were out of JTB's control, but were controlled by other Government ministries and departments, including human resource management (controlled by Public Services Department (PSD)), financial management and tender process (controlled by the Ministry of Finance (MOF)) and the buildings (controlled by Public Works Department (PWD))

(Little, 1990). Without control of these key functions, it was problematic and challenging for JTB to operate efficiently and effectively, due to the long bureaucratic process and time-consuming decision-making process. For instance, the process of the recruitment of new employees and the training of employees was very lengthy, as it was not handled by JTB, but required approval from the PSD (Respondent 4_MM).

In consequence, the seventh reason for corporatising JTB was that, in the late 1980s and early 1990s, the services provided were poor and inefficient with demand exceeding supply. There were long waiting lists. In 1994, JTB decided to let go of JTB's mobile network to DST. This had been somewhat helpful in enabling JTB to manage the demand of the customers: the number of lines rose from 25,000 in 1988 to 61,620 in 1994, and the number on waiting lists reduced significantly from 11,703 in 1988 to 5080 in 1994 (7th NDP). However, the number on waiting lists was still substantial; this reflects the efficiency problems faced by JTB. This is illustrated in the following table:

Table 12 Line Provision and Customer Waiting Lists
(Source: 7th NDP)

Year	1988	1989	1990	1991	1992	1993	1994
Direct Exchange Line	27,570	30,217	33,011	39,092	48,107	55,228	61,620
Waiting list	11,703	12,198	13,203	12,364	12,033	10,140	5,080

To summarise the discussion above, these are the motives for the corporatisation of JTB:

- i) To reduce the Government's financial burden and expenditure and administration burden.
- ii) To observe the impact of corporatisation on Brunei's public sector.
- iii) To reduce over-reliance on the government sector, especially in terms of employment opportunities; to serve the call from the government to encourage more Bruneians to work in the private sector.
- iv) To generate a competitive and dynamic private sector, and to provide efficient and effective services to customers.

- v) To make JTB a revenue-generating organisation.
- vi) To enhance the efficiency and productivity of SOEs; to support investments and the private sector.

(7th NDP; 8th NDP; JPKE, 2009; Respondent 3_TM, 4_MM; TelBru, 2002a).

Therefore, to improve service quality and managerial efficiency and to further improve the products and services as well as to strengthen Brunei's economy and the lifestyle of the Bruneians, the corporatisation process commenced in 1997. Due to the abovementioned reasons, three new legislations were created.

4.4.2 Legislations on Corporatisation

In the past, the Telecommunications Act of 1952 governed the telecommunication industry in Brunei. In it, JTB, owned by the Brunei Government, was both the main service provider and regulator for telecommunications. In the early 1990s, the Brunei Government decided to restructure the industry by corporatising JTB into a corporate entity. Because of this, new legislations were made.

Based on the existing laws, the Brunei Constitution allows the Government of Brunei Darussalam to create new legislation. On 31 May 2001, new legislation was enacted: the Telecommunications Order 2001, the Telecommunications Successor Company Order 2001; and the Authority for Info-communications Technology Industry Order 2001. The first legislation, Telecommunications Order 2001, replaced the Telecommunication Act 1952, and this allowed the establishment of TelBru by obtaining licenses for its telecommunication services in Brunei. The second legislation, known as the Telecommunications Successor Order 2001, enabled the transfer of properties, rights and liabilities, land, and employees. Employees would receive no less favourable terms of employment, and their existing employment period still continued. The first two legislations were enforced from 1 April 2006.

The third legislation was the Authority for Info-communication Technology Industry (AITI) Order 2001. This legislation enabled the establishment of a statutory and monitoring body for the information technology and telecommunication industry. AITI acts as an independent regulator for both industries.

In addition to this, Chapter 39 of the Companies Act allows the establishment of a company. This enabled TelBru to be registered under this Act. TelBru would be treated like other private companies, and required to prepare a 'Memorandum and Articles of Association', which delineated the corporate policies and management procedure. To allow the transfer of assets, the Land Act (Chapter 40) permitted the transfer of land ownership via lease. With the establishment of TelBru, JTB had to relinquish its control as the regulator, and transfer its role to AITI (AITI, 2011b; World Trade Organization, 2008). The AITI order was effective on 1st January 2003.

The establishment of TelBru did not create much difference in terms of ownership. TelBru is still wholly-owned by the Government as the golden shareholder: 60% of the shares are owned by the Prime Minister Corporation, and the remaining 40% are owned by Brooketon Limited, which is an investment company owned by the MOF. The corporatisation process of TelBru will be highlighted in the next sub-chapter.

The series of events is summarised below:

Table 13 Key Events of Brunei's Telecommunication Industry
(Source: Adapted from: World Trade Organization, 2008)

Year	Events
2001	<p>The Government of Brunei Darussalam introduced three legislations for the telecommunication industry:</p> <ul style="list-style-type: none"> • The Telecommunication Successor Order 2001 – allowed the transfer of properties, rights and liabilities owned by JTB to TelBru, and made the service provider. • Telecommunications Order, 2001 – allowed AITI to gain a significant privilege to operate the industry effectively and

	<p>efficiently and grant licenses.</p> <ul style="list-style-type: none"> • The Authority for Info-communications Technology Industry Order 2001 – this allowed the establishment of AITI as an independent statutory body to regulate telecommunications and radio-communications, plan and manage the radiofrequency spectrum, as well as developing the ICT industry (AITI, 2011b).
2003	AITI was established as the regulator of the telecommunication industry
2006	<ul style="list-style-type: none"> • The Telecommunications Order 2001 became effective. AITI was given the authority to grant licences. • The Telecommunications Act of 1952 was abolished. • The corporatisation of JTB to become TelBru became official.

AITI was not directly involved in the corporatisation of JTB, but it was involved during the formation of the legislations that enabled the official corporatisation of TelBru on 1 April 2006, and the commencement of TelBru's operations through the granting of licenses. The AITI Order 2001 was enforced in 2003, three years earlier than the Telecommunication Orders 2001 and the Telecommunication Successor Order 2001 (both were enforced in 2006) so as to allow TelBru to apply for a license from AITI in order to instigate their operation as a new corporate entity. Although the laws had not yet come into effect, this ensured that TelBru could be corporatised. TelBru applied for both InTi and SeTi Licenses, effective from 1 April 2006.

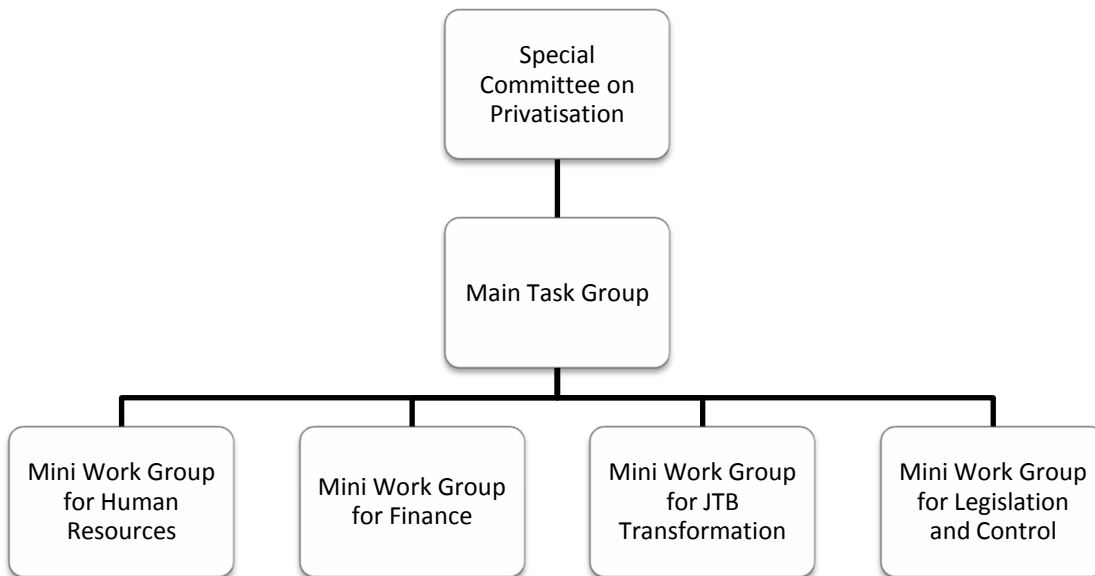
The next sub-section provides a profile of the Special Committee on Privatisation (SCP), which was established by the Brunei Government to provide assistance and suggestions to JTB, and also reports to DEPD.

4.4.3 Special Committee on Privatisation (SCP) or Jawatankuasa Khas Perswastaan (JKP)

The government took the initiative to form the Special Committee on Privatisation (SCP) or Jawatankuasa Khas Perswastaan (JKP) to monitor the process. The SCP consisted of one Main Task Group and four Mini Work Groups responsible for Human Resources, Finance, JTB's Transformation, and Legislation and Control (TelBru, 2009c). This is illustrated in the following

diagram. The duties and responsibilities of the SCP will be explained accordingly.

Figure 11 Structure of the Special Committee on Privatisation (SCP) or Jawatankuasa Khas Perswastaan (JKP)
(Source: Adapted from: Telbru, 2009c)



The job scope of the Main Task Group was: to establish the Mini Work Group for Human Resources, Finance, JTB Transformation, Legislation and Control; to monitor the works of corporatising JTB; to report to DEPD on the work implementation, and to prepare the reports to be submitted to SCP. The members of this group consisted of the Director of DEPD as the co-Chairman, the Director of JTB as the co-Chairman, a representative from Mincom, and a representative from the Telecommunication Department of Mincom as the secretary (TelBru, 2009c).

The first group was known as the Mini Work Group for Human Resources, and this group was responsible for giving suggestions to the Main Task Group on certain issues such as the process of transferring employees from JTB to TelBru, which covered matters such as pensions, gratuity, Employee Trust Fund (ETF), employee benefits and entitlements, work leave, salary, and the

voluntary retirement/retrenchment policy. Another issue was the human resources management plan for TelBru, which included the ETF, salary, leave and housing. The Mini Work Group also gave suggestions on TelBru's new organisational structure. The members of this group consisted of the Director of DEPD as a co-Chairman, the Director of JTB as a co-Chairman, a representative from Mincom, a representative from the Telecommunication Department of Mincom as the secretary and representatives from the ETF, MOF, Management Services Department, Labour Department and PSD (TelBru, 2009c).

The second group, the Mini Work Group for Finance, was responsible for offering opinions and suggestions to the Main Task Group on financial management, on issues such as the corporate organisational structure, a board of directors for TelBru, Memorandum and Articles of Association, the registration of TelBru, asset valuation, and transfer of assets, liabilities and account receivables. The members of this group were the Director of DEPD as a co-Chairman, the Director of JTB as a co-Chairman, a representative from MOC, a representative from the Telecommunication Department of the Mincom as the secretary, and representatives from the MOF, Labour Department and Treasury Department (TelBru, 2009c).

The third group, the Mini Work Group for JTB Transformation, was responsible for giving suggestions on management, strategy and marketing aspects, including the objectives on financial and business, marketing, infrastructure, customer services, planning and implementation systems, and, finally, management. The members of this group comprised of the Director of DEPD as the co-Chairman, the Director of JTB as the co-Chairman, a representative from Mincom, a representative from the Telecommunication Department of Mincom as the secretary, representatives from the MOF, Management Services Department, Treasury Department and PSD (TelBru, 2009c).

The fourth and final group, Mini Work Group for Legislation and Control, was responsible for offering legal and control advice to the Main Task Group, especially on matters such as the legislation for the corporatisation of TelBru, new Telecommunication Order, the licensing of TelBru, new regulatory body, tariff and interconnect regime, licensing management, tariff rebalancing, competition and liberalization policies, and the transfer of land rights and shared land assets. The members consisted of the Director of DEPD as a co-Chairman, Director of JTB as a co-Chairman, a representative from Mincom, a representative from the Telecommunication Department of Mincom as the secretary, and representatives from the MOF, Legal Department, and Land Department (TelBru, 2009f).

4.5 Summary

This chapter provides a background for the case study of the corporatisation of TelBru. TelBru is located in Brunei Darussalam, a small country which is dependent upon its oil and gas industry. The telecommunication industry in Brunei is controlled by Mincom, with the assistance of AITI as the statutory body for the industry. Three telecommunication service providers are presently in the industry, namely DSTCom, B-Mobile and TelBru. TelBru is the first corporatised government department in Brunei. The rationale for pursuing corporatisation has been discussed. The Brunei Government did not simply want to privatise JTB hastily, but decided to corporatise, in order to experience the advantages of corporatisation first through no significant transfer of ownership. In order to officiate the corporatisation of JTB, three significant legislations were enforced. Additionally, the Brunei Government also established SCP to oversee the necessary matters in the corporatisation process. A further discussion on the activities involved in the corporatisation process of JTB will be highlighted in the next chapter.

CHAPTER FIVE

THE ACTIVITIES AND APPROACH TO CHANGE IN THE CORPORATISATION OF JTB

5.1 Introduction

The chapter will begin with an elaborate analysis and description of the activities involved in the corporatisation process. A summary will conclude the chapter. The purpose of this chapter is to provide a comprehensive case study research of the corporatisation of TelBru, using activity systems analysis. The activities of the corporatisation process are divided into three different time frames: namely, prior to the formation of TelBru (1986-2001), the formation of TelBru (2002), and during the corporatisation process (2002-2006). Seven activities were found altogether across these three periods, and all of them are described using Engeström's (1987) triangle Activity Model. The sources for the data are documents and interviews conducted between 2009 and 2011. The descriptions of the activities were based from the first two data collections conducted between 2009 and 2010. The data for the change approach and types of change, as well as the leadership behaviour (Chapter 6), are from the third data collection in 2011.

To recap, an activity system is a triangular model (as shown in Figure 12), consisting of the following elements (Engeström, 1996, p. 67):

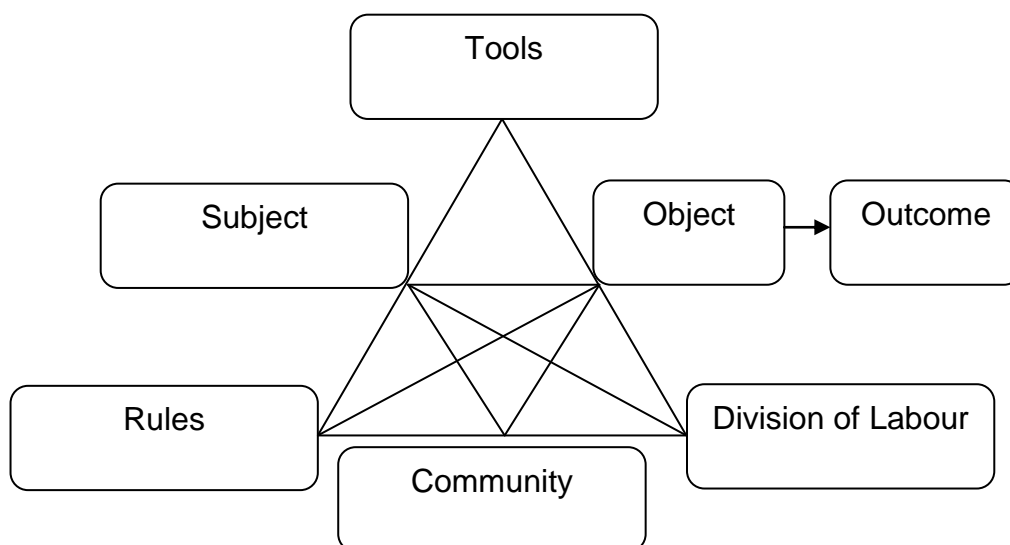
- i) The subject can be regarded as an actor or participant or performer in the activity system, depending on whose point of view is regarded as significant (Marken, 2006).
- ii) The object can be defined as "the raw material or problem space at which the activity is directed and which is moulded and transformed into outcomes with help of physical and symbolic, external and internal mediating instruments, including both tools and sign" (Engeström, 1996, p. 67).
- iii) The outcome is the result of the object, and can be attained from the interaction between subject and object.

- iv) Tools are “social others and artefacts that can act as resources for the subject in the activity” (Yamagata-Lynch, 2010, p. 2). Tools can be physical or simply procedures of the activity (Marken, 2006).
 - v) Community consists of “multiple individuals and/or sub-groups who share the same general object and who construct themselves as distinct from other communities” (Engeström, 1996, p. 67).
 - vi) Division of labour signifies “both the horizontal division of tasks between the members of the community and to the vertical division of power and status” (Engeström, 1996, p. 67).
 - vii) Rules are “the explicit and implicit regulations, norms and conventions that constrain actions and interactions within the activity system’.
- (Engeström, 1996, p. 67).

Contradictions or problems are inherent in activities and this could affect the whole activity system as well as hindering the performance of other activity systems, as the activity systems can influence one another (Barab et al., 2002). The contradictions that might be present in the corporatisation activities will be discussed in this chapter. The triangle activity model is illustrated below:

Figure 12 Engeström’s Activity Triangle Model

(Source: Engeström, 1987, p. 78)



5.2 Activities Involved in the Corporatisation Process

The activities involved in the corporatisation process were analysed according to three stages:

- i) Stage One: activities before the formation of TelBru (1986-2001).
- ii) Stage Two: formation of TelBru (2002).
- iii) Stage Three: activities during the Corporatisation Process (2002-2006).

The activities are identified based on their significance to the storyline of JTB's corporatisation process. It should be noted that not all activities conducted during the process are mentioned in this research, as this would neither be within the scope of the research or the capacity of the researcher. The significance of these activities is their uniqueness, in that, without them, the corporatisation would not have taken place.

The activities that took place in these three stages are as follows:

Stage One: Activities before the formation of TelBru (1986-2001)

- 1986: First expression of intention to implement a study of corporatisation of JTB under the Fifth National Development Plan
- 1990: Activity 1: Consultancy Works by Arthur D. Little Consultancy Firm
- 1991: His Majesty the Sultan consented to the corporatisation of JTB
- 1996: Local companies, Amtel (owned by Amedeo Development Corporation) and Baiduri wanted to acquire JTB
- 1997–1998: Activity 2: Consultancy Work by JP Morgan, KPMG, Clifford Chance, Freshfields and PA Consulting
- 1998–1999 : Activity 3: Formation of Special Committee on Privatisation (SCP) or Jawatankuasa Khas Penswastan (JKP)
- 2001: Three new legislations–The Telecommunication Successor Company Order 2001; Telecommunications Order 2001 and AITI Order 2001

*Stage Two: Formation of TelBru (2002)**Stage Three: Activities during the corporatisation period (2002-2006)*

- 2002– 2003: Activity 4: Tender Evaluation & Selection of Consultants
- 2002– 2006: Activity 5: Dialogue Sessions
- 2003: The official corporatisation of JTB postponed
- 2003– 2006: Activity 6: Transfer of Employees & the Development of Terms of Employment
- 2003 – 2006: Activity 7: Transfer of Assets

All of these activities will be elucidated in the next sub-section. They will be explained as follows. Firstly, the activities in the respective stages will be described. This will then be followed by a discussion on the change approach adopted in each stage. This is presented and arranged according to time, from 1986 until 2006.

5.2.1 Stage One: Activities before the Formation of TelBru (Year 1986-2002)

There were three significant activities that took place prior to the formation of TelBru: Activity 1 (Consultancy works by Arthur D. Little), Activity 2 (Consultancy works by P. Morgan, KPMG, Clifford Chance, Freshfields and P.A. Consulting), and Activity 3 (Formation of Special Committee on Privatisation (SCP) or Jawatankuasa Khas Penswastaaan (JKP)). These activities will be explained using Engeström's (1987) Activity Triangle Model.

Following the privatisation wave in the UK in the 1980s, the Brunei Government decided to follow suit by introducing privatisation programmes, and some government agencies were selected to be privatised. This included the car park management in the Multi-storey Car Park and Commercial Centre, Raja Isteri Pengiran Anak Saleha Hospital, and Brunei International Airport; garbage disposal outside the municipality; container handling at Muara Port; the installation of water pipes, telephone and electric cables; mobile phone

systems; the management of Mulaut Abattoir and Meragang Hatchery (8th NDP).

The main activities governing the initiative to corporatisation involve long term strategic planning and consultancy work. A short statement in the Fifth National Development Plan (1986-1990) brought about tremendous changes in the telecommunication industry: "*The privatisation of some of the present government services.*" Nonetheless, the Brunei Government decided to initially corporatise JTB before pursuing the major step of privatising a government agency that was central to the country's economy and security. The Brunei Government then decided to conduct a study on the corporatisation of JTB, to weigh the benefits and costs of taking such a move. The consultancy work conducted is presented as Activity 1, and this will be highlighted next.

5.2.1.1 Activity 1: Consultancy works by Arthur D. Little

An international consultancy firm, Arthur D. Little, was selected to conduct the study in 1990. This firm recommended for JTB to be corporatised, so as to enhance the quality of the telecommunication services (Little, 1990). On this basis, in 1991 His Majesty the Sultan agreed to the corporatisation of JTB. This activity is illustrated using the triangle model as shown in Figure 13.

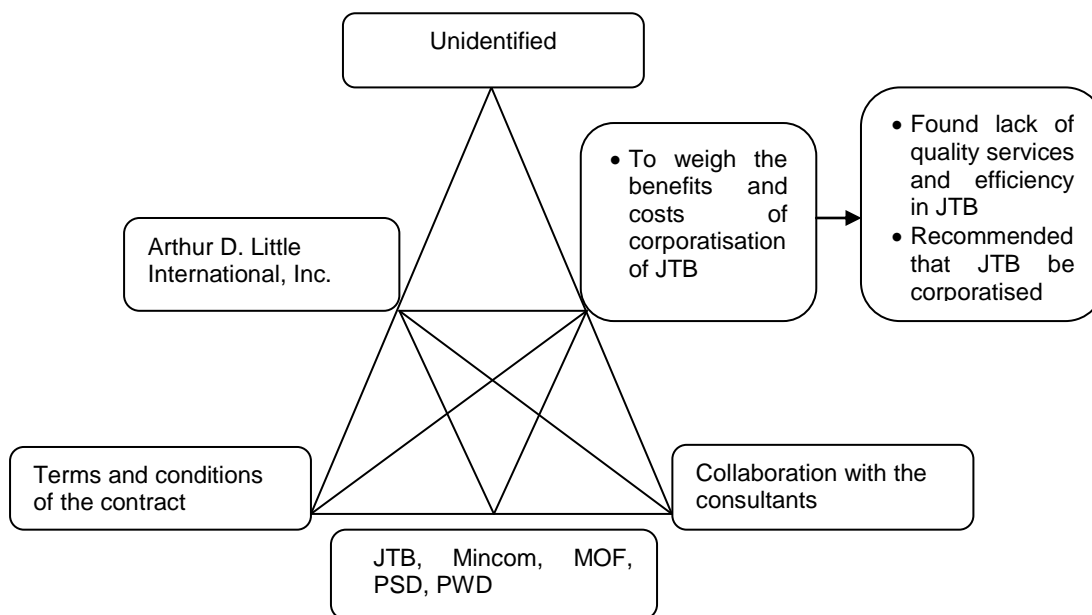
Figure 13 represents Activity 1, an activity triangle model of consultancy works done by the prominent Arthur D. Little consultancy firm in 1990, and the subject of this activity. The object of this activity was to see whether or not JTB should be recommended for corporatisation or not. It is a feasibility study, to discover the benefits and costs of the corporatisation of JTB (TelBru, 2009a, 2009b; Little, 1990). In addition, the object was to assist JTB in managing the corporatisation process.

The tool used was unidentified, since the researcher could not find the methods used by this consultant. The researcher had contacted the consultancy firm for information many times but no response was given. The activity was

guided by the terms and conditions of the contract awarded to them. The five communities involved in this activity were JTB, Mincom, MOF, PSD, and PWD. JTB, which was under the Mincom, was the main focus of the consultancy, whereas MOF was responsible for the financial and accounting system and the budget, as well as investments and tendering procedures. The human resource department of JTB was handled by the PSD, while the planning and development of JTB buildings was taken care of by the PWD. The last three were included in the community because of the significant role they played in JTB as well as during the corporatisation. The division of labour was that the community collaborated with the consultants by providing the required information.

The outcome of the activity was that the consultants proposed that JTB be corporatised, because they found that JTB was not in control of some of the key functions of organisations, such as Human Resource Management and Financial Management. This was thus contributing to a lack of prompt response to the environment, which is essential in the telecommunication industry. It was also seen as lacking efficiency in the decision-making process (Little, 1990).

Figure 13 Activity 1: Consultancy works by Arthur D. Little Inc. (1990)
 (Source: Little, 1990)



However, corporatisation did not take place after the study done by Arthur D. Little. Nonetheless, a significant move was made through the privatisation of JTB Mobile in 1994, whereby Amps Cellular Mobile Telephone System or Cellular Mobile Network was privatised and acquired by a local company known as DST (7th NDP; TelBru, 2009a). A regulatory unit was then established under Mincom to act as a regulator and to ascertain that the telecommunication services provided by the service providers were reasonably priced and that they had enhanced quality (7th NDP). In 1996, two local companies, Amtel and Baiduri, expressed their interest in wholly acquiring JTB. Amtel was a subsidiary company owned by a local empire named Amedeo Development Corporation, which specialised in construction and telecommunication services. However, the takeover did not come to fruition, and was abandoned in 1997 (TelBru, 2009a).

Subsequently, in 1997 and in 1998, a second study on corporatisation was conducted under the Brunei Investment Agency (BIA). The consultancy work undertaken by JP. Morgan, KPMG, Clifford Chance, Freshfields, and P.A. Consulting is presented as Activity 2. This is discussed next.

5.2.1.2 Activity 2: Consultancy works by JP. Morgan, KPMG, Clifford Chance, Freshfields and P.A. Consulting

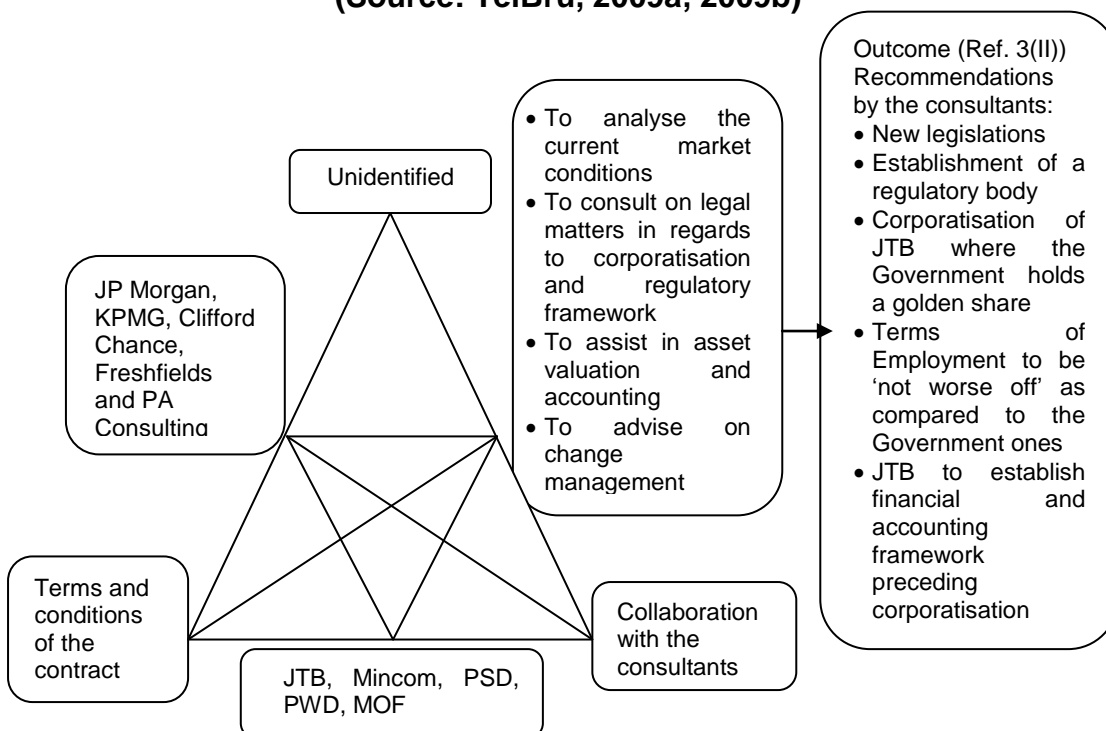
Activity 2, as illustrated in Figure 14, was a consultancy work performed by JP Morgan, KPMG, Clifford Chance, Freshfields and PA Consulting. These companies were the subjects of the activity (TelBru, 2009a; TelBru, 2009b). BIA is owned by the Brunei Government under the MOF, and it manages Brunei's General Reserve Fund and foreign investments, all of which were valued at more than USD30 billion (£18.6 billion) in 2010 (US Department of State, 2011). The objects of the activity were to analyse the market condition, as well as providing consultations on legal, change and strategic management, asset valuation and accounting (TelBru, 2009a; TelBru, 2009b).

The activity was controlled by the terms and conditions of the contract awarded to the five consultants. The five communities of this activity were JTB, Mincom, MOF, PSD and PWD. The division of labour was that the community cooperated with the consultants by providing the required information. The tool used was unidentified, since the researcher could not find the methods used by these consultants.

The outcomes of this activity were recommendations to form new legislations to enable the transfer of employees and assets, as well as establishing an independent regulatory body. They also recommended corporatising JTB, with the Government as the golden shareholder and the adoption of a 'not worse off' terms of employment in comparison to the Government's terms of employment (TelBru, 2009b). Nonetheless, the consultancy works were halted due to the economic crises resulting in a mild recession in the country (TelBru, 2009b).

Figure 14 Activity 2: Consultancy works by JP Morgan, KPMG, Clifford Chance, Freshfields and PA Consulting (1997 & 1998)

(Source: TelBru, 2009a, 2009b)



There was a gap of six years between Activity 1 and Activity 2. Although there were some significant events that took place between these two periods, such as the failed takeover of JTB, the reasons behind the delay of the corporatisation efforts were said to be that the Brunei Government was looking for other options and analysing the impact of corporatisation on the whole country. This explanation is based on an interview with Respondent 5_MM:

“I think the government had a lot of options between 1991 and 1997, in terms of observing the corporatisation’s strategy. I think it was the government’s opportunity to look at or strengthen their corporatisation strategy, and say: what we shall do with corporatisation? What are the factors that will affect corporatisation? What are the impacts? I think the government was looking at all these factors before deciding to corporatise. There are lots of factors that the government is looking at, for instance, factors such as downsizing. What will happen when you downsize? What are the social impacts if you downsize? I think the government felt that if you downsized, there would be a lot of social issues, which would affect the total harmony of the country. I think that this delay was the time the government was able to look into various issues affecting corporatisation.”
(Respondent 5_MM)

The financial crisis that hit Asia in 1997 and 1998 caused Brunei to experience a mild recession, and this acted as a change driver or trigger (TelBru, 2009b) that accelerated the corporatisation process. This led to the formation of SCP or JKP, which is presented as Activity 3 and discussed next.

5.2.1.3 Activity 3: Formation of Special Committee on Privatisation (SCP) or Jawatankuasa Khas Penswastan (JKP)

Activity 3 consists of two activities – 3(I) and 3(II). The formation of SCP is presented as Activity 3(I) in Figure 15, whereas the role of SCP is depicted as Activity 3(II). The first activity, Activity 3(I), had the Cabinet Ministers as the subjects. The object was to identify which government agency should be corporatised, and the tool of this activity was the 37th Cabinet Meeting. This activity was surrounded by legislations and government policies. The community of this activity was JTB, Mincom, MOF, DEPD, PSD, Attorney General Chambers (AGC), and the Land Department. The division of labour

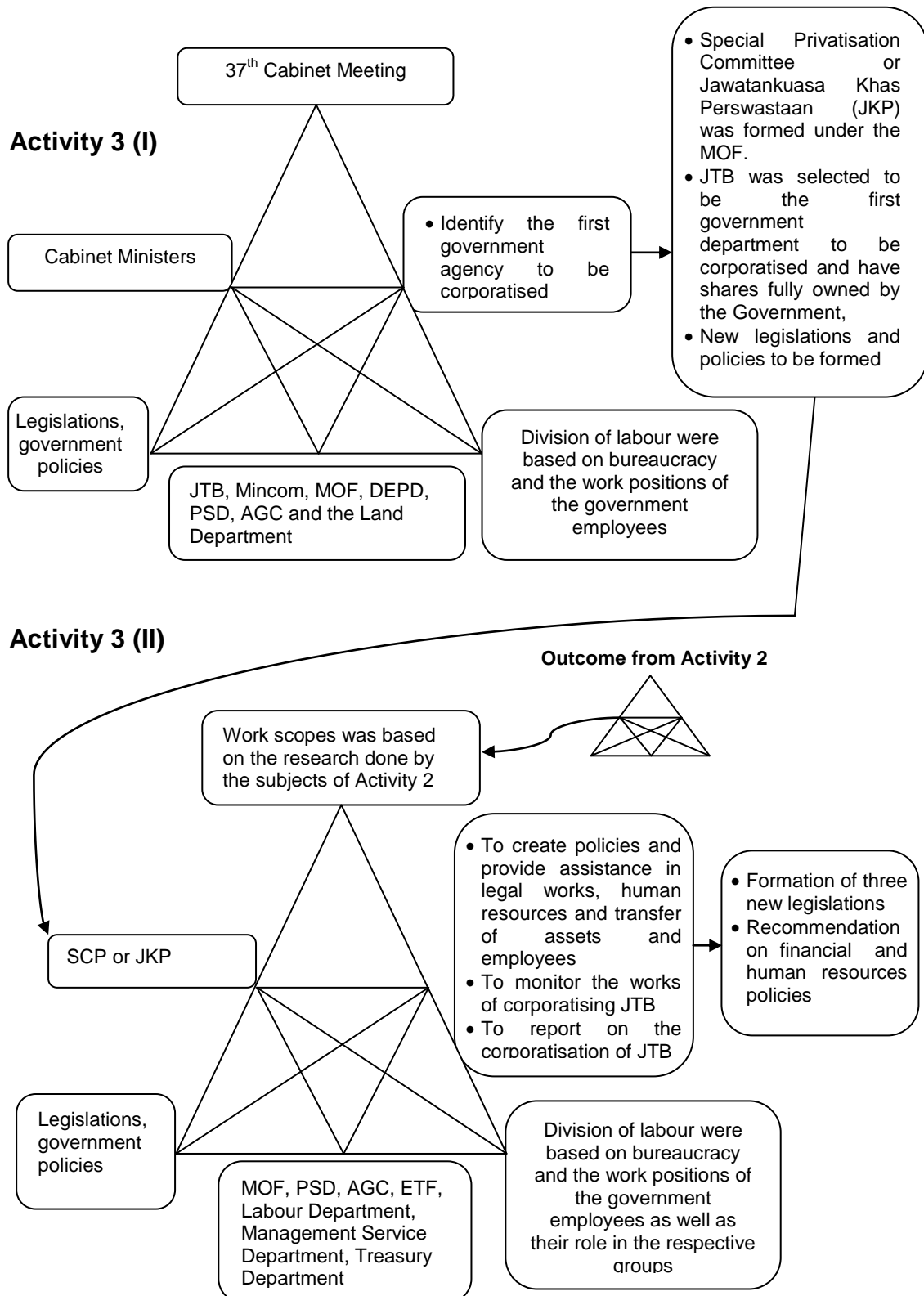
within this community was based on bureaucracy and the work positions of the employees. It was the outcome of this activity that instigated the operation of the corporatisation process, in which SCP was formed under the MOF (TelBru, 2009a). JTB was chosen to be the first government agency to be corporatised, in addition to the new formation of legislations and policies. (TelBru, 2009a, 2009b; TelBru, 2009c).

The second activity is illustrated as Activity 3(II) in Figure 15. One of the outcomes from Activity 3(I), which was the formation of the SCP in April 1999, became the subject of Activity 3(II). SCP consisted of the Mincom, JTB, and DEPD (TelBru, 2009c). This demonstrates the ability of activity theory in terms of portraying relationship that exists between one activity and another. The object of the activity was to create policies and provide assistance in legal work, human resources, and the transfer of assets and employees (TelBru, 2009b, 2009c). In addition, they monitored what would be necessary in order to corporatising JTB (TelBru, 2009a, 2009b, 2009c).

The tool of the activity was the work scope based on the consultancy research done previously by the subjects of Activity 2 – JP Morgan, KPMG, Clifford Chance, Freshfields, and PA Consulting (TelBru, 2009c), as shown by a smaller triangle model in Figure 15. In this case, an outcome from an activity conducted in the past can influence another activity by becoming the tool of the current activity. The community comprised of MOF, PSD, AGC, ETF, Labour Department, the Management Service Department and the Treasury Department. The division of labour within this community depended on bureaucracy and the work positions of the government employees, as well as their role in the respective groups, as elaborated below.

The outcomes of this activity were the formation of three new legislations: the Telecommunications Order, the Telecommunication Successor Company Order, and the AITI Order (TelBru, 2009b), as mentioned in Chapter 4. SCP also made recommendation on financial and human resource policies (TelBru, 2009b), which will be discussed later.

Figure 15 Activity 3: Formation of Special Committee on Privatisation (SCP) or Jawatankuasa Khas Penswastaan (JKP) (1998)
(TelBru, 2009a, 2009b, 2009c)



5.2.1.4 Approach to Change

Based on the abovementioned activities, it can be deduced that the approach to change adopted were both planned and top-down approach. This was initially demonstrated through the Government's Fifth National Development Plan statement, followed by the decision to conduct a study on the benefits and costs of corporatising JTB (Activity 1). In addition, the second consultancy work (Activity 2) was an effort made by the MOF. The formation of the SCP by the Cabinet Ministers (Activity 3) further illustrated that a top-down approach was embraced. It can also be seen that the characteristics of the planned approach being lengthy and time-consuming existed in this stage: it nearly took 16 years (1986-2002) for this stage to be completed. Statements by respondents 1_TM and 4_MM proved that this was a top-down approach by mentioning that the decision to corporatise was from the direction given by means of the royal speech by His Majesty the Sultan, and that it was the government's initiative to conduct the corporatisation of JTB, as shown below:

"We started with the studies, it was about the government wanting to look at corporatisation, so once there's direction from His Majesty's titah (Royal Address) and directive from the DEPD, there's a study we fulfilled for the Cabinet Ministers, to decide whether or not we should corporatise. So the first job was to create studies, gain consent from the top, then studies to decide our next step and then we analysed our study to reveal our data and get endorsement. Following that was the creation of TelBru.." (Respondent 1_TM)

"This was the government's initiative and it fulfilled the need to make or to provide services on a competitive basis. Corporatisation is a government-driven initiative and the government does play a very important role in making sure this initiative goes through." (Respondent 4_MM)

Another feature of the planned approach that was evident at this stage was the repetitive cycle of diagnosis, evaluation and action, whereby consultancy works were completed twice – Activity 1 and Activity 2. After the diagnosis of the organisation and environment in Activity 1, evaluation was made as to whether to proceed with corporatisation or not. This created an

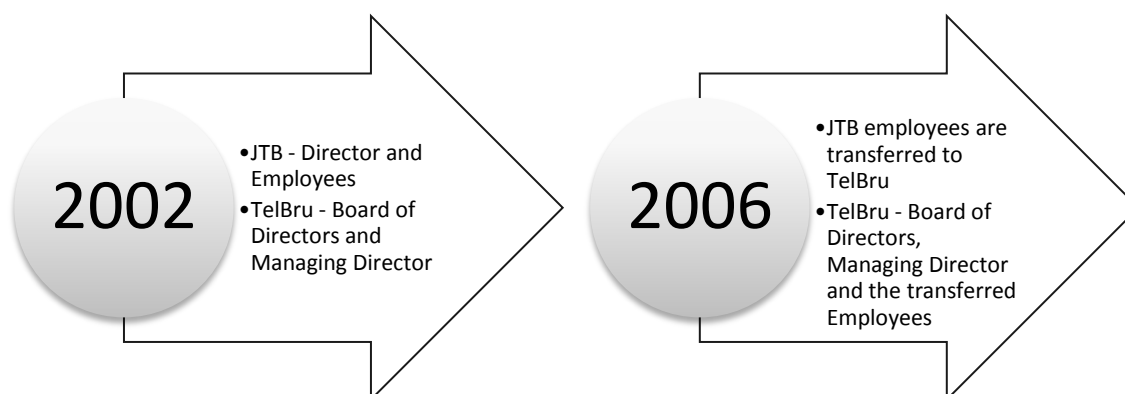
interim period of seven years between Activity 1 and Activity 2. Another diagnosis took place in Activity 2, and finally the action or the decision to corporatise was hastened after Activity 2. This was also due to the economic crisis.

The consequence of this stage was the formation of TelBru in 2002 as a cell organisation. This will be discussed next.

5.2.2 Stage Two: Formation of TelBru in 2002

TelBru was established on 30 May 2002 under Chapter 39 of the Companies Act as a public limited company (TelBru, 2009d). TelBru is wholly-owned by the Brunei Government, and the main shareholders are the Government-owned Prime Minister Corporation (as the Golden shareholder), and Brooketon Limited (TelBru, 2009d). TelBru has an authorised capital of B\$600 million (£288.17m), and was given an initial working capital of B\$20 million (£9.61m) by the Government (TelBru, 2009d).

During the time of TelBru's establishment in 2002, it was formed as a cell company, because JTB was still in existence (TelBru, 2009d). The formation of TelBru led to the appointment of the Board of Directors and Managing Director (MD) as its only employees. They were appointed by the Government of Brunei Darussalam on 1 June 2002. TelBru only came into operation after the official full corporatisation on 1 April 2006. Only when the official corporatisation was launched in 2006 were the employees from JTB transferred to TelBru. It was then that TelBru became fully operational. This is illustrated in Figure 16:

Figure 16 Employees in JTB and TelBru in 2002 and 2006**(Source: Researcher's compilation)**

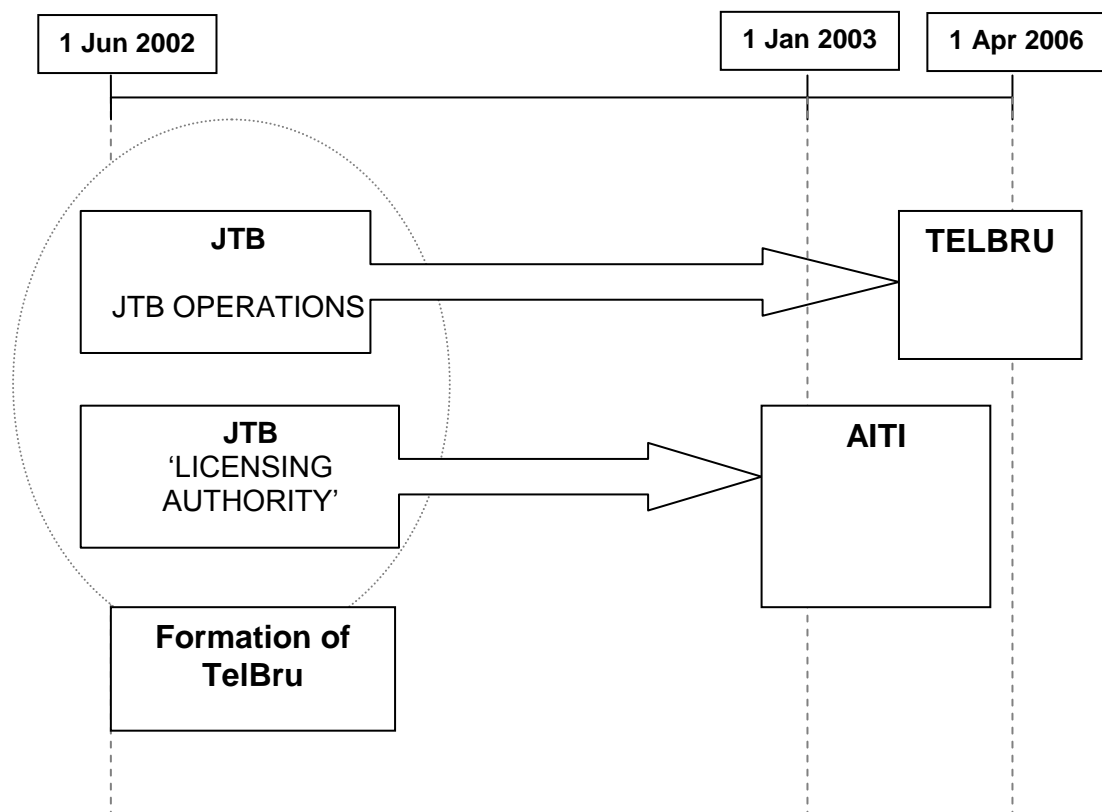
The Board of Directors selected in 2002 represented from various positions in both Government and private sectors, and consisted of five members: Dato Paduka Awang Hj Othman bin Haji Yaakub (former Permanent Secretary of the Ministry of Development, as the Chairman); Awang Song Kin Koi (seconded from MOC as the Managing Director); Awang Haji Mahmud bin Haji Mohd Daud (former Director of the IT Department and State Store, Ministry of Finance as the member); Awang Haji Mohd Salleh bin Haji Jalil (former Land Commissioner of the Land Department, Ministry of Development, as the member) and Dato Paduka Awang Roderick Yong Yin Fatt (member) (TelBru, 2003a). The roles of the BOD were:

- i) *“To prepare a new term of employment for the transferred employees as well as new employees.*
- ii) *To create an Information System (IS) Plan and implement a new user-friendly customer care and billing system.*
- iii) *To communicate with employees on corporatisation*
- iv) *To develop an Organisation Development Plan*
- v) *To formulate a long-term business strategy including introduction of business performance management*
- vi) *To create a suitable financial and accounting framework for TelBru” (TelBru, 2003a, p. 5).*

JTB, which had held a dual role as both service-provider and regulator, was separated from its regulator role, following the formation of AITI in 2003, as mentioned in Chapter 4. Following the AITI Order 2001, the establishment of

AITI was as a separate regulatory entity, which would come into effect with the official corporatisation of TelBru. On 1 April 2006, there was a launching ceremony held to signify the official corporatisation of TelBru and the commencement of operation through the transfer of assets and employees from JTB to TelBru. All of the aforementioned are shown in Figure 17.

Figure 17 TelBru's Corporatisation Roadmap
(Source: Adapted from: TelBru, 2009d)



The next stage signified the activities that took place within the organisation during the corporatisation process leading to the official corporatisation in 2006. This will be highlighted next.

5.2.3 Stage Three: Activities during the Corporatisation Process from 2002 to 2006

There were four important activities that took place after the formation of TelBru: Activity 4 (Evaluation and Selection of Consultants for the Four

Tenders), Activity 5 (Dialogue Sessions), Activity 6 (Transfer of Employees) and finally, Activity 7 (Transfer of Assets). These activities will be explicated by means of Engeström's (1987) Activity Triangle Model.

5.2.3.1 Tender Process and Consultancy Works

JTB decided to hire consultants to assist them during the corporatisation because they did not have any experience or expertise in that area. They also asked the consultants to assist the Board of Directors in running the company during the corporatisation process (TelBru, 2003a, 2009e). There were four types of consultancy required for the corporatisation: management consultancy for the development of terms of employment, TelBru's strategic and business plans, financial consultancy, and the valuation of JTB's assets.

The tender process began with the tender advertisement on 6 July 2002 at local and foreign newspapers, such as in Malaysia and Singapore (Respondent 5_MM). The tender closed for submissions of application on the 5 August 2002 (TelBru, 2002a). The tenderer was required to submit their company profile and their background experience in consultancy, their suggested approach to the work scope, and their deliverables, along with their annual report (TelBru, 2002b, 2002c, 2002d, 2002e). In addition, the tenderer had to submit the resumes of their consultants responsible for the project, as well as their role and responsibilities in the project (TelBru, 2002b, 2002c, 2002d, 2002e). The tender proposals submitted were then evaluated by JTB's corporatisation committee, followed by a clarification meeting with the consultants between 26 August and 21 September 2002, to clarify regarding the work scope, pricing, and any enquiries about the proposal (TelBru, 2002f). The next tender process was the resubmission of the pricing on 30 September 2002, based on the conclusion of the clarification meeting (TelBru, 2002f).

This was followed by the final evaluation of the proposal, represented as Activity 4 in Figure 18. This activity was considered to be significant as it was expected by both JTB and TelBru. The consultants were able to meet the

requirements and deliver the work scope successfully, as commented below by interviewees:

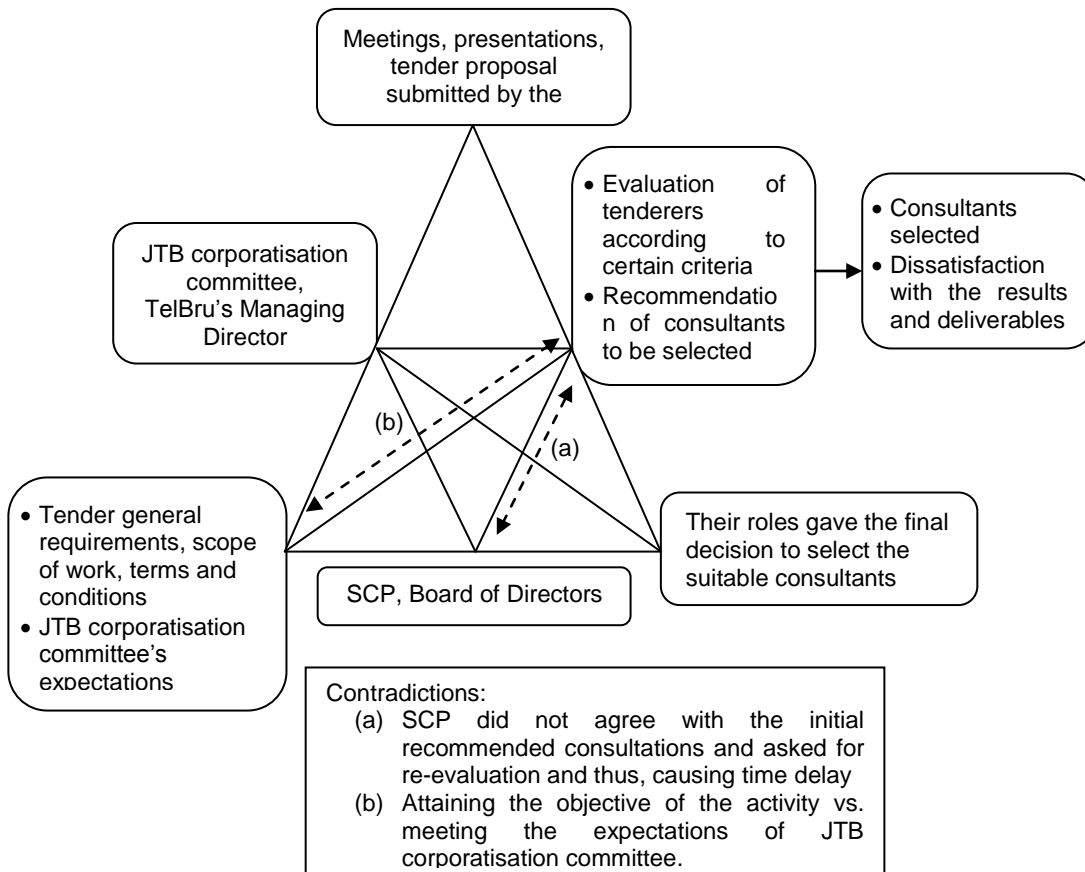
“TelBru was given a grant, the money to call consultants. TelBru called four tenderers, first to come up with business strategy with the permission of the board. The second tenderer was given the role of evaluating assets, the third was to set up the financial framework and the last one was to help develop HR and terms of employment.” (Respondent 1_TM).

“We quoted tenders that were floated out to assist the Board of Directors on their duties in the company.” (Respondent 4_MM)

“The tendering process was important because it helped us to carry out our work in the corporatisation process. One of the reasons to invite the consultants was to assist TelBru in giving recommendations and suggestions in all four activities... This follows the normal tender standard, standards of evaluation, normal criteria of evaluation, let’s say, compliance... We made comparisons based on their submissions and their compliance with the time limit.” (Respondent 5_MM)

Figure 18 Activity 4: Evaluation and Selection of Consultants for the Four Tenders (2002)

(Source: Respondent 2_MM, 3_TM, 4_MM; TelBru, 2002a, 2002b, 2002c, 2002d)



The subjects of the activity were JTB’s corporatisation committee and TelBru’s Managing Director. JTB’s corporatisation committee consisted of top managers from key divisions, such as Corporate Services and Finance. Each tender has its own evaluation committee consisting of top managers from related departments. The object of the activity was to evaluate the tenderers based on certain criteria, as well as recommending the selected consultants to SCP. Respondent 1_TM and 6_MM provided descriptions of the evaluation:

“When you asked why they were chosen, they have their own strengths, which means they have been involved in previous exercises before. They have the capacity and extensive

manpower to complete the job within the period which was asked of them.” (Respondent 1_TM)

“The criteria for selection varied, based on their experiences in handling previous privatisation works, the compliance to the requirements of the tender, prices, their commitment, and the scope of work they would do for the tender. So basically these were the general criteria for the selection. Each and every part of this work had its own committee members. For example, there was a group of people looking into the strategy and finance and the Terms of Employment respectively. Each group of people was headed by the respective heads of the units at that time.” (Respondent 6_MM)

The selection criteria for each tenderer were evaluated by the respective evaluation committee, as discussed in Appendix VII. The tools used for this activity were proposals submitted by the consultants, meetings, and presentations by consultants to JTB’s evaluation committee and by JTB’s evaluation committee to the Board of Directors. The community were the SCP and the Board of Directors and the division of labour within the community was their respective roles as important decision-makers in selecting the ideal consultants for the job. The rules of this activity were the tender general requirements, scope of works, and the terms and conditions. In addition, JTB’s corporatisation committee expected that their recommended consultants be opted for.

After the tender evaluation, the evaluation committee gave a presentation to the Board of Directors on 14 October 2002 (TelBru, 2002f, 2002g, 2002h, 2002i). The Board of Directors then presented the case to the SCP. Nevertheless, contradiction (a), as represented by the broken arrows (a) in Figure 18, arose between the SCP and attaining the objective. The choices made by the JTB’s corporatisation committee were overridden by the SCP because the SCP was not satisfied with the recommended consultancy firms, and advised them to choose a new one, as mentioned by Respondent 1_TM below. This shows the rigid control of authority whereby changes must be made with any justification. Out of the four selected consultancy firms, only two were approved by the SCP, as shown in Table 14.

“In a process of evaluation, the recommendation comes from Board of Directors, they have the ground to actually look at it - it’s the normal process of governance, normal issues and the ultimate decision comes from them anyway so they have to be comfortable because it will be difficult if it’s not.”

(Respondent 1_TM)

Table 14 The Consultants Selected Before and After the Presentation to the SCP

(Source: Researcher’s compilations)

Tenders	Consultants recommended by JTB Corporatisation Committee and TelBru’s Board of Directors	The final consultants chosen
Financial consultancy	PWC	PWC
Management consultancy for the development of terms of employment	Ernst & Young	Teleconsult
Management consultancy for the TelBru’s strategic and business plan	BAG Networks	Siemens
Valuation of JTB assets	Ernst & Young	Ernst & Young

This led to contradiction (b), as presented by the broken arrows (b) in Figure 18, between meeting the expectations of JTB’s corporatisation committee and accomplishing the objectives. The tension was the dissatisfaction arising from the selection of the consultancy firms, but many simply relented to the decisions:

“If I recall, I think when we recommend the strategy tender, the company that was recommended actually gave a lot more input and a lot more added value.” (Respondent 1_TM)

“We didn’t choose Teleconsult but Ernst & Young. But after submission to JKP the approval was given to Teleconsult. We could not do much but just accept it.” (Respondent 3_TM)

“There were a lot of things happening at that time. On top of the tender, we re-submitted, and eventually it was only awarded in January. Just imagine, we only had three months, January, February and March, and we had to launch in April. So, the time was actually a bit packed. If only we had been awarded earlier, at least if there was anything that needed to be re-done, there would be time.” (Respondent 5_MM)

It was not clear why JTB’s choices were not selected. One respondent was astonished because the budgets granted for the tenders were not that limited, and another stated that price should not be a concern as long as there were value-added services, as commented below:

“Budget was not tight at that time, but different vendors were approved from what we recommended and, in the end, we were not happy because it was not comprehensive.”
(Respondent 8_TM)

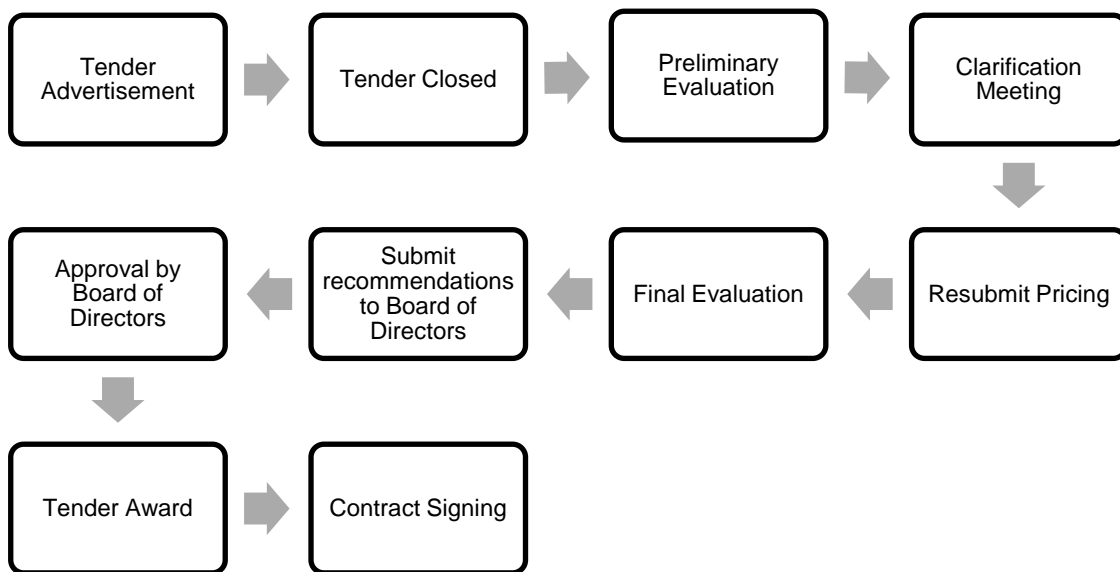
“The consultant that we recommended was not what we expected. Although our recommended consultant was expensive, the job scope offered was wider. Now, there are many things left behind because we didn’t choose Ernst & Young.” (Respondent 6_MM)

These contradictions significantly affected the tender process, because it caused delays in the contract signing, which was scheduled to be in October 2002 but was postponed to January 2003. The commencement of the consultancy works was scheduled for November 2002 but began in January 2003. This delay meant that the consultants only had a period of three to four months before the initial official corporatisation date, April 2003. There were no particular solutions found for the contradictions in this activity, as it was a directive from the top and thus, despite the dissatisfactions, JTB had to choose the consultants according to the recommendations from the SCP. This was previously shown in Table 14. The tender for the management consultancy for the development of the terms of employment was finally given to Teleconsult, and the tender for TelBru’s strategic and business plan was given to Siemens.

After the contract signing, the consultants were briefed on their job scopes and deliverables, and they were asked to give a presentation about their

consultancy approach according to their methods, the number of people involved, and the expected outcomes of each activity made. Moreover, they were required to attend a weekly meeting to report on their progress. Based on the above, the overall tender process is illustrated below:

Figure 19 Tender Process
(Source: TelBru, 2002a)



All four consultants were given three months to conduct their consultancy works, from January 2003 until March 2003, so as to prepare TelBru for full corporatisation in April 2003. The following offers an introduction to the selected four consultants along, with their job scopes and methods of consultancy:

- i) The consultant selected for the management consultancy for the development of terms of employment was Teleconsult Sdn Bhd. The contract cost B\$378,500.00.00 (£181,790.37) (TelBru, 2003a, 2009e). The development of terms of employment was very significant because it was concerned with the transfers of employees, especially in terms of employee benefits. Teleconsult's job scope was to prepare the terms of employment for both JTB employees who would be transferred to TelBru and new staff recruited directly by TelBru, as well as preparing the organisational management framework, consisting of job descriptions, salary band,

disciplinary process, and performance appraisal process (TelBru, 2003a, 2009e). In addition, their job scope included the provision of a Human Resource Management System (HRMS), and conducting psychometric analysis and training needs analysis, along with consulting on the organisational structure and the financial impact of the new terms of employment (TelBru, 2003a, 2009e). Teleconsult conducted interviews with the Board of Directors, the Managing Director, JTB's Head of Department of each strategic business unit, and other consultants (TelBru, 2003a). They were directly involved with JTB Corporate Affairs Department. In addition, they performed observations, document analysis and focus groups with different levels of management. The challenges faced by the consultants involved getting the right information. This was problematic considering that most of the work done was previously handled manually by JTB. The consultants had to make many assumptions as a result of this (Respondent 6_MM and 7_MM), as stated below by Respondent 6_MM:

“One of the most important challenges was getting the right kind of information. It was a big challenge to collect all the information gathered from all kinds of places. And they would have to make a lot of assumptions there. Even the data that we had were quite outdated later. So, they had to have a lot of assumptions, like ‘what happens if...’” (Respondent 6_MM)

- ii) The consultant selected for the management consultancy for the TelBru's strategic and business plan was Siemens. The contract cost B\$1,264,122.00 (£607,147.19) (TelBru, 2003a, 2009e). Their job scope was to prepare corporate strategies and a business plan for each of the business units, as well as assisting TelBru in their implementation (TelBru, 2003a, 2009e). In addition, they prepared a business performance management using the Balance Score card technique, and consulted on the organisational structure (TelBru, 2003a, 2009e). Siemens conducted interviews with JTB Heads of Departments of each strategic business unit to explore the issues in their respective units (TelBru, 2003a, 2009e). They also conducted interviews with JTB's key clients to assess the telecommunication services, satisfaction level and future services needed

by the organisations (TelBru, 2003a, 2009e). Additionally, a market survey was conducted with JTB/TelBru's residential customers, with the aim of gathering information about their demographics, subscribed services, and satisfaction levels, and receiving feedback (TelBru, 2003a, 2009e). They also conducted observation on the work process, as well as document analysis in TelBru (TelBru, 2003a, 2009e).

- iii) PWC was selected for financial consultancy. The contract cost B\$1,100,000.00 (£528,320.77) (TelBru, 2003a, 2009e). Their job scope covered preparing a financial accounting and treasury system, internal audit charter and tax framework, and a five-year budget plan, as well as providing an accounting system using Microsoft Navision and system training (TelBru, 2003a, 2009e). Another job scope was to prepare a JTB proforma report and an opening balance for the official corporatisation date. Their final job was to assist TelBru in implementing the accounting system (TelBru, 2003a, 2009e). The consultants conducted interviews with the managers at JTB Finance/Strategy Unit about the work process, and asked for the existing regulations and processes (Respondent 7_MM).

- iv) The consultant chosen for the valuation of JTB assets was Ernst & Young Associates. The contract cost B\$574,000.00 (£275,687.38) (TelBru, 2003a, 2009e). Their job scope was to value JTB assets as at corporatisation date, and the transferred value of JTB's assets, liabilities, receivables as at the corporatisation date, as well as valuing and verifying a list of receivables and payables (TelBru, 2003a, 2009e). Their job scope also included verifying the asset register for TelBru's opening balance as at 1 April 2003, and listing the users of TelBru's duct space, tower and equipment room space (TelBru, 2003a, 2009e). The consultants met with the relevant authorities, such as the Land Department (for land and buildings), PWD (for vehicles), MOF, AITI (for telecommunication equipment), DEPD (for the National Development Plans Projects) (TelBru, 2009e). The consultants assisted TelBru on the evaluation and methodology of the asset valuations (Respondent 1_TM).

One of the outcomes from this activity was dissatisfaction with the deliverables from the consultants as a consequence of selecting different consultants from what TelBru/JTB had recommended. This is depicted as contradiction (a). This problem was also connected with many other factors, including over-reliance on the consultants and the delay of the official corporatisation of JTB. The issues and challenges confronted by TelBru in dealing with three of the four consultancy firms (PWC, Teleconsult and Siemens) are highlighted in Table 15.

Table 15 Issues and Challenges Faced by TelBru
(Source: Researcher's compilation)

Tenders	The consultants	Issues and Challenges faced by TelBru
<i>Financial Consultancy</i>	PWC	<ul style="list-style-type: none"> • No guidelines on how to perform the financial and accounting work • The accounting software system was difficult, did not meet TelBru's requirement, and there was no integration between systems
<i>Development of the Terms of Employment (TOE)</i>	Teleconsult	<ul style="list-style-type: none"> • Vague TOE • Human Resource Management System was not user-friendly
<i>Development of Strategic and Business Plans</i>	Siemens	<ul style="list-style-type: none"> • Final reports made were presented in PowerPoint slides and in bullet forms • Due to the time delay, some of the plans could not be implemented • The Balance Score Card work had to be given to PWC

These issues and challenges faced by TelBru in dealing with three of the four consultancy firms are explained below:

i) Financial consultancy – PWC

There was no professional support from the consultants after the official corporatisation date, due to the long gap. This left TelBru's financial managers in the dark because there were neither manuals nor guidelines on how to do the

work, especially when there were differences between government style and corporate financial reporting, as commented below:

“No work guidelines were given, especially regarding human resources and finance... There were not many changes. I’m talking about the process, revenue and payment collection process. But in terms of accounting terms, there were changes. We thought we wanted to see something different. The process did not change much”. (Respondent 7_MM)

The accounting software system (FAST) provided to TelBru by PWC was the cheapest system available (Respondent 7_MM). The financial modules were too basic with limited functions and that this did not meet TelBru’s requirements (Respondent 7_MM). In addition, the software expired during the official corporatisation date. This is stated by Respondent 9_TM below:

“When we actually bought the system, it was seven years ago. Things change. Because of the time delay, we actually have to neutralize the services for something else. Because by right in the tender itself, we mentioned that for the first three months a consultant should be here to help us to maintain to our account. But because of the delay, we actually neutralised some of the services in order to improve the current process, and I think we have done three or four improvements since then.” (Respondent 9_TM)

Furthermore, there was no integration between systems such as Customer Management System (CMS), HRMS, prepaid system, and the accounting system (FAST). This caused problems for the staff, especially the Marketing and Sales Unit, as they found it hard to develop a package of products and services since there was lack of integrity in the system, as highlighted by Respondent 10_MM.

“The limitation is our billing system, because we could not bundle voice and broadband packages.” (Respondent 10_MM)

ii) *Development of TOE – Teleconsult*

After the official corporatisation of JTB in 2006, the terms of employment by the consultant could not be fully utilised, as there were no formal guidelines provided and only half of the modules could be used, as some were not

practical and culturally adaptive (Respondent 7_MM). The terms of employment were also elusive (Respondent 7_MM), and they had to be amended from time to time after the corporatisation, as stated by Respondent 11_TM:

“...some might not be practical. We find that it is not suitable to be applied here as they were not suited for Bruneian culture... like I said, not all the plans were workable... Our other problem is the terms of employments, where a lot of things need to be fixed here and there, but we know it’s not perfect. Nevertheless as time passes, we will continue correcting it.”
(Respondent 11_TM)

In addition, the HRMS was not user-friendly, and the staff only used it occasionally to update the staff information (Respondent 8_TM), as stated by Respondent 7_MM below. Another issue of this system was that TelBru had to pay the system maintenance annually, despite not being able to make full use of it.

“The HRMS expired by the time you want to use it. It is not used now that much because it is not user-friendly.”
(Respondent 7_MM)

Nevertheless, the employees realised that the origin of this problem was the delay of the corporatisation, as commented by Respondents 4 and 8:

“I think during the period during 2003 to 2006, we already had terms of employments but they were never put into practice. Only after 2006, those problems came into existence and then, Human Resources (HR) on their part constantly updated and reviewed the existing terms of employments and brought it to a level which was more on par with the current HR practises in Brunei.” (Respondent 4_MM)

“The work was made, done and given to JTB but then we could not use the HRMS because we were still under JTB. Now, the system is only used a little, for statistical purpose.”
(Respondent 8_TM)

iii) Development of Strategic and Business Plans – Siemens

At the end of the consultancy period, TelBru was not satisfied with the final reports made by Siemens and their approach to performance management. In

particular, the Balance Score Card (BSC) was deemed unsatisfactory. TelBru did not expect Siemens's final report to be in the form of slides, and Respondent 5_MM, 6_MM and 11_TMT commented as follows:

"They didn't provide us satisfaction on the BSC issues."
(Respondent 5_MM)

"Siemens did the BSC but we didn't like it. It was not as straightforward as what we expected, so we held the money for the BSC and we asked PWC to do the BSC for us. They agreed and it was agreed by Siemens that this part of the work needed to be redone." (Respondent 6_MM)

"Siemens came up with slide show only, I know it's a lot but it was not accompanied by a well-documented report. It was only brief in bullet points, so we were not happy."
(Respondent 11_TM)

Because of this, Siemens asked PWC to carry out the Performance Management part of the consultancy work. PWC's involvement in this area was limited to the Performance Management, and not Business Consultancy as a whole.

"In the end, we had meetings with the consultant and told them that we were not satisfied. They agreed to redo this again. This time, they appointed PWC to complete the job. We specified to them what we required. So once they agreed and decided among themselves, they decided to allow PWC to complete the BSC issues." (Respondent 5_MM)

"So over the last engagement point, we didn't pay Siemens. In fact, we asked them to review, so we asked PWC to come and help them, so throughout the next 3 months we worked closely with PWC to review it again. Only after this did PWC come up with proper reports." (Respondent 11_TM)

Furthermore, due to the long gap between the consultancy period and the official corporatisation, some of the strategic and business plans were not implemented, as there were many market and technological changes, as stated by Respondents 1_TM and 8_TM:

"When we launched it, we used some of the strategies but we adapted as we went along because of business changes, so

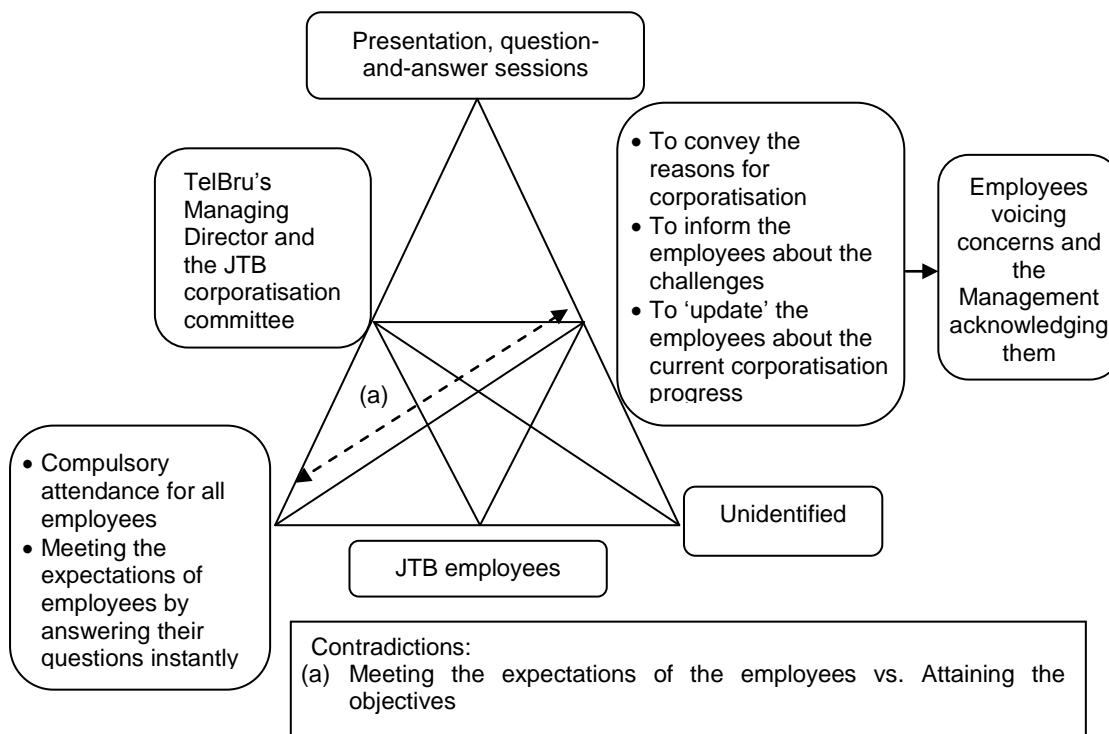
we didn't follow it 100% as there were other things we needed to do. We were guided by the Board of Director's direction on where to go, and we followed their decision. Every year we have only finite resources.” (Respondent 1_TM)

“During the period of study, the challenge or issue is that we are not corporatised. Therefore, we could not apply what was proposed. By the time we were corporatised, it was hard to implement.” (Respondent 8_TM)

The next significant activity of the corporatisation was the dialogue sessions, where there were direct communications between the top managers and the employees. This will be highlighted next.

5.2.3.2 Activity 5: Dialogue Sessions

The dialogue sessions are represented as Activity 5, shown in Figure 20, a vital activity, as they served the purpose of communicating between the top management of TelBru and JTB and their employees with regards to the corporatisation. There are many names given to the dialogue session by the employees: ‘*muzakarah*’ (meeting), gathering, seminar, roadshow, and briefing. The subjects of the activity were TelBru’s Managing Director and JTB corporatisation team, including the Head of Department for Corporate Affairs and Head of Department for Finance/Strategy.

Figure 20 Activity 5: Dialogue Session (2002, 2003, 2006)**(Source: TelBru, 2002a, 2003a, 2003b, 2003c)**

The objects of the activity were to convince people why JTB was being corporatised, and to prepare the employees for corporatisation by informing them about the expected challenges that they would face during the corporatisation. Another object was to 'update' the employees about the progress made thus far in the corporatisation process, and the decisions made by the Government with regards to corporatisation. Additionally, the dialogue sessions served the purpose of alleviating the employees' uncertainties and fear regarding their job security and, in particular, their salary, pensions and gratuity, as commented below by the interviewees:

"...it was more like an open discussion where everyone was given an opportunity to voice out their concerns and those concerns are taken into consideration especially in benefits and terms of employment.... Basically it's about the terms of employment, like how they are going to be affected and what compensation there would be after the corporatisation..."
(Respondent 5_MM)

“All over the country, the management went around to explain what had been achieved in the corporatisation process so far. I think the challenges and problems during the transition period has already been explained to the employees to some extent during the dialogue session, so most of the problems were already at rest during other sessions. By the time we started to corporatise, there are not many major problems. This helped to alleviate fears from the employees. Sometimes they were concerned what would happen to them if the organisation was corporatised, and this worried them. I think we managed to inform them carefully. We made sure they were not too concerned, so when the time came, they would be excited.” (Respondent 8_TM)

“How to explain to people why we decided to corporatise? In order to tackle this, we had several dialogues just to make sure that people were comfortable with this corporatisation.” (Respondent 10_MM)

“Actually they briefed us by going to every district, saying that we would be corporatised soon, by 1 April 2006, and explained that these are the working hours, our salary, work leave, and other things.” (Respondent 12_MM)

Among the agenda of the dialogue sessions were informing the employees of the corporatisation process, issues such as the legislations, the establishment of a new regulator named AITI, the dates of corporatisation succession, the procedures of the transfer of employees, the tender process and the consultants awarded tender, the corporatisation challenges, and the changes in the working hours and corporate identity (Respondent 8_TM, 13_MM; TelBru, 2002a, 2003a, 2003b)

The community in this activity was the employees of JTB, and the division of labour within the community was unidentified, because the employees were merely audience in this activity. One of the tools of the activity was the presentation given by the Managing Director regarding the corporatisation progress (TelBru, 2003b). Another tool was the question-and-answer session, where employees could ask the management directly and the questions asked were recorded (TelBru, 2003b). Papers and pens were also given to employees who wanted to ask but remain anonymous, as stated by Respondents 1_TM, 5_MM and 14_MM:

“...TelBru had a lot of session with employees, going around the district and telling them about the terms, and gaining feedback from them, including their concerns being raised. Since Bruneians don't really speak up, we gave them blank paper to write their concerns on anonymously, to allow them freedom, and we tried to address concerns raised in this way too”. (Respondent 1_TM)

“It was open to everyone to make their voices heard. For those who were shy to speak, we enabled them to speak out via writing. They did not need to feel afraid because their name would not be disclosed...” (Respondent 5_MM)

“... the dialogue session was carried out in phases. We arranged for 310 people at a time to be consulted, as we had 800+ employees. The Managing Director presented PowerPoint slides. The staff members were allowed to ask questions on a piece of paper.” (Respondent 14_MM)

The rules of the activity were compulsory attendance for all employees (Respondent 13_MM). Their attendances were recorded. The expectation of the employees was that their questions should be answered immediately during the Q&A sessions. Contradiction (a), as shown by the broken arrow line highlighting the contradiction between the rules and the objects, was caused by the incapacity of the subjects to instantly answer the questions asked by the employees during the Q&A sessions, particularly concerning the employee benefits. This created dissatisfaction and uncertainty among the employees (as described below by the respondents):

“During the dialogue sessions, when we asked questions, they gave us different answers.” (Respondent 15_MM)

“During the gathering, they posed some questions showing their fears and the one in charge was very good and very professional and she was able to explain the answer. Although some people were not satisfied, the change was a must and they could not do much about it.” (Respondent 16_MM)

“During that time, we were not sure about the Terms of Employment. The pensioners were not sure if they were going to get their pension, ETF, the salaries, the day off, and so on. There were uncertainties. It was handled through dialogue sessions. When there were questions that they could answer, they answered straight away, and when they couldn't answer

questions, they waited for answers from the top.”
(Respondent 17_MM)

“During the briefing sessions, there were a lot of questions that they could not answer because too many questions involved finance and HR issues, such as salary...”
(Respondent 18_MM)

“During the question and answer sessions in the dialogue sessions, the answers were not ready and they do not look confident. Maybe they did not know how to answer because they have their own rules. In particular, they did not give elaborate answers to questions about employee benefits, as if they were still hanging. Maybe the information was not yet confirmed at that time. We will never know.”
(Respondent 19_MM)

To handle contradiction (a), the JTB corporatisation team tried to provide answers in the next session, as commented by Respondent 1_TM:

“We attended almost all the sessions, so it was good and we took back any questions they couldn’t answer to a future session. The questions were recorded: most of them were about trying to see whether things such as the allowance were going to be worse for the employees.” (Respondent 1_TM)

Based on the questions asked by the employees, the outcome of Activity 5 was that the management identified the employee concerns about corporatisation and thus contributed to the development of the new Terms of Employment (became Activity 6’s ‘tools’, which will be discussed next), as stated by the respondents and TelBru (2003c):

“It was an exchange of information between the management and the employees. The dialogue session was one way of us conveying decisions and, at the same time, gathering the employees’ opinions, so at the end of the day, it helped to formulate a terms of employment which was beneficial to both employees and the company.” (Respondent 5_MM)

“I believe they did road shows on corporatisation from district to district. They introduced the idea and they sought people’s opinions. They noted down people’s interests and concerns regarding the corporatisation.” (Respondent 20_MM)

“During the Q&A session, the staff members were given the opportunity to voice out their concerns. The feedback gathered will provide the necessary inputs to the management in the formulation of the TOEs with the consultant. In general, the staff members were concerned about the following: Pension and gratuity entitlement, leave, employment issues, salary and benefits such as housing loans, facilities and accommodation, operational issues such as working hours and uniforms.”
(TelBru, 2003c)

In total, there were four dialogue sessions conducted between the years 2002 and 2006 in four different districts (Respondent 4_MM; TelBru, 2002a). This is shown below:

Table 16 The Dates and Objectives of the Dialogue Session
(Source: Researcher’s compilation, TelBru 2009f)

Dialogue Sessions Districts Location	First Dialogue Session	Second Dialogue Session	Third Dialogue Session	Fourth Dialogue Session
Brunei-Muara District	4 & 26 September 2002	15 & 18 February 2003	7 & 10 July 2003	27 February & 4 March 2006
Tutong District	23 September 2002	11 February 2003	6 July 2003	1 March 2006
Belait District	25 September 2002	19 February 2003	9 July 2003	25 February 2006
Temburong District	3 October 2002	17 February 2003	12 July 2003	6 March 2006
Objectives	To inform the employees about the corporatisation and the consultancy work	To update the employees on the decisions agreed, management areas that had been completed, and the challenges ahead	To convey the message that the corporatisation would be postponed	To notify the employees of the official corporatisation date; the transfer of employees and the terms of employment

As shown in Table 16, the first dialogue sessions were conducted in 2002. These were mainly to inform the employees about the consent of His Majesty the Sultan to the corporatisation of JTB, the objectives of the corporatisation, and the date of the corporatisation (TelBru, 2002a). The session also informed the employees about some major corporatisation issues, including regulatory issues, current market trends, internal organisational needs, customer trends, and the dynamic change of technology (TelBru, 2002a). The management also informed the employees that they would use consultants in some aspects of management, finance, and asset valuation, as well as the development of strategic and business plan (TelBru, 2002a). Two significant issues discussed were the process of the transfer of employees and the introduction of a new organisational structure (TelBru, 2002a). The management also explained the challenges for TelBru, including their capability to pay the salaries and benefits, and the importance of high productivity and an enhanced work performance (TelBru, 2002a).

The second dialogue session was carried out in 2003, two months before the proposed official corporatisation date. The main purposes of this were to update the employees about the corporatisation process and answer most of the questions raised during the first dialogue session. Additionally, the dialogue session highlighted the future plans of TelBru, including new corporate identity and new working hours (TelBru, 2003b). Furthermore, issues surrounding the corporatisation were explained, including concerning legal matters and issues of the transfer of employees such as the pensions and benefits for current employees when transferring from JTB to TelBru (TelBru, 2003b).

The third dialogue session was held in July 2003, with the purpose of imparting information to the employees regarding the news of the postponement of the corporatisation. The final dialogue session was held two months before the official corporatisation date (April 2006), with the aim of informing the employees about the official corporatisation date and the preparations for the launching ceremony (Respondent 5_MM). All the above-mentioned are best described by Respondent 5_MM:

“The dialogue sessions in 2002 were to inform the employees that we were going to be corporatised, and that we would be looking at four consultancies. The second session was basically to inform them about the decisions that had been agreed and the recommendations that had been made. I think during this time the focus was more on the terms of employment and challenges ahead. The third dialogue session was to inform employees that the corporatisation was postponed. The last one was to give a date for the corporatisation, and what the government would provide, including benefits, terms of employment, transfers and policies.” (Respondent 5_MM)

The next activity focused on preparing the necessary actions for ensuring the smooth and effective transfer of JTB employees to becoming TelBru employees. This included developing new Terms of Employment and dealing with the employee concerns. This crucial activity will be elaborated in more detail next.

5.2.3.3 Activity 6: Transfer of Employees and Development of the Terms of Employment

One of the significant activities during the corporatisation process was the transfer of employees, represented as Activity 6, as illustrated in Figure 21. The transfer of employees involved ‘no less favourable’ Terms of Employment and entitlement of benefits for TelBru’s employees (TelBru, 2003a). This activity was imperative, because it involved the heart of every organisation – the employees. Furthermore, it was a complicated and sensitive process (TelBru, 2003a), as it provides a guiding principle and procedure for the employees, as depicted below:

“The preparation of the new terms of employment for the transfer of the employees are important because it is the major guidelines for them.” (TelBru, 2003a, p. 8)

One top manager commented that the transfer of employees and the development of the Terms of Employment were one of the challenge faced because employees perceived that, by corporatising JTB, they would not

receive many benefits, or would be 'worse off' when compared to being in the Government, as shown below. However, they were then informed in the dialogue sessions (Activity 5) that they would enjoy 'no less favourable' terms of employments and be not 'worse off', compared to when they worked for the government.

"Most of them felt that it would hard to be transferred to another company, so it was challenging to come up with a Terms of Employment. At the point of transfer, people were thinking that they were going to bet worse off, as we can't predict the future. That's what the Board of Directors had to think about." (Respondent 1_TM)

"Most low-level employees preferred not to be corporatised because they felt more secure under the government and they were worried they would get fired if they did not perform and they thought they would get fewer benefits."
(Respondent 8_TM)

The subjects for Activity 6, as shown in Figure 21 were TelBru and JTB's Corporate Affairs Unit : this unit was responsible for handling the employees during the corporatisation. It was very crucial for both JTB and TelBru to ensure the smooth flow of the transfer of employees for the official corporatisation and that the employees were well-prepared to perform new work process and operations.

The object of this activity was to ensure that JTB employees would be successfully transferred as TelBru employees on the succession date. and that the latter would enjoy both 'no less favourable' terms of employments and benefits. The rule of this activity was in accordance to the Telecommunication Successor Company Order 2001:

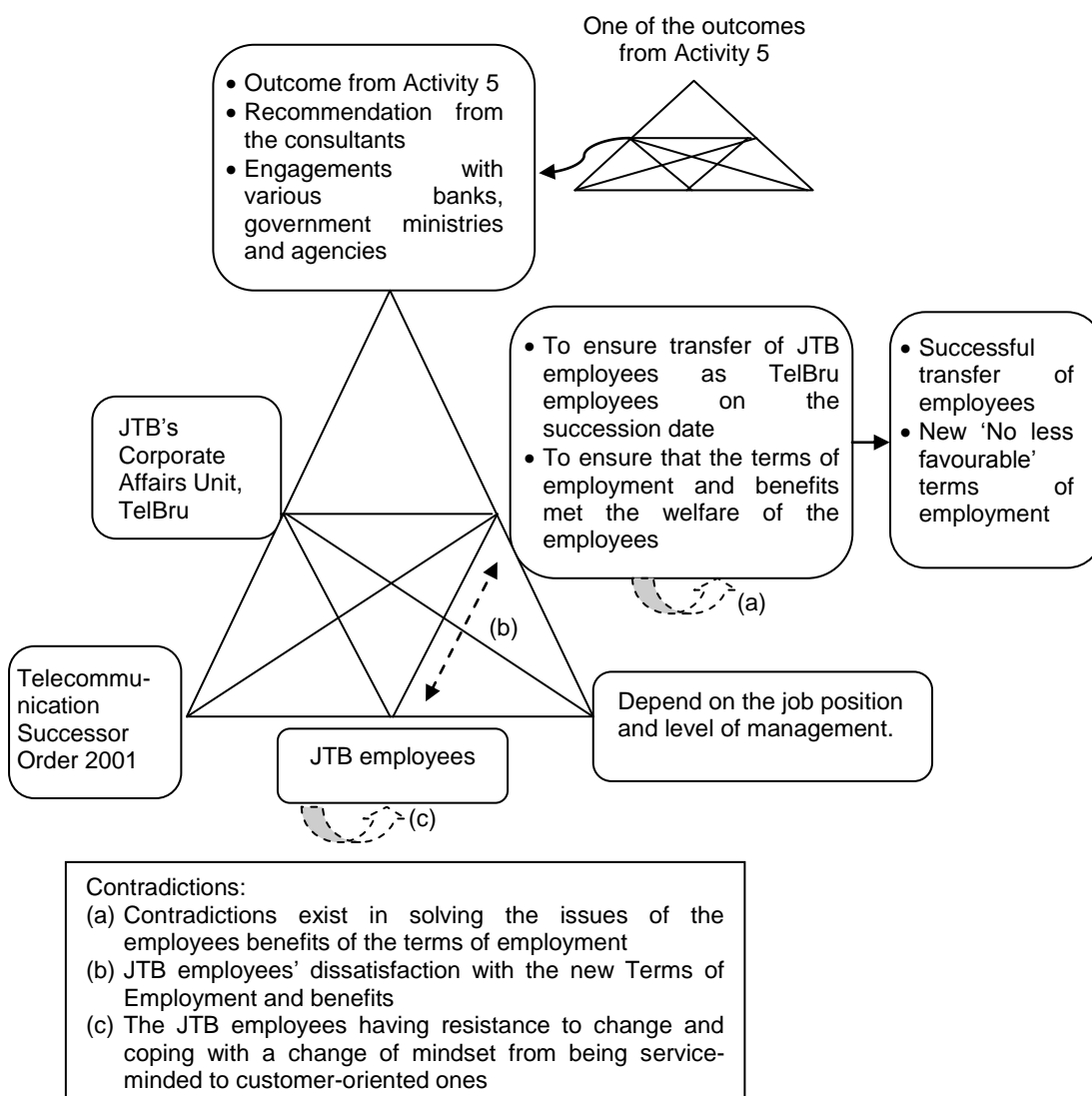
"5. (1) Every person who was an employee of Government in connection with the telecommunication undertaking immediately before the succession date (other than an excepted telecommunication employee) is deemed:
(a) to have been engaged by the telecommunication successor company, with effect from the succession date, on terms and conditions of service no less favourable than those enjoyed by him immediately prior to his transfer; and

(b) to have accrued an entitlement to benefits, in connection with his employment by the telecommunication successor company, that is equivalent to the entitlement that he had accrued, as an employee of the Government in connection with the telecommunication undertaking, immediately before the succession date.”

(Telecommunication Successor Company Order, 2001, p. 1131)

Figure 21 Activity 6: Transfer of Employees (2006)

(Source: TelBru, 2003a, 2003d, 2003e, 2009a, 2009d, 2009f)



The community for this activity was JTB employees and the division of labour within the community depended on their job position and level of management. The tools of the activity were employee concerns and feedback

from the dialogue sessions (Activity 5), recommendations from the consultants, and engagements with various banks, government ministries and agencies. Based on the dialogue sessions (Activity 5), employees concerns were acknowledged by the management and these assisted in the development of the Terms of Employment (TelBru, 2003a). In addition to this, with the help of the consultant, Teleconsult, the Terms of Employment was developed after considering the differences in the benefits and rights of the employees before and after the corporatisation (TelBru, 2003a).

The cooperation between JTB, TelBru and various banks, government ministries and agencies, such as MOF, PSD and ETF as well as Nurul Iman Palace and AITI, were essential for the accomplishment of this activity. Based on these engagements, two types of employee transfers were made possible:

- i) JTB employees transferred to TelBru.
- ii) JTB employees transferred to the Ministry of Finance (at the Credit Control Unit to claim payables from the customers), Nurul Iman Palace (for technical assistance), Ministry of Communication, AITI (for assisting them to fulfil their role as the regulator in the telecommunication industry) and other ministries. (TelBru, 2003d, 2003e, 2009d).

The transfer of employees was best described below:

“JTB had staff. The staff team was skilled and trained. For TelBru to continue service without interruption, these employees needed to be transferred. Since TelBru is a private company, they had to have some form of employee regulation or Terms of Employment for staff. Hence, a special Term of Employment was created to allow JTB employees to be employed under TelBru. There are two main kinds of JTB staff: pensionable and under ETF. For the pensionable staff, they were pensioned off early. They got their pensions and were re-employed back under TelBru. Those under the ETF scheme were re-employed under TelBru, where ETF contributions are taken over by TelBru.” (Respondent 11_TM)

There were three contradictions in this activity. The first contradiction (a) is shown as curved arrow below the element of ‘Object’ box in Figure 21. The

contradiction took place within the element of 'Object'. The contradiction was that, prior to the terms of employment being developed, the subjects faced issues with regards to salary, pension and gratuity issues, work leave, government accommodation, housing, and vehicle loans. Since JTB was the first corporatised government department, there were contradictions on how to handle and solve these issues. In addition, these issues were related to employee concerns regarding future benefits. The questions derived by the subjects based from these issues in the event of the official corporatisation are as follows:

- i) How shall we pay the salary of the transferred employees? What will the salary be?
- ii) What will happen to the pensions of JTB employees? Will they be transferred to the ETF scheme?
- iii) What will happen to those who have not finished their work leave during their time at JTB?
- iv) What will happen to the employees who continue to work for the government? What will happen to employees who still have housing and vehicle loans with the government?

To solve these issues, the subjects mostly held negotiations and engagements with various banks, government ministries, and agencies. Regarding the payment of the salary of the transferred employees, the Head of the Corporate Affairs Unit held meetings with the banks and the MOF. The MOF was responsible for JTB's employees' salary, pensions and gratuity. Thus, the purpose of the meetings was to coordinate with the MOF and the banks (TelBru, 2003d). In addition, new salary bands were introduced, and the employees would not receive a salary lower than what they had received whilst working under JTB (TelBru, 2009f). Additionally, the transferred employees would be given both yearly increments and performance-based bonuses.

To solve the pension and gratuity issues, Telbru and the PSD conducted meetings, in which TelBru asked permission from the PSD to allow their transferred employees to be pensioned early and be transferred under the ETF

scheme. This was approved and the pension and the gratuity of the employees were then recalculated (TelBru, 2003d). Subsequently, TelBru discussed this process with the MOF, including the revised amount of the pension and the gratuity of the transferred employees (TelBru, 2003d). The pensions and gratuity were then given to the eligible employees (TelBru, 2009f). In addition, TelBru also met with the ETF in order to open new accounts for the pensioned and transferred employees (TelBru, 2003d, 2003e). The ETF scheme required a 5% contribution from the employer, and another 5% from the employees themselves (TelBru, 2009f). The new staff employed directly by TelBru would automatically be under the ETF scheme (TelBru, 2009f).

Another employee concern was work leave. The work leave of the employees had to be recalculated prior to full corporatisation (TelBru, 2003d). The remaining work leave had to be brought forward during the corporatisation. They would be given a time period to finish their remaining leave whilst they were at TelBru (TelBru, 2003d). The holidays were decreased from 42 calendar days to a certain number of days, depending on the employee's level. The difference between the old and new holidays was financially compensated (TelBru, 2003d). This is as commented by Respondent 5_MM below:

“The employees had different tiers of work leave. Let's say, a manager had X numbers of days... Thus, some of the remaining work leave was compensated... depending on their work level.” (Respondent 5_MM)

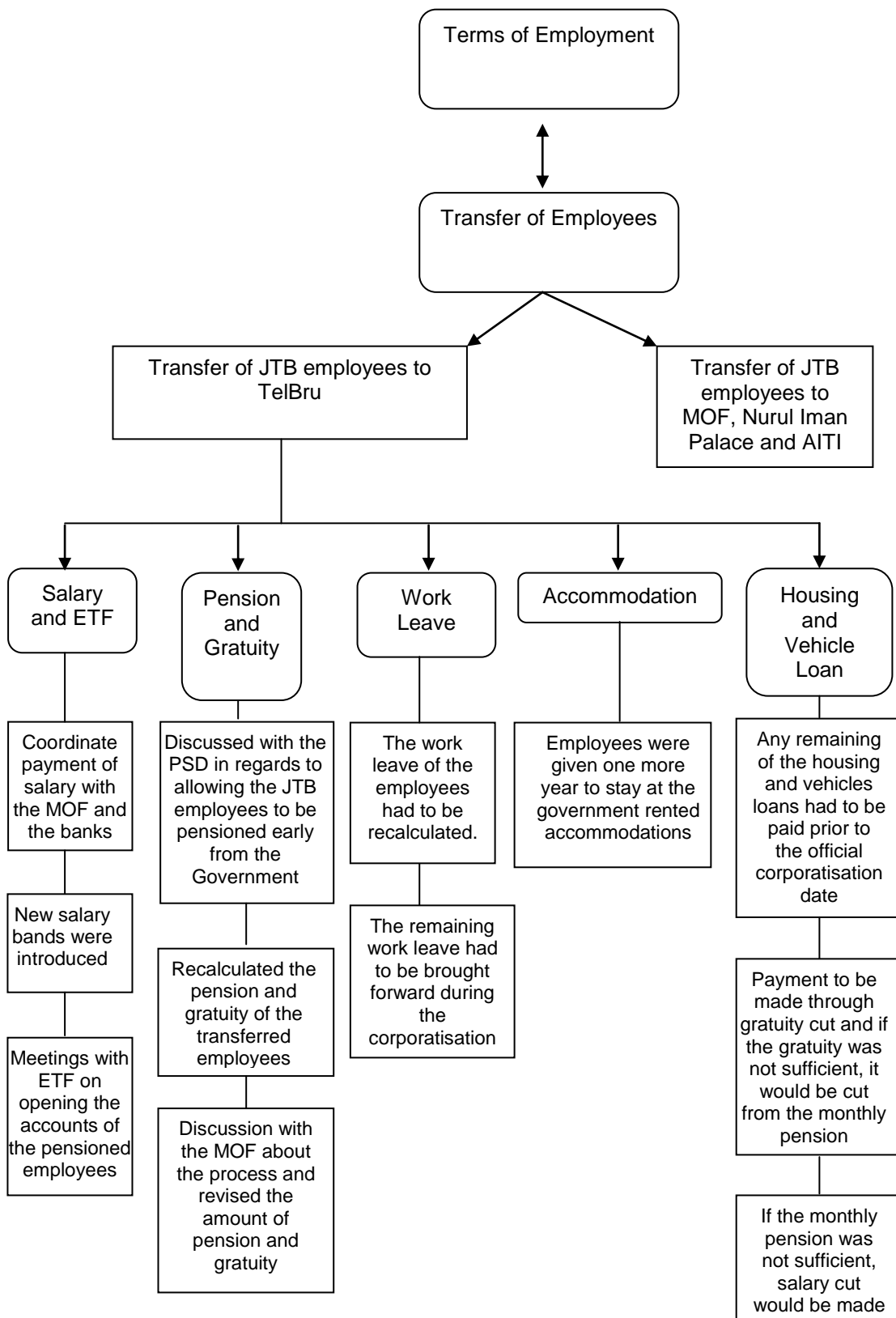
In relation to housing issues, the Head of Department of the Corporate Affairs Unit and PSD met to discuss, as this posed as a dilemma for employees who were renting flats, barracks or houses that were rented by the Government for them (TelBru, 2003d, 2003e). These employees were given one more year to stay at the government rented accommodations. This would give them ample time to find a new place to stay. There would be rental negotiations with the Government and the landlord after the first year ended. In addition to this, employees who had both house and vehicle loans from the Government were informed during the second dialogue session that housing loans would be abolished, but they would be assisted by TelBru in getting low and affordable

loan rates from the banks. The meetings with the PSD concluded that any remaining the housing and vehicles loans had to be paid prior to the full corporatisation date through gratuity cuts, and if the gratuity was not sufficient, it would be cut from the monthly pension. If the monthly pension was still not sufficient, there would be a salary cut, as described below:

“The second issue was for employees who took Government loans. The loans would be subtracted from the gratuity and, if not enough, from the pensions. If it was still not enough, it would be subtracted from their salaries.” (Respondent 8_TM)

All of these are illustrated by the following diagram, Figure 22:

Figure 22 The Transfer Of Employee Process
 (Source: Researcher’s compilation)



The second contradiction, (b) as shown as the broken arrow line in Figure 21, shows contradictions between JTB employees (community) and the new Terms of Employment (one of the objects), whereby the some of JTB employees were not satisfied with it. This contradiction takes place between elements of the activity system. The employees were highly concerned about their present and future benefits, particularly with their pay, pension and gratuity entitlements, work leave, and salary and benefits issues such as housing and vehicle loans, as well as operational issues such as working hours and uniforms (TelBru, 2003c, 2009a). These were highlighted by the following informants:

“Some people felt threatened and uneasy. For example, some incentives were taken, and they felt that they were at a loss, especially senior people who were rigid, conservative and could not accept change.” (Respondent 16_MM)

“We don’t get housing loans. But I am lucky because I got my pension. It’s enough for me. But if I calculate and compare with the government, I still feel that I lost because there were no benefits and if I were to pension at 55 years old, it would be different as my pension would be higher and better.”
(Respondent 19_MM)

“There was many benefits when working under the government. Then, in TelBru, some benefits were missing, such as vehicle and housing loans”. (Respondent 22_MM)

“I think the hurdle is that people felt they are not being paid enough compared to the government – the salary was not the same. Then in terms of benefits like housing loans, car loans, school fees, and all those thing are no longer there, so of course, the employees will see this as a disadvantage for them... the difficulty was in facing staff that were not satisfied with the terms and conditions. Sometime for instance, bonuses: some employees may not agree with the amount of bonuses that we gave to them. They felt they should get more...” (Respondent 23_TM)

“The negative thing is that the annual leave was been reduced. Under the government, we would have 48 days but now, in TelBru, it’s only 20 days for my level. That’s what made me unhappy. Looking on the bright side, we were compensated by TelBru through the migration allowance. So, in a way, there are pros and cons. I’m happy in one way but also not happy in another way. But, if given a choice, I would

like to have more leave instead of being compensated by the allowance.” (Respondent 24_MM)

“There were still people who ask why we were corporatising. It’s better to be in JTB than in TelBru, because there were fewer benefits in TelBru. You get more in the government. Everyone was fussy in TelBru. Of course, working under the government was better.” (Respondent 25_TM)

“We just have to follow. Our operations are still the same... maybe the senior people are affected but not me. The only concern for me at that time was the loss of a vehicle and housing loan. It affected me but there’s nothing that I could do about it” (Respondent 26_MM)

To solve this contradiction, the subjects tried their best to meet the requirements of the employees. Nonetheless, they have to take into account the costs of offering these benefits after corporatisation (Respondent 8_TM). They assisted by paying some percentage off the employees’ housing loans, as stated by Respondent 5_MM below:

“I think at the moment, we are trying to pay off some percentage of the employees’ loans such as housing loans from banking institutions. TelBru will pay a certain percentage of the interest. That’s one of the initiatives taken by TelBru to help their employees. But not yet on the vehicle loans. Again, there are several benefits that we took away, but not completely. There are some that can be reconsidered by Board of Directors.” (Respondent 5_MM)

In addition to this, the benefits are actually not totally eliminated. If TelBru is making high profits in the future, the subjects and the Board of Directors will consider reinstating the benefits back for the employees, as mentioned by Respondent 5_MM below. However, this can only be made possible if the employees realise the need to make TelBru into a successful company, as commented by Respondent 23_TM.

“Corporatisation means it runs as private entity but is owned by the government. You have to look after your own profit and loss basically. Seek your own revenue. It is your business plan that will determine where your revenue will come from. That’s why benefits like housing were not provided. But they were not ruled out. If the company makes more revenue, those things

will be reconsidered by the board of directors”.
(Respondent 5_MM)

“But no matter what, the employees also need to see if the company is able to succeed, then they will be able to benefit from the company. If the company is not succeeding, it will also not be successful for the employees.”
(Respondent 23_MM)

The third contradiction, contradiction (c), is illustrated by the curved arrow below the ‘Community’ box in Figure 21, showing a contradiction subsisting within the ‘JTB employees’. JTB employees had resistance to change, and struggled to cope with a change of mindset from being service-minded to customer-oriented. This will be elaborated accordingly below:

i) *Employee resistance to change*

Resistance to change is common when changes take place in any organisation. Employee resistance to change began from the early announcement of the corporatisation of JTB in 2002. This can be attributed to JTB employees enjoying high salaries, benefits and job security whilst working for the government. Other factors include dissatisfaction with changing benefits (described above as the second contradiction), fear of change, job security, change of image, working hours and a new corporate environment. This is evidently mentioned below by the informants:

“The benefits in the government are more secure. Many didn’t feel secure with migrating from JTB to TelBru.”
(Respondent 22_MM)

“Some people took up the challenge. Some could not because people were used to working with the government. The government remuneration was very good and that was why we had to convince people to change. I believe in working for money and job satisfaction. So if you get less money, you feel underappreciated.” (Respondent 27_TM)

“If you try to compare it with JTB dollar by dollar, it doesn’t tally, because we are losing a lot of different things, for example, housing allowance, vehicles... our finance people

calculated and made the comparison and yes, to be honest, the government still win... People were concerned financially, regarding job security, and that if they didn't perform work well, they could be sacked." (Respondent 28_MM)

"If TelBru exists, what will happen to my accommodation? Nobody knows what was approved or anything. Fear of change is there, especially for those of us who don't have our own houses at that time. And then when you say about motivation, I was a bit worried about my position at that time. Will my salary be the same? Will there be allowance?"
(Respondent 30_MM)

"It's not easy for people to accept that they are working in a corporate environment now, which they resent, as compared to working the government where they feel much more secure and performance doesn't matter. Here in the corporate world, they are scared of being sacked, as has previously occurred in some corporate banks. So here they worry about their performance when they are not capable to do their task that they will lose their jobs. These are their perceptions; their mentality needs to be changed, so if they are scared of losing their jobs, they just have to work hard. But then again it's not easy because it's part of our culture already."
(Respondent 32_MM)

In addition, senior employees and low-level employees were highly resistant to change because some were not open-minded. They were used to their normal work routines and were apprehensive about their future benefits, as commented below:

"To certain people, it was okay, but for the old workers, it was difficult for them to adapt to the new change."
(Respondent 11_TM)

"... Senior people were rigid, conservative, and could not take change." (Respondent 16_MM)

"There were lots of resistance. When you don't know about something, people will resist. In my perception, those resistant to change were those in the lower ranks and most specifically the more mature employees, because they were used to what they usually did, and for them to make changes was quite challenging..." (Respondent 20_MM)

"Top managers were keen to change, but middle managers had mixed reviews about change and many resisted changing."

Even more, low-level employees were totally against it”.
(Respondent 25_TM)

“To change for people in the lower level was much tougher than change for the middle and top management; because the low-level are not really open. I can see the mindset of the top and middle managers does not find it difficult to accept change, as compared to the low-level ones.”
(Respondent 31_MM)

Additionally, change was regarded as a ‘shock to the system’, as the employees would have to work for their job security, with performance-based bonuses, and would be responsible for the profit and survival of the company. This is mentioned by Respondent 21_TM:

“After corporatisation, it was no longer a service industry, it became revenue generating. It was a shock to TelBru, because instead of giving services, now they had to give service and make profit. It was a shock to the system; TelBru had a lot of specialised technical people who are very good, very experienced people. But from the mindset from being a service provider to a revenue generator, it was a shock to the system. So, TelBru has to change its style of working from being a service provider to a revenue generator.”
(Respondent 21_TM)

ii) *Employee change of mindset*

Changing the mindset of the employees from a government entity mindset to a business mindset is perceived to be difficult and challenging as well as a lengthy time process, as stated below. Most employees had worked for JTB for a long period of time, and were often already accustomed to the organisational environment, the organisational culture and the ‘way we do things here’. This made it hard to change their mindset, especially where work focus, work settings and organisational environment differed from the previous ones. In TelBru, the mindsets were more business-oriented and customer-driven, with clear goals to enhance work performance and improve the financial performance of the organisation. Below are quotations from the respondents in regard to this matter.

“It’s a very tough thing to do because the mindset of the people with JTB has been the same for so long. It’s been a very tough issue to change the mindset... a lot of the thinking still needs to change so we need to create a corporate culture. It’s not easy to change mindset, really.” (Respondent 23_TM)

“It’s not easy to change human behaviour. It cannot be done overnight. It’s something on going and sometimes people’s mood keeps on changing. That’s one of the difficulties in changing people’s mindset. A lot of effort has to be put in to bring about the changes... The major difficulty that we feel here is in changing the mindset. That’s in terms of working; in terms being corporate itself to the staff is another thing. Like during the government time, we are only concerned about giving customer service, but now, we care about the business opportunities, lost revenue, and so on. We have to take everything into consideration because the consequences are bigger where we might lose opportunities and revenue to a competitor.” (Respondent 32_MM)

“Change of mindset is another issue. It is good for improvement, but depends on the people who adopt it... Changes in organisations are very, very difficult”.
(Respondent 33_MM)

“Changes are slow; transitions from a Government mindset to a corporatised mindset are not yet realised for example in terms of work ethics, attitudes, productivity, profit/customer orientation are very much lacking.” (Respondent 34_MM)

The change of mindset is made even more complicated due to factors such as employee resistance to change (as described above) and being ‘government’ minded. The features of ‘government’ mindset can be described as: i) laid back, nonchalant and too comfortable; ii) only worried about salary and bonus, but not about how to improve the organisation; iii) not following the new working hours, as shown with interview quotations in the following table below:

Table 17 Features of the ‘Government’ mindset
(Source: Researcher’s compilation; interview quotations)

No.	Characteristics of ‘Government’ minded	Evidence
1.	Very laid back,	<i>“There are those who think about the</i>

	<p>nonchalant, and comfortable</p>	<p><i>corporate. But some still work like the government style – nonchalant. Some change, some don't maybe because of the pay that they get, which is the same"</i> (Respondent 19_MM)</p> <p><i>"It is easy to change the mindset of the new-comers, as they are very spirited. But for senior staff, their mindset is of the government type, because that way they feel as if they are still in their comfort zone."</i> (Respondent 35_MM)</p> <p><i>"This is a bit hard because we have been working for the government for more than 20 years. I was shocked when I found out about the corporatisation. But I am thankful that I can experience working in both government and corporate sectors. We should realize that when we are working in the corporate, we need to have more focus in working, unlike in the government where we relax more".</i> (Respondent 36_MM)</p>
2.	<p>Only concerned about getting salary and bonus but not worried about the performance or improving the organisation</p>	<p><i>"We have a system to do the design, but they prefer to use the manual methods. It takes time to change. It is difficult, as they are not used to it."</i> (Respondent 33_MM)</p> <p><i>"The mindset of how we did our work in JTB was that whatever we do, we will still be paid. But, in corporatisation, we are more customer-oriented. It means that we have to work harder to earn profit or think how to make profits. This mindset should be conveyed to the lower staff. Mostly we have difficulty in changing their mindset because they don't care as long as they are being paid every month. They don't care about the profit you are making, either at the end of the month or at the end of the year. What they want to know is that they are being paid and get bonuses."</i> (Respondent 37_MM)</p> <p><i>"JTB was obviously a government organisation, so whether you did work or not, you still got paid. It was not based on performance. These people from the</i></p>

		<i>government were used to receiving bonuses so when you actually stop them from getting bonuses, they're kind of doing a mutiny. I mean, if you tried to explain to them, they won't understand that the bonus was based on performance. They said "I come to work early!" Yes, you come to work early but you don't work and there's no output. This is what they don't get and understand."</i> (Respondent 38_MM)
3.	Ignoring the new working hours	<i>"It's hard to change people. The new working hours are 8am-12pm and 1:15pm-5:15pm, but even now, I still notice people going back at 4.30pm (when government work time ended). That's the example of their mentality."</i> (Respondent 16_MM)

To handle the contradiction of employee resistance to change and changes of mindset, several efforts were, made such as thorough training programmes, the introduction of performance-based bonus systems and new benefits, as well as systematic handling of the implementation of the new working hours.

TelBru provided training for employees, known as the 'Menjana Kesedaran Diri' programme, that aimed to infuse positive attitude towards the change in management (TelBru, 2009a). The top managers also took a spiritual approach to handling the issue of a change of mindset, but this was conducted after the official corporatisation of JTB. Although it is not within the chosen research time frame, as this training programme was conducted after the official corporatisation, the researcher believes that it is important to mention it here, as it is considered as one of the effective approaches made by the top managers to lessen this contradiction. This is as commented by Respondent 39_MM:

"The top managers handled the change of mindset by giving encouragement... We have a reward recognition and incentive programme. For people to be more motivated and change their mindset, we even conducted courses such as 'Kursus Kesedaran' (Awareness Course) and 'Kapasiti Diri' (Self-Capacity). Many people came to us and said that the courses

are very good, and changed their mindset, and that's the most important thing." (Respondent 39_MM)

Respondent 32_MM gave a helpful description about the 'Kursus Kesedaran' and how it affected the employees, as described below:

" 'Kursus Kesedaran' comes in handy when, rather than trying to change people from the outside, it's better to change them from the inside. We build self-realisation within them, where they learn to think that, in order to make change, they have to change from the inside... You can force many changes to people, but if they don't want to change, they won't change. So 'kursus kesedaran' make them realise that their work is not for salary only but to gain spiritual fulfilment in their life... Things like behaviour, it's subjective, and it's hard to give feedback on...

The course is good, like the facilitator said "if outside, people who steal are caught, but among those who are working, those who steal or waste time, are they caught?" This is where people realise. That's the first point. The second point is where sometime we use the office stuff for personal reasons without realizing it. It's called 'lack of trust', and the facilitator will tell stories from the time of our prophet to make people have redemption and realise what they did was wrong. Now they realise, we don't need to monitor what they do at the office because they now know what's right and what's wrong. They can make use of the supplies, but they just have to compensate everything." (Respondent 32_MM)

The result of this training programme was that the employees realised that working is not just for worldly pleasure (making money) but because of Allah s.w.t.. They apprehend that they are monitored by Him so whatever they are doing, and even without their supervisor looking at them or knowing about it, they know that Allah knows. This realisation makes them change by building a trust character and a desire to work harder – a change of mindset. This is as stated by the following respondents:

"It was very good. We work not because of money but Lillahi Taala (because of Allah). So if we are strong spiritually, we will not cheat and lie." (Respondent 18_MM)

"It was a good course. It is a spiritual development, where we understand that our CEO is Allah and that you are monitored by Him." (Respondent 33_MM)

“Yes when you attend a course about the inner values, like about what are we in front of Allah, we are not even a small thing, only we are proud of ourselves, but we are nothing. We always forget about everything... When you work one day, there will be stress management. But to manage stress, when you know yourself and you have gratitude for everything, Alhamdulillah (Praise to Allah), everything will be all right. If we are given a lot of work by our boss, we are often stressed out, but try to imagine how many people are aiming to be where we are, we will start to appreciate what we have. It really is only a small matter in comparison. The stress will drop down. People who never feel gratitude, they will always be stressed; it’s never enough for them.” (Respondent 40_TM)

“By correcting the personal values, it will make you become a good worker. That’s the concept of this course... they’re hoping that with that awareness, it can build up your personality to be a better worker, especially in your work.” (Respondent 41_MM)

“It’s really good. It’s more on simple things like you only do work when someone is watching you. But if we believe that even though other people can’t see but Allah can, we will always do our work and not cheat. Or if we use the office things for our personal use, we will feel guilty.” (Respondent 42_TM)

They also introduced a performance-based bonus system, based on achieving targets set by the Key Performance Indicators (KPI) stated in the BSC of each department. Upon achieving the KPI, the employees can get high bonuses and recognition for job promotion. The KPI approach is accepted by the employees. These are mentioned below:

“We are still trying to change the mentality of the people to being self-driven and competitive. Now the process is based on performance. We are implementing the BSC and KPI, and these will be reflected through bonuses and work promotion. Those who perform well, will get promoted quickly and receive high bonuses.” (Respondent 16_MM)

“Operation-wise, we were no longer like before. We need to skip the waiting or delaying of work. All must be done on time. We have our KPI and targets.” (Respondent 22_MM)

“... in terms of the performance and the KPI, we have a proper appraisal form that we need to submit for awards or bonuses. Meaning if the employees work harder and achieved their KPI,

then they will get their bonuses according to those KPI.”
(Respondent 23_TM)

“Because our bonus is performance-based, our performance is important. So people know that the more they perform, the more profit the company gets, the more bonus they receive. So it’s important.” (Respondent 39_MM)

The introduction of new benefits, namely medical benefits, also somehow helped to reduce the contradiction. The medical benefits allow the employees to claim medical treatment costs from selected private clinics. The new benefit can help the employees feel appreciated and realise that TelBru is concerned with their welfare. This is as stated by Respondent 19_MM:

“Alhamdulillah (Praise to Allah), we now have medical benefits... It’s a good move. In my opinion, even if I feel little bit sick, I will go to private clinic because to me, I want to save time. You know, if you go to medical government doctor, it will take you half a day and you will miss nearly half of the working hours. To me, I feel guilty about that.” (Respondent 19_MM)

The implementation of the new working hours were according to phases, whereby prior to the full corporatisation, the employees were asked to come in Friday as well as Saturday, because when JTB was fully corporatised to TelBru, the employees would work on Friday instead of Saturday, as commented by Respondents 4_MM, 13_MM and 32_MM:

“...working on Fridays and until 5:15pm needs getting used to. This is especially in the difference in working hours, new policies and guidelines. This is because we now work 39 hours a week compared to previous 37.5 hours, whilst in the government it’s different. There’s 2.5 hours that people have to get used to...” (Respondent 4_MM)

“We worked from Monday till Thursday and Saturday. When the decision to corporatise was announced, we came to work on Friday to familiarise ourselves with the new situation so that it would not be a sudden change but a transition.”
(Respondent 13_MM)

“I think there was a month or two when we asked people to come on Friday as trial. I think that was the first change they faced, because Friday is usually a day for them to spend with

the family, since it's a school holiday for the kids so they found it difficult and were often hesitant.” (Respondent 32_MM)

An effort was also made by the management, by bringing in an *Ustaz* or Muslim preacher to preach about the benefits of working on Friday, stating that it brings more rewards, as stated below:

“There were changes of mindset, especially in work focus. We asked an Ustaz to give a talk saying that more rewards would be given for working on Fridays.” (Respondent 8_TM)

“In the end, we called an Ustaz to give lectures and motivational talks to inspire them about the good things about working on a Friday. That's one way to motivate the people, and now people have got used to it.” (Respondent 32_MM)

Although the change of mindset problem still persists, it can be noted that the change of mindset has significantly improved compared to at beginning of the corporatisation. The employees understand that they have to change their mindsets to improve TelBru financially and operationally by becoming customer-oriented and performance-driven. This is as commented below:

“Through the corporatisation process, many opportunities were given to become more business-formed, and very competitive and self-driven...with corporatisation, I can say it's a fight for life. Because if you're not performing well, the opportunity will not be seen ahead of you... For anybody who sees the opportunity, they can see the beauty of corporate world. They are welcome to tell the management, because the opportunity-seeking support is very strong here. There are no such things as lame ideas. Again, corporatisation has big benefits in my eyes.” (Respondent 16_MM)

“There was an immediate change in mindset when changed the old JTB's logo to TelBru's logo that you see today. That on its own initiated change. I'm saying that once we changed our logo, we knew we also had to change ourselves... We did see some changes within TelBru in terms of mindset over the first few months. There was some excitement towards going into a corporatised environment compared to a government environment” (Respondent 43_TM)

“Customers come first. The staff now automatically thinks like that. We are no longer working with the government. We no

longer have the mindset that customers come to you because they have no choice. We now think that the customer have choices – the competitors. It is the customers who pay our salary. That is our thinking now. That’s how we feel.”
(Respondent 44_MM)

“If you start to introduce change, people will normally resist. The first phase was resistance. Then after resistance, a few people will start to think, ‘Oh, this is corporatisation. We are already in different world now; we are not in government sector. We need to perform in order to survive.’ Then it becomes a norm, as the majority of the people are used to it. Then hopefully, we will perform better than we were before corporatisation. I think on certain aspects, we have already reached that. But there’s lot of things we need to improve. This is a continuous process.” (Respondent 45_MM)

There are two outcomes of this activity. The first is the smooth transfer of employees from JTB to TelBru. As is shown in the following Table 18, there were 766 employees in December 2005 prior to full corporatisation, comprising of 320 pensioned employees and 446 employees under the ETF scheme. From these, there were a total of 58 employees to be transferred to different government agencies.

Table 18 Total number of employees before and after corporatisation
(Source: Adapted from TelBru, 2009d, 2009h)

Time Periods	Total number of employees	Transferred
Before official corporatisation, December 2005 (JTB)	766 <ul style="list-style-type: none"> • 320 pensioned employees • 446 under the ETF scheme 	<ul style="list-style-type: none"> • 15 (Credit Control Unit, Treasury Department of the Ministry of Finance) • 20 (Nurul Iman Palace) • 11 (Ministry of Communication) • 5 (AITI) • 7 (Other Ministries)
Official Corporatisation, April 2006 (TelBru)	722	

Another outcome was the development of the Terms of Employment.

There were four Terms of Employment developed, as follows:

- 1) Terms of employment for permanent JTB officers/staff who will be transferred to TelBru;
- 2) Terms of employment for temporary JTB officers/staff who will be transferred to TelBru;
- 3) Terms of employment for new TelBru employees;
- 4) Terms of employment for expatriate workers.

(TelBru, 2003a, 2009a, 2009f).

TelBru made several important changes in the new Terms of Employment. The numbers of benefits were decreased. Four types of benefits were eliminated: housing loan, car and motor vehicles, three-year fare, and ten-year fare to the United Kingdom. Even so, a new type of allowance was introduced known as 'TelBru Migratory Allowance' for JTB transferred employees as incentives for them. The amount depended on their employment period, and this differed from one person to another (TelBru, 2003a, 2009f). Additionally, new working hours was implemented after the official corporatisation, and there was an increase of working hours from 37.5 hours per week to 39 hours per week (TelBru, 2003a). The comparison between the old and new working hours is illustrated in the following table:

Table 19 Working Hours in JTB and TelBru
(Source: Researcher's compilation; TelBru, 2009f)

JTB		TelBru	
Monday- Thursday Saturday	7:45am – 12pm 1:30pm – 4:30pm	Monday – Thursday	8:00am – 12pm 1:15pm – 5:15pm
		Friday	7:45am – 11:45am 2:15pm – 5:15pm

Another significant activity central to the corporatisation process was the transfer of assets, highlighted as Activity 7. This activity will be discussed next.

5.2.3.4 Activity 7: Transfer of Assets

The transfer of assets is represented as Activity 7, as illustrated in Figure 23. This was significant for the establishment and operation of TelBru. This activity involved the valuation of JTB's assets, including buildings, equipment, land and vehicles. The total valuation would give the total value of assets to be transferred to TelBru by the Brunei Government, as described below:

“For TelBru to continue to work, these assets needed to be transferred. These assets were valued at a fair value and transferred to TelBru. The assets were booked in TelBru's balance sheet. No cash transfer was involved since the transfer was made against shareholders' equity.”

(Respondent 1_TM)

“JTB has assets such as lands, buildings, vehicles, inventories and equipment, so whatever is owned by JTB had to be transferred to TelBru. The assets are valued at a certain price and once it is done, that is the amount that the government is investing in TelBru on top of the \$20 million working capital.”

(Respondent 5_MM)

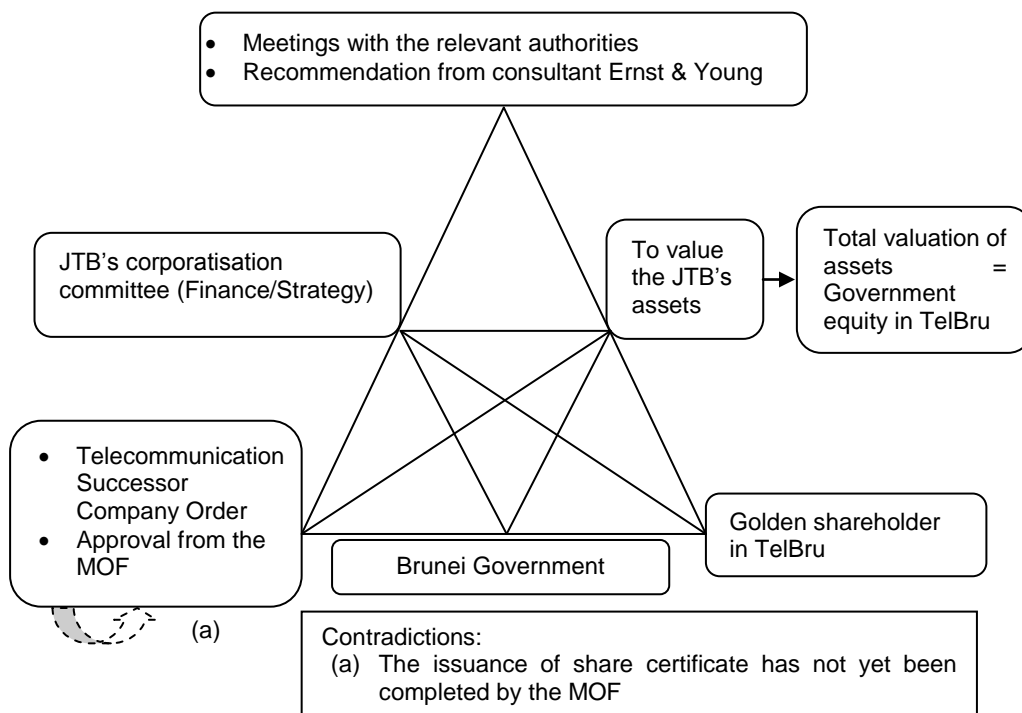
“... the asset valuation would ultimately be the government's contribution into TelBru. This is how much the government is investing, as part of the government's contribution into TelBru.” (Respondent 6_MM)

The subject of this activity, as shown in Figure 23, was JTB's Corporatisation Committee (Finance/Strategy). The community for this activity was the Brunei Government, and the division of labour within the community was the role of the Government as the Golden Shareholder in TelBru. The tools for this activity were engagement with relevant authorities and recommendations from the consultant, Ernst & Young. TelBru held meetings with the various authorities, such as the MOF, Legal Department, DEPD, PWD, and the Land Department. Ernst & Young assisted JTB in valuing their assets, as commented below:

“We valued the assets, in terms of how much they would be worth at the time of corporatisation, and we had one of the consultants to help and work with us closely on the evaluation

and methodology, including the land and all that was under government during that time.” (Respondent 1_TM)

Figure 23 Activity 7: Transfer of Assets (2006)
(Source: Respondent 9_TM; TelBru, 2003a, 2009f)



The rule of this activity was governed by the Telecommunication Successor Company Order 2001, which stated:

“3. (1) On the succession date.

(a) all the property, rights and liabilities comprised in the telecommunication undertaking (other than the designated telecommunication property) to which the Government was entitled or subject to immediately before that date, shall become, by virtue of this section and without further assurance, the property, rights and liabilities of a nominated for the purposes of this section by the Minister (referred to in this Order as the telecommunication successor company).”

(Telecommunication Successor Company Order, 2001, p. 1129)

Another rule was the approval from the Ministry of Finance on the transfer of assets from JTB to TelBru. This would allow TelBru to issue a 'share certificate' to the shareholders of TelBru – the Prime Minister Corporation and

Brooketon Limited. The contradiction (a), illustrated as a curved arrow below the element of 'Rule' in Figure 23, exists within this element, whereas the approval from the MOF has yet to be completed through the issuance of a share certificate (at the time of writing), and this posed a problem to TelBru, as they had to pay additional amounts of tax to the Government. TelBru is taxed with corporate tax, as it is being treated like any private organisation. The solution for this contradiction basically depends on the promptness of the MOF and the MinCom in handling this issue, as it is not within TelBru's control as they have completed their role in the asset valuation. This contradiction is highlighted by the following informants:

"In order for assets to be transferred, the MOF has to give you a certificate. Some of the assets are not fully owned by TelBru and that has been our issue up until now. This asset is very important in term of tax purposes..." (Respondent 9_TM)

"...we transferred all the assets owned by JTB to Telbru...For all these assets, we give a confirmation in writing and report to MOF and MOC for them to issue us with a certificate of assets. They are still missing, and still preparing the certification. We have to wait for their confirmation, and until then, we will still pay our tax on our assets".
(Respondent 13_MM)

"We do get a corporate tax. By right, on the date of succession, all the assets should be transferred in the form of a certificate from the MOF. But that has yet to be done. So we have existed as corporatised for four years, now but they have yet to do that. Because of that, we have been taxed. We are paying for that because of the depreciation. Because, when you have assets, obviously you don't buy everything in bulk on the 1 April. It has been there for a while. So obviously, the depreciation factor will be there. So once you value, obviously the tax department would say, 'No no no no...' Ok, you can actually get exemption for this, this and that... Because there's no depreciation, it looks as if everything is still brand new, and there's no depreciation in that value so we have to tax you accordingly... We are being taxed anyway. We are a corporate body and we are liable to be taxed.. However, it would be in a sense not accurate in terms of them taxing us because of that issue. But the process has to be done". (Respondent 46_MM)

The object of this activity was to value the assets owned by JTB, so that transfer of assets from JTB to TelBru were attained and represented as the Government's equity in TelBru. What determines an asset depends on the value of the items – Items valued above B\$10,000.00 (£4,802.92) are regarded as assets, but items valued under B\$10,000.00 (£4,802.92) would be regarded as consumables, as described below:

“There were certain policies. Assets that are anything above B\$10,000 will be considered as an asset. Anything below B\$10,000, are just considered as consumables. At the end of the day, they came up with total valuation of assets that we had to present to the BOD and subsequently, to the Government as well.” (Respondent 4_MM)

In addition to this, the assets were valued using fair value determined by the nature of the assets. If the historical costs were available, the book value would be used and if they were not available, the market value approach would be applied.

“Fair value is dependent on nature of the assets. The assets include land, building, equipment, cables, inventory, investments and joint ventures. Where historical costs are available, book value is taken. This is compared with impairments and market value to see if there is a big difference. When historical (project) costs are not available, market value is estimated. The issue of asset valuation methodology is quite deep and would demand lengthy detail.” (Respondent 1_TM)

The account receivable from JTB was not valued because TelBru was formed as a new organisation with no debts. The old debts were transferred and handled by Treasury Department of the MOF, as commented below:

“Account receivables were not valued. The decision was taken to keep ‘old debts’ in Government to allow TelBru to start from clean sheet.” (Respondent 1_TM)

In regard to the lands owned by the Government, TelBru prepared a list of lands for the Land Department and the Land Department would conduct land surveys. It was concluded that the lands would be transferred as lease and that

TelBru had to pay a premium of 50% for the lands (TelBru, 2003a). As for the vehicles, TelBru had undergone meetings with JKR, Land Transport and Customs to discuss the transfer of ownership process, which included vehicle technical testing, the preparation of the blue card and payment of both road tax and vehicle tax (TelBru, 2003a). JTB had 107 vehicles, but 10 were eliminated by the Government's elimination procedure. Out of the 107 vehicles, only 75 vehicles valued at B\$0.4m (£192,116.64) would be transferred to TelBru (TelBru, 2003a).

The outcome of this activity was the valuation of the assets. With the help of consultant Ernst & Young, they made a valuation on 31 March 2003, in which TelBru's assets was valued at B\$425 million (£204,123,934.04). This value was later modified so a real estimation of value could be made on the day of the official corporatisation, 1 April 2006. The transfer of assets from JTB to TelBru was then valued at B\$342 million (£164.5m) as at 1 April 2006. This asset would become the Government's equity shares in TelBru. The valuation of assets is shown below:

Table 20 Asset Valuation
(Source: Respondent 9_TM; TelBru 2003a, 2009f)

Assets	Value As at 31st March 2003	Value As at 31st March 2006
Land and Buildings	B\$118,077,000	B\$97,604,910.12
Stocks/Inventory	B\$2,888,000	B\$2,699,263.33
Vehicles	B\$407,000	B\$251,683.68
Switch	B\$41,321,000	B\$8,824,337.90
Transmission	B\$23,052,000	B\$41,832,665.56
External Plant	B\$156,871,000	B\$140,867,584.78
International equipment	B\$74,781,000	B\$50,019,583.90
Internet	B\$541,000	B\$3,928,444.95
Customer equipment	B\$1,156,000	B\$133,135.81
Other assets	B\$742,000	B\$876,837.38
Investment	B\$5,500,000	B\$5,768,852.40
Total	B\$425,336,000 (£204,285,312.02)	B\$352,807,299.81 (£169,450,385.87)

Since the total assets were valued B\$352,807,299.81 (£169,450,385.87) and total liabilities to be transferred were B\$10,281,378.28 (£4,938,059.72), the government equity in TelBru was valued at B\$342,525,921.53 (£164,512,326.15), as illustrated below:

Table 21 Government Equity in TelBru
(Source: Respondent 9_TM)

Year 2006	
Total assets (A)	B\$352,807,299.81
Liabilities that would be transferred	
Customer advances	(B\$2,899,771.91)
Deferred prepaid liability	(B\$7,381,606.37)
Total liabilities (B)	(B\$10,281,378.28)
Total (A-B)	B\$342,525,921.53 (£164,512,326.15)

The approach to change used, and the types of change found at this stage, are highlighted next.

5.2.3.5 Approach to Change and Types of Change

Based on the activities conducted during the corporatisation period (2002-2006), the change approach adopted at this stage was planned, top-down and bottom-up, which is not uncommon in organisations that are facing change (Esain et al., 2008; Smeds et al., 2003). Activity 4 (evaluation and selection of consultants for the four tenders) showed that top-down approach was used, in which the evaluation of consultants was made by the JTB corporatisation committee, and their recommendation of the chosen consultants was presented to the top management (Board of Directors and JKP). The consultants were then selected by the SCP, illustrating a top-down approach, in which the decisions were final and could not be amended. It can be seen that JTB only had little or no participation in the decision-making process.

Activity 5 (dialogue sessions) represented top-down approach. During these sessions, the top managers made presentations to the employees, thus

communicating the change plan to them. They informed them about the decisions made as well as the current update and status of the corporatisation process and how these decisions and process affected them. The comments and feedbacks made by the employees during the Question and Answer sessions were taken into account. The JTB corporatisation committee's role during this activity was basically to listen to the employees' concerns regarding the corporatisation. These feedback is represented as the outcome of Activity 5 and it contributed to Activity 6 (transfer of Employees and the Development of Terms of Employment), in terms of the development of Terms of Employment, which is a sign that this was a bottom-up approach. The feedback from the employees assisted in developing a TOE that might appeal to the employees. This shows that there was participation from the employees in making changes. The transfer of employees was a top-down approach because it involved engagement with various government ministries to ensure smooth flow transfer. Additionally, the employees had no say and no choice but to transfer from JTB to TelBru. Activity 7 (valuation of assets) was a top-down approach, in which the Ministry of Finance approved the valuation works undertaken by both consultants and JTB's corporatisation committee. This is summarised in the following table:

Table 22 Change Approach during the Corporatisation Period (2002-2006)
(Source: Researcher's compilation)

Activity	Change Approach
Activity 4: Evaluation and selection of consultants for the four tenders	Top-down approach
Activity 5: Dialogue sessions	Top-down approach
Activity 6: Transfer of Employees and the Development of Terms of Employment	Bottom-up approach Top-down approach
Activity 7: Valuation of assets	Top-down approach

To strengthen this assertion, the informants also described the change approach adopted during the corporatisation period as both bottom-up and top-

down. Respondents 28_TM and 37_MM highlighted the bottom-up approach feature of information-gathering, in which the middle managers gathered the information required by the top management. Respondent 42_TM stated that the some of the decisions made during the corporatisation period depended on the recommendations made by middle managers, who knew the details better than the top management. This was the same with Respondent 47_MM, who made consultation with the top management for the final decisions. This is as commented below:

“...if I want to put corporatisation process in few words, corporatisation is about fact finding or ‘minta info’ (information gathering). That’s all corporatisation meant for me. Everyone was asking for info during the process. Now I know why they wanted it, because they wanted to know how many assets we had, how many things we needed, but during that time we kept on wondering why they needed them.” (Respondent 28_MM)

“I compiled all the assets under me, for example, power supply, generator and air conditioners. I had to compile all those for the top, and for the records, because during the corporatisation we were most concerned about two things: firstly, the human assets and secondly, of course, other sorts of assets, such as buildings.” (Respondent 37_MM)

“... The issue regarding the zero balance at the start of corporatisation was decided by the top management but we were the ones who highlighted it. The top management did not know the details so we asked them whether we start fresh or whether TelBru will take JTB’s debt. We recommended that it would be better to make a clean break by starting fresh with zero debt... We could prepare the system to do those kinds of things. It was more based on suggestions from technical expertise to the management”. (Respondent 42_TM)

“During that time, we gave our opinions and suggestions. Not everybody is like that. For instance, whether to introduce the three-year ticket fare in TelBru or not. We gave suggestions and we argued. Some said no and some said yes. There were pros and cons, and the boss later made the final decisions.” (Respondent 47_MM)

In addition to this, the majority of the informants stated that the change approach was a top-down approach where decisions were made by the top management, and where direction and information given were basically

cascaded from the top. Respondent 17_MM mentioned the corporatisation process being lengthy – one of the features of this approach. This is as stated below:

“Change was always there from 2002 to 2006 so I would say it was a seamless process given from the top to the bottom... It was lengthy. You see corporatisation in Brunei is unique, where it depends on the approval from the top, so we keep on waiting for their instruction.” (Respondent 17_MM)

“The changes to the lower employees are cascaded down from Managing directors to General Managers. And then the General Managers will have to convey the change to the lower-level employees.” (Respondent 23_TM)

“Definitely the changes are from the top management. From the top, it’s going down to middle management, and there will be several meetings to set the targets or goals by the management to go down to middle management. And from the middle management then it, it goes down to the lower level.” (Respondent 31_MM)

“Change tasking is done top-down, vertically and horizontally across all sections.” (Respondent 48_MM)

“Since it was decided from the top that we were going to corporatise on the 1 April, we were going to work towards it to make sure it was in order.” (Respondent 49_MM)

The overall corporatisation process (Stage One – Stage Three) can be described using one word - Slow. It is a slow process consisting of two types of change, identified during the corporatisation process and labelled by the researcher due to their characteristics: ‘Snail’ and ‘Rushing’, as explained in detail below. In other words, the corporatisation process was a slow process accented by slow decision-making (‘snail’) and punctuated by panic decision-making (‘rushing’).

i) Snail Change

Snail Change is a slow type of change. The change is regarded as slow because of the prolonged time period from the year 1986 until 2006 taken for the corporatisation to become official. It was characterised by a long step-by-

step process, where important matters are heavily considered, a lengthy time period, and maintaining the status quo due to overdue change implementation.

This is based on the following comments from the respondents:

“It’s considered a slow change from government to corporatisation. In terms of saying ‘we are going to corporatise’, we heard that for a long time already, but in terms of when it was going to materialize, it was sudden.”

(Respondent 17_MM)

“We are maintaining the status quo. There are not many changes during the corporatisation process... a lot of things are being done bit by bit during the process. The changes were slow so we are maintaining our status quo in terms of how we do our work.” (Respondent 28_MM)

“As I said before, it’s not a sudden change, because we knew years before that corporatisation was going to happen until it was officially in 2006. The environment for corporatisation was already there even when we were still in JTB because TelBru management was already there. TelBru was running as well, not just JTB, so the transition was gradual, taking time.”

(Respondent 29_MM)

“...of course, practising and coping with change are different things. It is the management strategy directions that are very important in terms of leading the whole group in the right way. It is gradual because we knew already what would happen. So we were evolving. It is a positive way to corporatise a company, so that we can generate revenue and not rely heavily on the government. We must cut out expenses, find more revenue, and provide the right services.” (Respondent 48_MM)

“Change is also not very sudden change. It is a slow sort of process, stage by stage.” (Respondent 50_MM)

ii) *Rushing Change*

As its name suggests, ‘Rushing Change’ is a type of change that was described by the respondents as being fast, sudden, instant, and in a rush. The origin for this type of change stemmed from two factors: (i) the announcement of the initial corporatisation date and the postponement of that date and (ii) the announcement of the official corporatisation date at the eleventh-hour. The first ‘rush’ change began in 2002, when it was announced that JTB would be

officially corporatised in April 2003. This caused hectic preparations, especially in selecting the consultants and doing the necessary change tasks. However, it was then announced that the corporatisation was postponed to an unknown date. This led to change being at a stagnant mode, where preparations had been made but no change could be implemented as corporatisation had not yet happened. Finally, the 'rush' change began again through the announcement of the official corporatisation to be on 1 April 2006 in the fourth dialogue session (dated from 25 February until 6 March 2006). Due to the long postponement, new preparations had to be completed, and this caused more 'rush' change. Another factor is the lack of involvement of the employees in the corporatisation process. This is as stated below by the respondents:

"It's like suddenly jumping into the river and with no swimming float given. It is hard to swim." (Respondent 7_MM)

"Short time period. A bit rush to do the task. You have to prepare tender, evaluation, and what we are afraid is that what we want might not be there. If the evaluation is fast, sometimes the decision that we made might not be right."
(Respondent 27_TM)

"Everything was in a hurry, because at that time, we had to release four tenders for the completion of the corporatisation process... Everything was hectic so we released them quickly, because we also had to submit the paperwork to the top... Everything was in a hurry and everybody was under pressure."
(Respondent 47_MM)

"In 2006, actually we only knew that we were going to corporatise less than one month beforehand. So, everything was quite rushed, as we had less than one` month to prepare for the corporatisation. But actually to prepare for the corporatisation, we had already started last time, because they said we were going to corporatise in 2003 or 2004, so actually during that time we had made some preparation, but it was delayed so everything's going back to normal. Two weeks or 1 month before 1 April 2006, and they still had a lot of things to prepare for the corporatisation. Everything was done in that 2 weeks or 1 month, so everything was in a rush."
(Respondent 49_MM)

"...when I started working in 1992, I'd heard about the corporatisation, but nothing happened. Then, suddenly, we change. At that time, many people moved out due to the

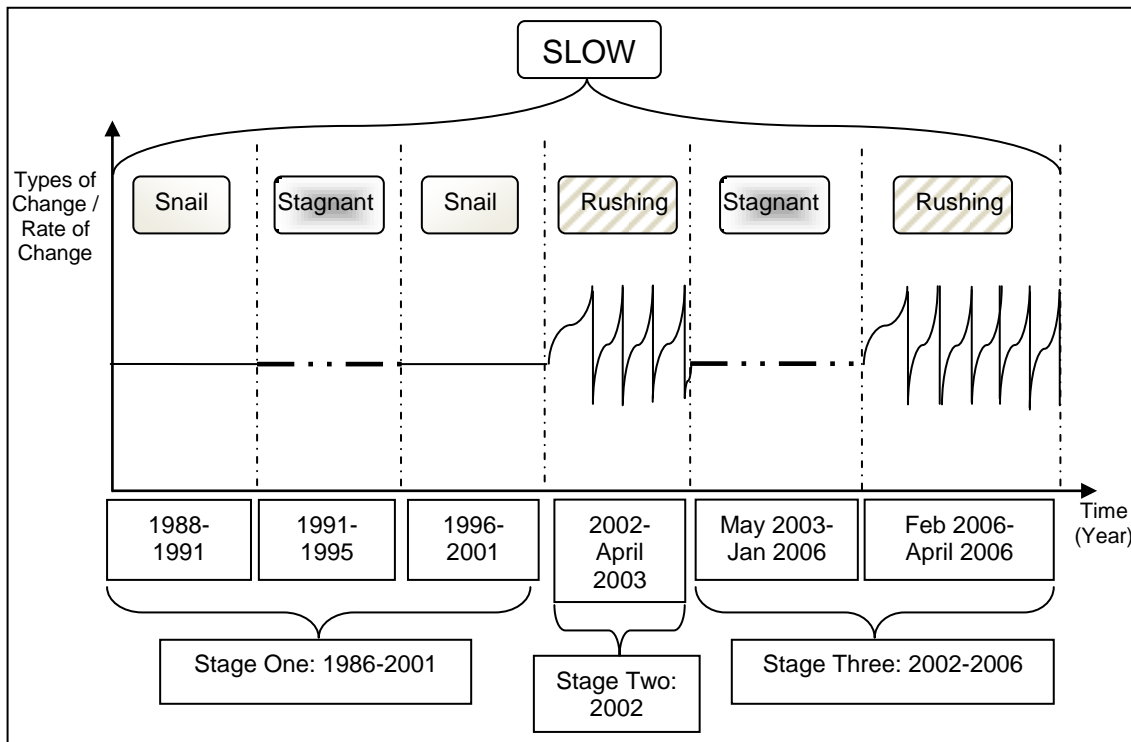
sudden change. But for me, during that time I was already prepared that somewhere, somehow there would be a change, whether you like it or not." (Respondent 51_MM)

Based on the two aforementioned types of change, a graph is made to illustrate the relationship between time and types of change, as shown in Figure 24. It can be depicted that Stage One (Activities before the formation of TelBru –1986-2001) was shaped by snail change. This is probably because it was still in the initiation stage, where directions and decisions were mostly made by the Brunei Government. No change was made during the period 1991-1995, and the reason for this was explained under Activity 2.

Stage Two (Formation of TelBru – 2002) and Stage Three (Activities after the Formation of TelBru –2002-2006) are characterised by 'rushing change'. This was because it was expected that corporatisation would be made official on April 2003. Thus, JTB was primed for corporatisation, and many preparations were made. Nevertheless, after the announcement of the postponement of the corporatisation, change came into a halt (From May 2003–January 2006). Only when it was announced that corporatisation would occur in April 2006, the rushing change started, because they had less than a month to prepare for the official corporatisation. Due to the delayed corporatisation earlier, several matters had to be prepared again, such as the system cut-over, where there will be no debt on 1 April 2006, as well as the preparation of other systems and, most importantly, dealing with the employees.

Figure 24 Types of Change in JTB’s Corporatisation Process

(Source: Researcher’s Compilation)



The ‘snail’ change has both pros and cons. One advantage of this change was that there was a substantial period of time to prepare for the corporatisation. However, the downside of this change was the fact that time and speed is money. In the first stage, Activity One (Consultancy Works by Arthur D. Little) was conducted in 1990. Nonetheless, after Activity One, there was no initiative to continue with corporatisation until 1997-1998, where Activity Two (Consultancy works performed by JP Morgan, KPMG, Clifford Chance, Freshfields and PA Consulting) had to be conducted. This was because the results or the recommendations obtained from Activity One were no longer valid, due to the changes in the organisational environment. Should the corporatisation have proceeded directly after Activity One, both time and money could have been saved.

The effects of ‘rushing’ change, common in the second and third stages of the corporatisation process, were that in the second stage, there was limited

time period for the consultancy work to be done (Respondent 5_MM). Due to the time constraint, the top management was busy with handling the process to the extent that some respondents believed employees was the last ones to be dealt with (Respondent 28_MM). As previously mentioned in Activity 4 (Evaluation and Selection of Consultants for the Four Tenders), the consultants only had three to four months before the official corporatisation date, and although they managed to do their deliverables within this limited time frame, TelBru only realised the problems with the deliverables after the official corporatisation in 2006. By then, it was too late. In addition to this, time constraints caused decisions to be made promptly and sometimes, without considering other factors or taking other things for granted, and this could possibly lead to wrong decisions, as stated by the respondents:

“A short time period. A bit rushed to do the task. You have to prepare tender and evaluation, and what we are afraid is that what we want might not be there. If the evaluation is fast, sometimes the decision that we made might not be right.”
(Respondent 27_TM)

“They were trying to make corporatisation work. It was already a big task to do, your finance, your assets, regulations, insurance, and customers, but it seems that employees were the last to be tackled.” (Respondent 28_MM)

“When 2006 arrived, we were busy with the immediate tasks given. The managers were very busy here and there, because there were many things to do about services, finance, assets properties and strategy.” (Respondent 39_MM)

This chapter concludes with a summary, below.

5.3 Summary

There were three stages in the corporatisation process: prior to the formation of TelBru (1986-2002), the formation of TelBru (2002) and during the corporatisation process (2002-2006). Since this research aims to investigate the activities involved in the corporatisation process, seven activities were found altogether during the course of these three periods.

The corporatisation of JTB took more than a decade to implement, due to the government's heavy and long bureaucratic structure. The decision to corporatise suddenly was made swiftly when the country was impacted by the 1997 economic crises. Three new legislations were formed, and a committee for privatisation was established. However, it was later decided that the corporatisation process should be done within one year of the formation of TelBru in 2002. Four consultants were hired to do consultancy work: Siemens was selected in the development of strategy and business plans; PWC was chosen for valuation of assets; Ernst & Young was responsible for the financial and accounting management; Teleconsult was in charge of the development of terms of employment. The planning, activities and consultancy works were accelerated so as to meet the deadline of the initial proposed corporatisation date in 2003. However, it was then postponed to an unknown date. It was later announced that TelBru would be corporatised in April 2006, three years after the proposed date.

The seven activities mentioned in this chapter were illustrated using Engeström's (1987) triangle Activity Model. Since this research aims to explore the reasons behind the problems that exist in the corporatisation activities, the contradictions that presented in these activities were highlighted and the attempted solutions to these contradictions were described. This is as summarised in the following table:

**Table 23 Summary of the Contradictions and Solutions found in the
Corporatisation Activities**

(Source: Researcher's compilations)

Activity	Contradictions	Solutions
Activity 4 Evaluation and Selection of	a) SCP did not agree with the initial recommended consultations and asked for re-evaluation, thus causing a time delay	There were no particular solutions found for the contradictions in this activity, as it was a directive from the top and thus, despite the dissatisfaction, JTB had to

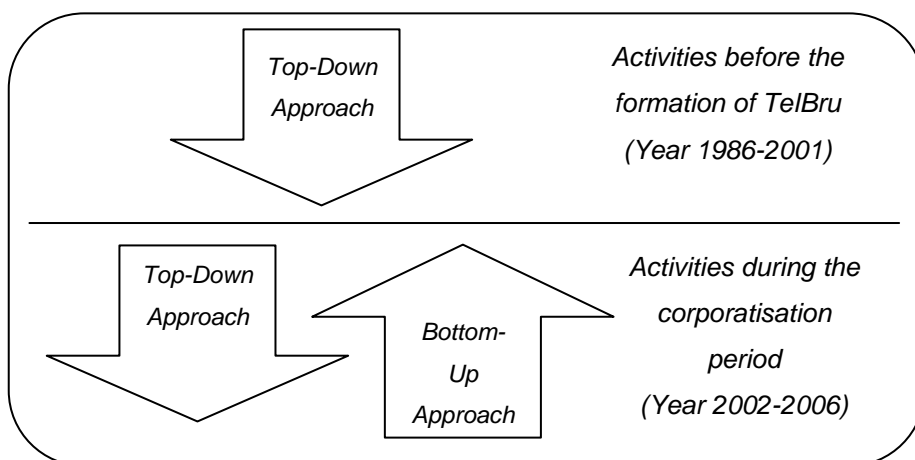
Consultants for the Four Tenders	b) Attaining the objective of the activity vs. meeting the expectations of JTB corporatisation committee	choose consultants according to the recommendations from the SCP
Activity 5 Dialogue Sessions	a) Meeting the expectations of the employees vs. Attaining the objectives	JTB's corporatisation team tried to provide answers in the next session
Activity 6 Transfer of Employees	a) Contradictions exist in solving the issues of the employees benefits of the terms of employment	The subjects held negotiations and engagements with various banks, government ministries and agencies
	b) JTB employees' dissatisfaction with the new Terms of Employment and benefits	<ul style="list-style-type: none"> • The subjects tried their best to meet the requirements of the employees • They will reconsider to reinstating the benefits for the employees
	c) JTB employees having resistance to change and coping with a change of mindset from being service-minded to customer-oriented ones	<ul style="list-style-type: none"> • Training programmes • Introduction of performance-based bonus systems and • Introduction of new benefits • Systematic handling of the implementation of the new working hours.
Activity 7 Valuation of Assets	a) The approval from the MOF has not yet been given through the issuance of a share certificate, meaning that TelBru has to pay an additional amount of tax to the Government	There was no solution for this contradiction as it is dependent on the swiftness of the MOF and the MOC in handling this issue as it is not within TelBru's control

It can be seen that the activities before the formation of TelBru (1986-2001) were top-down approaches, due to the initial initiatives by the Brunei

Government to allow corporatisation to take place. On the other hand, both top-down approaches and bottom-up approaches prevailed in the activities during the corporatisation period (2002-2006). The features of both change approaches appear to be present during this time period. All of this is illustrated in the following figure:

Figure 25 Change Approach in JTB's Corporatisation Process

(Source: Researcher's compilation)



This research also found that the corporatisation process was slow, characterised with two types of change: namely 'Snail', and 'Rushing'. Snail Change is a slow type of change that existed in stage one of the corporatisation process, whereas 'Rushing Change' was a type of change that can be portrayed as fast, sudden, instant and in a rush, and was present in both stage two and stage three of the corporatisation process. The impact of these changes to the corporatisation has also been discussed.

CHAPTER SIX**LEADERSHIP BEHAVIOUR IN JTB'S CORPORATISATION PROCESS****6.1 Introduction**

Change accomplishment depends on the leadership behaviour during the change process (Higgs, 2003; Higgs and Rowland, 2001, 2005; Kotter, 1990a, 1996; Whelan-Berry and Somerville, 2010). This chapter will first define the seven leadership behaviours found in JTB's Corporatisation Process, along with elements that describe them. The leadership behaviours are then further grouped into four categories. This chapter also highlights the leadership behaviour that was prevalent in each of the corporatisation activities during the Stage 3 (2002-2006) of the corporatisation process. Finally, a summary serves to conclude the chapter.

This chapter answers the main research question: how did the leaders lead the corporatisation of JTB in terms of their leadership behaviour? This chapter explore the leadership behaviour in managing change. Out of the seven leadership behaviours found in this research, two are portrayed as negative behaviours, due to the problems it caused during the corporatisation process.

This research defines leaders as the top managers. The behaviour of the leaders was analysed during the third stage of the corporatisation process period (2002-2006). The data for this chapter was collected during the third (2011) and fourth (2012) data collection. During the third data collection, 44 interviewees (TelBru's top and middle managers) were selected, according to certain criteria, which stated that they needed to work in JTB prior to the corporatisation, and had direct or indirect involvement, as well as experienced the corporatisation process. The interviewees were asked to describe the behaviour of the leaders during the third stage of the corporatisation process. During the fourth data collection, the researcher used both questionnaire and semi-structured interviews and the respondents were the same people from the third data collection. The respondents were asked to relate the leadership

behaviour that was common in each of the corporatisation activities during the Stage 3 (2002-2006) of the corporatisation process.

6.2 Leadership Behaviour in JTB's Corporatisation Process

Seven leadership behaviours are identified as occurring during the corporatisation process: (1) Tasking; (2) Supporter; (3) Change Communicator; (4) People Person; (5) Change Preparator; (6) Old McDonald and (7) Problem Maker. These behaviours are labelled by the researcher and each leadership behaviour domain is divided into several elements, to accurately define and explain the behaviour, as shown below in Table 26. Leadership behaviour domains (1) to (5) represent positive leadership behaviour, whereas leadership behaviour domain (6) and (7) represent negative behaviour.

For a clearer picture of the leadership behaviours the identified leadership behaviours can be further categorised into four categories: organisation-oriented, task-oriented, people-oriented, and problem-oriented, as shown in Table 24. Organisation-oriented is a type of behaviour that is primarily concerned with improving and motivating the organisation to accept change and to recognise the benefits of change and, in this context, preparing the organisation for corporatisation. Task-oriented is a type of behaviour that refers to the completion of change tasks using the available resources within the specified time period. People-oriented is a type of behaviour that touches on the positive relationship between the leader and the employees, whereby the leaders provide assistance and directions, behave reasonably and thoughtfully, give motivation for adopting change, and develop the employees' skills and capacity. Finally, problem-oriented can be described as a problem-producing behaviour. This is mainly due to their inability to change or lead or communicate clearly, motivate and assist the employees. The leaders are shambolic, with poor delegation skills and a lack of self-assurance. The categorisation of the seven leadership behaviours was based on their characteristics and elements found within the domain.

Table 24 Leadership Behaviour in JTB's Corporatisation Process**(Source: Researcher's compilation)**

Leadership Behaviour		
Domain	Elements	Categories
1. Tasking	i) Aggressive ii) Giving directions about change	Task-oriented
2. Supporter	i) Supporting change for the organisation ii) Supporting the employees in adopting change iii) Assisting the employees iv) Motivator	<ul style="list-style-type: none"> • Organisation-oriented • People-oriented
3. Change Communicator	i) Communicate change for the employees ii) Communicate change using dialogue sessions iii) Listener iv) Opener	People-oriented
4. People Person	i) Not forceful ii) Welfare minded iii) Understanding iv) Confidence	People-oriented
5. Change Preparator	i) Preparator ii) Person Changer iii) Training Provider iv) Trial-and-error approach	<ul style="list-style-type: none"> • Organisation-oriented • Task-oriented • People-oriented
6. Old McDonald	i) Same behaviour, different environment	Problem-oriented
7. Problem Maker	i) No clear change or no transparency ii) No experience and no guidelines iii) No directions given iv) Chaotic v) Limited emphasis on the change of mindset vi) Negative approach vii) Lack of confidence viii) Bad assigner	Problem-oriented

All of these leadership behaviour domains, along with their elements, will be explored and explicated in this order. The definition of the leadership

behaviour domain will firstly be given, followed by an explanation of the elements related to the domain. Since this is a qualitative study, evidence in the form of interview quotations will be presented.

6.2.1 Tasking

'Tasking' is a leadership behaviour that emphasises the completion of tasks. It has the elements of 'aggressive' and 'giving directions about change'. It is aggressive in the sense that the leaders are directive and aggressive towards meeting the deadlines and the requirements of the top management. In addition to this, the leaders are aggressive in delivering the results and for more action to be taken in order to achieve the target. In other words, the leaders are 'pushing' the employees to work hard for the accomplishment of the tasks. This is mainly due to the time constraint experienced by the leaders and employees during Stage Two and Stage Three of the corporatisation period (as mentioned previously in Chapter Five). This is based on the following interview quotations:

"The top management forced us to do work but in a way, I would have to define the word force, but for me, we had to take that as a challenge. What I'm trying to say is that we are given tasks we are not efficient at doing, so the efficiency might not be there, and the stress level would be different...you are forced to do certain things you've never done before, and dealing with land and things you've never done as an engineer, and because you are a manager, you have to do this and that..." (Respondent 28_MM)

"I can say directive but with fewer options...The date for corporatisation was there so as a leader, you have to put things in perspective for the deadline. If not, things will be haywire." (Respondent 29_MM)

"Our bosses are becoming more aggressive as they try to meet the requirements of our top management... In this unit, we are being made to push, push, push on everything. I am sorry to say that people would think twice before joining our unit during that time." (Respondent 30_MM)

"They are aggressive because they want to deliver the result. Tasking means they want results, so even if we want to take leave, we can't. I lost 109 days of my leave during that time."

You see how task-orientated they are or how aggressive they are. They don't talk about personal first; they talk about the company." (Respondent 40_TM)

"Top management were very demanding in terms of actions, and on how you are going to achieve your target basically. In the past, there were no targets, but now, they're very demanding because they already set the target so we have to achieve and it's down to our initiative as to how we achieve it." (Respondent 41_MM)

To achieve this, the element of 'giving directions about change' comes to light. The leaders set the directions in terms of doing the tasks on how change should be done and handled for the smooth flow of the corporatisation process. All of this is based on the interview quotations, as shown below:

"You have to prepare tender, evaluation and what we are afraid is that what we want might not be there. If evaluation is fast, sometimes the decision that we made might not be right. The TMT guide us and give us more directives, for example, not necessarily to taking cheap tenders." (Respondent 27_TM)

"I'm the top management in my unit. I'll call my middle management on how to assimilate all the information, and how to implement all the strategic planning that has been agreed by the top management. We agreed to these policies and procedure, and it is the task of the middle management to implement them. If they know where to kick the ball, then they will score a goal. If they don't know, everyone will lose. So the important thing is to know where the goals are." (Respondent 40_TM)

"Mostly, they set the strategies about what we're going to do in the business. We're also involved in setting the strategies on what direction we want to go, such as in terms of business strategy and how are we going to move forward after the corporatisation..." (Respondent 41_MM)

"So of course, when I thought about major change, that meant more focus on cost saving and the optimisation of resources. Compared to being in government, the focus was more on finishing the budget allocated. But being a corporate entity, we are much more focused on cost saving and the optimisation of resources." (Respondent 53_TM)

“The direction and vision were regularly discussed through regular corporatisation committee meetings, where an overall implementation schedule was discussed, and action was taken to ensure the work plan was on time and on schedule.”
(Respondent 54_MM)

6.2.2 Supporter

‘Supporter’ is a leadership behaviour that provides support in terms of assistance and motivation to both organisations and employees in adopting and adapting to change. It is comprised of four elements: (i) Supporting change in an organisation; (ii) Supporting the employees to adopt change; (iii) Assisting the employees and (iv) Motivator. The leaders supported change for the organisation because they realised the benefits of being a corporatised organisation in terms of efficiency and fast decision-making. The leaders were in high spirits, and stimulated to support and introduce change in TelBru. Below are the respondents’ statements about this:

“Change is a big thing to do and whatever we planned, this was different from everyone actually being ready. So, from time to time, we must be able to continuously provide support for them and be able to explain to them why we do it this way and that way for the benefit of TelBru...” (Respondent 1_TM)

“What I can consider encouraging for change is that they want to move away from the government’s rules and procedures, i.e. away from the government.” (Respondent 19_MM)

“... it is your time to corporatize... It is already done elsewhere, telecommunication is a business industry, and the government cannot pamper and foot the bills and yet not get any profit. TelBru should be successful. Telecommunication is a very dynamic industry.. It is not right for a government to control telecommunication. The customers dictate the market, not the government.” (Respondent 25_TM)

“Everybody was quite supportive of corporatisation, because this is the only way of not using other government departments. We understand that we are the first government department to be corporatised, and we have to adapt to that for the future of our telecommunication industry. If we look at the situation in other countries, the telcos (telecommunication

service provider) are no longer under the government.”
(Respondent 47_MM)

“Top managers were cooperative and supported the government’s mission on corporatisation. They maintained positive outlook. In particular, most of the senior managers understood that for TelBru to be successful, corporatisation was the way forward.” (Respondent 55_TM)

Additionally, they supported the employees to regard changes in the corporatisation as a positive approach through transparent communication, encouragement, and slow change, as stated below by the respondents:

“They were very supportive. They tried hard to ensure the corporatisation process went smoothly, but I wouldn’t say without hiccups. The fact that JTB was corporatised to me is very transparent.” (Respondent 16_MM)

“In dealing with the employees, we have to do it slowly. We can’t just force everybody to accept, but we are trying to change our employees to align to our mission and vision.”
(Respondent 23_TM)

“My top management – the GM – gave me support as it was, he made things transparent during that time, but he could only give what he knew so there were lots of questions but not always answers.” (Respondent 28_MM)

“They conducted meetings with us, telling us that we had to improve our working style and be more customer orientated. We have to work hard. They encouraged us to be prepared.”
(Respondent 39_MM)

“Our top manager was very supportive. He motivated and encouraged change, especially for those who feared change and working in a new environment, when compared to working in the government where the environment was very relaxed.”
(Respondent 41_MM)

“She explained to us and encouraged us to work hard, you now, and guiding us along towards these changes... The other top manager was very supportive and explained the corporatisation to the employees very well. He’s charismatic as well, and he really takes care the welfare of the staff, and he also didn’t want it to do it very suddenly, so he started introducing it earlier, in stages, rather than implementing drastic change.” (Respondent 50_MM)

The leaders also provided assistance to the employees in terms of changing work tasks and problems faced. Some leaders offered assistance by being available to the employees when needed and attending to the problems as well as ensuring a thorough sharing of information, hands-on training, and guidance in developing both work and employees, as mentioned below by the respondents.

“There is a change of management process that we go through for the frontline staff, and all the people that are involved in finance on what process we should follow what we should do, and other things. Manuals were given, and we shared by walking through with them. At the same time during the first part of the corporatisation, our members of staff were there just to actually make sure that they followed the process, and to answer questions from the frontline staff. For all these people involved, we made ourselves available to them...We didn't just give them presentations prior to the corporatisation on what needed to be done and everything, but we also followed through and make sure that the support is there during the beginning, the first day, and in fact the first few months.” (Respondent 1_TM)

“She always instructs us, and she is very caring. If there is any problem, she will approach us individually and will give us guidance. She is always there during our happiness and our moments of pain. When settling a task, she is very understanding.” (Respondent 22_MM)

“I think for my boss, she gave a lot of assistance in many ways that I can't explain...she did give us a lot of assistance in developing ourselves.” (Respondent 29_MM)

“Beside moral support and leading us on regarding what needed to be done and was expected, they told us that we were in a corporatisation process, and that whatever needed to be learned, we needed to ask them, and they would guide us.” (Respondent 37_MM)

“He had just returned from taking his Masters in Coventry where he actually was assigned to different companies, such as British Telecom. He shared with us what they do there, how they do things and process paperwork. They don't have a lot of those internal processes, it was simplified. I think it was quite easy to manage because we were given assistance, and it was terrible at that time, we actually worked after work hours. At that time, we had to do analysis for all of our product

and services. We had to work till night and during weekends. In term of assistance, he actually helped us a lot.
(Respondent 38_MM)

The leaders, being supportive regarding change, also acted as motivators by motivating the employees to adopt change. The leaders inspired the employees, by making them realise the benefits of working in the corporate environment; giving them the feeling of 'owning' TelBru, to ensure future success as well as encouraging them to take their own initiative in terms of career development and preparation after the official corporatisation. This was described by the respondents:

"He gave motivation that we were no longer under the government, and that we had to change. We are in the business world. He always motivated and inspired us about change." (Respondent 12_MM)

"They want us to perform by treating the organisation as our own company. If we didn't contribute, the company would collapse, especially now where there is an increasing number of competitors." (Respondent 19_MM)

"They motivated us and made sure there were no problems. They asked us to be more proactive." (Respondent 26_MM)

"They motivated us through speech. That means we have to change. We have to survive as a corporation. We are thinking about how to increase the revenue." (Respondent 33_MM)

"Getting ready for corporatisation, she first of all motivated us to take training using our own money, because it is hard to get training financed by the government, especially expensive training... then, in order for us to further improve, she encouraged us to do our own research based on our own initiatives... She also encouraged those at the counter to get new skills. At first, they were afraid, but my boss encouraged them that they would not be working at the counter forever, and that they needed to move on. Now, I see that they survived in the workplace because of the encouragement and motivation and all the positive words she said to them."
(Respondent 51_MM)

6.2.3 Change Communicator

'Change Communicator' is a leadership behaviour that concentrates on communicating with the employees through various techniques, such as through dialogue sessions, by becoming a listener and encouraging open discussion and sharing information with the employees. It has four elements: i) Communicating change to the employees; ii) Communicating change using dialogue sessions; iii) Listening; iv) Opener.

Communication during change is highly significant, because it is when employees' uncertainties, resistance to change and fear of change, the spread of gossip and rumours start to spread like wildfire. Without proper and clear communication, the change process would be in dilemma. The leaders during the corporatisation process communicated directly with the employees through meetings where sharing of information was encouraged. The top managers would provide the information to the middle managers, and then the middle managers would spread the information to the lower levels. Some leaders also asked the employees to meet them personally should they have any problems, even small matters. Below are the respondents' statements about this:

"One of the things that was highlighted was that we need to actually communicate with staff first... So, the leaders were to have a communication plan on how to communicate with the staff directly. When we say communicate with staff this means how we share information with them at the right time. One such case of this happening was that they were several dialogue sessions with the staff, so that they would not be surprised, and that they were also aware of what would be coming forward. The terms of employment were also shared to gain feedback, so it's a good consultative process."
(Respondent 1_TM)

"Whatever information you received from your supervisor or your superior, you just convey and share it with your subordinates. This is normally done through meetings. We normally have weekly operational meeting. One of the agenda should be a discussion on corporatisation and our roles in the corporatisation." (Respondent 20_MM)

“My boss communicated change guidelines in new process guidelines. She is open-minded and easy to communicate with. There are certain General Managers that are hard to meet if there are problems, but she is different: she will assist you even in smaller issues.” (Respondent 22_MM)

“Normally, in terms of announcements, our big boss would share the news. So every time he finished his meeting about this corporatisation, he would tell us about it and the activities involved, not via email or any other media means, but by word of mouth.” (Respondent 24_MM)

“As unit head, I always provided positive feedback to staff regarding corporatisation. I led them to understand the overall concept of corporatisation: its benefits to employees, the company, and the next generation of employees in the future.” (Respondent 55_TM)

Another method used to communicate with the employees was dialogue sessions (described as Activity 5 in Chapter 5). The dialogue sessions were very important for the leaders to disseminate information about the progress of the corporatisation process, and to answer any questions asked by the employees. Although some questions could not be answered instantly during the sessions, the leaders acted in a professional manner by taking note of the employees concerns, as stated below:

“During that time, we were not sure about the Terms of Employment. The pensioners were not sure if they were going to get their pension, ETF, the salaries, the day off, and so on. There were uncertainties. It was handled through dialogue sessions. When there were questions that they could answer, they answered straight away, and when they couldn't answer questions, they waited for answers from the top.” (Respondent 17_MM)

“Even for myself, although I'm one of the managers, but since I was not really involved, I found the information to be very vague before the dialogue session. I thought: what is TelBru? Who owns it? From the dialogue session, at least we knew about TelBru.” (Respondent 24_MM)

“So initially, they conducted dialogue sessions. In those dialogue sessions, they briefed us what sort of changes we would encounter, especially the working hours and in terms of

gaining a bonus that was performance-related – if you work hard, you will get more.” (Respondent 50_MM)

“In my opinion, the dialogue sessions really helped in giving information. In 2002, we were informed that we would be corporatised. The reason why I feel this session helped me was that I have people under me, and if they asked me questions and I don't know the answers, I find it very painful to bear.” (Respondent 56_MM)

“During the dialogue session, a lot of questions raised by employees could not be replied to as approval from the top authority was not received on time. This caused dissatisfaction for certain employees. However, we conducted another dialogue session once we had the approval, and shared all with the employees again.” (Respondent 57_TM)

When communicating change, the leaders listened attentively to any issues or concerns faced by the employees, especially with regards to human resources matters. They also listened to suggestions from the middle and lower level of management, as cited by the following respondent:

“As a leader, good listener is a good character. If not, he can't differentiate between what's right or wrong, and the result will only be trouble, right? Let's say, in my unit to being a good listener meaning to say you're open and you listen to suggestions... Whatever ideas they have, I support. You can't just reject everything.” (Respondent 40_TM)

Additionally, the leaders behaved as 'opener', where open discussions and brainstorming regarding corporatisation matters were applauded and practiced. As an 'opener', the leaders believed that more suggestions or ideas could be heard and this would mean sensible final decisions could be reached. This also encouraged the involvement of the employees, so that they would not feel excluded during the corporatisation process.

“We had one-to-one discussion on what needed to be changed.” (Respondent 14_MM)

“There is more discussion in our division. He preferred to hold meetings before actually directing us to do anything. So when Head of Department met up with General Manager, then he

would tell us, and we would brainstorm. We had discussions before any change was implemented.” (Respondent 16_MM)

“I think she made the process clear, even there was some sort of discussion beforehand, so I think she handled it professionally.” (Respondent 29_MM)

“During that time, we gave our opinions and suggestions. Not everybody is like that. For instance, whether to introduce the three-year ticket fare in TelBru or not. We gave suggestions and we argued. Some said no and some said yes. There were pros and cons, and the boss later made the final decisions.” (Respondent 47_MM)

6.2.4 People Person

As its name suggests, 'People Person' is a leadership behaviour that reflects a healthy and positive relationship between the leader and the employees. This behaviour comprises of four elements: i) Not being forceful; ii) Being welfare-minded; iii) Understanding; iv) Confidence. As mentioned regarding the first leadership behaviour, 'Tasking', some the leaders are very forceful or aggressive towards their employees, so as to conclude their tasks, which results in employees feeling stressed about the corporatisation process. In contrast, 'People Person' is not forceful, but rather reasonable and lenient towards the employees, as such leaders would believe that resistance to change would not be uncommon. The respondents revealed the following:

“Although the way that they tell people is very diplomatic and gentle, there is still of course some resistance.” (Respondent 16_MM)

“So when I want to handle corporatisation, I want to implement whatever we try. If we still can't do it then, we leave everything to Allah; that's my style. We can't force people to work when they can't; work must be according to policy and rules to deliver within the deadline, but must be reasonable. So that's my behaviour. I want to deliver the service according to the business plan, but we can only plan: Allah will decide everything.” (Respondent 40_TM)

Additionally, the 'People Person' is welfare minded: concerned with the welfare of the employees by taking care of their feelings and issues. The health and happiness of the employees was not neglected.

"She always instructs us, and she is very caring. If there is any problem, she will approach us individually and will give us guidance. She is always there during our happiness and our moments of pain. When settling a task, she is very understanding." (Respondent 22_MM)

"He's charismatic as well, and he really takes care the welfare of the staff, and he also didn't want it to do it very suddenly, so he started introducing it earlier, in stages, rather than implementing drastic change." (Respondent 50_MM)

"She's quite good, kind of like a 'people's person'. Because if you have any problem, you can approach and talk to her any time. She plans and makes sure that the corporatisation is clear. Then, she will make sure that the staff has potential and then, she will try to guide them... She will try to find solutions to any issues, that's her style. There is no issue without a solution. If a certain member of staff doesn't have any knowledge she will groom that person."
(Respondent 51_MM)

Similarly, the 'People Person' understood the employees, and would be sympathetic and considerate towards the employees, as stated by the respondents:

"During the corporatisation, the leaders were very understanding. At several dialogue sessions it was explained change was expected and anticipated, so that when the changes came, they would not be too surprising."
(Respondent 16_MM)

"When they saw that there was some difficulty about the working hours on Friday, and people raised this issue, there was feedback as some people tried to understand, and the top management try to understand, then it was agreed by the top and, up until now, we have worked a half day on Friday..."
(Respondent 30_MM)

One important element of a 'People Person' is confidence. It is the capacity to do and deal with things well, and expect things to happen in a way

that you want or anticipate (Longman Online Dictionary, 2012). If the leaders did not portray this particular element, the employees themselves would not feel confident about the corporatisation or the future success of TelBru after corporatisation. The following are the comments by the respondents about this.

"We were lucky because we had help in the form of experienced consultants – regulatory consultants, business consultants, and financial consultants – to help us get through it. Hence, after we went through that, we were quite comfortable in that knew what we needed to do in our unit and regarding Human Resources. We had quite a good amount of help on that front." (Respondent 1_TM)

"They're very professional... Of course they have to look confident. If they themselves are not confident, it would be hard for them to convey the corporatisation message." (Respondent 39_MM)

"I think he's really confident in the success of the corporatisation." (Respondent 41_MM)

6.2.5 Change Preparator

'Change Preparator' is a leadership behaviour that emphasises change preparation on the organisation, leadership behaviours, and employees. It contains four elements: i) Preparator; ii) Person Changer; iii) Training Provider; iv) Trial-and-error approach. Preparator is related to preparing change for the corporatisation and for the future of the TelBru after the official corporatisation. The leaders were busy and worried about the preparation, as they had to think how to handle the activities in the corporatisation and, at the same time, develop new activities or strategies for after the official corporatisation. All of these categories are based on the following statements:

"The behaviour of the top management during that time was that they had to think how to develop new things during the corporatisation. Things such as what we might have to do once we have corporatised." (Respondent 12_MM)

"In terms of behaviour, they were just worried about the preparation for TelBru, and they were trying to prepare for the corporatisation." (Respondent 18_MM)

"They were busy preparing for change, especially in terms of preparing the policies and change so we were ready to corporatise." (Respondent 41_MM)

"This is a new thing, and it's not like there's a book for the corporatisation of JTB. We develop and evolve as we go along, just as with preparing the system. I remember that were many decisions to be made. For instance, about the debt, which is one of the big policy decisions that we needed during that time. We asked what would happen to the debt, what would happen after the corporatisation, who would own the debt, who would collect the debt, who would maintain the system and those kinds of things. When we realised this, we raised the issues in the management meeting and discussed them..." (Respondent 42_TM)

The second element, Person Changer, depicts the behaviour of the leaders in terms of their belief in changing themselves before others, as well as being mentally ready for the change. The leaders highlights that if a leader does not change their behaviour and mindset, others will not follow suit. By becoming a role model to them, the employees would realise and recognise that corporatisation brought about good changes in the leadership behaviour. This, in turn, stimulated them to change their behaviour and mindsets to work in a corporate environment. The respondents revealed about the behaviour:

"As the top management, we have to show changes in behaviour, so that when we corporatise, there will be minimal interruptions." (Respondent 32_MM)

"The top managers were in a way mentally ready for the corporatisation. I think most of them were actually involved in the corporatisation process. Like myself: I was involved with the evaluation of the assets, so each of the managers was assigned some tasks." (Respondent 38_MM)

"Let's say if I want to change an organisation, first, I have to change – the leader himself. Then, what change do you want to bring in? Let's say in terms of changes in management, first I have to be a role model to the team. Otherwise if you can't be seen as people who want to change, how can you want to deliver change to people, so I think that's very important... that's why it's important to change yourself before you can change others." (Respondent 40_TM)

"I convince myself first that corporatisation is the right move, especially for a telecommunication service provider. Then I tried to convince or cascade the thinking to colleagues and subordinates." (Respondent 58_TM)

As a preparation for corporatisation, a 'Training Provider' provided training opportunities for the employees, so as to create new skills and knowledge, improve their weaknesses, develop their existing skill sets, and change their mindsets. They were trained on how to think competitively, and that if they did not change, they could not move forward. This was so that, after the official corporatisation, the employees would be able to do their jobs autonomously and have the necessary knowledge, skills and attitudes for the new corporatised organisation. This was described by the following respondents:

"The top managers want change so training was offered." (Respondent 22_MM)

"The top managers motivated us to adopt change through training and activities that we had internally. Mostly through training that showed us how to think competitively..." (Respondent 28_MM)

" We tried to improve where there were weaknesses and enhance existing skill sets. I made sure that they are like auto pilot, and they are able to do their job independently. We also trained them on problem-solving, sales and marketing, customer services, leadership and management training, Balance Score Card training, spiritual awareness training, financial training, and certification was also given, meaning that people could be certified technicians and engineers. We made sure that the competency gap was narrow." (Respondent 48_MM)

"They sent us on training courses to Singapore and Malaysia to adapt to the corporate environment because in accounting, there's a lot of things we need to comply with, and so they sent us training to know the current acceptable accounting standards." (Respondent 49_MM)

"My boss prepared us for changes by sending us to certified training like Cisco, to be ready so that after corporatisation, we would already have the knowledge to handle the technicalities. That was his intention, to prepare us by giving us some skill sets." (Respondent 51_MM)

“Different tasks will create different deliverables, and each task has required skills and competencies. For my part, if I did not have the skills, my boss would arrange training for me. If we don't change, we cannot move forward. I was on the technical side but moved to IT. I had to learn. My boss gave me the skills, mostly by on-the-job training.” (Respondent 59_MM)

In preparing for corporatisation, the leaders adopted the trial-and-error approach, which focuses on trying to get things right at first and, if it does not work, changing them. This was mainly due to JTB being the first corporatised organisation, and the lack of experience of the leaders in handling the corporatisation process. Because of this, the leaders behaved in a way that there was not right or wrong way of handling the corporatisation process. They had to experience this to ensure things would go smoothly. If it did not work, they would change whatever was necessary. The respondents described this:

“Many of us had to acquire new skills, and sometime we had to do it by trial and error to improve the culture of TelBru... There is no right or wrong answer in actually handling the company. Sometimes maybe we tried to refer to overseas companies, but this did not mean that their methods would work in Brunei. Sometimes we need to experience things ourselves to get things right. So there is no right or wrong answer. If you try this, and it doesn't work, you have to change. That's important. Don't try to stick to something that may not work and then force it. There's no point.”
(Respondent 23_TM)

“They wanted the change, but how change was being done was not clear and defined. That's how I answered you, because we were the first practical corporatisation being done in Brunei, so there was a lot of trial and error, and even the government agencies, who always cooperate with us, did not know how to handle us.” (Respondent 28_MM)

“As most top managers were inexperienced in the corporate company environment, many would have to acquire the skills or use trial and error to improve the culture of TelBru.”
(Respondent 60_TM)

6.2.6 Old McDonald

'Old McDonald' is a negative leadership behaviour whereby there's only slight or no change in their behaviour during the corporatisation. It is termed as 'McDonald' because McDonald is a well-known fast food restaurant and despite having many locations worldwide, the concepts and some of the food remain the same everywhere. This negative behaviour is comparable to a lack of openness to change or in other words, resistance to change. If a leader possessed this behaviour, it would be hard for the employees and the organisation to change. Some of the respondents simply regarded this type of behaviour as 'normal' behaviour, with only minor differences in the leadership behaviour from government to business organisation. One suggested that a change of environment is needed referring to a change of workplace or renovating the work area where TelBru currently resides. When no changes of behaviour were taking place, this could either denote that the existing leadership behaviour was suitable for the corporatisation or indicate a refusal to adopt change. The respondents stated the following:

"Life was actually pretty much normal, that I can tell you. Normal is like going to courses, seek help from the boss if there is anything up with our report. If you're asking specifically regarding corporatisation, for me it was normal. They would definitely guide me to improve work and skills, but I say it would be normal. Just normal. Slightly different in the fact that from government to business entity. There's maybe a little change of mindset and change of character. So it's a gradual change, and it can't be drastic change. If not, we wouldn't even understand our own leaders." (Respondent 17_MM)

"...actually it's not that people don't change, but people's behaviour or leadership behaviour doesn't just change because of corporatisation. It's the processes that change. That's my understanding and feeling. The person is still the same, but you have to adopt the change in environment. Not a person changing. To me, it's more the environment..." (Respondent 30_MM)

"I think it's still the same. Honestly, I think it is still the same. I don't know why, but maybe they need to change this place as

we need to have a new environment, because I think from the environment, they can get changes.” (Respondent 38_MM)

“The behaviours are still the same as when we were in the government. Just as in the government, if we don't ask questions we will be scolded, but if we ask questions, we also get scolded, so both are the same thing. Some of the bosses are very good and approachable, but some are the opposite. If we're quiet, we get scolded, so the problem becomes a big issue, but when we ask questions, we also get scolded...” (Respondent 61_MM)

6.2.7 Problem Maker

This is the second negative leadership behaviour found in the corporatisation process. This type of behaviour had a considerable impact on the employees, as was previously highlighted in Activity 5 (Dialogue Session) and Activity 6 (Transfer of Employees and the Development of the Terms of Employment) in Chapter 5. 'Problem Maker' is the leadership behaviour that generated most problems in the corporatisation of JTB, hence the name. It comprises eight negative behaviours, including: i) no clear change or no transparency; ii) no experience and no guidelines; iii) no directions given; iv) being chaotic; v) limited emphasis on the change of mindset; vi) a negative approach; vii) lack of confidence and viii) being a bad assigner.

The first element is 'no clear change or no transparency'. This meant that there were no clear instructions and rules on how change was implemented and how change should be handled. The leaders displaying this behaviour did not communicate clear messages and information about the corporatisation, and even if they were transparent, the message and information were still incomplete. This might be because they might not know about it since they themselves were dependent on the directives by the upper level (Cabinet Ministers). However, this had caused several problems: the middle managers did not know how to answer the questions asked by the lower-level employees, and the middle managers were asked to handle change by themselves, especially in dealing with other government agencies. Moreover, there was no written communication but only oral communication. Another problem was the

spread of painful rumours to the extent that some employees left JTB prior the corporatisation. As mentioned previously in Chapter 5, a lack of clear information could lead to employee uncertainties, fear of change, resistance to change, and widespread troubling rumours. This is based on the following quotations from interviews:

“During the corporatisation, they were not really transparent with us. During the talks or presentations, they said this and that. They should have conducted a lot of talks regarding this especially, how we would structure TelBru, the prospect of our welfare, I mean, staff welfare. We should have had clearer vision or details, or maybe it should have been written in black and white.” (Respondent 19_MM)

“The change was not 100% clarified. There's a big question mark. They did have limitations because they did not have guidelines. They were not 100% transparent. The rumours from the year 2003 were sometimes from the outside and only then did we know about it. The rumours could be painful, and influenced certain staff, and some even moved from JTB. This happened to the extent that we were eventually not allowed to move from JTB... The rumour was that, before corporatisation, non-technical staff would be transferred or laid off, and that the technical staff would have to do administration.” (Respondent 22_MM)

“Everything that we did, we needed to explain what's happening, the stages and where we were heading. The problem was that we ourselves did not know what was going to happen. How could we explain this to the people below us? So the experience of corporatisation is limited within this region...” (Respondent 28_MM)

“Nobody at that time was sure about the level of their salaries. So how do you expect as a manager to inseminate information to the bottom during the corporatisation? Nothing was in black and white, just spoken words. We told people they should want to join TelBru, and when they asked what the advantages were for them, we could only say that they would not be worse off. Everybody wanted it to be clear: like let's say your salary is 3,000 with an additional 30%, people will stay because it's clear. So whatever in the future, if you want to write a paper about corporatisation, whoever wants to corporatise, everything must be clear. If not, how are they going to sell themselves?” (Respondent 40_TM)

“No clear rules on how to resolve conflicts, constant changing of proper directions. You were more on your own but to me personally, it is not enough. Some of my friends were happy and some were not. It is more based on the individual personality. For those who want or like changes, it is okay with them.” (Respondent 42_MM)

In addition to this, the leadership behaviour showed that they did not have any experience, nor were they given any guidelines in handling the corporatisation. The leaders also did not have experience working in the corporate environment. Their lack of experience made them overlook certain important matters. Thus, majority of them had to acquire new skills through a trial-and-error approach. They also relied heavily on the consultants to handle the corporatisation, as described in Activity 4 (Tender Evaluation and Selection of Consultants) in Chapter 5. This was pointed out by the respondents:

“I think they did their best. The management team did not have any experienced to handle this kind of thing, so they tried to do their best. They faced problems because they did not have any experience in handling the corporatisation. And there was no clear directive on how to do it. Probably the top management team gave directives on certain issues but because there were even bigger issues, they tended to overlook some of the things that were important for the middle and lower management. So for them, there seemed to be a lack of directive from the management.” (Respondent 20_MM)

“If you rewind the clock to 2006, I think you need to be structured, you need syllabus to study. If your teacher didn't give a syllabus, how are you going to study?...Do you know that the people in JTB don't really know the word 'business'? They assume they know. It's like swimming, they don't tell you how to stroke. You have to learn on your own but it will take time.” (Respondent 25_TM)

“At first, the top management did not have a big, big picture of corporatisation. Once they engaged with the consultant, gradually there were several discussions. There were several surveys being done by the consultants, and there were reports submitted. From there, the management became aware of the process and organisation.” (Respondent 31_MM)

“Because we were the first government department to be corporatised, it would have been easier if there was a guideline...” (Respondent 39_MM)

“Top managers had tried their best to cascade the process. However, with lack of workshops, the cascading process did not go smoothly.” (Respondent 58_TM)

The third element is ‘no directions given’. The leaders did not set any directions or guidance on how change would be done during the corporatisation. The leaders seemed not to have a big, full, clear picture of corporatisation, and since they adopted the trial-and-error approach, the path to find the right direction was constantly changing. Thus, no directions were properly cascaded down, let alone proper guidance and directives on how to solve conflicts and handle change. Leaving these change tasks in the hands of middle managers was risky, as they needed guidance and systematic and clear directives, as different levels of employees had different level of acceptance to change. The respondents discussed as follows regarding this issue:

“To be honest the vision and direction statement was not internalized. In saying whether we were going in the right direction and so on, not really. That’s why it was all in bite size, but in a very staggered approach. Because I mentioned that they didn’t yet have the full picture, so at the end of the day, if they wanted to do this, they would go in that direction.” (Respondent 28_MM)

“Some were sure, but some were not sure during that time, like where we’re going and where are we moving forward to. Because during that time, we were still a typical government department, so basically our mindset was still under the government...” (Respondent 41_MM)

“To certain extent, we need to be ready to adapt on our own. You did not have assistance from the top. No one to really guide you to be ready...” (Respondent 42_MM)

“And by right, when directives are cascaded down to the low level, there should be a proper standardised methodology, but unfortunately when it was done last time, it was up to the individual section to translate that that directive, and to me, that is not really that effective because if there are too many variations, that make things more difficult especially in terms of levels of acceptance by the various level of staff. So they left it to the middle managers to cascade the change. But for me, that was not really the best way to cascade the changes. It should have been a systematic cascading with a proper system and guidance.” (Respondent 53_TM)

Subsequently, another element of 'Problem Maker', which is 'chaotic', emerged. This leadership behaviour exhibited confusion and disorganisation in handling the corporatisation process. With lack of experience, hectic preparations, no proper directions, and time constraints, the leaders were in chaos, especially with rumours spreading. Certain matters, such as assets and strategies were prioritized first, and employees were regarded as second to be handled. This caused anger among the employees. Below are the statements by the respondents about this:

"In general I would say, leadership during that time was in disarray, the leadership was more towards the actual corporatisation itself, to make it viable, but not really thinking of employees in a general sense. They were trying to make corporatisation work. It was already a big task to do, your finance, your assets, regulations, insurance, and customers, but it seems that employees were the last to be tackled."
(Respondent 28_MM)

"It looked a bit chaotic because we hear about this and that and rumours about this corporatisation..."
(Respondent 61_MM)

The fifth element is 'limited emphasis on the change of mindset'. The leaders did not realise and stress the importance of the change of mindset among the employees during the corporatisation process. Even though 'Change Preparator' leadership behaviour had provided training opportunities to the employees, most of the training offered was related to skills and knowledge, and only a small amount of training was offered regarding a change of mindsets. Efforts were there to accentuate the change of mindsets, but it was not enough. Additionally, as mentioned above, the leaders were so busy with the 'process' of the corporatisation that employees and changes of mindsets were tackled last. This caused problems post-corporatisation, because the mentality and attitude of the employees remained as it was whilst they worked for the government. Below are the interview quotations by the respondents about this matter.

"... it is something to do with giving them training, not necessarily on change management. but other sorts of

trainings. It was one of their efforts during the time. They encouraged people to improve their skills. For example, on my team, we send our staff for certification to improve their competency. This was again in terms of their knowledge and skill, but not so much on the, you know, mindset.”
(Respondent 20_MM)

“So in terms of changing tasks, not much emphasis was given in terms of a change of mentality. Unfortunately at the time, there is not much emphasis on change management or mindset. Most of the emphasis was in terms of the process only...” (Respondent 53_TM)

Another element of 'Problem Maker' leadership behaviour is 'negative approach'. This is with respect to not giving positive motivation to the employees. They communicated with the employees in a negative manner. Some leaders exhibited this behaviour by not encouraging the employees to agree to change and the corporatisation of JTB, thus igniting the employees' sense of fear of change and resistance to change. They made the employees question the future of the corporatised organisation, and their own job security. Respondent 56_MM stated regarding this:

“There are some bosses, but not all of them, who use a negative approach. The boss will say 'just see later in the future when we are corporatised, we will be in trouble and bankrupt and later, you will be sacked.' This makes people afraid. Leaders should not be like that. The boss also says that we will be sacked after 5 years. Even I myself feel scared. That is not the way to motivate people. The leader should have said that we should work hard, and not scare people off.”
(Respondent 56_MM)

The penultimate element of 'Problem Maker' is 'lack of confidence'. When they displayed this, the leaders were not depicting self-assurance or certainty in their behaviour. This created uncertainties and reservations among the employees about the corporatisation, as is stated below:

“During the question and answer sessions in the dialogue sessions, the answers were not ready and they do not look confident. Maybe they did not know how to answer because they have their own rules. In particular, they did not give elaborate answers to questions about employee benefits, as if

they were still hanging. Maybe the information was not yet confirmed at that time. We will never know.”
(Respondent 19_MM)

“As far as I can remember, during the talk, they were not very confident, because during the talk the employees were mostly concerned with what would happen when we corporatise in term of our position, work, benefits...” (Respondent 37_MM)

“Overall, they did not provide any confidence, and were not 100% transparent.” (Respondent 59_MM)

“We as the top management also did not know what to convey to the staff in terms of the reality we were going to face.”
(Respondent 62_TM)

The final element is 'bad assigner'. This is related to poor assigning of employees to do tasks that were not related to their background, field or experience. It is known that different tasks or job require different levels of skills and expertise. However, the leaders delegated the wrong employees to the wrong jobs, thus leaving competency gaps and a lack of person-job fits, causing work delays as the employee had to learn new skills (which was time-consuming, considering the new skills were sometimes not in their field and background). The respondents stated the following regarding this matter:

“...the level of expertise needed to be obtained by each officer and member of staff to do each particular task, but that was not been done. And you really need to look into their actual level of expertise. Although we classified each employee according to their position, you really need to know if they really deserve the positions they got... Because if they are not matched, there would be skill gap that can become more and more critical...” (Respondent 53_TM)

“During the corporatisation, there was a problem. I was not an IT expert but was given the task of conducting the Human Resource Management System. I was struggling to do it because I did not know how... The IT division should have handled it, not me. They are more experienced. I did not receive support from the top managers.” (Respondent 63_MM)

After this elaborate description of the seven leadership behaviours found in the corporatisation process, the next sub-chapter will discuss the connection

between the seven leadership behaviours and four activities found in the corporatisation process.

6.3 Leadership Behaviours in the Corporatisation Activities

The leadership behaviours found in each of the activities during the Stage 3 of the corporatisation process are mostly similar to one another. The researcher will highlight the top four leadership behaviours that were prevailing in each of the activities and associate them with the Bruneian culture. High numbers were concentrated on four behaviours in each of the activities.

In Activity 4 (Evaluation and Selection for the Four Tenders), 'Tasking' leadership behaviour was the common behaviour adopted by the top managers. This was because during this activity, the top managers were aggressive in meeting the deadlines and ensuring the completion of tasks because they were only few months left for the initial corporatisation date. The respondents also stated that their top managers were behaving as 'Change Preparator', 'Supporter' and 'Old McDonald'. The top managers were basically preparing for other corporatisation activities to take place as well as thinking strategically for the future of TelBru. In addition, they were supporting TelBru to change by ensuring that the selected consultancy firms meet the tender requirements. Nonetheless, some leaders did not change because they believe that it was too early to change their behaviour or becoming business-oriented. 'People Person' can be regarded as less successful in this activity.

The leadership behaviour often portrayed by the top managers in Activity 5 (Dialogue Sessions) was 'Change Communicator' because the top managers communicated with the middle managers and employees about the corporatisation. The top managers discussed with them about the progress of the corporatisation and opened the floor for Questions-and-Answer sessions. It was also believed that the top managers adopted 'Change Preparator', 'Old McDonald' and 'Supporter'. The respondents stated the top managers seemed busy during this activity. As stated previously in Chapter 4, Bruneians can be

assumed as shy and introverts. Acknowledging this, the top managers asked them to write any questions on a piece of paper without inserting their name.

In Activity 6 (Transfer of Employees and Development of Terms of Employment), the top managers handled the welfare of the employees and arranged the smooth transfer of employees from JTB to TelBru. They illustrated 'People Person' leadership behaviour the most in this activity. Showing compassion towards others is common in Brunei due to its collectivist culture. The top managers were considerate with the employees' situations especially with the abolishment of certain allowances. They even tried to meet the requirement of the employees by introducing other allowances and assisting them to get better rates from banks. 'People Person' leadership behaviour was adopted because the top managers believed it was the best behaviour to handle change resistance behaviours by middle managers, senior employees and low-level employees. Interestingly, upon the submission of the researcher's third data collection's findings report to one of the top managers for validation purposes, the researcher found that one did not realise the existence of dissatisfaction among the middle managers and employees on their leadership behaviour, in particular, the 'Problem Maker' behaviour during the corporatisation. The action made by the middle managers and employees reflected the Bruneian culture of not liking to confront and be outspoken. It also showed that respect and obedience to the top managers were non-questionable. However, the downside of this is TelBru is keeping dissatisfied and less motivated managers and employees and thus, this could have an impact to the performance of the organisation.

In addition, they adopted 'Change Preparator' and 'Supporter' leadership behaviours in this activity. The top managers prepared their middle managers and low-level employees to change their mindset from government entity mindset to business-oriented ones through trainings – religious and skill- and knowledge-related trainings. Since Islam is a holistic religion, it recommends high standard of moral character and attitude. Brunei culture emphasised pure and sincere submission to Islamic faith in all aspects. In handling organisational

change such as corporatisation, the top managers provided religious training known as 'Kursus Menjana Diri' to instil Islamic and positive attitude for the managers and employees towards change. The trainings highlighted inner change to be more honest, trustworthy, working hard and believing that Allah is watching whatever one is doing, even when the supervisor is not watching. They even brought in an Islamic preacher (Ustaz) to preach the middle managers and employees about the rewards of working on Friday. According to some respondents (18_MM, 33_MM, 40_TM, 41_MM, 42_TM), this method has proven to be effective in gradually changing the managers' and employees' mindsets. This shows that religion plays an important role in the corporatisation of JTB. Bruneians did not ignore but believe in the significance of religion in the area of administration.

In Activity 7 (Transfer of Assets), 'Change Preparator' was the prevalent leadership behaviour in this activity. This leadership behaviour is expected as this activity mainly focused on preparing and calculating the assets to be transferred to the Brunei Government. Because of this, 'Supporter' and 'Tasking' leadership behaviours were also portrayed by the top managers. 'Old McDonald' leadership behaviour also existed in this activity. This is probably because the respondents only saw the top managers preparing change that they did not see any change of their behaviour towards becoming business-oriented.

All in all, the top managers were basically preparing for change to take place in JTB because the 'Change Preparator' leadership behaviour can be found in all four activities, as depicted in Table 25 below. They relied on both traditional and religious or spiritual change management, being accustomed to Brunei's national philosophy of MIB where Islam is regarded as a way of life. They communicated with the managers and employees about change and they prepared them with the necessary skills and knowledge. Nonetheless, one of the negative behaviours, 'Old McDonald' existed in all four activities. This showed that some of the top managers did not realise the significance of being

business-oriented and comprehend the consequences of change resistance behaviours to the organisation.

Table 25 Leadership Behaviours in the Corporatisation Activities
(Source: Researcher's Compilation)

Activity	Activity 4 (Evaluation and Selection for the Four Tenders)	Activity 5 (Dialogue Sessions)	Activity 6 (Transfer of Employees and Development of Terms of Employment)	Activity 7 (Transfer of Assets)
Leadership Behaviour	1) Tasking 2) 'Change Preparator' 3) 'Supporter' 4) 'Old McDonald'	1)'Change Preparator' 2)'Old McDonald' 3)'Supporter' 4)'Change Communicator'	1)'People Person' 2)'Change Preparator' 3)'Supporter' 4)'Old McDonald'	1)'Change Preparator' 2) 'Supporter' 3)'Tasking' 4)'Old McDonald'

The next section provides a summary of this chapter.

6.4 Summary

Seven leadership behaviour domains have been identified, namely: (1) Tasking; (2) Supporter; (3) Change Communicator; (4) People Person; (5) Change Preparator; (6) Old McDonald and (7) Problem Maker. The identified leadership behaviours were then categorised into four categories: organisation-oriented, task-oriented, people-oriented, and problem-oriented, based on their elements.

The first leadership behaviour, 'Tasking', underlines the completion of tasks, whereas the second one, 'Supporter', is a leadership behaviour that gives assistance and inspiration to both organisation and employees to adopt change. The third one, 'Change Communicator' is primarily concerned with communicating with the employees. The fourth one, 'People Person' is a leadership behaviour that emphasises on the leader's thoughtfulness,

confidence and attention to the welfare of the employees. 'Change Preparator' is a leadership behaviour that focuses on change preparation for the organisation, and the behaviour of the leaders and employees. The sixth behaviour, 'Old McDonald', is a leadership behaviour where the behaviour of the leaders is considered 'normal', as there's only slight or no change in their behaviour during the corporatisation. The seventh and final one is 'Problem Maker', which is a leadership behaviour that created the majority of the contradictions that existed in the corporatisation of JTB. The leadership behaviours portrayed in the four corporatisation activities were also discussed in this chapter. Both culture and religion can influence the leadership behaviour adopted to handle each activity.

Based on the seven leadership behaviours identified in this research, it can be concluded that the behaviours can affect the change process as well as hindering the performance of the activities. The research indicated that leadership behaviour can affect the approach to change used in the corporatisation. Thus, leadership behaviour is very significant in the context of organisational change.

CHAPTER SEVEN

DISCUSSION

7.1 Introduction

The previous chapters have provided an analysis of the activities and approaches to change adopted, along with the leadership behaviours in the corporatisation of JTB. Seven activities were identified, and two change approaches: top-down and bottom-up approaches, were embraced during the corporatisation. Additionally, seven unique leadership behaviours emerged from the findings.

To recapitulate, the main aim of this research has been to explore the leadership behaviour in managing change. Additionally, it has sought to investigate the activities involved and understand the approaches to change adopted in the corporatisation process, as well as examining the reasons behind the contradictions that existed in the corporatisation activities. A retrospective study has been made, using the case study methodology and activity theory adopted for the analysis.

Based on the findings, this chapter will provide a discussion in relation to existing literature. This chapter is divided into three areas. The first section of this chapter discusses the activities identified in the corporatisation process. The second section talks about the approaches and types of change in the corporatisation process. The third section will describe the leadership behaviour in the context of corporatisation. A summary will then conclude this chapter.

7.2 Corporatisation Activities in the lens of Activity Theory

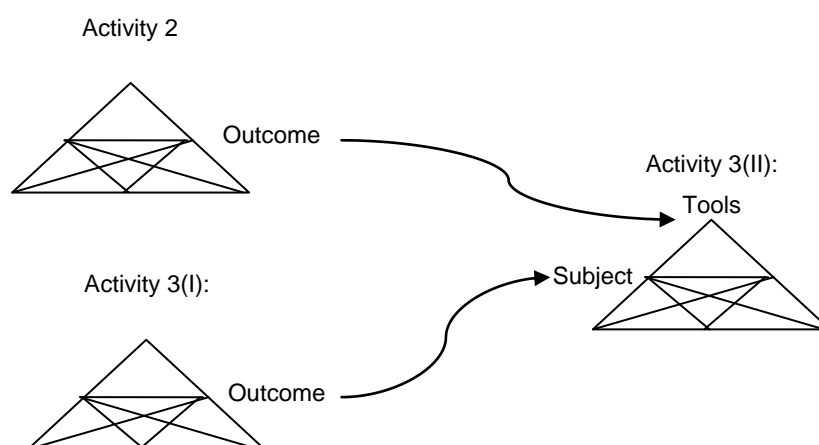
The existing literature regarding corporatisation bombards the reader with economic, ownership, and performance issues (Aivazian et al., 2005; Bradbury, 1999; Boubakri and Cosset 1998; Bozec and Breton, 2003; Gupta, 2005; Hooks and Van Staden, 2007; Malate, 2009; Mohamed, 2004; Shirley, 1999; Sun and

Tong, 2003; Zhang, 2004). There is, however, only limited research existing that highlights how corporatisation influences organisational change (Bradbury, 1999; Duncan and Bollard, 1992; Martin, 2004; Haji Chuchu, 2005). Likewise, there is little available literature on the activities involved during the corporatisation process, let alone using activity theory. Current literature that considers corporatisation activities does not produce a broad and detailed description of the activities, such as the people involved and the problems encountered. By identifying the activities and analysing them using activity theory, this research can explore the contradictions that exist in the activities, as well as the influence of each past or present activity on prospective activities. Since Chapter Five already identified the corporatisation activities, this section of this chapter will first identify how the elements of the activity system are connected with one another, symbolising change, and then investigate and discuss the contradictions that exist in the corporatisation activities. As defined earlier in Chapter Two, primary contradictions are contradictions that exist within the elements of the central activity (Engeström, 1987), whereas secondary contradictions are contradictions between the elements of the central activity (Engeström, 1987).

This research identified seven activities involved in the corporatisation of JTB, which are categorised into three stages according to time and the sequence of the activities, thus contributing to the literature on change (Pettigrew et al., 2001). Of the seven activities, two had not previously been mentioned exclusively in the corporatisation literature: the transfer of employees and the transfer of assets (with the exception of Bradbury (1999)). These activities referred to the transfer of employees and assets from the government to the corporatised organisation and, in JTB's case, this was done on the official corporatisation day to signify that corporatisation had taken place. The significance of these activities was mentioned previously in Chapter Five, as objectives of Activity 6 and Activity 7 respectively. Thus, this research contributes to the literature on corporatisation.

In Stage One (Activities before the formation of TelBru, Year 1986-2001), there were three activities found with no contradictions. The research findings support the view that one activity can influence and interact with another (Barab et al., 2002) as can be seen between Activity 2 (consultancy works performed by JP Morgan, KPMG, Clifford Chance, Freshfields and PA Consulting) and Activity 3 (formation of SCP). The outcome from Activity 2 became the tools for Activity 3(II), and the outcome from Activity 3(I) developed into the subject of Activity 3(II), as illustrated in Figure 26. The findings of this research suggest that elements from an activity system can translate into other types of elements in a different activity. This supports the findings of Barab et al., (2002).

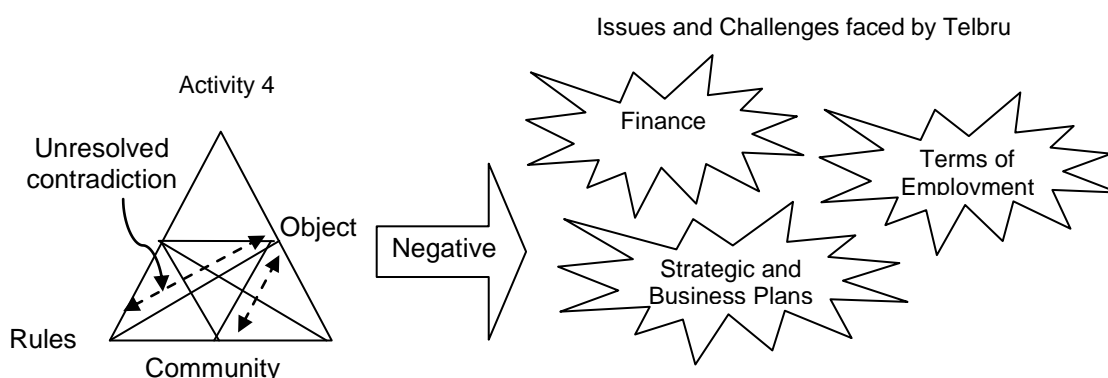
**Figure 26 Connections between Activity 2 and Activity 3
(Source: Researcher's Compilation)**



In Stage Three (activities during the Corporatisation Process from the 2002 to 2006), four significant activities were determined, and all of these activities had contradictions in their activity systems. In Activity 4 (Evaluation and Selection of Consultants for the Four Tenders, Year 2002), two secondary contradictions prevailed between the community and the object, as well as between the rules and the object. As mentioned earlier in Chapter 5, the SCP (community) disagreed with the consultants recommended by JTB corporatisation committee (object), and asked for re-evaluation. This caused another contradiction, where the expectations of JTB corporatisation committee

(rules) were not met in the selection of their recommended consultants (object). These contradictions were partially solved, as the JTB corporatisation committee had to relent to the SCP's recommended consultants. The problems faced by TelBru because of these contradictions were described in detail in Chapter Five. The research findings suggest that unresolved contradictions could lead to further issues and challenges, affecting the future activities, as shown in Figure 27. This finding supports the findings of Barab et al. (2002) and Basharina (2007). Figure 27 illustrates that the contradictions that were partially solved but were not agreed by the subjects led to issues and challenges in TelBru, in terms of financial aspects, terms of employment and strategic and business plans, as explained in Chapter 5. These findings also show that contradictions can prevent subjects from achieving the objectives (Yamagata-Lynch, 2010).

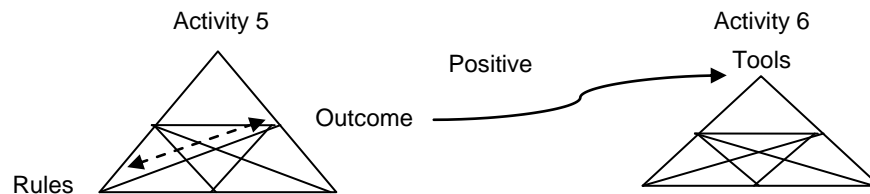
Figure 27 Contradictions in Activity 4
(Source: Researcher's Compilation)



In Activity 5 (Dialogue Session, 2002, 2003 and 2006), a secondary contradiction presented between the rules and the object, as shown in Figure 28. Nonetheless, the findings indicate that the contradiction resulted in positive outcomes: from the contradictions, the subjects derived the employee concerns about the corporatisation, and gained employee benefits. This can be considered positive, because it assisted in the development of the Terms of Employment, and it also became the tools of Activity 6 (Transfer of Employees

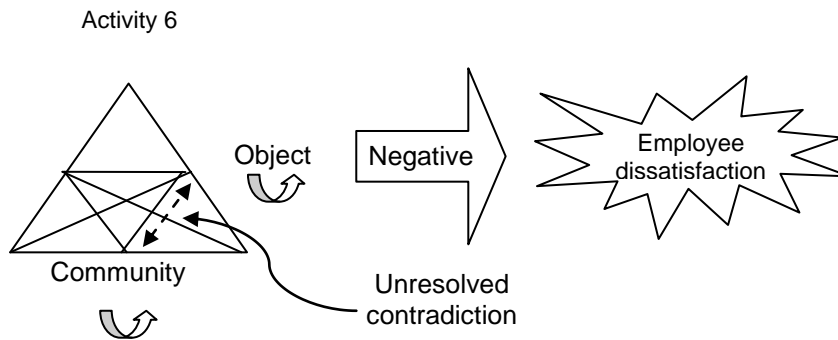
and the Development of Terms of Employment), thus providing more evidence that an element from an activity system can transform into another type of element in another activity (Barab et al., 2002).

Figure 28 **Connections between Activity 5 and Activity 6**
(Source: Researcher's Compilation)



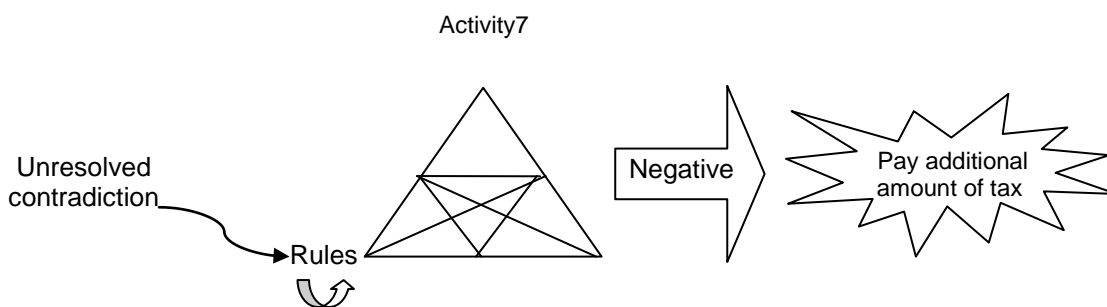
In Activity 6, two primary contradictions and one secondary contradiction are found, as illustrated in Figure 29. One primary contradiction presents in the object in the activity system, in solving the issues of the employee benefits in the terms of employment. The subjects faced challenges due to their lack of experience in handling this matter. Nonetheless, this was solved through numerous negotiations with the respective government agencies and bank sectors. Another primary contradiction existed in the element of community (JTB employees), where they resisted change and a change of mindset. This contradiction was handled through training programmes, and the introduction of performance-based bonus systems and new benefits, in addition to systematic handling of the implementation of the new working hours. Finally, the secondary contradiction between the community and the object existed because the community was dissatisfied with the new terms of employment because they received fewer benefits as compared to working for the government, so they demanded more benefits. This contradiction was partially solved by paying a certain percentage of the employees' housing loans, as TelBru had to consider the costs of introducing other benefits. Even so, the employees were still discontented from the new terms of employment. As illustrated in Figure 29, the research findings provided evidence that an unsolved contradiction resulted in negative sentiment from the employees.

Figure 29 Contradictions in Activity 6
(Source: Researcher’s Compilation)



Based on Activity 7 (transfer of Assets), a primary contradiction subsists in the rules element of the activity system, as illustrated in Figure 30, whereby the approval from the MOF, in terms of the certificate of assets signifying the successful transfer of assets, had not yet been released at the time of writing. Thus, the contradiction still remains unsolved, as this is beyond TelBru’s control, but TelBru was made liable to pay additional amounts of tax to the government due to depreciation factors of the assets. As a result, the research findings show that contradictions can be unsolved due to the incapacity and lack of power of the elements of the activity system to solve them. This could lead to negative consequences.

Figure 30 Contradictions in Activity 7
(Source: Researcher’s Compilation)



In summary, the research findings concluded that:

- i) An activity can influence and interact with another activity (Barab et al., 2002).
- ii) Elements from an activity system can turn into other types of elements in a different activity
- iii) Unresolved contradictions could affect future activities, whereby having a negative impact on future activities, or resulting in negative reactions from employees.
- iv) Contradictions can prevent the subjects from achieving their objectives.
- v) Contradictions can lead to positive outcomes
- vi) Contradictions can remain unsettled due to the incapacity and lack of power of the elements of the activity system to solve them, and this could lead to negative consequences.

This research provides a concrete contribution as to how activity system analysis can be adopted to analyse corporatisation activities, and how the contradictions can influence the success or failure of the activities. Contradictions are found within and between the elements of the activity systems, and most of the contradictions remained unsettled, resulting in negative outcomes. It can be found that the negativity that arose from the unresolved contradictions stemmed from the requirement for JTB's corporatisation team to follow directives from the top level, from employees' resistance to change, and from the powerlessness of the elements of the activity system to handle the contradictions.

The next section will discuss the approaches to and types of change.

7.3 Approaches and Types of Change

Corporatisation is a contextual change, often characterised as a planned top-down approach to change, as it is often initiated by the government through the selection of SOEs to be corporatised, deregulation, and reformation of

policies. Change depends on the organisational condition and environment (Coram and Burnes, 2001).

The research findings indicate that change is initiated and adopted using a top-down approach, especially in public sector reform (McNulty and Ferlie, 2004; Ryan et al., 2008), as evident in Stage One of the corporatisation process, where it was the Brunei Government who decided to corporatise the government agency. Decisions were readily made by the top management or high authority. Additionally, it can be seen that a top-down approach is a powerful approach for communicating change, as well as gaining support for change. Change was communicated via meetings with top managers, sharing of information between top, middle and low level of employees, and via dialogue sessions with the middle managers and employees.

Nonetheless, this research demonstrates the weaknesses of the top-down approach. The top-down approach has been criticized for being lengthy and time-consuming, as evident, in this research where the overall corporatisation process took nearly twenty years until its official completion. It can be seen in this research that the heavy bureaucratic organisational structure and intensive red tapes that existed in the corporatisation were two of the causes of the long process. There were many paperwork, inefficiencies, too many committees resulting delays in the process. In addition, Bruneians are less risk-takers and are afraid to make decisions because they do not like to be criticized and to take full responsibility (Aziz, 2008).

Ryan et al. (2008) state that the top-down approach generates an employee expectation of involvement in the decision-making. However, this is often the opposite. The research finding indicates that the top-down approach did not recognize the importance of employee participation in decisions: they only asked the employees to gather information without a proper explanation of the purpose. This made the employees feel 'left out', as they felt that their opinions on corporatisation were not regarded as significant. The top managers often perceived that all employees accepted the decisions made by them. This

affected their commitment to change, as reflected in their attitude and mindsets (Doyle, Claydon and Buchanan, 2000; Ryan et al., 2008). Moreover, the vision of change was not communicated clearly, and the implementation of change was not handled in an appropriate manner, to the extent that the employees perceived that change was forced and aggressive.

This research also supported the findings of Coram and Burnes (2001), where change was heavily centred on the 'process' of the corporatisation in terms of activities, structures and procedures, to the degree that employees felt that they were the last ones to be engaged with. The leaders' lack of response towards the employees' fears and concerns created dissatisfaction among the employees.

In comparison to the top-down approach, this research agrees with Ryan et al. (2008), in finding that adopting the bottom-up approach in the change process. The bottom-up approach in this research emphasised the involvement of the employees in the decision-making process. This was particularly manifested in one of the activities in Stage Three of the corporatisation process. In Activity 5 (Dialogue Sessions), the employees expressed their concerns about corporatisation, especially about the change in employee benefits. As mentioned before in Chapter Five, the top managers did take into consideration the employee concerns in the development of the new terms of employment (Activity 6), taking into account the costs that would be borne by TelBru after the official corporatisation.

This research identifies that the overall corporatisation process was a slow process involving slow decision-making ('snail') and agitated decision-making ('rushing'), as explored below:

7.3.1 Snail Change

Snail Change is a slow type of change. The features of 'snail change' include extensive process, a long time period, and preserving the status quo

due to overdue change implementation. This type of change is similar to incremental change, where “individual parts of an organisation deal incrementally and separately with one problem and one goal at a time” (Burnes, 2004a, p. 889). Change is centred on organisational strategies, and is able to alter the strategies in accordance with the environmental demands (By, 2005). Analogous to this type of change is Grundy’s (1993 in Senior and Swailes, 2010) “smooth incremental” change, where change develops predictably and slowly in a constant manner. In this case, the top-down change approach is commonly adopted at a ‘snail change’ rate. Despite the slow rate of the ‘snail change’, this research also supports Miller and Friesen’s (1982) piecemeal incremental, where change is adopted gradually. They mention the advantages of this incremental change. This research finds that slow change gave ample time for the actors to identify the possible obstacles and weaknesses of conducting the corporatisation process, or in other words, weigh the benefits of corporatisation for both JTB and the country as a whole. Additionally, the research findings indicate that slow change allowed them to understand and learn from the previous activities and still be in the position to recognise and solve the contradictions present in the activities. Nonetheless, the research also reveals the weaknesses of this type of change. Luecke (2003) states that slow change can make people be in an incessant state of change-readiness. However, in this case, the slow change led to employees feeling bored waiting for the real changes to take place, to the extent that some doubted the implementation of the corporatisation. This was especially the case at the beginning of Stage One and the middle of Stage Three of the corporatisation process.

7.3.2 Rushing Change

‘Rushing Change’ is a type of change that can be described as being rapid, fast, sudden, and instantaneous, and often triggered by internal and external pressures. In this research study, the change was triggered by a mild economic crises and the prompt announcement of the official corporatisation date. In contrast to ‘snail change’, this type of change views time as being of the

essence, where deadlines should be met. Additionally, it can be related to Miller and Friesen's (1982, p. 872) quantum of change, where change must take place 'quickly and dramatically', and be discontinuous (Grundy, 1993; Luecke, 2003).

Due to corporatisation, all the structures, operations, strategies and culture must change, as they might be deemed inappropriate for the new corporate working environment. This caused change to be conducted extremely rapidly (Miller and Friesen, 1982). Another reason for the rapid change was that change implementation was overdue, due to the long delay period before official corporatisation. The research also found that both a top-down approach and a bottom-up approach were adopted during this fast rushing change. By (2005) argues that such change can be cost-effective. However, this research regards this type of change as being problematic and costly. The rapid change caused prompt decision-making, and the decision makers overlooked some alternatives, as depicted in Activity 4 of Stage Three of the corporatisation process. This makes such change risky, and since wrong decisions were made in Activity 4, the fast change became costly, as some of the consultants did not deliver the required results.

From the abovementioned research findings, the research provides solid evidence that both top-down and bottom-up change approaches were adopted during the corporatisation process, as shown in Table 26. The top-down approach was adopted in both snail change and rushing change, whereas the bottom-up approach was only implemented during the rushing change. The rationale for this lies in the characteristics of each approach to change. As expected, the top-down approach was present in the snail change, where the environment was predictable and planned (Burnes, 2004a). Interestingly, this research also provides evidence that top-down change can be applicable in a rushing change, where transformational change such as corporatisation is taking place. Thus, this research disagrees with Dunphy and Stace (1993), Brown and Eisenhardt (1997) and Hayes (2002) who state that the top-down approach is not suitable for fast and radical change.

This research supports the claims of Burnes (2004a), that a bottom-up approach usually appears in a rapid environment and, in this case, the ‘rushing change’. However, the bottom-up approach did not take place in a continuous change environment, as stated by Burnes (2004a) and Hayes (2002) but rather, in a rapid one-time event change only. The rapid change makes it hard for the top management to conduct the planning and implementation of change. In addition to this, the empowerment of employees existed during this period (Burnes, 2004a), where they were asked to take managerial responsibility and create change, despite not having the required experience and necessary skills.

Table 26 Change Approach and Types of Change in the Corporatisation of JTB

(Source: Researcher’s Compilation)

Change Approach	Types of Change
Top-down approach	Snail Change
Top-down approach Bottom-up approach	Rushing Change

The seven leadership behaviours found in the research will now be discussed relative to the literature.

7.4 Leadership Behaviour in the Corporatisation Process

This research agrees with most studies that leadership is significant to the success of organisational change (Andersen, 2010b; Eisenbach et al.1999; Higgs, 2003; Higgs and Rowland, 2001, 2005, 2010, 2011; James, 2005; Kotter, 1990a; Miller, 2001). Most of the leadership behaviour described in the existing literature can be seen as positive leadership behaviour in managing change (Arvonen and Petterson, 2002; Battilana et al., 2010; Wren and Dulewicz, 2005), with the exception of Higgs and Rowland (2005, 2011), Hoag, Ritschard and Cooper (2002), and Kotter (1995). This research makes an additional contribution by evaluating the negative leadership behaviour that might hinder the success of organisational change (Burnes, 2004b; Kotter,

1995), and in this case, it examines leadership behaviour in the context of corporatisation. In addition to this, this research contributes to the leadership behaviour literature, through the identification of the leadership behaviour using qualitative analysis. This research finding also depicts the behaviours of the leaders in conducting the corporatisation activities, as well as handling and resolving the contradictions present in these activities.

This research emerges with seven leadership behaviours: (1) Tasking; (2) Supporter; (3) Change Communicator; (4) People Person; (5) Change Preparator; (6) Old McDonald; (7) Problem Maker. As explained earlier in Chapter Six, the identified leadership behaviours are further categorised into four categories based on the characteristics and elements found within the domain, namely organisation-oriented, task-oriented, people-oriented and problem-oriented, as shown in Table 24 of Chapter Six. Three categories in these research findings (task-oriented, organisation-oriented and people-oriented) are somewhat similar to the categorisation of Yukl's (1999) task-oriented behaviour and relations-oriented behaviour and Van Wart's (2004, 2005, 2008) organisational-oriented, task-oriented and people-oriented behaviours.

This research supports the view of variform universal perspective (Dorfman et al., 1997; Spreitzer et al., 2005) where it assumes that most of the leadership behaviours found in this research are comparable with the Western leadership models but are practiced or enacted differently across cultures. Therefore, a leader with 'Change Preparator' behaviour might exist in Brunei and in the UK but might act differently due to Brunei's collectivist and high power distance culture and UK's individualist and low power distance culture (Hofstede, 2012).

In a study made by Clarke and Salleh (2011) in studying the emotional impact during an organisational change (merger) in Brunei stated that Western change management are not applicable in Brunei and might not eradicate resistance to change within an Islamic context as there should be "a balance to

be drawn in the workplace between meeting one's psychological and spiritual needs" (Clarke and Salleh, 2011, p. 301). This research agrees that relying in Western change management alone would not be adequate or effective in Brunei because there is a strong emphasis on religion in Brunei culture. Nevertheless, the change management and leadership behaviour portrayed during the corporatisation process mostly resembled those of Western writings but were enacted differently. The top managers combined both Western and Islamic change management and leadership behaviour in handling corporatisation. For instance, the 'Change Preparator' leadership behaviour that consists of the 'Training Provider' element. The top managers relied on both secular and religious training to prepare the managers and employees for corporatisation and to change their mindset. They acknowledged that managers and employees relied upon their faith the most during organisational change (Clarke and Salleh, 2011). Clarke and Salleh (2011) also found that participative leadership where employees are involved in the decision making, are not suitable in the Bruneian context because there will always be lack of transparency. Even though the matter of transparency is unavoidable especially in the Southeast Asian context (Clarke and Salleh, 2011), this research finds that the managers and employees wanted to be involved in the decision making process, especially in Activity 6 (Transfer of Employees) and did not want to be 'left out', mainly in matters concerning about job benefits and allowances.

Although the research findings encompass more elements than the transformational leadership model (Bass, 1985; Bass and Avolio, 1994), this research supports the transformational leadership model, whereby some of the findings correspond to the elements of the transformational leadership model. For instance, the transformational leadership's element of inspirational motivation is similar to the 'Supporter' leadership behaviour. Additionally, the transformational element of individualised consideration is comparable to the 'Change Communicator' and 'People Person' leadership behaviour, where individuals are placed with important values and consideration.

Bass (1985) states that leadership sometimes requires coercion, where authority and power play important roles in making radical changes. This research also finds that aggressiveness that exists in the 'Tasking' leadership behaviour domain to be vital in order for change to take place, as well as to meet change deadlines. Additionally, this leadership domain is akin to Low's (2011) Malay leadership style of being directive and Higgs and Rowland's (2005) shaping behaviour, where it is a directive leadership, but somehow negatively associated with change success. The result of this finding agrees with James's (2005), on the fact that the leadership style during change in the public sector tends to be directive. The employees perceived that leaders with this behaviour can be rather inconsiderate as they were forced to do their work outside office hours with no work leave allowed. However, this research regards 'Tasking' leadership behaviour as producing positive outcomes because the employees managed to complete their tasks before the deadline; corporatisation was finally made official and the working environment had changed from government to corporate style, thus showing that coercion can sometimes contribute positively (Bass, 1985). However, all things considered, this research does not say that directive leadership contributed to the overall change success, but rather to a significant portion of the change success.

The second leadership behaviour domain is the 'Supporter', which can be regarded as an organisation-oriented and people-oriented type of change leadership behaviour, where leaders attempted to support the organisation and employees in the change process. Kotter (1995) highlights that change requires continuous support from the top management. Additionally, Bass (1985) mentions that transformational leadership requires the leaders to make the employees interested in change for the betterment of the organisation. The leaders strongly influenced the employees into thinking that corporatisation was beneficial for the future of the organisation, and the telecommunication industry as a whole. The leaders also motivated them using positive language to strive hard for the survival of the corporatised organisation (Gill, 2002).

Many researchers, such as Kotter (1996), Kotter and Cohen (2002) and Miller (2001) highlight the importance of communication during change. Gill (2002, p. 312) even said that “Communication is the ‘life blood’ of the organisation and the ‘oxygen’ of change within it.” This research agrees with this, and further indicates that clear and effective communication is highly significant during change, especially in developing commitment and dealing with the employee’s fears and uncertainties. This leadership behaviour, based on communication, is known as ‘Change Communicator’, which is more people-oriented. In this case study, the leaders opted to communicate via speaking with the employees in large groups, making attendance compulsory. The leaders communicated the vision of the corporatisation, the reasons behind the corporatisation, the current changes made, and the expected changes so that the employees knew and understood the corporatisation process. The leaders also encouraged the employees to voice out their concerns and their feedback about the corporatisation.

People-person is people-oriented leadership behaviour, primarily concerned with the welfare of the employees, understanding, self-confident, and not aggressive. This leadership behaviour is analogous to father leadership and Malay leadership (Low, 2008, 2011). This research supported Bass’s (1985) statement that leaders with this behaviour tend to be applauded and appreciated by the employees. The employees were full of admiration, respect and trust towards the leaders exhibiting these behaviours, and this motivated them to do their tasks effectively and efficiently, thus improving the work productivity.

The fifth leadership behaviour is the ‘Change Preparator’, which is parallel to Higgs and Rowland’s (2005) ‘creating capacity’ behaviour, which concentrates on developing and creating capacity of the employees as preparation for change. The significance of this leadership behaviour is highlighted in many studies, such as Giglio, Diamente and Urban (1998); Higgs, (2003) and Higgs and Rowland (2000, 2001). The leaders also behaved in that modelled change for the employees by accepting it themselves. This is

described as role modelling by Schein (1992). They acknowledged that they had to adapt to changes if change was to be successful. This research supports Miller's (2001) views that leaders should behave as if "their own personal behaviour is critical for change success" (p. 366) and "exhibit the right change leadership behaviour" (p. 368). Furthermore, Daft (2007) states that exhibiting new behaviour is another way of communicating change. Kotter (1996) also argues that change through behaviour is more important than speech, because inconsistencies between verbal and behavioural communication are very common and noticeable. In addition, the practice of the 'trial-and-error' approach in the 'Change Preparator' leadership behaviour is parallel to the transformational element of intellectual stimulation (Bass, 1985), where new ways are encouraged in handling the tasks, even if they do not work at the end of the day, and improvements are constantly made (Arvonen and Ekvall, 1999).

An unexpected finding in this research is the 'Old McDonald' leadership behaviour, where the leaders did not portray any major changes during the corporatisation process. The literature regarding this notes a lacking in the openness to change or the willingness to accept change (Axtell, Wall, Stride, Pepper, Clegg, Gardner, Bolden, 2002; Devos, Buelens and Bouckennooghe, 2007; McCartt and Rohrbaugh, 1995). Openness to change is the "willingness to accommodate and accept change" (Wanberg and Banas, 2000) through cooperation and inhibition of change resistance behaviours (Miller, Johnson and Grau, 1994). This research agrees with Oreg's (2006) statement that different people reacts differently towards adopting or resisting change. The 'Old McDonald' behaviour is a sign of refusal to change whereby some of the top managers were not enthusiastic in adopting change and simply adopted the government's nonchalant approach in implementing corporatisation. They often resisted change due to factors such as lack of job benefits, transparency about the corporatisation and job security. Nonetheless, this research agrees with Arvonen and Ekvall (1999), Bass (1990), Battilana et al. (2010), Hawkins and Dulewicz (2009), and Higgs and Rowland (2000, 2005) that different behaviours can be found in dealing with different activities, and that this is dependent on the organisational context.

The final leadership behaviour, 'Problem Maker' is a problem-oriented type of leadership behaviour. Based on this finding, this research shows that the problematic behaviours of the leaders can influence the outcome of the corporatisation activities. It can be observed that there were contradictions present in the activities mentioned in Chapter Five. This research provides evidence that one of the failures of transformational change is the lack of direction and vision, as highlighted by Kotter (1995) and Hoag et al., (2002). Without proper vision, it can be observed that in this case study, employees became confusions and felt they had unclear direction, and not surprisingly, a change of direction. Even though 'Change Communicator' engaged with a large number of employees about change via speeches, it seemed that the employees still did not have a clear picture about the corporatisation process. This is not uncommon, and it also happens to well-known organisations (Kotter, 2007). Kotter (1995) identified that this was one type of behaviour that often led to the failure of change. To make matters worse, some of the change messages were communicated in a negative manner. This behaviour was contradictory to Gill (2002), who states that, to inspire people to adopt change, positive and engaging language should be used. Thus, it is not surprising that problems such as resistance to change existed in the corporatisation of JTB.

Since JTB is the first corporatised government department, it was expected that most of the top managers and employees would have no experience in handling the corporatisation process. Even so, they did not have any guidelines about the process. However, they were provided with consultants to assist them with the organisational changes. Nonetheless, their lack of experience was visible in their behaviour: they seemed to be chaotic, disorganised and lack credibility and confidence. This led to problems in the corporatisation, as the employees felt resistant to change, uncertain and occasionally had no sense of trust. Thus, this finding supports Beer, Eisenstat and Spector's (1990), Burnes (2004b) and Luecke's (2003) views that people should have the necessary skills, competencies, aptitudes and experience to implement successful changes, because most employees are keener to pursue the direction of leaders who have credible skills and experience.

With a heavy concentration on the activities of the corporatisation, the leaders seemed to forget to make changes in the organisational culture, especially regarding a change of mindset. This mistake is highlighted by Kotter (1995) as the leadership's error for not combining changes and new behaviours within the organisational culture. Yukl (2002) identifies changes of attitudes and values as attitude-centred approach. This finding also agrees with Hoag et al., (2002), who state that no change in organisational culture could hinder positive change. Similarly, Schneider, Brief, and Guzzo (1996, p. 7) argue that organisational change will not take place if people do not change. This is because people will return to their normal behaviour. Thus, the leaders should carefully consider the employees during any organisational change (Burnes, 2004b; Schneider et al., 1996).

The 'Bad Assigner' of the 'problem maker' leadership behaviours depicts leaders who assigned employees to jobs or tasks for which they did not have the necessary skills. This research found that this major error led to employee dissatisfaction, stress and a lack of productivity, as there was no 'person-job fit', meaning that job or task should be matched with the employee's skills, knowledge and cognitive abilities to do it (Mulki, Jaramillo, and Locander, 2006; Shin, 2004). Additionally, the research found that this approach hindered change from being completed in a timely manner, as the employees had to acquire new skills and knowledge. This finding supports the views of Mulki et al. (2006) on the importance of a person-job fit in developing employee commitment and a productive work environment.

Against the background of these research findings, the description of leadership behaviour is significant to understanding leadership in the change context (Silvia and McGuire, 2010). In summary, it can be concluded that:

- i) Most of the leadership behaviours found in this research are similar with the Western leadership models but are practiced or enacted differently.

- ii) Although 'tasking' or aggressive leadership behaviour was disliked by most employees, it brought about positive outcomes for the organisation during corporatisation.
- iii) Top management support during change is vital.
- iv) 'Change communicator' leadership behaviour is significant because this is where communication with the employees takes place to lessen any uncertainties, fear of change, and resistance to change.
- v) 'People-person' leadership behaviour is much-admired by the employees.
- vi) The 'trainer' of the 'change preparator' leadership behaviour proved to be significant in developing the employees' skills and knowledge.
- vii) A 'person changer' is perceived as a 'role model'.
- viii) 'Old McDonald' behaviour represents a lack of openness to change.
- ix) All of the 'problem-maker' leadership behaviours influenced the outcome of the corporatisation activities evidently through the existence of contradictions.

Next, this chapter will be summarised.

7.5 Summary

This chapter has discussed the research findings in relation to the literature, and is divided into three areas: the corporatisation activities, the approaches and types of change, and the leadership behaviour in the corporatisation process.

The research findings recognised the gap in the literature that underlines the influence of corporatisation in organisational change. The activities, analysed using activity theory, provide comprehensive information, in particular regarding the contradictions existing in the activities. The findings of this research agree that one activity does influence other present or future activities. Thus, change should be implemented in an appropriate manner. Contradictions that are inherent in the activity system are also discussed. This research

highlighted the significance of contradictions, both primary and secondary, in the activity systems. The identified contradictions found in this research were mostly unsettled, hence, other problems existed, and hindering the objectives from being accomplished. This research also found that contradictions can be unsolved due to the incapacity or lack of control of the elements of the activity system to solve them. All in all, the research findings provide solid evidence to the literature that contradictions do influence the activity system by impeding the performance of the activity system.

This research also contributes to the organisational change literature, especially with regards to the types and approaches of change. These findings support the views of Burnes (1996) and Dunphy and Stace (1993), who state that there is no 'one best way' to manage change. Although this research provides evidence that a top-down approach is adopted in a public sector reform, limitations of this approach have also been found. Additionally, this research also proves that the bottom-up approach was practiced, especially in the decision-making process.

This research identifies that the overall corporatisation process is slow and characterised with two types of change: 'snail' and 'rushing' change. 'Snail' change is parallel to incremental change (Burnes, 2004a), smooth incremental (Grundy, 1993 in Senior and Swailes, 2010) and piecemeal incremental (Miller and Friesen, 1982). In contrast, 'rushing' change is comparable to Miller and Friesen's (1982) quantum of change and Grundy's (1993) discontinuous change. The limitations of these two types of change are also highlighted. This research provides evidence that a top-down approach was adopted in both 'snail' change and 'rushing change' but a bottom-up approach was only embraced in 'rushing' change.

Finally, this research develops a discussion on the leadership behaviours in the context of corporatisation, where seven leadership behaviours were reviewed. The leadership behaviours were analysed qualitatively. This represented the behaviours of the leaders in handling the corporatisation

activities and the contradictions in these activities. Most of the portrayed leadership behaviours belong to Bass's (1985) transformational leadership model and some belong to Higgs and Rowland's (2005) leadership behaviours. The significance of the leadership behaviours was elaborated. It can be concluded that leadership behaviours do influence the performance of change activities in the context of corporatisation.

CHAPTER EIGHT

CONCLUSION

8.1 Introduction

This final chapter will provide a conclusion for the whole thesis. It will initially discuss the contribution of this research to the literature, followed by the limitations of this research. The implications of this research will then be highlighted. The final section will provide directions for future research

As outlined in Chapter One, the main aim of this research is to explore leadership behaviour in managing change. The research also wanted to understand the approaches to change adopted and examine the activities involved in the corporatisation process. Furthermore, this research aims to investigate the reasons behind the contradictions that exist in the corporatisation activities. Following this, the main research question was developed: *“How did the leaders lead the corporatisation of Jabatan Telekom Brunei in terms of leadership behaviour?”* This research has fulfilled the research aims and answered the research question.

The qualitative research was conducted in a telecommunication service provider in Brunei Darussalam over a period of four consecutive years from 2009 until 2012. Data was collected using interviews, documents and questionnaire: eighty-eight interviews were conducted, and numerous documents were accessed by the researcher. The findings of the corporatisation activities were guided by activity theory, whereas the findings for the change approaches and leadership behaviours were directly obtained from the qualitative interview data.

As highlighted in the previous chapters, the research findings identified seven corporatisation activities, slow approaches to change that consist of two types of change, and most importantly, seven leadership behaviours.

8.2 Research Contributions to Literature

Based on the empirical findings, this research has significantly made five contributions to the literature, which will be discussed accordingly.

The first contribution of this research is that this is the first qualitative study made about the corporatisation of JTB in Brunei Darussalam. This significant contribution is substantial, considering that this is only a single case study. The research also contributes to the change literature, especially in terms of analysing how corporatisation influences organisational change in terms of the activities involved.

The second contribution is that this research is a full qualitative study of leadership behaviour in the context of change. The research also contributes to finding seven leadership behaviours: (1) Tasking; (2) Supporter; (3) Change Communicator; (4) People Person; (5) Change Preparator; (6) Old McDonald; (7) Problem Maker. The research also identifies two negative leadership behaviours in the corporatisation.

The third contribution is the identification of corporatisation activities and the development of a comprehensive description of these activities. Two activities that were not fully discussed in the existing literature about corporatisation: the transfer of employees and the transfer of assets, were identified in this research. These two activities were significant for the corporatisation process, as it involved the transfer of employees and assets from the government to the corporatised organisation.

The fourth contribution of this research is the application of activity theory in analysing the activities in the change context of corporatisation. The rich data derived from the research made it possible to provide a thorough description of the activities especially, in terms of identifying the elements involved in these activities: the objectives, the people in charge, the rules or norms, the tools used, the community involved and, most importantly, the contradictions or

problems that existed in the activities. The identification of these elements assisted the researcher in finding the root cause of the contradictions. Furthermore, the recognition of the contradictions allowed the researcher to identify how the person in charge (often the leaders) solved them. It was also found that most of the contradictions were unsettled due to factors such as the incapacity of the elements to solve them.

The fifth contribution of this research is the empirical evidence that both top-down and bottom-up approach were adopted in the context of corporatisation. Additionally, it also found that 'snail' or slow and 'rushing' or fast change were embraced in the corporatisation: these can be argued as either leading to the success or hampering the performance of certain activities in the corporatisation.

The limitations of this research will be discussed next.

8.3 Research Limitations

There are four limitations of this research. The first is that this research is based on a single case study. When the change of supervisor happened in the researcher's third year of PhD research, the researcher and her new supervisor decided to make a comparative study between UK and Brunei organisations. However, due to time constraints, and considering that the researcher was only under a three-year scholarship, and that the UK organisation contacted did not give any response, the researcher decided to proceed with a single case study after careful consideration. Since this research states that it is an intrinsic study, generalisation should therefore not be an issue. Although valuable and rich findings were derived from this research, it would be more exciting to have a multiple case study research.

The second limitation is that this research relies on retrospective data, especially from the interviews, in which the interviewees relied heavily on past memories. Nonetheless, this research overcomes this by using the critical

incident technique, and corroborating with documents and validating the findings with the informants of the organisation.

The third limitation is that, since the research site is located in Brunei Darussalam, where the Malay language is the mother tongue, the interviews were conducted in Malay and the English language. The data analysis was conducted in both languages, and it was only when the data was to be presented in written form that translation from Malay to English language took place. Although the researcher consciously made thorough and careful translations, without doubt there will still be a loss of essence in the meaning of some translated words.

The fourth limitation is that the research did not concentrate on the overall activities of the corporatisation, but rather on certain activities that the researcher described as unique due to their strong significance in the corporatisation, such as transfer of assets and employees, as well as their influence on future activities, for instance how the activity of consultancy works influences the development of terms of employment. The reason for this limitation was that it is beyond the capacity of the researcher to cover all activities in the corporatisation process, such as restructuring, and it would be too broad and time-consuming for research like this. Additionally, the researcher was restricted from gaining access to financial documents, so the researcher could not discuss the financial activities of the corporatisation due to lack of evidence. Thus, this research only considered seven activities in the corporatisation of JTB.

The implications of this research will be highlighted next.

8.4 Research Implications

This research provides practical implications for SOEs who wish to pursue corporatisation as an organisational change, and for managements who have

been given the task of handing the corporatisation process. This research makes several recommendations, which will be discussed accordingly.

The first recommendation is to consider the complexity of change, and its impact on the employee and organisation as a whole. Prior to corporatisation, the activities of the corporatisation should be known in-depth where the organisation should know which obstacles to expect. By acknowledging these obstacles, solutions should be provided and thus, such obstacles can be avoided. This research has identified the obstacles or contradictions in the activities. By doing so, it is implied that necessary actions and preparations could be made to prepare future corporatisation activities.

The second recommendation is for the leaders. This research emerges with seven leadership behaviours – five of which are positive and two negative. Thus, the leaders should realise and apply the behaviours that could contribute to the success of the corporatisation, and avoid those which can be considered to be problem-inducing behaviours. Since Brunei has a collectivist culture, transformational leadership is often recommended (Spreitzer et al., 2005). In addition, leaders should adopt Islamic moral character, as portrayed by Prophet Muhammad (Peace Be upon Him) who is a perfect role model for all mankind. Since Bruneians are assumed as shy and less outspoken, it is recommended that leaders practice 'Management by Walking Around' (MBWA) so that leaders can talk with the employees directly, see and analyse the real situation behind the organisational change.

The third recommendation is to realise the importance of employees. As portrayed in the findings, the employees seemed to be the last ones to be tackled, as the leaders were too absorbed into the 'process' of the corporatisation. Thus, it is recommended that a special team or group should be formed to handle, listen to, and communicate with the employees. Even better, a consultation team should be established to help lessen the psychological impact of change on the employees. This findings of this research also showed that communication with the employees was only conducted through dialogue

sessions. This has shown that it was not enough, because the communication was vague. On a more positive note, communication is very important during corporatisation, or in any type of organisational change.

The fourth recommendation is to embrace a bottom-up approach intensively during the corporatisation. This is because research has proved that this approach can lead to successful change (Higgs and Rowland, 2005). There is nothing wrong with combining a bottom-up and a top-down approach as seen in this case. Other research also shows that this can lead to success as long as it is accompanied by other change strategies such as robust, clear communication and honest consultation (Ryan et al., 2008). In addition, it is recommended for top managers to adopt spiritual or religious management practices and trainings so that the employees can adopt and cope with change.

The fifth recommendation is to give ample time for the corporatisation process to take place. This can give opportunities for the management to conduct the necessary activities and plans in a proper manner. In addition, the tender specifications should also point out that the consultants should be present during the official corporatisation, so as to provide assistance and support. The management should also not rely heavily on consultancy input alone. Experience in corporatisation is vital.

In addition to this, the government committee in charge of corporatisation should take into consideration the consequences of selecting the wrong consultancy firms to do work. In the end, it is the corporatised organisation that will either benefit or might actually suffer from it. Furthermore, the government should not change the initial proposed date of the corporatisation unless necessary, because this could pose problems for the corporatised entity, especially if necessary preparations have already been made and, most importantly, the computer systems were already ready to be executed.

Despite these, the corporatisation of JTB to TelBru can serve as a benchmark for other future corporatisation plans of the government sectors.

There are visible benefits of corporatisation, especially in terms of efficiency and effectiveness. Because of this, the Brunei Government has decided to corporatise other government sectors. Others will now be able to learn from TelBru's experience of being the first corporatised Government sector.

8.5 Directions for Future Research

This research identifies four directions for future research. These will now be highlighted.

This present qualitative research emphasises leadership behaviours in the context of corporatisation. It is recommended that future research could identify changing leadership behaviours in other specific change contexts, such as privatisation. This is because it can be argued that different behaviours are adopted in different contexts.

Since this research only provides seven activities in the corporatisation process, future research could focus on other corporatisation activities, such as organisational restructuring and changes in operations, strategies, products and services, as well as changes in accounting and financial systems. Additionally, a study on the changes in organisational culture and the emotional intelligence of the employees during corporatisation would also make an interesting research.

In regard to activity theory, this research only identifies two types of contradictions: primary and secondary contradictions. A further suggestion for future research is to identify tertiary and quaternary contradictions that might exist in corporatisation activities in other organisational settings.

Regarding to research methodology, future research could adopt multiple case studies, and even more interesting would be to conduct a multiple case study that could allow international comparison. Additionally, it is suggested that future research conduct studies in different industries, where the organisational

environment would differ from the current study. Since this is a piece of research that relies on retrospective data, the research methods are limited to interviews, questionnaire and documents. If a study was conducted prior to the official corporatisation, or pre-corporatisation, other research methods such as observation could be applied to further gain more rich data.

The study of corporatisation is still limited, as compared to the study of privatisation or other types of organisational change. Thus, the researcher hopes that this present study could potentially lead to stimulating future research.

APPENDIX I

FINAL LIST OF CODES

Research Questions

1. How did the leaders lead the corporatisation of Jabatan Telekom Brunei in terms of leadership behaviour?
 - i) What are the activities involved in the corporatisation process?
 - ii) What approaches to changes were adopted during the corporatisation?
 - iii) How did the leaders behave during the corporatisation?

Short Description		Codes	Research Question
Corporatisation Activities		CORP	1, (i)
Drivers for corporatisation	Economic Benefit	CORP-DRIVER-ECONBEN	
	Efficiency	CORP-DRIVER-EFFIC	
	Government call	CORP-DRIVER-GOVNT	
	Improve market structure	CORP-DRIVER-MKT	
	Improve private sector	CORP-DRIVER-PRIV	
Activity One: Consultancy work by Arthur D. Little	Objectives	CORP-ACT1-OBJ	
	Subject	CORP-ACT1-SUBJ	
	Tools	CORP-ACT1-TOOLS	
	Community	CORP-ACT1-COMM	
	Division of labour	CORP-ACT1-DIVLAB	
	Outcome	CORP-ACT1-OUTC	
	Rules	CORP-ACT1-RULES	
Activity Two: Consultancy works performed by JP Morgan, KPMG, Clifford Chance, Freshfields and PA	Objectives	CORP-ACT2-OBJ	
	Subject	CORP-ACT2-SUBJ	
	Tools	CORP-ACT2-TOOLS	
	Community	CORP-ACT2-COMM	
	Division of labour	CORP-ACT2-DIVLAB	
	Outcome	CORP-ACT2-OUTC	
	Rules	CORP-ACT2-RULES	
Activity Three:	Objectives	CORP-ACT3-OBJ	

Formation of SCP	Subject		CORP-ACT3-SUBJ	
	Tools		CORP-ACT3-TOOLS	
	Community		CORP-ACT3-COMM	
	Division of labour		CORP-ACT3-DIVLAB	
	Outcome		CORP-ACT3-OUTC	
	Rules		CORP-ACT3-RULES	
Activity Four: Evaluation and Selection of Consultants for the Four Tenders	Objectives		CORP-ACT4-OBJ	
	Subject		CORP-ACT4-SUBJ	
	Tools		CORP-ACT4-TOOLS	
	Community		CORP-ACT4-COMM	
	Division of labour		CORP-ACT4-DIVLAB	
	Outcome		CORP-ACT4-OUTC	
	Rules		CORP-ACT4-RULES	
	Contradictions between the elements of the activity system	Community and Object -Problems with initial recommendations of selected consultants	CORP-ACT4-CONT-PROB	
		Rules and object -Did not meet the expectations of the JTB committee	CORP-ACT4-CONT-EXPE	
	Solutions to the contradictions		CORP-ACT4-SOLN	
	Consultant for Management Consultancy and Development of Terms of Employment (Teleconsult)	Job scopes	CORP-ACT4-TELE-JOB	1,(i)
		Challenges faced	CORP-ACT4-TELE-CHALL	
Consultant for TelBru's strategic and business plans (Siemens)	Job scopes	CORP-ACT4-SIE-JOB		
	Challenges faced	CORP-ACT4-SIE-CHALL		
Consultant for Financial consultancy (PWC)	Job scopes	CORP-ACT4-SIE-JOB		
	Challenges faced	CORP-ACT4-SIE-CHALL		
Consultant for Valuation of JTB assets (Ernst & Young)	Job scopes	CORP-ACT4-EY-JOB		
Activity Five:	Objectives		CORP-ACT5-OBJ	

Dialogue Sessions	Subject		CORP-ACT5-SUBJ	1,(i)
	Tools		CORP-ACT5-TOOLS	
	Community		CORP-ACT5-COMM	
	Division of labour		CORP-ACT5-DIVLAB	
	Outcome		CORP-ACT5-OUTC	
	Rules		CORP-ACT5-RULES	
	Contradictions between the elements of the activity system	Rules and Object - The incapacity of the subjects to instantly answer the questions by the employees	CORP-ACT5-CONT-INCAPC	
	Solutions to the contradictions		CORP-ACT5-SOLN	
	Dialogue sessions' time periods and objectives of each sessions		CORP-ACT5-TIMOBJ	
	Activity Six: Transfer of Employees and the Development of Terms of Employment (TOE)	Objectives		
Subject		CORP-ACT6-SUBJ		
Tools		CORP-ACT6-TOOLS		
Community		CORP-ACT6-COMM		
Division of labour		CORP-ACT6-DIVLAB		
Outcome		CORP-ACT6-OUTC		
Rules		CORP-ACT6-RULES		
Contradictions within the elements of the activity system		Objective -Issues of TOE	CORP-ACT6-CONT-TOEISS	
		Community - Resistance to change - Change of mindset	CORP-ACT6-CONT-RESIST CORP-ACT6-CONT-CHGEMIND	
Contradictions between the elements of the activity system		Community and Object -Employee dissatisfaction	CORP-ACT6-CONT-EMPDISS	
Solutions to the contradictions		CORP-ACT6-SOLN		
Changing of Mindset issues (CHGEMIND)		Features of Government mindset	CORP-ACT6-CHGEMIND-GOVNT	
		New working style	CORP-ACT6-CHGEMIND-NEWSTYLE	
		Old working style	CORP-ACT6-	

			CHGEMIND-OLD	
		No changes in working style	CORP-ACT6-CHGEMIND-NOCHANG	
		Driving productivity and performance	CORP-ACT6-CHGEMIND-PRODPERF	
	Terms of Employments issues (TOEISS)	Housing and vehicle loan	CORP-ACT6-TOEISS-HOUSE	
		Allowance	CORP-ACT6-TOEISS-ALLOWAN	
		Work leave	CORP-ACT6-TOEISS-WORKLEAVE	
		Pension and gratuity	CORP-ACT6-TOEISS-PENGRAT	
		Performance appraisal	CORP-ACT6-TOEISS-PERFAPPRA	
		Employee Trust Fund	CORP-ACT6-TOEISS-ETF	
		Accommodation	CORP-ACT6-TOEISS-ACCOM	
		Salary	CORP-ACT6-TOEISS-SALARY	
Activity Seven: Transfer of Assets		Objectives		CORP-ACT7-OBJ
	Subject		CORP-ACT7-SUBJ	
	Tools		CORP-ACT7-TOOLS	
	Community		CORP-ACT7-COMM	
	Division of labour		CORP-ACT7-DIVLAB	
	Outcome		CORP-ACT7-OUTC	
	Rules		CORP-ACT7-RULES	
	Contradictions within the elements of the activity system	Rules - Approval from MOF	CORP-ACT6-CONT-MOFAPPROV	
	Solutions to the contradictions		CORP-ACT7-SOLN	
	Asset Valuations		CORP-ACT7-ASVAL	
	Government Equity		CORP-ACT7-GOVNTEQ	
Delay of corporatisation			CORP-DELAY	
Lack of transparency			CORP-NOTRANS	
Success of corporatisation			CORP-SUCCESS	

Factors of successful change		CORP-FACTSUCCESS	
Change difficulties		CORP-CHANGDIFF	
Change Approaches		CA	1,(ii)
Bottom-up		CA-BU	
Top-down		CA-TD	
Types of Change		TOC	1,(ii)
Rushing	Fast	TOC- RU-FAST	
	Sudden change	TOC-RU-SUDDEN	
Snail	Gradual	TOC-SLW-GRAD	
	Not a sudden change	TOC-SLW-NOTSUD	
Continuous		TOC-CONTIN	
Big change		TOC-BIG	
No change		TOC-NOCHANGE	
Leadership Behaviour		LB	1,(iii)
Tasking	Force to do work	LB-TASK-FORCE	
	Set direction and vision	LB-TASK-DIRECT	
	Aggressive	LB-TASK-AGG	
	'Tasking'	LB-TASK-TASKING	
	Follow objectives	LB-TASK-OBJ	
	Follow directions from the top	LB-TASK-DIRECTTOP	
Supporter	Assisting employees	LB-SPP-ASSTEMP	
	Guidance for change	LB-SPP-GUIDECHANG	
	Support for change	LB-SPP-SUPCHANG	
	Motivate to adopt change	LB-SPP-MOTIV	
	Eager and happy about corporatisation	LB-SPP-EAGER	
Change Communicator	Communicate change	LB-COM-COMCHANG	
	Open discussion	LB-COM-OPEN	
	Change should be clear	LB-COM-CLEAR	
	Change uncertainties	LB-COM-CHANGUNCERT	
	Change should be transparent	LB-COM-TRANSPA	
	Manage expectations	LB-COM-MGEXPEC	
People Person	Good listener	LB-PP-LISTENER	
	Reasonable and lenient	LB-PP-REASONAB	
	Takes care of the welfare	LB-PP-WELFARE	
	'People person'	LB-PP-PEOPLEPER	

	Understanding	LB-PP-UNDERSTND	
	Confidence & Professional	LB-PP-CONFPROF	
Change Preparator	Trial-and-error approach	LB-CHPR-TRIAL	
	Self prepare for change	LB-CHPR-SELPREP	
	Give training for change	LB-CHPR-TRAIN	
Old McDonald	No change in behaviour	LB-OLDMCD-NOCHANGE	
	Behaviour same like in government	LB-OLDMCD-SAMEBEHAV	
Problem Maker	Bad assigner	LB-PROB-BADASSIGN	
	No experience, skills, expertise	LB-PROB-NOEXP	
	No 'full picture' direction	LB-PROB-NODIREC	
	No guidelines	LB-PROB-NOGUIDE	
	'In disarray'	LB-PROB-DISARRAY	
	Not clear	LB-PROB-NOCLEAR	
	Chaotic	LB-PROB-CHAOTIC	
	Negative Approach	LB-PROB-NEGAPPR	
	Busy	LB-PROB-BUSY	
	No confidence	LB-PROB-NOCONFI	
	No preparations	LB-PROB-NOPREP	
	No emphasis on change of mindset	LB-PROB-NOCHNGEMIND	
	No assistance from leaders	LB-PROB-NOASSIST	
	Corporatisation is new for the leaders	LB-PROB-CORPNEW	
	Importance of Spiritual Values		LB-VALUESSPIRT
Difficulties faced by the leaders	Don't know how to answer the employees' questions	LB-DIFF-EMPQUEST	
	Handling rumours	LB-DIFF-RUMOURS	

APPENDIX II

CRITICAL INCIDENT CHART

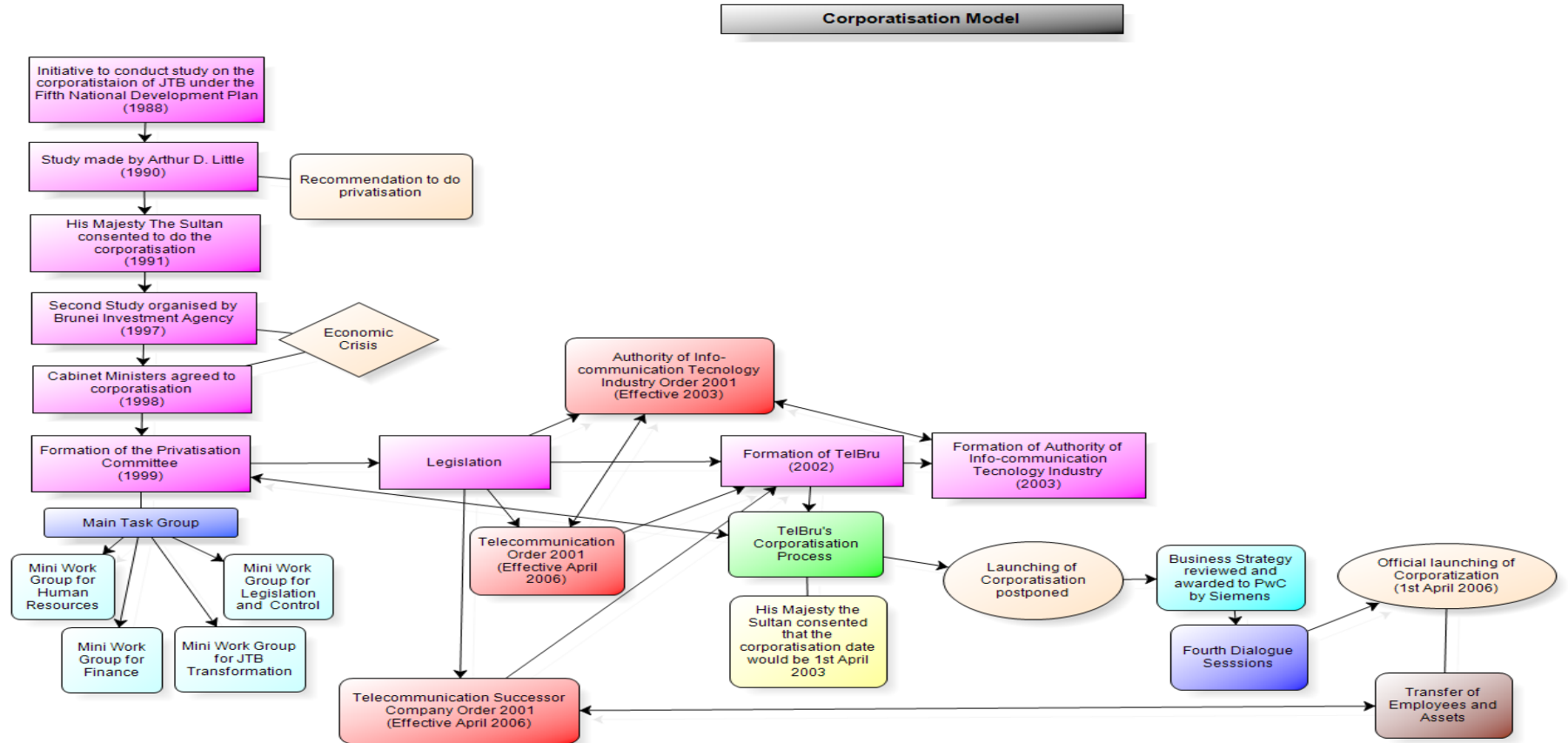
Time	Event			
May 2002	30/5/02 TelBru was incorporated			
June 2002	1/6/02 Board of Directors (BOD) are formed			
July 2002	6/7/02 Tender advertisement opened			
August 2002	5/8/02 Tender advertisement closed	Tender preliminary evaluation	26/8– 21/9/02 Tender clarification meeting	
September 2002	26/8– 21/9/02 Tender clarification meeting	30/9/02 Tender Resubmit pricing	23/9 -26/9/02 First dialogue session (Presentation by the Managing Director to inform the employees about the corporatisation objectives, the date of the corporatisation, major corporatisation issues and challenges, the use of consultants, the transfer of employees process, and the introduction of a new organisational structure)	
October 2002	Final tender evaluation	14/10/02 Submit recommendation to	Tender approval by BOD	3/10/02 First dialogue session

		BOD			
November 2002 – December 2002					
January 2003	Tender award given	Meetings with banks and Ministry of Finance (MOF) about the payment of the employees' salary	Meetings with Public Works Development (PWD), Land Transport and Custom for the transfer of vehicle ownership	Meetings with the authorities involved (Legal Department, Ministry of Communication (MOC), MOF, AITI and DEPD about the legislations, service license and succession date.	Meetings with Public Service Department (PSD) and MOF about the pensioned and transferred employees
	Tender contract signing				
	Consultancy work began		Meetings with MOF, PWD, Legal Department, Department of Economic Planning and Development (DEPD), and Land Department about the transfer of assets and asset valuation		
February 2003	11-19/2/03 Second dialogue session	New staff uniform for TelBru employees	Meetings with MOF about the status of JTB's liabilities of the telecommunication services	Preparing the financial system for TelBru's financial services; the Human Resources Management System (HRMS) for TelBru's employees; the Claim billing system for collecting the bill payments released before corporatisation.	
	Presentation by the Managing Director to update the employees about the corporatisation process and answer most of the questions raised during the first dialogue session.	Preparation of TelBru's signboard, new office equipment	Negotiations with PSD about the housing issues of JTB employees		

March 2003	Consultancy work concluded			
April 2003	1/4/03 Proposed official corporatisation date	8/4/03 Media informing the delayed in official corporatisation		
May 2003 – June 2003				
July 2003	6-12/07/03 Third dialogue session			
August 2003 – January 2006				
February 2006	25-27/2/06 Fourth dialogue session			
March 2006	1-6/3/06 Fourth dialogue session	17/3/06 Official announcement by DEPD that JTB will be corporatised	30/3/06 Signing ceremony and the transfer of work documents from JTB to AITI	
April 2006	1/4/06 Official Launching of TelBru's corporatisation	Transfer of employees and assets	Payment of the pension and gratuity	Meetings with Employees Trust Fund (TAP) about the accounts of the pensioned employees

The shaded area represents the critical events during the corporatisation

APPENDIX III THE CORPORATISATION CONTEXT MODEL



APPENDIX IV

MAP OF BRUNEI DARUSSALAM

Brunei Darussalam is located on Borneo Island in South East Asia



(Source: <http://www.asean.fta.govt.nz/brunei-overview>, 2009)

A closer map of Brunei Darussalam



(Source: Central Intelligence Agency, 2012)

APPENDIX V

THE NATIONAL DEVELOPMENT PLAN

In the late 1990s, the Brunei Government took the initiatives to build a strong telecommunication and ICT infrastructure, seeking “to strengthen the network bone and telephone line” (Tuan, 2003, p. 60). One of the initiatives incorporated the National Information Infrastructure or ‘Rangkaian Global Aliran Multimedia 21’ (RAGAM21) plan where it “includes the fibre optic cables laid from Brunei-Muara district to Kuala Belait and the international gateway connectivity of around 60 Mbps through submarine fibre optic cables to Singapore and the USA” (Tuan, 2003, p. 60), as well as SEA-ME-WE3 digital submarine cable systems (‘Brunei Darussalam – Country Report’, 2003). The plan also involved the construction of a rural communication network, enabling rural areas to have both telephone and internet access (‘Brunei Darussalam – Country Report’, 2003).

Brunei’s National Development Plans (NDP) or Rancangan Kemajuan Negara (RKN) was first introduced in 1953, and it is based on a five-year strategic plan. The objectives of the NDP are to stimulate economic growth and to develop the nation for the betterment of the welfare of the population.

The first NDP that announced the plan and decision to privatise government departments was in the 5th NDP, which was in action from 1986 and 1990. This was followed by a consideration of privatising the telecommunication services, ports operation, electricity supply, and other services in the 6th NDP (1991-1995). In the 7th NDP (1996-2000), the role of the government was seen as a facilitator for the development of the country, and feasibility studies were conducted to identify which government agencies suited the privatisation programme and recognized the benefits that could be obtained from such programmes. Some of the government agencies were already privatised, such as the cellular mobile network of JTB, and domestic waste collection. Finally, the decision to corporatise JTB was stated in the 8th NDP

(2001-2005). In addition to this, the Government revealed various of its own departments that might potentially be privatised, as follows:

- Postal Services Department
- Department of Electrical services
- Vehicle Inspection Centre
- Housing Development Department
- Ports Department
- Information Technology and State Store Department
- Some services under the Public Works Department (PWD) such as the Technical Services Department, Road Department, Drainage and Sewage Department, Water Supply Department and Workshops of the PWD (JPKE, 2009)

All of these can be summarised based on the excerpts taken from the NDPs in the following table:

National Development Plan on the Privatisation Programme
(Source: Various NDPs)

National Development Plan (NDP)	Privatisation Initiatives
5 th NDP 1986-1990	"The privatisation of some of the present government services." (p. 23)
6 th NDP 1991-1995	"The corporatisation of telecommunication services, port operation, electricity supply and other services will be actively considered."(p. 20)
7 th NDP 1996-2000	"As part of an effort to further reduce the size and activities of the public sector, feasibility studies will be made to identify potential Government agencies and activities that could be privatised in the future. The Government, however, will continue to act as a facilitator in the process of growth and development of the country." (p. 31) "However, the Government will only embark on privatisation programmes after careful consideration of all the benefits that can be derived from such programmes. Careful studies will be carried out taking into account some of the basic principles such as the affordability of the public, quality of the services as well as the cost to be borne by the

	Government.” (p. 33)
8 th NDP 2001-2005	<p>“To reduce expenditure, government will take appropriate measures, such as by rationalising the government size through corporatisation, privatisation and commercialisation of government agencies and services where recruitments of new staff and retirees will be according to the requirements only.” (p. 39)</p> <p>“... to improve financial and administrative burden of the government and strengthen government revenue besides creating dynamic and competitive private sector as well as ensuring more efficient and effective services to consumers.”(p. 41)</p> <p>“A Committee on Privatisation was established in 1994. The Committee was given the responsibility of assessing, evaluating and making recommendations received either from the government or private sector on privatisation proposals.” (p. 42)</p>

The Brunei Vision 2035 plan, or Wawasan Brunei 2035, was first introduced in 2005, and it comprises of Outline of Strategies and Policies for Development 2007-2017 (OSPD), which refers to the ten-year strategic directions plan and a five-year period National Development Plan (Oxford Business Group, 2008). In order to achieve these goals, Brunei must be accustomed to change through innovation and robust planning (Brunei Economic Development Board, 2011a). The significance of privatisation is mentioned in the 2007-2017 OSPD, as shown below:

Privatisation mentioned in the OSPD

(Source: JPKE, 2009)

Policy Direction Number	Description
16	Privatising those services currently provided by the public sector that are best undertaken by the private sector
26	Privatising, commercialising and outsourcing of government services as a way of expanding opportunities for local small-medium enterprises (SMEs) and entrepreneurs

The Brunei Government also introduced a Privatisation Master Plan comprising of a strategic privatisation plan, strategic direction of the privatisation

programme for a period of twenty years, and recommendations on the legal and regulatory framework, financial infrastructure, institutional set-up, and human resources (JPKE, 2009). Pricewaterhouse Coopers was selected as the consultants for completing the plan, which is expected to finish in 2012.

Brunei's current National Development Plan for the year 2007 until 2012 is given an allocation of B\$9.5bn (£4.56bn) for the instigation of the strategic programmes (Brunei Economic Development Board, 2011b). One of these strategic plans includes the telecommunication sector in Brunei. Out of the allocated B\$9.5 billion (£4.56bn), B\$116,517,000 (£55.96m) is allocated for the telecommunication industry (Brunei Economic Development Board, 2011b).

APPENDIX VI

HISTORY OF JTB

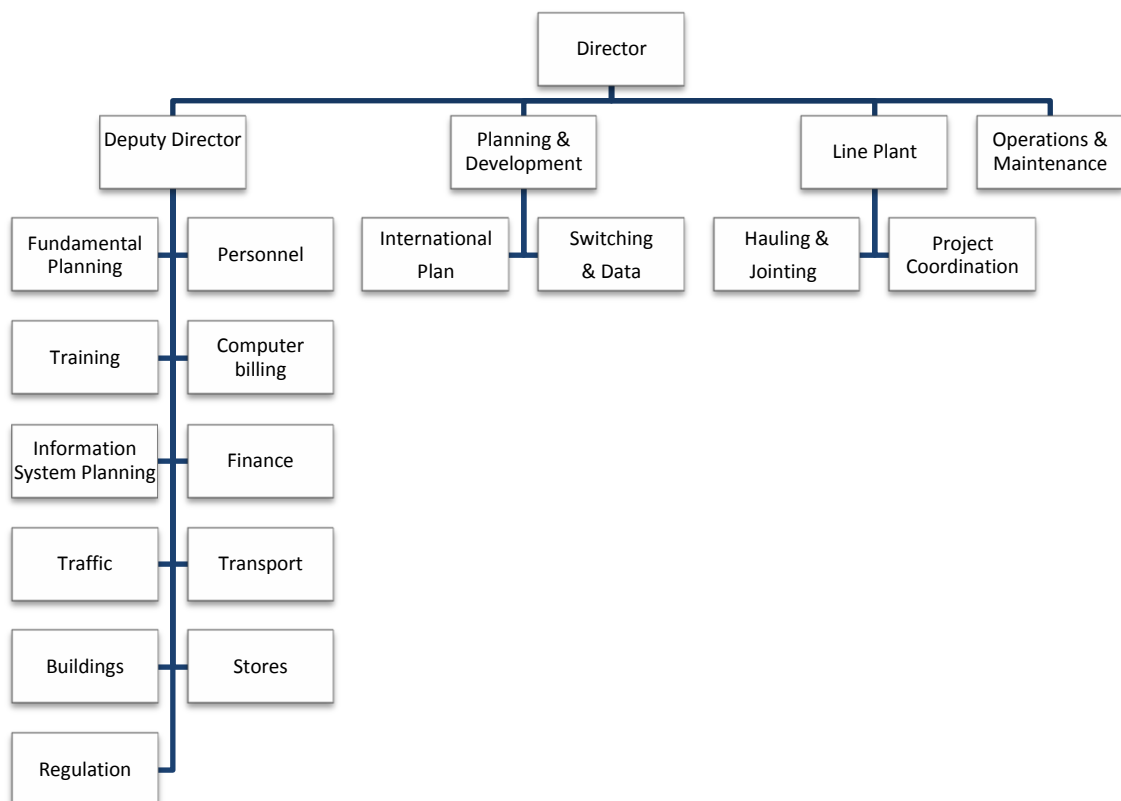
The telecommunication services in Brunei began in the early 1920s with the establishment of an international wireless telegraph circuit linking Brunei to Labuan (TelBru, 2011b). The first telephone circuit was installed in 1924, connecting the British Resident's office to his residence (TelBru, 2011b). From then onwards, the telecommunication system then seen as significant to the country and economy, especially the oil industry. In 1930, the Wireless Department was amalgamated with the Postal and Telegraph Office, and telephone services were introduced (TelBru, 2011b).

In 1952, JTB was established under the Postal and Telegraph Office, with the aim of developing the country's telecommunication systems and infrastructure (TelBru, 2011b). After Brunei's independence in 1984, JTB became one of the departments under the Mincom, and it carried dual role as both regulator and service provider. JTB also became a member of the International Telecommunication Union (ITU) in 1984 (TelBru, 2011b).

JTB helped the country to develop with the latest telecommunication systems, so as to enhance services by investing heavily, such as in the completion of the cellular mobile telephone system in 1990, and the installation of the fibre optic submarine cables (TelBru, 2011b), and offering domestic and international telecommunication services. Additionally, JTB made efforts to continuously upgrade and expand the telecommunication systems and equipment. JTB also endeavoured to reduce the digital gap by providing telephone and internet services in isolated areas in three of Brunei's districts: Tutong, Kuala Belait, and Temburong (TelBru, 2011b). JTB offered telecommunication services such as basic telephony services for both domestic and international calls, facsimile, telegraph, radio paging services, data packet switch, leased line services, and internet services known as BruNet (7th NDP; TelBru, 2011b).

JTB was headed by a Director, appointed by the government. The Deputy Director was responsible for 11 units: Fundamental Planning, Personnel, Training, Computer Billing, Information System Planning, Finance, Traffic, Transport, Buildings, and Stores and Regulation. A chart illustrating JTB's organisational structure is below:

JTB's Organisational Chart
(Source: Adapted from Little, 1990)



APPENDIX VII

EVALUATION AND SELECTION CRITERIA

The criteria for each tenderer were evaluated by the respective evaluation committee, as discussed below:

- i) The tender evaluation for the management consultancy for the development of terms of employment.

The budget allocation for this tender was B\$1,000,000.00 only (£480,291.61). There were ten tenderers participating in the tender: Ernst & Young (Brunei and Singapore), KPMG (Brunei and Malaysia), PA Consultants (Malaysia and Hong Kong), BAG Networks (Brunei), Nira Kencana (Brunei), STS Research & Training Pte Ltd. (Singapore), J&J Associates (Malaysia), Lil5 Management (Brunei), TeleConsult (Singapore) and Prestige Pioneer Development (Singapore). The evaluation committee was from JTB: the Head of Corporate Services, the Head of the Human Resources Development and Public Relations Unit, the Head of Human Resources Planning, the Head of Administration Operational, and a representative from the Services and Operation Unit.

The committee first short-listed the tenderers based on the price. Only four tenderers of the ten tenderers were selected for the short list: Nira Kencana, TeleConsult, Ernst & Young, and BAG Networks. They then evaluated them based on the company profile, corporatisation work or project experience, approach to consultancy work, project deliverables, cultural sensitivity, and tenderer commitment.

The committee team recommended Ernst & Young for several reasons. Firstly, the pricing was within the allocated budget. Secondly, the company had vast experience in corporatisation, privatisation and organisation transformation. The third reason was that the consultancy work approaches were up to standard and, finally, the company had a good understanding of the local culture (TelBru, 2002g).

- ii) The tender evaluation for the management consultancy for TelBru's strategic and business plan.

The budget allocated for this tender was B\$1,500,000.00

(£720,437.41). This tender had the most participation, with about 15 potential tenderers: Balanced Design (Australia), BAG Networks (Brunei), Ernst & Young (Brunei and Singapore), Glow Networks (USA), KPMG (Brunei and Malaysia), New Zealand Institute of Economics (New Zealand), Nira Kencana (Brunei), PA Consulting (Hong Kong), Prestique Marketing Services (Brunei), PT Komunikasi Lintas (Indonesia), Kualitas (Brunei), Rapid Services Associates (Brunei), Siemens (Brunei), STS Research & Training (Singapore) and Teleconsult (Singapore).

The tenderers were firstly chosen using the pricing criteria. Only those within the allocated budget were chosen. Out of fifteen, only seven tenderers were within budget: Balanced Design, BAG Networks, New Zealand Institute of Economics, Nira Kencana, Kualitas, Siemens, and Teleconsult. The tenderers were then assessed based on the company profile, experience, consultancy approach, number of man-days, and number of consultants to be involved in JTB's corporatisation project.

The evaluation committee recommended BAG Networks because of their complete and detailed proposal, their excellent reputation and experience in handling corporatisation and strategic building projects, and their positive attitude towards the development of local talent. The committee also made recommendations that the Human Resources Management System be tendered separately (TelBru, 2002f).

- iii) The tender evaluation for the financial consultancy for the corporatisation of JTB.

The budget allocation for this tender was B\$1,000,000.00 (£480,291.61).

Five tenderers took part in the tender: BAG Networks (Brunei), Pricewaterhouse Cooper (PWC) (Brunei), Ernst & Young (Brunei and Singapore), KPMG (Brunei and Malaysia), and J&J Associates (Malaysia). The evaluation committee was composed of the Head of Finance/Strategy and managers from JTB Finance/Strategy department.

The tenderers were evaluated based on the company profile, experience, approach to consultancy work, the amount of time, the number of man days and consultants involved in the project, and the price. The evaluation committee recommended PWC because of their past involvement with JTB and with other local organisations, their prominent reputation as auditors, and their price being the lowest of the five (TelBru, 2002h).

iv) The tender evaluation for the valuation of JTB's assets.

The budget allocated for this tender was B\$500,000.00 (£240,145.81). There were only four tenderers taking part in the tender: Glow Networks (America), Damit and Chong Partnerships (Brunei), Ernst & Young (Brunei and Singapore), and Teleconsult (Singapore). The tenderers were appraised based on these criteria: company profile and experience, approach to consultancy work, number of man days and number of consultants. From these criteria, two tenderers were selected: Glow Networks and Ernst & Young. These two were then finally assessed based on the price criterion, and Ernst & Young was selected (TelBru, 2002i).

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