

TALENT STAR SDN. BHD: FROM ROSY TO TSUNAMI

Abdullah Lin

Lim Poh Weng

Wan Nordin Wan Hussin

Marlin Marissa Malik

Nazahah Abd Rahim

Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia

It was a raining day. Kevin still stuck in the traffic jam. The traffic was so heavy since everyone drove their own car to the office. He was wondering if he could reach his office at Wangsa Maju by 10 am since he had scheduled a meeting with Marie, his business partner to discuss the financial status and overall business performance of the company. For the past few days, Kevin felt that he had done so many things for the company but his efforts seem to be hopeless. He managed to secure few projects from his loyal clients but his team unable to meet the clients' needs. He exclaimed to himself, "Huh, I do not know, what going on with my staff, are they screwed up or I am the one who failed to manage them?"

As of 2015 financial year report, the business recorded a net loss of nearly RM60,000. The business downturn prompted Kevin and Marie to utilise TALENT STAR financial reserves to cover the operational costs. Since early 2015, Kevin and Marie had been facing tsunami in their business performance. They were been able to secure new clients! In addition, the payments from existing clients were either slow or uncollected. Kevin and Marie knew if poor sales performance continued to persist, TALENT STAR would risk itself and possibly close it operation.

TALENT STAR SDN. BHD.

Kevin and Marie incorporated the recruitment agency business as a private limited company, TALENT STAR Sdn. Bhd. on 20th July 2005. The initial paid-up capital was RM60,000 with 4 headcounts. Kevin assumed the role as the Managing Director as he had 60% of the share while Marie assumed the role as the Executive Director. They were in their late 20s when they started the business. The mission of TALENT STAR was to deliver relevant, reliable and cost-effective services. Through its vision, it aspired to be one of the preferred recruitment service providers in Malaysia. Since its inception, it has been involved in the process of identifying, screening, presenting and placing suitable candidates for its clients by charging fixed fees. In the beginning, TALENT STAR mainly handled contract staffing¹ and mass recruitment².

¹ *Contract staffing refers to the provision of manpower under a specific contract for a specific period of time. Contract services imply a fee-for-service pay structure that is fixed at a rate. It also implies a co-employment relationship where a recruitment company or manpower contractor supplies staff to a third party (i.e. client). The service provider will identify the candidates, interview them, shortlist them for further interview with client, liaise with client on final selection, involved in preparing offer letter to candidates, prepare candidates to work with the clients and client pays the candidates through the recruiter and recruiter will charge the client a monthly service fee (Prasoon, n. d.).*

² *Mass recruitment refers to the provision of manpower needs by a recruitment company in order to fulfill the client's talent needs. These talents will cater for different departments with different positions and usually is on contingency placement where the client is charged for a one-off recruitment fee for successful placement of employment (Prasoon, n. d.)*

The recruitment processes at TALENT STAR involves six crucial steps. First, recruiters would source for potential talent from existing talent pool and through networking. Then, the shortlisted candidates will be asked to provide their CVs for considerations or their CVs retrieved from the talent pool's submitted documents. The third step would be to screen the shortlisted candidates for suitability with clients' requirements. At this stage, the depth of technical know-hows are not assessed or evaluated as the recruiters have limited information on the specific technical know-hows needed for each vacant position. Fourth stage entails forwarding a selection of candidates to the clients for interview sessions. After the interview sessions, clients will make the final decisions whether to hire shortlisted candidates. If there are no suitable candidates, the recruitment process will revert to the first stage for a fresh recruitment from step 1. The final step would be the hiring of candidates and the newly-recruited talent will need to work for a minimum of 6 months for the commission to be paid fully to the recruitment agency. If the newly-hired talent resigns within 6 months after hiring, a suitable replacement will be provided by the agency within one month.

The Shareholder

Kevin graduated from University of Malaya with a Bachelor's Degree in Finance. His first job was as an Accounts Executive and then he was promoted to an accountant in a multinational manufacturing plant located in Shah Alam, Selangor. Marie, on the other hand, graduated from Universiti Utara Malaysia in Human Resource Management. She worked as a Compensation and Benefit Officer before she was promoted to Human Resource Manager at one of the major banks in Kuala Lumpur. Both of them knew each other since they were in High School. Both Kevin and Marie started their business within their sphere of network. Through their connection, TALENT STAR established its foothold by providing talents to manufacturing and banking sectors. Most of the clients were secured by Kevin. He took charge of business development by securing recruitment contracts while Marie focused on internal operations by identifying candidates and presenting potential talents to their clients. She was assisted by two assistants or recruiters who helped her in coordinating internal interviews and sending potential talent profiles to clients.

For the operation, Kevin would determine the direction of the business. As one senior staff put it "When we suggest idea or propose something new to him, but he will decide for everything". He was seen as the "king" and ultimate decision maker of TALENT STAR although Marie and

Kevin hold almost equal shares of TALENT STAR. Kevin was more vocal as compared to Marie. Kevin was the eldest son of the family. He was very active in sports, debate and was involved in community engagement projects when he was at school and university. As a result-oriented person, he also loved recognition from his superior and colleagues. He enjoyed being in the limelight as a project leader and took projects without thinking of the consequences. He just wanted to get it done and shared the success stories with others. During meeting or informal discussion, Kevin wanted his people to listen to his idea and recommendation. He always wanted his idea to prevail even though he gave weak justification to the team of his decision or recommendation. As such, Marie and other staff members would just be followers. He believed in his gut feelings and perceived Marie to be indecisive and timid. This was due to Marie's friendly and angelic personality, she would leave it to Kevin to make decisions and avoided arguing with him albeit there were differences in views or divergent arguments over some issues. Marie has often remarked that 'That's Kevin, he will make sure his thoughts are heard loud and clear'.

Recruitment Industry and Its Competition

TALENT STAR operated its business in a very dynamic industry. The recruitment industry was not considered a highly regulated sector in Malaysia. Any investor who was keen to start a recruitment company in Malaysia needed to register their business with Malaysian Companies Commissioner (*Suruhanjaya Syarikat Malaysia*) and Manpower Development Department of Ministry of Human Resources (*Jabatan Tenaga Kerja*). Unlike Singapore, Malaysian recruitment agencies were not subjected to annual and ad-hoc audits from government authorities. Therefore, different recruitment agencies would adopt different practices in conducting businesses and charged their clients differently. Furthermore, recruitment agents in Malaysia were not mandated to take a recruiter license like their counterparts in Singapore. Therefore, most of recruiters in Malaysia might not have adequate knowledge about relevant employment Acts in Malaysia and tend to do things according to their own whims and fancies. Any dispute between a recruitment company and its client would be resolved through a mutual discussion or civil lawsuit. As of to-date, there was no official legislation that governs the players in the recruitment industry.

The recruitment industry attracted different kinds of talents to venture into the recruitment line of business. The recruitment practitioners earned commission-based pay or performance-bonus based pay, similar to insurance agents. Some start-up entrepreneurs of recruitment business were former recruitment managers or human resource managers or directors. There were also some entrepreneurs who realized the opportunity in this industry and left their previous profession to venture into the recruitment business. In the same vein, Kevin was an accountant and Marie was a former human resource manager before they decided to invest in TALENT STAR Sdn Bhd. The recruitment business was very competitive that one client could work with 5 to 10 service providers simultaneously, depending on their types of services and range of recruitment fees. Clients usually opted for service providers with proven track record and ready pool of candidates. These candidates could be sourced from recruitment portals (such as Jobstreet.com,

Jenjobs.com, Maukerja.com), professional networking site such as LinkedIn.com, referral or cold calling³.

³*Cold calling refers to recruiter calls in potential companies with relevant candidates and gather the candidates' information such as full name, position, contact details, etc. The recruiters will usually disguise themselves as relevant stakeholders of the companies in order to obtain relevant information of the candidates before contacting them directly.*

TALENT STAR was at par with competitors such as Adecco Personnel, Job Hunt, City Recruit, Intelek Solution, Recruit Express, Chrisjac Recruitment Consultancy, Asia Recruit, Kelly Services and Randstad Malaysia. All these companies provided similar services like TALENT STAR. Some of them were direct competitors who serve the same clients of TALENT STAR services. The threat of new entrants was high because anyone could start up a recruitment business without substantial capital investment. Furthermore, there were inadequate rules and regulations that govern the industry and on how the recruitment companies operate their businesses. This has led to a low barrier of entry into the industry.

In terms of recruitment modes, potential clients could either work with recruitment agencies or use internal recruitment team to look for candidates. In view of its competitiveness, the clients could choose from a range of service providers who offer attractive terms in terms of recruitment fees and warranty period. The candidates were the main resource in recruitment industry, and the ownership of candidates was an important factor in this industry. Although the candidates had no say on recruitment fees, they could choose which recruitment agencies to represent them, or could choose not to be represented by any agencies by applying for a job directly to the company or referred by their friends or others. When the recruitment agencies had no ownership right on the candidates, they could not charge their clients if the candidates applied directly to the employer. Furthermore, one candidate could engage different recruitment agencies to look for a suitable job in order to stand a better chance to be hired.

Some clients looked for other alternatives in fulfilling manpower needs. Big corporations would have their own dedicated recruitment teams or outsourced the recruitment services to an exclusive agency. In addition, some companies with good reputation would automatically attracted candidates through their websites. Thus, the alternative of going through a recruitment agency was becoming less prevalent because some candidates encountered bad experiences with irresponsible or ineffective recruiter. The availability of close substitutes (recruitment channels and options) increases the propensity of clients to switch to alternatives, especially in the absence of exclusive rights.

Competitive rivalry in this industry was high as many industry players were offering undifferentiated services, which reduced market attractiveness in the long run. Some of the international recruitment firms such as Adecco Personnel, Kelly Services and Randstad could offer better recruitment deals due to economies of scale. These international recruiters served similar clients in different parts of the world. They had better access to global talent acquisition team in regional headquarter and had higher negotiation power, as compared to local players with no global presence.

TALENT STAR’s Rosy Performance

TALENT STAR’s business flourished and it managed to break even within eight months of operation. Towards the tenth month of its establishment, TALENT STAR managed to achieve a profit margin of 13 percent. In addition to the pioneer staff, Kevin and Marie continued to hire new staff as the business prospered and job requests from the clients increased. The business continued to do well and recorded the highest headcount of 53 staff in 2008 (See Exhibit 1). Kevin continued to reach out to big players in the manufacturing and banking sectors. During the peak of its performance, it managed to attract well known clients such as Unilever, Hewlett Packard (HP), Recron (Malaysia), Sime Darby Berhad, Guinness Anchor Berhad (GAB), Maybank Berhad, Standard Chartered Bank, Hong Leong Bank, Citigroup Sales & Outsourcing Services Sdn. Bhd. and AIG Global Services.

For the first three years of its operation, TALENT STAR supplied junior to mid-level talents whose salary ranged from RM1,200 to RM6,000. In 2008, TALENT STAR expanded its services into contingency talent placement⁴ where it provided recruitment service for talents whose salary ranged from RM6,000 and above. In year 2011, it opened two more branches located at Wangsa Maju, Kuala Lumpur and Johor Bahru, Johor. Exhibit 2 shows the overall organizational structure of TALENT STAR.

Besides sourcing talents for its clients, TALENT STAR also offered project-based recruitment (e.g. providing part-timers for trade shows or events), human resource support services and payroll administration. Kevin and Marie provided their services to various types of industries ranging from fast-moving consumer goods (FMCG), engineering and construction, property development, general trading, manufacturing, banking, insurance, automotive, education, telecommunication, retail, and pharmaceutical. Their client base was considered broad and diverse, covering local companies, small and medium-sized enterprises (SMEs), multinational companies (MNCs) and government-linked companies (GLCs). Due to attractive terms and reasonably-priced services, TALENT STAR was quick to capture a sizeable market share after three years of establishment. In addition, it also gave 50 percent discount on consulting fees should it fail to provide replacement candidates within 30 days. **Table 1** shows the sourcing term and condition of TALENT STAR.

Table 1: TALENT STAR terms of service

Remuneration Range ⁵ (Monthly)	Placement Fee ⁶	Guarantee Period ⁷ (Days)	Reasonable Period to find Replacement Candidate ⁸	Payment Term (Days) ⁹
RM3,000 and below	120% of monthly remuneration	60 days	30 days	30 days
RM3,001 – RM6,000	150% of monthly remuneration	90 days	30 days	45 days

RM6,001 and above	180% of monthly remuneration	180 days	30 days	60 days
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⁴*Contingency talent placement refers to one-off recruitment service where client is charged on a specific fee contingent upon successful hiring of a referred candidate, usually middle to senior level candidate (Dessler & Tan, 2008).*

⁵*Remuneration Range – The Monthly salary range for candidates*

⁶*Placement Fee - The amount the employer has to pay to the recruitment agency as a compensation for successfully and legally hire a qualified person for a job.*

⁷*Guarantee Period - A typical guarantee promises that if the new appointment either leaves or is terminated within a certain period of time (usually 2 to 6 months), then the recruitment agency will undertake to find the client a suitable replacement candidate free of charge.*

⁸*Reasonable Period to find Replacement Candidate – The period in which recruitment agency will need to find a replacement candidate free of charge*

⁹*Payment Term – The period in which the hirer needs to pay the agency*

Emerging Business Turbulence at TALENT STAR

The declining trend in profit margin starting from 2015 had warned Kevin and Marie to review the problems that TALENT STAR faced. Kevin examined the business issues and underlying factors that led to deteriorating performance in TALENT STAR. Kevin and Marie observed TALENT STAR was losing new clients and the ageing of receivables clients in days became longer. The profit margin dipped into a single digit for the first two quarters of 2015, before turning to unprecedented losses in the last two quarters of 2015 (see Exhibit 3). This business downturn coincided with low staff morale, and Kevin really felt the pinch when TALENT STAR staff showed poor teamwork, low job satisfaction level and higher job turnover.

Kevin spent two weeks to analyse and diagnose the root cause of the problems faced by TALENT STAR. He exhaled, ‘What had happened?’ and continued pouring into the various financial documents stacked on his office desk. He reviewed the business contracts that TALENT STAR signed with its clients and found varying clauses in terms of warranty period, fee charge, delivery timeline and other terms of recruitment. He wondered why there was no standardized clause. The answer he got from Marie was different clients were treated differently based on the volume of jobs offered and tenure of business between TALENT STAR and clients. Marie said, ‘That’s not how we do it Kevin. Each client is treated differently’. However, when Kevin analysed deeper, he found that it was his mistake where he dictated the final business terms with the clients without consulting Marie. He knew Marie was not happy with the way he handled the business contracts but Marie just kept quiet as she chose not to argue with him. Kevin scratched his head when acknowledging his mistakes. He lamented ‘I should have listened to Marie and my management team. Their non-verbal behaviour have repeatedly shown that they were not okay with some of my decisions. I was just too stubborn to acknowledge that my way is not always right’. In addition, he also observed that all clients’ jobs were secured by him and he just assigned those jobs to Marie to manage them. Upon receiving the jobs, Marie handed over

the jobs to her recruiters (i.e. staff) based on the recruiter's workload and not according to industry specialization. Marie is always the diplomatic ones. She wants everyone to have an equal chance to go out and recruit irrespective of whether the job is suitable for them. However, for problematic and difficult clients, Marie would handle them personally. This led to poor and uneven account management. Most of TALENT STAR recruiters liaised with the clients over the phone without any face-to-face meeting. In addition, there were slow delivery of candidates, especially those related to difficult and niche positions to be filled. Recruiters who could not identify or present any suitable candidates to clients would just ignore the job or took a long time (an average of 45 to 70 days) to close the job. There was no proper record in terms of incoming jobs and there was no ownership of delivery. Any incoming assignment would be opened up to all recruiters who wanted to conduct the search. However, most of the time, it ended up with many recruiters worked on similar assignments which they considered easy to close and the candidates were readily available to present to clients. In short, slow or non-delivery of jobs were considered a norm in TALENT STAR. Moreover, he did not properly conduct a "post-mortem" to review and address the emerging problem immediately. He realized the recruitment processes was not segmented properly and this needed to be ironed out promptly. Kevin knew that like it or not, he has conveniently swept some things under the rug. He heaved a heavy sigh and said 'In my gut I knew there were some serious problems around here but I chose to look the other way'.

Organizational Issues

Communication problem between the recruiters and the management team (Kevin and Marie) was so obvious in TALENT STAR. There was limited communication or interaction among the staff to discuss on jobs or challenges faced in sourcing for suitable candidates and managing difficult clients. All the jobs were brought back by Kevin and the client's expectations were not clearly specified to Marie and the team. Kevin only stated the client's requirements such as positions, duties and responsibilities, location of workplace with his team through emails. Therefore, quite often some specific requirements requested by the clients were made unknown to Marie and her team of recruiters. In addition, most of the times, Kevin failed to share feedbacks on post-interviews and reviews by clients with his team. This led to incongruence of expectations and communication breakdown during delivery of jobs.

Kevin also observed that some of recruiters who were capable of delivering jobs and placing the right candidates would handle more jobs as compared to those who were incapable of closing any jobs. Most of the recruiters learned to close jobs based on trial and error without much support from the experienced recruiters. Kevin and Marie expected the recruiters to be fast learners and could work under minimum supervision. The management did not really monitor staff workload since there was no specific Key Performance Indicator (KPI) set for each recruiter in TALENT STAR. Kevin's ultimate goal was to close the jobs given by the clients within minimal cycle time and he did not bother about the unequal distribution of workload assigned to his staff. There were recruiters who harped on old cases without much progress and continued to be in their comfort zones. Kevin felt that they were not operating effectively as a team but he was too stubborn to admit that.

TALENT STAR's recruitment service sphere was overly diversified and there was a lack of industry or functional specialization. Kevin would grab any clients who asked to source candidates without considering the readiness of the recruiters, background of the clients, pool of readily available candidates, familiarity of assignments (skillset, knowledge and industry know-how), etc. Kevin's aim was to create client base as broad as possible without studying the strength and limitation of TALENT STAR's recruiters. For example, there was one internal auditor position from a certification company and Kevin was keen to accept the assignment from the client without having a good knowledge of the position. This internal auditor position was non-accounting based and more related to SIRIM, ISO and Lloyd Certification background. There were limited candidates in the market with this qualification. Once Marie received this job assignment, she just treated this position like any ordinary auditor position since there was lack of communication between her and Kevin. Ultimately, the client was very upset with the profiles presented and recorded their displeasure via email on the failure of TALENT STAR to adhere to specific job requirements. To make things worse, no damage control measure was taken by TALENT STAR which ultimately resulted in them being blacklisted by the disgruntled client.

New recruiters of TALENT STAR would find difficulty when they were given a job since there was no proper procedures for them to follow. New recruiters were only given a 2-day orientation and they learnt to close the job from the inadequate on-the-job training, as most senior recruiters were busy with their own assignments and did not have much time to guide others. Most of the recruiters used their own way of assessing the candidates and usually, the process was merely clarifying information on candidates' resume instead of examining their suitability through assessment of knowledge, skills, abilities, aptitudes, personality-organization match, etc. A newly appointed consulting manager who joined TALENT STAR in early 2015 estimated that about 40 percent of the staff in TALENT STAR could be rated as incompetent. They were generally lacking in on-the-job training and guidance especially in analytical skills and English communication. Hence, the staff would prefer to communicate using Mandarin and other local languages. As such, some of recruiters were unable to meet clients' requirements in terms of suitability of candidates and took more than 20 working days to profile suitable candidates to clients. Some comments made regarding the support given by the agency were 'insufficient and they were left on their own to execute things' and 'you are told to run when you have not mastered walking' and 'wished I was guided more'.

Poor profiles of the candidates were another contributing factor to the declining sales. TALENT STAR recruiters were not clearly briefed in terms of the requirements of candidates and expectations of the clients. The situation would get worse when some of the recruiters simply copy paste the candidate's resume and presenting to the clients without editing. As such, there were always mismatched profiles. Hence, the proposed candidates were not meeting the client's expectations. On average, out of ten candidates profiles presented, seven were rejected by clients. As a result, both clients and the recruiters had frustration that lead to no agreement and TALENT STAR to lose that job.

The staff viewed Kevin and Marie as "managers" instead of "leaders". They operated the company based on traditional approach and did not devote much attention in developing

specialised teams with strong domain knowledge. They did not care much about business process improvement and training and development for staff. In addition, favouritism towards certain recruiters was common and sometimes Kevin raised his voice towards certain recruiters who could not meet his expectation without managing the grievance in a more professional manner. Occasionally, he was a bit moody due to lack of sleep or not enough rest. Kevin will always go around looking like he was about to explode and when the staff sees this, they will of course would go out of his path.

Kevin was also fond of giving discount to clients who had not settle the long outstanding fees especially among long-term clients. They knew that Kevin would give discount for the final payment and took advantage of it. The discount given could range between three to five percent of the final bill. This had created unmatched sales record between amount billed and money collected from successful placement.

Is There a Way Out?

Kevin and Marie were still in the office. Kevin looked at his watch and it's already 11 pm. He about to close his laptop and heading back home. He had some idea on how to overcome the problems faced by TALENT STAR. He planned to discuss with Marie tomorrow. He closed his Laptop and walked slowly to door. Before leaving the office, he saw Marie at the pantry room having coffee. He did not want to disturb her now, let's her go back and take some rest. He hoped tomorrow would be a better day for TALENT STAR. He wished that his idea would be considered by Marie. Most importantly, he said, "I want to listen to her and other staff idea too".

Exhibit 1: Headcount Status 2008 vs 2015

Designation	Number of headcount	
	Y2008	Y2015
Managing Director	1	1
Executive Director	1	1
PA cum Office Manager	1	1
Team Leader / Assistant	4	2
Recruitment Officer	26	20
Finance cum HR Manager	1	1
Account Executives	4	4
Admin. Assistant	3	2
Consulting Manager	1	1
Part-time Recruiter	11	6

Note: No firm data for year 2010 to 2014. However, it is a declining trend.

Exhibit 2: TALENT STAR Organizational Structure & Headcount in year 2015

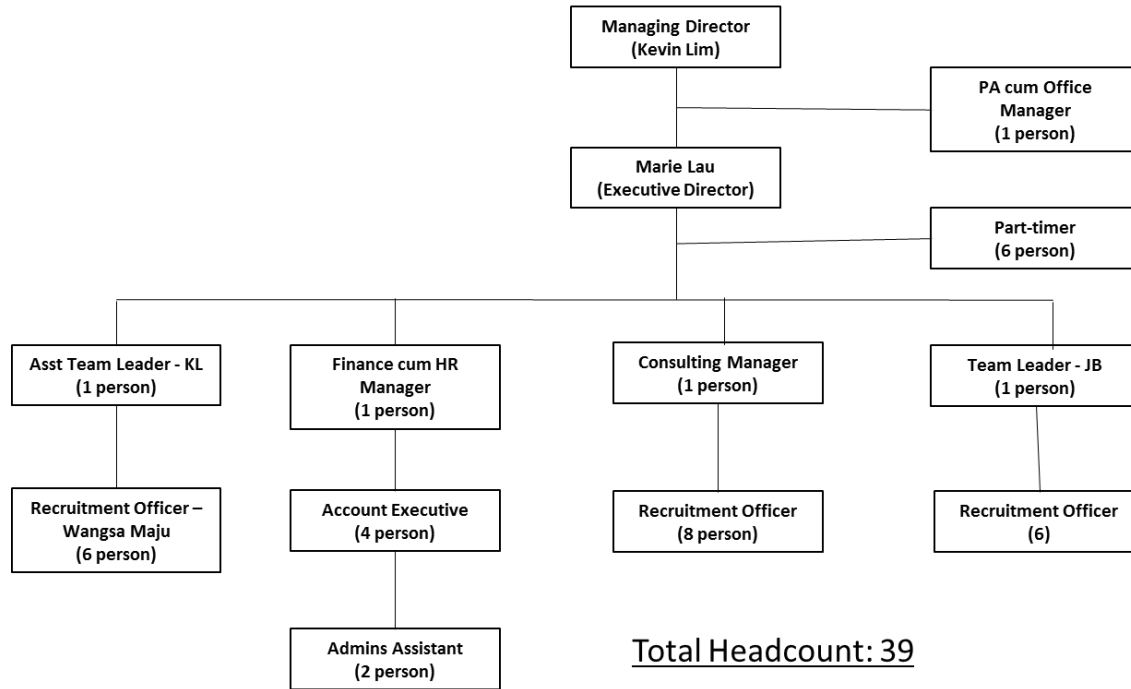


Exhibit 3 : TALENT STAR Financial Performance

Summary	Y2008	Y2009	Y2010	Y2011	Y2012	Y2013	Y2014	Q1, 2015	Q2, 2015	Q3, 2015	Q4, 2015
Sales	3,609,252	4,077,986	4,535,823	4,255,413	3,699,863	3,487,228	3,441,640	1,097,909	1,055,716	953,319	943,539
Expenses (All)	3,140,050	3,140,050	3,175,076	3,191,560	3,033,888	3,033,888	3,063,060	1,039,720	1,029,323	1,021,005	1,019,965
Profit / (Loss)	469,203	937,937	1,360,747	1,063,853	665,975	453,340	378,580	58,189	26,393	(67,686)	(76,427)
Profit / (Loss) %	13.0%	23.0%	30.0%	25.0%	18.0%	13.0%	11.0%	5.3%	2.5%	-7.1%	-8.1%
								Total Profit/(Loss) RM		(59,530)	

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Acquisition of a Talent Pool: AK Venture Story

Emy E A Jalil, Adam Mohd Saifudin; Nizamuddin Zainuddin; Ahmad Yusni

Bahaudin and Roslan Jamaludin

ezura@uum.edu.my; msadam@uum.edu.my; nizamuddin@uum.edu.my;

b.yusni@uum.edu.my and jroslan@uum.edu.my

Abstract

Ninety percent of world trade has been delivered by maritime. The significant role played by maritime industry is undoubtedly crucial for the world economic growth and prosperity. Therefore, AK Ventures had been chosen to portrait the dynamics of maritime management and operations. AK Ventures is unique because the company is only focus on Maritime but they also diversified in other sectors in economic such as education (AK Academy), tourism (AK Travel) and property management (AK Property). Due to the vast activities of AK Ventures they can still perform well in all sectors with the minimum human resources and also the span of management of AK Ventures is not so called dynamic organization but rather a centralized management whereby the focus and the power of authority lies under one or two individuals. From the case it can be observed that AK Ventures doesn't have any proper strategic planning and human capital and retention plan. However, it can still perform with the full satisfied human resources (base on the interviews). This is very in contrary with the human resource management studies. The focus of this case is on human resources planning, retaining, training and development of AK Academy. Applications of those theories and strategies are paramount in understanding, analyzing, concluding and solving of the teaching notes.

Keywords: Maritime; Human Resource Planning; Retention; Talent Acquisition

Introduction

Major Xavier Lee had been told to come up with a strategy on human resources for the xx companies under AK Venture plc (AKV). The dilemma is to recruit a group of talented candidates are tedious work. This is due to Malaysia has more than hundreds of tertiary level of education provider in which the education providers practicing stringent curriculum that focus on academic excellent as well as mastery in soft skills. In AKV, recruitment of human resources are considered "costly and time-consuming"; this is due to the fact of higher turnover, each year there will be some percentages of staffs are leaving from the company. Major Xavier Lee has made some investigations on the trend

of the high turnover; mainly recruits are either incompetent or not resilience under pressure. Currently, AKV has 100 staffs and moving towards expansions hence; they require almost double of the current recruitment. The complexity of the maritime companies can be seen by the organizational chart (appendix A) which each position is required a set of skills and intelligence. The strategic approach to recruitment has to be addressed inevitably since, the talent pool from the education providers are scarce with the “cream of the crop” where the pool is mainly consisted of the mediocre. Major Xavier insisted to rectify this matter with a team of head hunters to address the depleted talent pool in maritime industry.

Background

AKV, incorporated in Malaysia, and is regarded as a well-known maritime logistics group of companies, with offices in Selangor, Penang and Johor. The maritime logistics group of companies that manages and operates several logistics businesses in Malaysia, including containerized maritime transportation, petroleum-tanker shipping, shipping liner agencies, international freight forwarding, logistics & supply chain management and the related consultancies. The company operates in an exciting, fast paced and highly competitive environment and believes that human resources are the most valuable asset. They are committed to recruiting and retaining the best and brightest people in the business. Through the talented team of professionals, the company able to deliver flexible, innovative solutions and excellent service to their customer.

AKV's Corporate Profile

Head Office: Kuala Lumpur, Malaysia

Business: Shipping, Education and Property

Major Shareholder: Captain AK Gupta

At December 31, 2017, total assets were \$.

In fiscal 201X, sales were \$ with net earnings of \$.

Directors: Captain AK Gupta and Major Xavier Lee

Chairman & CEO: Captain AK Gupta

President: None

Executive Vice President: None

Director: None

Key Personnel:

Director: Major Xavier Lee

Senior Manager: Ms Esther Ooi

Manager: Ms Rita Kapoor

Executive: Mr Hashim Mat

Other Key Players in this Case Study:

None

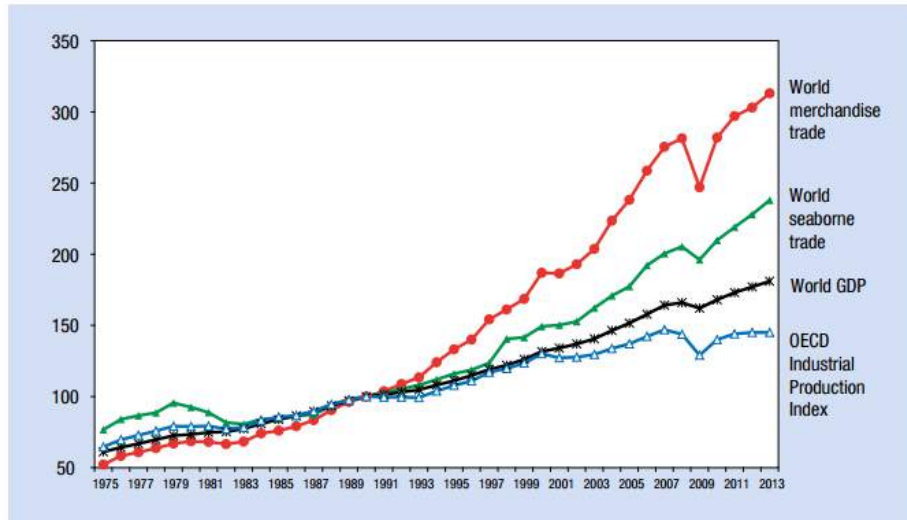
The Opportunity

Overview of the maritime logistics industry (World and Malaysia)

WORLD

In today's interdependent and globalized world, efficient and cost-effective transportation systems that link global supply chains are the engine fueling economic development and prosperity. With 80 per cent of global merchandise trade by volume carried by sea and handled by ports worldwide, the strategic economic importance of maritime transport as a trade enabler cannot be overemphasized. The trade competitiveness of all countries – developed and developing alike, and including landlocked countries – depends heavily on effective access to international shipping services and port networks. It was estimated global seaborne trade to have increased by 4.3 per cent, with the total reaching over 9 billion tons in 2012 for the first time ever (UNCTAD, 2013). Driven in particular by growing domestic demand in China and increased intra-Asian and South–South trade, seaborne trade nevertheless remains subject to persistent downside risks facing the world economy and trade (Fig. 1.1).

Figure 1.1. The OECD industrial production index and indices for world gross domestic product, merchandise trade and seaborne shipments (1975–2013), (1990 = 100)



Sources: UNCTAD secretariat, on the basis of OECD *Main Economic Indicators*, May 2013; UNCTAD, *The Trade and Development Report 2013*; UNCTAD *Review of Maritime Transport*, various issues; World Trade Organization (WTO) (table A1a); the WTO press release 688, 10 April 2013, "World trade 2012, prospects for 2013". The value of the index measuring growth in world seaborne trade for 2013 is calculated on the basis of the growth rate forecast by Clarkson Research Services in *Shipping Review and Outlook*, spring 2013 (Clarkson Research Services, 2013a).

MALAYSIA

The maritime industry plays a pivotal role in facilitating Malaysia's growing trade, leading to it being ranked among the world's major trading nations.¹ The importance of its maritime sector is underlined by the fact that an estimated 95% of the nation's trade is carried via ocean-going vessels.² Given the nation's reliance on maritime transportation as an indispensable enabler of its international trade, it is not an exaggeration to state that the maritime industry serves as a backbone to its economic prosperity. With the growing importance of the maritime sector to facilitate Malaysia's ever increasing international trade and to propel its economic growth, the role of services supporting this sector has become more pronounced. The patterns and dynamics of production and the globalization of trade have shaped the demand for materials and goods like never before. Goods and materials of a stunning variety are moved in increasingly huge volumes, across further distances and in shorter time and lower cost to meet growing global demand and reach consumer markets quickly and efficiently. In meeting these objectives, more than just vehicles, infrastructure and systems are required to physically move goods far and wide at the lowest cost and

shortest time possible. This gargantuan task requires a whole new approach in moving goods and in the management of the supply chain. Crucial to meeting this task are supporting activities such as the handling of administrative, legal, insurance, financial, tax, logistics and Customs matters to facilitate the trans-boundary movement of all kinds of cargo via maritime means. The supporting activities require an array of talented pool of professional that is adaptable and resourceful in the dynamic surrounding of maritime logistics sector.

TALENT POOL

Talent acquisition is the process of finding and acquiring skilled human labor for organizational needs and to meet any labor requirement. When used in the context of the recruiting and HR profession, talent acquisition usually refers to the talent acquisition department or team within the Human Resources department. The talent acquisition team within a company is responsible for finding, acquiring, assessing, and hiring candidates to fill roles that are required to meet company goals and fill project requirements. Talent acquisition as a unique function and department is a relatively new development. In many companies, recruiting itself is still an indistinct function of an HR generalist. Within many corporations, however, recruiting as a designation did not encompass enough of the duties that fell to the corporate recruiter. A separate designation of talent acquisition was required to meet the advanced and unique functions. Modern talent acquisition is a strategic function of an organization, encompassing talent procurement, but also workforce planning functions such as organizational talent forecasting, talent pipelining, and strategic talent assessment and development. Recruiting professionals often move between agency recruiting and corporate recruitment positions. In most organizations, the recruitment roles are not dissimilar: the recruitment role is responsible for sourcing talent and bringing qualified candidates to the company. However, modern talent acquisition is becoming a unique skill-set. Because talent acquisition professionals many times also handle post-hire talent issues, such as employee retention and career progression, the talent acquisition role is quickly becoming a distinct craft. Some recruitment industry advisors even advocate for a talent department unique from the HR department, because talent

acquisition and development is so intertwined with a company's ultimate success and effectiveness. Major Xavier has to see the paradigm shift of the HR roles from recruiting to acquiring talented candidates to the group of companies. Nevertheless, he and his team had seen the success story of tertiary education in Malaysia and saw the opportunity for the group companies to venture on one subsidiary that dedicated to talent acquisition. Developing an education and training Centre that dedicated to maritime industry suddenly not an option but a strategic decision. Therefore, Major Xavier has to figure-out the demand of maritime professional in Malaysia especially in Penang. Besides, he requires some assistance from his team to map the obstacles and challenges in the maritime logistics which he has to develop a strategic center. This strategic center requires to centerfold the acquisition processes that somehow able to retain and sustain the "cream of the crop" for such dynamic industry.

THE STRATEGIC MOVES

- **Strategic Human Capital Planning:** There is no proper planning on human capital. They plan when the needs arise or impromptu planning. To chart the human capital strategically is difficult for AK due to focus department. All being done by one person, that is Mr Xavier Lee, the Director of AK Academy. Furthermore, the parent company, that is the AK Ventures, consist of few other subsidiaries such as AK Academy, AK Travel and AK Property Management, beside the main focus of the business that is Supply Chin Maritime. However, all the subsidiaries management and operations being done by Mr. Xavier Lee from day to day operations and to the planning of AK Ventures. This is because AK Gupta only trust and work accountability of Mr. Xavier Lee.
- **Education and Training Development:** Training and development for AK Venture staff only executed through first come first serve basis. So the training needs by the staff are upon request from the staff.
- **Acquisition Talent pool strategies:** Human capital planning is lacking on all subsidiaries of AK Ventures as it is operated day to day basis only.

- **Development of AK Academy:** Base on the financial results and business turnaround, the potential of possibility of AK Academy to expand and develop is very positive. However, the approach and adopted by Captain AK Gupta on managing and developing this company will lead to slow down the development of AK Ventures.
- **The current retention plans for talented professionals:** The retention plan of AK Ventures is not being planned properly inclusively with the development of AK Ventures but rather by fulfilling the request of employees. This approach will help the employees to be satisfied thus will retain the satisfied employees with AK Academy.

THE UNAVOIDABLE TASKS

Major Xavier has to prepare a report to support his strategic decisions on the development of talent acquisition plans in front of his board directors. The inevitable shortages of skilled workers in maritime sector have given a pressure for companies as such AKV to plan a workable solution for future acquisition of talents. The Major is concerned that he may not have sufficient information to make a valid decision about which direction to go, but he knows that if he does not act now when the funds are available, he will lose his chance and be stuck with a predicament. He calls you in to help him by assessing the situation and recommending a realistic and effective course of action. Think over the situation and prepare an annotated plan of how you would approach advising the AKV to sustain aspiring and inspiring future talent.

OH MY PATIN !

by:

Khalijah Binti Ahmad

corresponding email: khalijah@ukm.edu.my

Amizawati Mohd Amir

email: amiza@ukm.edu.my

Kamarulbaraini Keliwon

email: baraini@ukm.edu.my

Yusasniza Mohd Yunus

email: yusas@ukm.edu.my

Zaini Embong

email: zainiembong@ukm.edu.my

Abstract

This case poses the dilemma faced by Sally, a housewife, where she inadvertently purchased ikan patin (silver catfish) at a higher price than what she thought. Sally was invited by Rubiah to accompany her to Kampung Pulau Manis situated in Pekan, State of Pahang, Malaysia where one of its main activities was breeding ikan patin. Rubiah has invited Sally to invest in her patin breeding project and offered Sally to visit the site. At the request of her husband, Sally bought a packet of frozen wild ikan patin. When Sally realized she had bought an expensive ikan patin, she has to make a decision whether to cook the fish for her family or accept an offer to sell the fish.

Key word: ikan patin, enforceable contract, minor, misrepresentation, mistake by one party

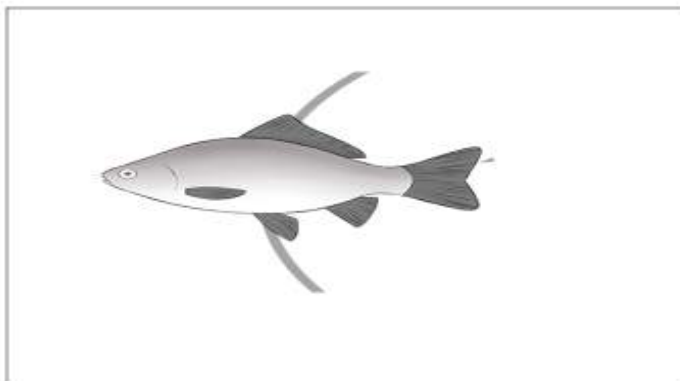
The clock at the living room showed the time was 8 am in the morning. The day was November 12, 2017. Sally, a housewife aged mid 40's, was doing her chores when she received a call from Julia. Julia was Sally's neighbors and co-owners of a nursery daycare. Julia excitedly informed her friend that she would be joining a national dish cooking competition to be held on November 14, 2017. The winner would receive cash money and would be appointed as an ambassador for the local tourism. Julia believed she had chances to win if she used wild ikan patin as her one of the main ingredients. Julia coaxed Sally to sell to her the ikan patin and she offered to pay at the original price. Julia wanted the fish urgently because she needed to marinate the fish with spices

one day before the competition day. Sally sighed and recalled the incident that happened two days earlier.

Friday 10th November, 2017

That Friday morning, Sally was excited because Rubiah, her best friend, has invited Sally and Julia for two days' trip to Kg. Pulau Manis in Pekan, Pahang. The three of them are neighbors and co-owners of a nursery daycare center in Bandar Baru Bangi, State of Selangor. Rubiah's uncle, Mej (B) Borhan, has invited Rubiah to visit him in Kg. Pulau Manis and surveyed their new project, ikan patin sangkar breeding. That project was a joint-venture business between Rubiah and Mej (B) Borhan where she contributed cash of RM20,000 to the business. Rubiah was optimistic the project was a good investment since there were continuous demands for ikan patin sangkar from local restaurant operators as well as from other states. Demands were high especially during fasting month and school holidays. Mej (B) Borhan and Rubiah wished to increase the cages but the constrain in getting additional loans has distorted their plan. At the suggestion of his uncle, Rubiah has offered Sally and Julia to invest in the project. Although both Sally and Rubiah were interested with the offer, the duo would like to visit the site before making any decision.

Ikan Patin (Yellowtail Catfish)



After being invited by Rubiah to invest in the project, Sally has done an internet research on ikan patin. Below is the information gathered by Sally:

‘The fisheries sector was an important sub-sector in Malaysia and plays a significant role in the national economy. Apart from contributing to the national Gross Domestic Product (GDP), it was also a source of employment, foreign exchange and a source of protein supply for the rural population in the country. In Malaysia, the fisheries sector has three main subsectors, namely marine capture fisheries, aquaculture, and inland fisheries. The aquaculture industry will be potentially the source to meet future demand for fish. Ikan patin was one of the aquaculture fish where the fish was either breeding in freshwater cage (catfish) or in the river (river catfish). The weight of ikan patin was between 1.5kg to 2kg but the wild one could go up to 4 kg. Temerloh in the State of Pahang was known as bandar ikan patin (ikan patin town) where the fishes were caged along Sungai Pahang, the longest river in Malaysia. The clean water of Sungai Pahang produced soft and tasty texture ikan patin. Ikan patin from Temerloh received good demand from customers and the breeders have no problem in marketing the fish. As compared to ikan patin farmed in cages, the price for ikan patin sangkar was expensive. The price of one piece of a cooked ikan patin was between RM 12 – RM15 ikan patin and in urban city such as Kuala Lumpur it can go up to RM20 per piece. Although it was an expensive fish, that does not deter its fans from ordering this delicate fish in any patin restaurant. During the weekends and public holidays customers from Kuala Lumpur, Selangor and other parts of Malaysia would come to Temerloh to eat ikan patin dishes. However, of late, the breeders faced an uncertain future following the dwindling population of the fish due to a drop in water level in Sungai Pahang, murky water and unpredictable weather. The breeders have been experiencing a drop in production since the state was hit by floods in 2014.’

Anticipating it will be a good investment in the ikan patin industry, Sally was keen to join Rubiah in her business. Over the dinner a day before the trip, Sally and her husband, Samad, has a long discussion about the investment:

Samad: *Do you think this patin breeding was a good investment considered the heavy rain season we were facing and the illegal lodging that occurred along the Pahang river?*

Sally: *The monsoon was only seasonal. I am sure Rubiah's uncle an experienced breeder because he has been in this business for more than 5 years. I have done some internet search and most of the articles written were confident on the growth of this aquaculture industry. I also read an article that the Temerloh Fisheries Department was going to introduced new breeding technology instead of the conventional cage farming method.*

Samad: *Don't forget to buy some frozen river ikan patin for me. It has been quite some time I had not eaten ikan patin!*

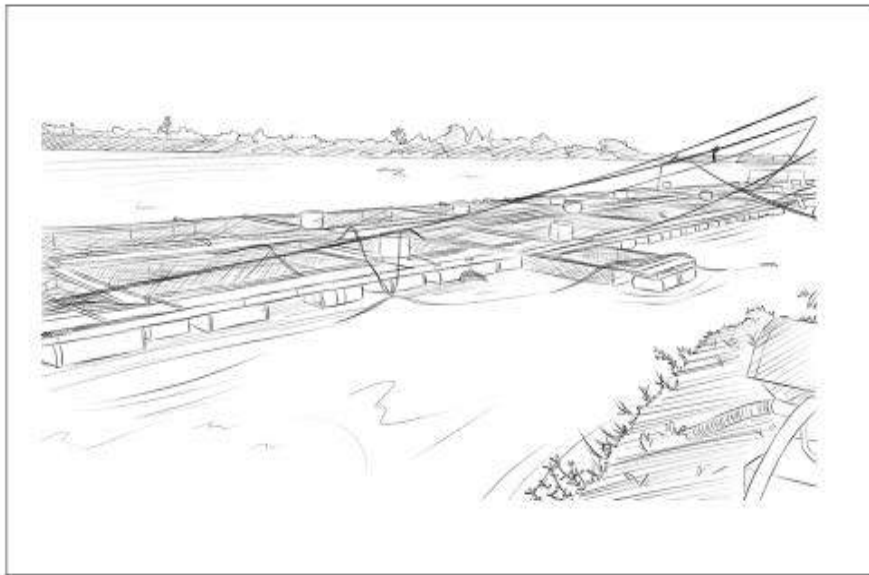
Sally: *Ok! How about freshwater lobsters? Do you want me to buy?*

Samad: *that's will be nice!*

Sally knew her husband was a patin lover and they sometimes would travel all the way to Temerloh, Pahang to eat his favourite dish tempoyak ikan patin. To please her husband, Sally tried several times to cook this dish for him but it turned out to be a failure.

Situated in Sungai Pahang, the longest river in Peninsular Malaysia, the patins were farmed in cages placed along the riverbank of Sungai Pahang. Rubiah and her friends spend the whole two days working at the cages. Mej (B) Borhan, a retired navy officer had attended few courses organized by the local government on fish breeding. Sally asked him the potential growth of the business. According to Mej (B) Borhan, he could earn an average income of RM5,000 in a month. The sales increased during school holidays and festival celebrations. *'I am confident the business would grow because the demands for ikan patin were very good especially from Klang Valley because there were many patin restaurant operators there. Unfortunately we were not able to meet all these demands because we were using a traditional cage farming method where the survival of the fishes were determined by the water level of the river. If there were fast drop or high rise of water the maturity process of the fishes will be longer'* said Mej (B) Borhan. He also informed Sally that the State Fisheries Department has introduced a new method technology in ikan patin caged breeding. *'In this new technology we will breed ikan patin in fiberglass tanks as compared to the net were using now. The fiberglass tanks would pump water from the river into a special filter before releasing it into the tanks. The water would be channeled back into the river, which would allow fish to remain fresh. The tanks will be placed on higher ground and*

farmers do not have to worry about cages being swept away during floods, or fish dying during the dry season. Fiberglass tanks can last up to 15 years, compared with the seven years of a fish cage. However this project required a lot of monies. Rubiah said you were interested to invest in our project. I assured you this was a good investment. The demands for ikan patin were great and we were not able to fulfilled all these demand. With the support from the relevant authorities and if the quality of the river water was good, you will get your return in no time’.



Before returning back to Bandar Baru Bangi, Mej (B) Borhan took them to Husin’s house, a fishmonger, who sold frozen river ikan patin and freshwater lobster. According to Mej (B) Borhan Husin sold various types of freshwater fishes such as patin sangkar, patin buah, patin munchong, ikan baung and eel. Husin also sold wild ikan patin. When they reached at Husin’s house, both Husin and her wife were not at home and only their sixteen (16) years old son, Aziz, was there entertained the queries of Sally and Julia. The fishes were individually wrapped according to its size and weight and kept in a big freezer. There was a price list displayed on the wall of all the fishes and the lobster. Sally selected randomly few packages of ikan patin before deciding to buy the big one after she was told the big fish was for a wild ikan patin. Sally wanted

to buy the wild ikan patin since she and her husband had never eaten wild ikan patin. Sally asked Aziz the price of wild ikan patin and Aziz spoke softly the price. Sally though she heard RM30 per kilogram because the display priced for ikan patin sangkar was RM11 per kilogram. In her calculation, it was acceptable for the price to increase to triple than the price of caged ikan patin because wild ikan patin was an exotic animal and difficult to catch. Sally bought one wild ikan patin and a packet of lobster at the price of RM230.

The three of them started their journey back to Kuala Lumpur. Sally was happy about the project and the entrepreneurial attitude of Mej (B) Borhan. As they sat quietly, Rubiah asked Sally *'How much was the patin per kg?'* Sally confidently said *'RM30 per kg'*. Julia laughed and corrected Sally *'it was not RM30 but RM90 per kg. I heard Aziz said that because I was standing in front of him'*. Sally was completely taken aback by what Julia said. *'No! You are wrong. The price was RM30 per kg.'* Sally argued. Rubiah listened with amusement the conversation between Sally and Julia, asked Sally how much she had paid Aziz. *'I gave him RM220'* said Sally. *'The price of the lobster was RM80. So the price of the fish was RM150. The weight of the fish was 1.5 kg. That mean per kg was about RM95'* said Rubiah. Upon hearing Rubiah calculation, Sally realized the mistake she had made. *'OMG. What should I do now? I am not a good cook. What if the tempoyak ikan patin dish turn-up to be a failure? Previously I tried to cook this dish and it was a disaster. This was an expensive fish. If the fish cost me RM30 per kg I would not mind if my dish failed. But this fish was RM90 per kg.'* she uttered under her breath.

As Sally was thinking whether or not she should cook the fish, Sally heard a talk on the radio that said a contract can be repudiated if there was a mistake committed by either party. The guest was talking about the law of contract and how to create a valid agreement. According to the speaker, a valid agreement must to be supported by five elements. The five elements were:

Firstly, an agreement must consist of an offer and acceptance. Once the acceptance had been made, the offer can no longer be repudiated.

Secondly, an agreement must be supported with consideration which usually in form of money or action. Under the Malaysia contract law, the consideration need not to be adequate in term of price but the consideration must have value attached to it.

Thirdly, the agreement must have had an intention to create legal relationship and such relationship existed in commercial agreements and not social agreements.

Fourthly, the agreement must have certainty in terms of price, product and the clauses of the agreement itself.

Fifthly, the parties to the contract must have attained age of majority i.e. 18 years and above. A contract entered by a minor is void and unenforceable.

The speaker further said that an agreement would become voidable if there was an element of fraud, duress, undue influence and mistake except a mistake of material fact by both parties which will render the agreement as void.

Sally listened with interest the talk to the end. *'Can I return back the fish to the seller? Would the seller give back my money because I have made a mistake about the price? The seller also failed to put up the price of the wild ikan patin on the displayed list at the house. There was the element of mutual mistake by me and the seller since the price was not agreed upon if I knew the price was RM95 per kilogram I will never buy that fish. The speaker said there must be certainty in the contract in term of price where both the parties have agreed to the price. Not only there were no consensus as to the price, the contract was concluded between me and Aziz, an infant. Therefore, the contract was void'* said Sally. Sally does not want Samad to know about her carelessness.

That morning, Sally remembered there was a patin restaurant near her house and had earlier contemplated to ask the owner whether he would be interested to buy the fish. However, Sally became hesitant as her friend, Julia had offered to buy the fish. Sally's mind was clouded with various thoughts and calculations as she realized that she had to make a firm decision as to the fate of the ikan patin, as soon as possible.

We would like to express our gratitude towards Universiti Kebangsaan Malaysia for making this research a possibility. The corresponding author would like to acknowledge the grant provider under the grant code EP-2017-016 for the financial assistance.

AMALAN, ISU DAN CABARAN JAWATANKUASA BENCANA

Che Azlan Taib

*Pusat Pengajian Pengurusan Teknologi dan Logistik, Kolej Perniagaan,
Universiti Utara Malaysia
c.azlan@uum.edu.my*

Pengenalan

Mulai 16hb Julai 2017, Encik Baharudin Yaacob (BAHA) telah menjalankan tugas Pemangku Pendaftar. Sebagai seorang Pendaftar en BAHA bertanggungjawab mempengerusikan mesyuarat Jawatankuasa Keselamatan dan Kesihatan Pekerjaan (JKKP). Dalam tempoh berkenaan Che Azlan Taib telah dilantik sebagai Pengarah Institut Pengurusan Bencana (*Disaster Management Institute - DMI*) UUM. Pada hari Kahamis, 21hb September 2017, Che Azlan telah berjumpa dengan En Baharudin bagi membincangkan peranan JKKP supaya peranan DMI dapat diselaraskan dengan peranan JKKP. Perbincangan tersebut turut dihadiri oleh En Nazir Hamzah iaitu kakitangan di bawah beliau.

Semasa perbincangan, En Nazir melaporkan mesyuarat JKKP tergendala dari tahun 2007 sehingga 2009. Pada bulan April 2009, Mesyuarat Eksekutif Universiti (MEU), Bilangan Ke-147 bersetuju untuk mengaktifkan semula JKKP. Merujuk kepada struktur JKKP berkenaan, Jawatankuasa Bencana UUM ataupun dikenali sebagai Emergency Response Team (ERT) diletakkan di bawah Jawatankuasa Teknikal (Anex 1). Namun struktur ini sedikit berbeza dengan Prosedur Tetap Operasi Pengurusan Bencana (PTOPB) di Institut Pengajian Tinggi yang dihasilkan oleh gabungan Universiti Awam di Malaysia. Lantas En BAHA merasakan amat penting UUM selaraskan dan tambahbaik prosedur operasi bencana supaya selaras dengan keperluan Majlis Keselamatan Negara (MKN) dan juga PTOPB. Ini penting kerana Malaysia terdedah kepada bencana-bencana seperti banjir, kebakaran, tsunami, angin kencang, tanah runtuh dan jerubu seperti dalam Jadual 1. Justeru, satu prosedur ataupun atu kaedah yang lebih mudah tetapi berkesan perlu diwujudkan bagi menangani bencana.

Jadual 1: Jenis Bencana Utama Di Malaysia Bagi Tempoh 2012 - 2017

Jenis	Semua Negeri / Negeri									
	Keseluruh an	Keda h	Labu an	Mela ka	Negeri Sembila n	Paha ng	Pera k	Saba h	S'wa k	S'ngo r
Tanah Runtuh	3	0	0	0	0	0	0	0	0	2
Ribut	1	0	0	0	0	0	0	0	0	1
Banjir	10	2	1	2	1	1	3	1	1	0
Banjir Kilat	1	0	0	0	0	0	0	0	0	0

Sumber: <http://portalbencana.ndcc.gov.my/Portal/>

Latarbelakang

Universiti Utara Malaysia adalah IPT Awam keenam yang ditubuhkan pada 16 Februari 1984, kemudiannya pada 23 April 1998 telah dikorporatkan. Hasrat UUM adalah untuk mengembangkan dan memajukan pendidikan pengurusan. Justeru program akademik UUM tertumpu kepada bidang pengurusan. Sebagai sebuah universiti awam, UUM juga terikat dengan keperluan dan arahan *stakeholdernya*, termasuklah penubuhan Jawatankuasa Keselamatan dan Kesihatan Pekerjaan (JKKP). Menurut Arahan MKN No. 20 : Dasar dan Mekanisme Pengurusan Bencana Negara (2016) terdapat 11 jenis bencana yang akan diurus di bawah Arahan 20 iaitu (a) bencana alam (banjir, ribut/taufan, gempa bumi, tsunami, ombak besar, kemarau dan tanah runtuh); (b) bencana industri (letupan, kebakaran, pencemaran, kebocoran bahan berbahaya di kilang/loji/depot yang memproses, mengeluarkan dan menyimpan bahan ini); (c) kemalangan melibatkan pengangkutan/penyaluran/pemindahan bahan berbahaya); (d) keruntuhan bangunan/struktur khas; (e) kemalangan udara (yang berlaku di kawasan berpendudukan tinggi); (f) pelanggaran/gelinciran keretapi/lain-lain sistem pengangkutan rel yang melibatkan jumlah mangsa/kemusnahan harta benda yang besar; (g)kebakaran (melibatkan kawasan yang luas termasuklah kebakaran bangunan tinggi/struktur khas yang mempunyai ramai orang); (h)empangan/takungan air pecah; (i)kemalangan kimia, biologi, radiologi dan nuklear; (j)kejadian jerebu; (k) penularan wabak penyakit berjangkit yang tidak terkawal/pandemik; dan (l)lain-lain kejadian Bencana yang akan diisytihar/ditetapkan Kerajaan.

Pada tahun 2012, Kementerian Pengajian Tinggi dengan kerjasama beberapa universiti awam yang lain termasuk Universiti Utara Malaysia telah menerbitkan satu prosedur pengurusan bencana di IPT. Lima objektif utama prosedur tersebut adalah (a) sebagai dokumen rujukan bagi memperkemas pengurusan operasi menangani bencana, (b) mewujudkan prosedur kerja bagi membolehkan warga IPT membantu mangsa dan menuruskan aset, (c) mengenal pasti potensi bencana boleh berlaku, (d) mengenal pasti sumber dan kapasiti universiti untuk melaksanakan pengurusan operasi bencana dalam kampus, dan (e) menyediakan sumber manusia/pasukan operasi bencana di peringkat universiti. Prosedur tersebut juga menyearaikan empat fasa bencana iaiti (i) penghindaran, (ii) persediaan, (iv) tindakan /respon dan (iv) pemulihan. Bagi memudahkan operasi Jawatankuasa Bencana, bidang tugas bagi Jawatankuasa Induk juga disediakan. Terdapat dua belas tanggungjawab yang mana boleh dirumuskan terangkum di dalam 4 fasa iaitu sebelum, semasa, selepas dan penambahbaikan.

Oleh itu bagi menyokong tanggungjawab sosial ini UUM telah menubuhkan JIKKPU, termasuk Jawatankuasa Bencana UUM (ERT). Merujuk kepada laporan dari JIKKPU, ERT berperanan seperti JKBGPPU, namun dari segi struktur agak kabur. Justeru, wujud keperluan bagi mengkaji secara terperinci bagi memastikan JIKKPU mahupun ERT berperanan dan bertindak sepertimana yang dinyatakan dalam Prosedur Tetap Operasi Pengurusan Bencana di Institusi Pengajian Tinggi (PTOPB-IPT), seterusnya cadangan penambahbaikan boleh dilakukan bagi menambahbaik bidang tugas JIKKPU mahupun PTOPB-IPT itu sendiri. Sekaligus kajian ini juga boleh menyediakan bukti-bukti tentang isu, amalan dan cabaran semasa mahupun di masa hadapan Jawatankuasa Bencana UUM dalam konteks pendekatan pengurusan bencana secara berkesan iaitu strategik, penilaian bencana atau risiko, persediaan hadapi bencana dan mitigasi bencana.

FMEA

Failure Mode and Effect Analysis ataupun lebih popular dengan singkatan FMEA merupakan satu alat ataupun kaedah yang boleh digunakan dalam sektor pembuatan mahupun perkhidmatan bagi merekodkan mod kegagalan ataupun (*failure mode*) yang mungkin timbul pada suatu proses, produk, sistem dan seumpamanya yang dapat mengakibatkan proses, produk, sistem tersebut tidak boleh menghasilkan output yang diinginkan. FMEA pada peringkat permulaannya banyak digunakan di dalam industri pembuatan. Namun kini penggunaannya telah meluas ke industri perkhidmatan termasuk bagi tujuan pengurusan risiko.

FMEA dapat membantu organisasi mengenalpasti dan menghapuskan ataupun mengurangkan peratus kegagalan proses ataupun produk di peringkat awal permulaan sesuatu sebuah proses atau perkhidmatan. Ianya merupakan sebuah kaedah yang sistematik untuk memeriksa sebuah proses secara jelas terhadap wujudnya kemungkinan kegagalan. FMEA dilakukan untuk menganalisa potensi kesalahan atau kegagalan dalam sistem atau proses, dan potensi tersebut akan diklasifikasikan kesannya berdasarkan sejauhmana potensi kegagalan dan kesannya terhadap proses. Dalam kata lain FMEA boleh digunakan bagi tujuan pengurusan risiko. Dalam hal ini tiga komponen utama FMEA adalah:

- i) Tahap kesan disebabkan gagal mengenalpasti mod/kemungkinan kegagalan ataupun kesilapan (S)
- ii) Kemungkinan kekerapan mengenalpasti kesilapan (O)
- iii) Keupayaan mengesan kesilapan (D)

Di antara langkah-langkah yang penting semasa melaksanakan FMEA adalah mengenalpasti dan memenuhi maklumat-maklumat seperti berikut:

- a. Produk / perkhidmatan / aktiviti /proses
- b. Fungsi
- c. Kesan dari kegagalan / kesalahan (menentukan nilai keparahan)
- d. Kemungkinan kegagalan kefungsian
- e. Kaedah kawalan semasa dan kesannya
- f. Menentukan tingkat nilai keparahan (severity) yang bersesuaian.
- g. Menentukan tingkat nilai kekerapan berlaku (occurrence) yang bersesuaian
- h. Menentukan tingkat tahap mengesan risiko (detection) yang bersesuaian
- i. Menentukan nilai keutamaan risiko - RPN (Risk Priority Number), dan
- j. Menentukan tahap risiko

Rujuk Anex 2:

Di samping itu, prosedur dasar untuk melakukan FMEA seperti di bawah amat baik dilakukan.

- a. Wujudkan Jawatankuasa Risiko
- b. Tetapkan peraturan dasar
- c. Kumpulkan maklumat dari ahli berkenaan dengan produk/proses/ aktiviti yang relevan

- d. Memeriksa maklumat yang berkaitan
- e. Mengenalpasti item atau proses yang akan dianalisa
- f. Mengenalpasti fungsi, kegagalan, kesan, punca, dan kawalan untuk proses yang dianalisis.
- g. Menilai resiko serta menentukan keutamaan dan tindakan penyelesaian
- h. Melakukan tindakan pembetulan dan penilaian terhadap resiko yang sedia ada
- i. Menyemak dan mengemaskini secara berterusan.

ISU

Bencana ditafsir sebagai sesuatu perkara yang berlaku tanpa diduga, yang akan menyebabkan kehilangan yang luar biasa kepada kehidupan dan harta benda. Di Malaysia, Arahan 20 Majlis Keselamatan Negara (MKN) mendefinisi bencana sebagai suatu suasana kecemasan yang kompleks yang menyebabkan kehilangan nyawa, kerosakan harta benda, persekitaran, sosial dan ekonomi. Walau apa pun definisi yang diberikan, bencana mesti diurus dengan cara yang cekap dan berkesan.

Banjir merupakan dominan utama kepada bencana alam di Malaysia, di Semenanjung Malaysia mahupun Sabah dan Sarawak. Dianggarkan hampir 29,800 km persegi ataupun 9% muka bumi Malaysia terdedah kepada banjir, dan boleh memberi kesan kepada hampir 4.82 juta penduduk ataupun sekitar 22% daripada keseluruhan penduduk Malaysia. Satu persoalan yang timbul sekarang bagaimana mencegah, meramal dan mengurangkan bencana?

Menurut Agensi Pengurusan Bencana Kebangsaan (NDMA) aktiviti asas yang perlu di dalam pengurusan bencana adalah (i) mengenal pasti, dokumen dan memantau dan mengemas kini kawasan bencana berisiko mengikut jenis bencana dan bidang kuasa masing-masing; (ii) Sistem Amaran Awal Bencana infrastruktur selaras dengan bidang kuasa mereka masing-masing; (iii) membangunkan dan mengukuhkan keupayaan dari segi sumber manusia dan kecakapan, peralatan, pengangkutan dan komunikasi, teknologi, kewangan dan sebagainya, teknologi, kewangan dan sebagainya, jadi langkah-langkah yang diambil oleh respons diselaraskan dan berkesan; (iv) berusaha untuk meningkatkan pemahaman dan kesedaran tentang bencana dalam semua lapisan masyarakat; (v) membangunkan kepakaran dan kemahiran dalam pengurusan bencana; (vi) Pelan Tindakan Kecemasan (ERP) dan Pelan Kesenambungan Perniagaan atau Perkhidmatan (BCP) masing-masing, (vii) menyediakan inventori logistik lengkap dan kemas kini dari semasa ke semasa untuk mempercepatkan Maklum Balas Bencana; (viii) menyediakan latihan berterusan untuk menguji Kesediaan Bencana untuk muka, dan (ix) melaksanakan usaha Kesiediaan yang lain dari semasa ke semasa.

Di samping itu, NDMA juga menjelaskan bagi tujuan pencegahan dan pengurangan bencana apa yang perlu dilakukan adalah (i) menyediakan dan mengemas kini dasar, pelan tindakan dan garis panduan mereka untuk mencegah dan mengurangkan risiko bencana; (ii) untuk melaksanakan program pembangunan untuk mencegah atau mengurangkan risiko bencana (iii) merancang dan melaksanakan tindakan pengurangan untuk mengurangkan risiko bencana, termasuk usaha penyelidikan dan pembangunan dalam pengurusan bencana; (iv) untuk menguatkuasakan undang-undang dan peraturan setiap tadbir urus dan amalan yang berkaitan dan berkesan, dan (v) berkongsi maklumat mengenai pencegahan dan pengurangan bencana, usaha dari semasa ke semasa.

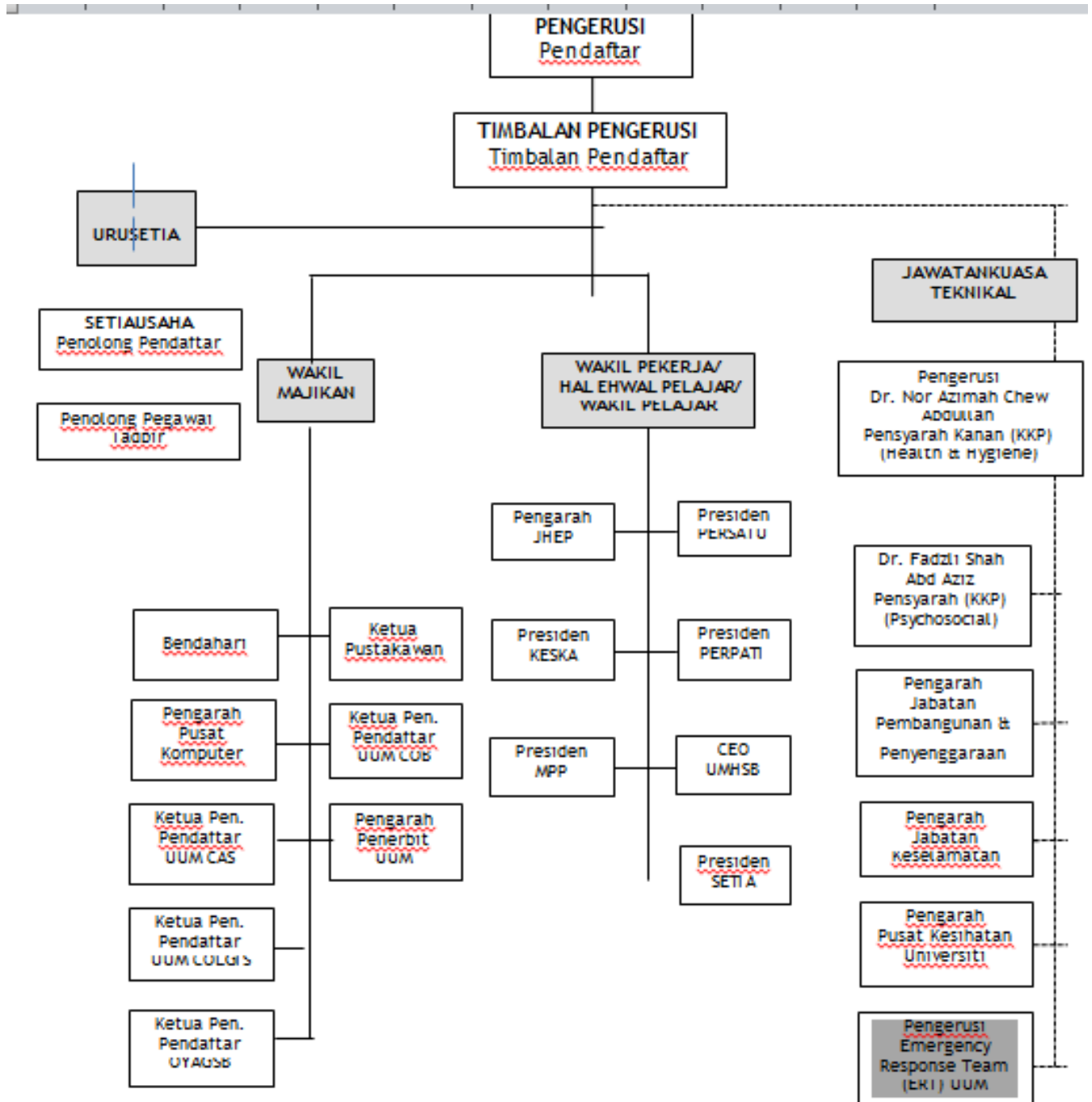
Sebagai agensi kerajaan, UUM sememangnya menyokong aktiviti asas NDMA iaitu pencegahan dan pengurangan bencana. Namun begitu dalam konteks UUM isu, amalan dan cabaran Jawatankuasa Bencana UUM tidak diurus dengan baik dalam konteks dokumentasi dan garis panduan yang melibatkan pengenalpastian apakah potensi risiko yang mungkin wujud, apakah tindakan semasa dan tahap risiko serta tindakan menangani risiko. Sebagai contoh PROGRAM latihan dan simulasi kepada Jawatankuasa Induk Bencana (Anex 3).

RUMUSAN

Kegagalan mengurus bencana dengan berkesan akan memberi kesan ketara kepada Universiti Utara Malaysia (UUM) dalam konteks sosial, ekonomi dan pentadbiran. Bencana iaitu sesuatu kejadian yang tidak dijangka yang menyebabkan kepada kegagalan aktiviti pengurusan dan tadbir urus UUM bagi memenuhi keperluan kakitangan, pelajar mahupun lain-lain stakeholder yang berkaitan. Malahan apa yang lebih buruk, kegagalan mengurus bencana dengan berkesan mungkin akan menyebabkan kehilangan nyawa, kerosakan harta benda, kerosakan alam. Justeru, pelaksanaan FMEA (Anex 4) merupakan satu tindakan awal yang boleh dilakukan bagi memastikan keberkesanan pengurusan bencana di UUM.

Anex 1-

CARTA ORGANISASI JAWATANKUASA INDUK KKP UUM - 2017



Anex 2 :

FMEA Scales for Severity, Occurrence & Detection

Table 1. Severity guidelines for design FMEA (*scale of 1 [least severe] to 10 [most severe] for each effect*)

Effect	Rank	Criteria
Minor	1	Unreasonable to expect that the minor nature of this failure will have any noticeable effect on item or system performance or subsequent process or assembly operation. Customer will most likely not be able to detect the failure.
Low	1-2	Due to the nature of this failure, the customer experiences only slight annoyance. Customer will probably notice slight deterioration of the item or system performance or a slight inconvenience with a subsequent process or assembly operation, i.e. minor rework.
Moderate	4-6	Failure causes some customer dissatisfaction which may include discomfort or annoyance. Customer will notice item or system performance deterioration. This may result in unscheduled rework/repair and/or damage to equipment.
High	7-8	High degree of customer dissatisfaction due to the nature of the failure, such as inoperable item or system. Failure does not involve safety or government regulation. May result in serious disruption to subsequent processing or assembly operations and/or require major rework.
Very High	9-10	Failure affects safety or involves noncompliance to government regulations. May endanger machine or assembly operator (9 with warning, 10 without warning)

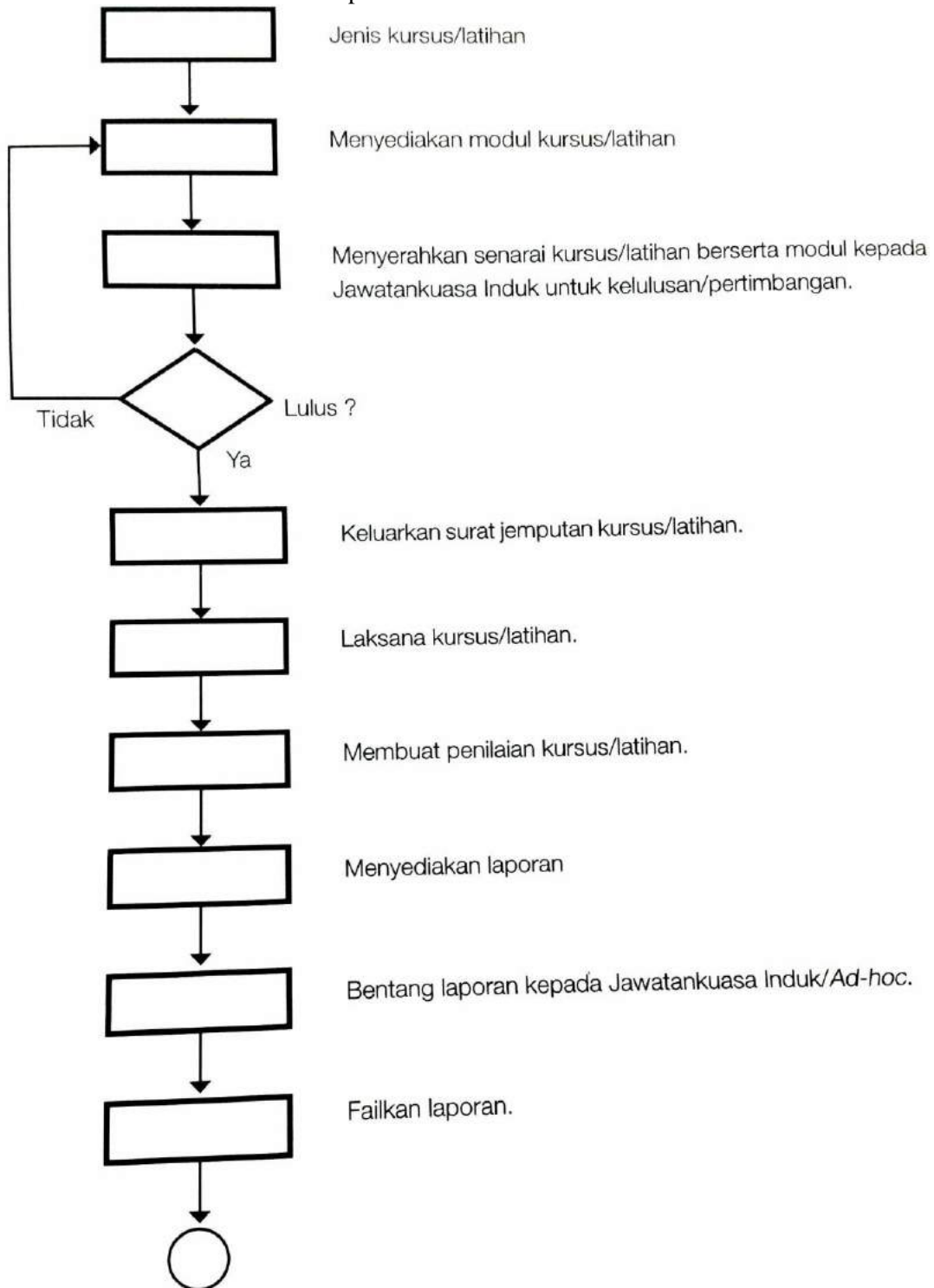
Table 2. Occurrence guidelines for design FMEA (*scale of 1 [least frequent] to 10 [most frequent] for each root cause*)

Effect	Rank	Criteria
Remote	1	Failure unlikely. No failures ever associated with this process or almost identical processes.
Very Low	2	Only isolated failures associated with this process or almost identical processes.
Low	3-5	Isolated failures associated with similar processes.
Moderate	6-7	This process has occasional failures, but not in major proportions
High	8-9	This process or similar processes have often failed.
Very High	10	Failure is almost inevitable

Table 3. Detectability guidelines for design FMEA (*scale of 1 [always detected] to 10 [never detected] for each occurrence*)

Effect	Rank	Criteria
Very High	1-2	Current controls almost certain to detect the failure mode. Reliable detection controls are known with similar processes. Process automatically prevents further processing.
High	3-4	Controls have a good chance of detecting failure mode, process automatically detects failure mode.
Moderate	5-6	Controls may detect the existence of a failure mode.
Low	7-8	Controls have a poor chance of detecting the existence of failure mode
Very Low	9	Controls probably will not detect the existence of failure mode
Absolutely No Detection	10	Controls will not or cannot detect the existence of a failure. No known controls available to detect failure mode.

Anex 3
Carta Alir Latihan dan Simulasi Kepada Jawatankuasa Risik



Anex 4
FMEA Template

FAILURE MODE AND EFFECTS ANALYSIS (PROCESS FMEA)										Muka Surat :				
Proses			Penanggungjawab:				Tarikh Asal:							
Jabatan/ Bahagian / Unit		Tarikh Terkini		Disediakan Oleh :				Disemak/ Diluluskan Oleh :						
Ahli Kumpulan :														

Proses	Potensi Utama Kegagalan	Potensi Kecil Kegagalan	S E V	Potensi Punca	O C C	Kaedah Kawalan Semasa	D E T	R P N	Cadangan Penambahbaikan	Penanggung jawab dan Tarikh Siap Tindakan	Keputusan Tindakan				
											Status Tindakan	S E V	O C C	D E T	R P N

**PENGURUSAN MAKLUMAT KOPERASI AGRO BELANTIK
SIK BERHAD: REKOD PEMBELIAN INPUT**

Zakirah Othman¹
Noor Hidayah Abu²
Iswandi Anas³
Shafini M. Shafie⁴

^{1,2,4} *School of Technology Management and Logistics, College of Business, Universiti
Utara Malaysia, 06010 UUM Sintok, Kedah.
zakirah@uum.edu.my¹ & dayah@uum.edu.my²*

³ *Faculty of Agriculture, Bogor Agricultural University (IPB), Campus IPB Darmaga Bogor
16680, Indonesia. iswandi742@yahoo.com*

ABSTRACT

Rice is a staple food and daily routine for Malaysians. Currently, the increasing population in Malaysia has led to the need to increase rice production with more quality. Therefore, the government established a scheme with national organic standards, MS 1259: 2015 which is myOrganic certification to recognize organic farms. Currently, Koperasi Agro Belantik Sik Berhad (ABS B) is the only one rice farm that obtained this certification. Therefore, it is a challenge for the chairman of the cooperative to maintain this status certification. He decides to implement the storage process through an electronic database to keep information storage more organized, easy and fast to achieve. As a primary school teacher who does not have the experience of designing database, the chairman gets advice from outsources. The consultant requests the cooperative to provide cooperative background information, myOrganic certification management processes and related documents.

Key words: *database design, myOrganic, organic paddy*

Nasi adalah makanan ruji dan rutin harian untuk rakyat Malaysia. Pada masa ini, peningkatan penduduk di Malaysia telah membawa kepada keperluan untuk meningkatkan pengeluaran beras dengan lebih berkualiti. Oleh itu, kerajaan menetapkan skim dengan standard organik negara, MS 1259: 2015 yang merupakan pensijilan myOrganic untuk mengiktiraf ladang organik. Pada masa ini, koperasi ABSB adalah satu-satunya ladang padi yang mendapat pensijilan ini. Dengan itu, ia menjadi cabaran pengerusi koperasi untuk mengekalkan status pensijilan ini. Beliau membuat keputusan untuk melaksana proses penyimpanan melalui pangkalan data berelektronik agar penyimpanan maklumat lebih teratur, mudah dan cepat untuk dicapai. Sebagai seorang guru sekolah rendah yang tidak mempunyai pengalaman merekabentuk pangkalan data, pengerusi mendapat khidmat nasihat luar. Pihak konsultasi memohon pihak koperasi menyediakan maklumat latar belakang koperasi, proses aliran pengurusan pensijilan myOrganic dan dokumen berkaitan.

Kata kunci: rekabentuk pangkalan data, myOrganic, padi organik

Pengenalan

Awal tahun 2018, Encik Ahmad Nasri Nayan, pengerusi Agro Belantik Sik Berhad, dikejutkan dengan panggilan telefon dari Bahagian Kawalan Kualiti Tanaman (BKKT), Jabatan Pertanian di bawah Kementerian Pertanian dan Industri Asas Tani Malaysia yang akan ke ladang SriLovely untuk melakukan audit berkala ke atas fail dan maklumat pengurusan organic. Peluh sejuk mula mengalir di dahi Encik Ahmad Nasri, apabila mula sedar maklumat-maklumat penting dalam sembilan fail terutama Rekod Pembelian Input (RIP) masih belum direkod dengan lengkap. Secara praktisnya, semua maklumat direkodkan secara bertulis. Rekod ini diuruskan oleh beliau bersama pengurus ladang dan seorang kakitangan koperasi dengan kaedah pengurusan penyimpanan yang berlainan. Kakitangan tersebut merekod semua butir-butir dalam fail manual dan menyerahkan resit kepada beliau, sementara pengurus menyimpan resit dan meringkaskan semua transaksi dalam buku nota. Encik Ahmad Nasri juga mendapati sukar untuk menyimpan semua rekod dengan cepat kerana terdapat beberapa maklumat yang selalu tertinggal.

Encik Ahmad Nasri juga sedar tanpa menyimpan rekod secara sistematik terutama Fail 4.1, Rekod Pembelian Input (RIP), sukar bagi koperasi untuk mengekalkan status Sijil Organiknya yang telah diperolehi sejak 2015. Koperasi ini juga perlu mengekalkan reputasinya sebagai satu-satunya ladang padi tunggal berstatus ladang padi organik di Malaysia.

Pemantauan setiap bulan oleh juruaudit BKKT ini amat membimbangkan Encik Ahmad Nasri Nayan, dengan itu, beliau berpendapat sistem pengurusan maklumat elektronik diperlukan untuk menyelesaikan masalah ini.

Latar Belakang Organisasi

Koperasi Agro Belantik Sik Berhad (ABSB) adalah sebuah koperasi petani yang ditubuhkan untuk membantu petani padi di kawasan Kampung Lintang, Belantik, Sik, Kedah, untuk mengendalikan sawah mereka dengan cara yang lestari. Tanggungjawab utama koperasi adalah untuk mengurus aktiviti penanaman padi organiknya di kawasan seluas 9.5 hektar. Pada fasa awal, semasa pembukaan kawasan penanaman padi ini, projek ini mendapat bantuan dan sokongan Agensi Pembangunan Kedah (KEDA), sebuah agensi persekutuan

untuk membangunkan komuniti luar bandar di Kedah. Projek ini dinamakan projek Agropolitan yang bertujuan untuk mempertingkatkan pendapatan penduduk setempat melalui pembangunan semula kawasan tanah terbiar di luar bandar. Sehingga kini, koperasi berjaya menguruskan ladang padinya dengan baik.

Koperasi ABSB ditubuhkan pada 24 Disember 2009. Koperasi ini terletak di Nombor 3, Lot 32, Kampung Surau, Mukim Sok, 08210 Sik, Kedah Darul Aman. Selain aktiviti utama iaitu penanaman padi organik, koperasi ABSB juga menjalankan projek sampingan seperti latihan penanaman padi organik, penanaman sayuran, penghasilan baja organik, ternakan ikan, kambing, lebah kelulut, dan ayam. Produk utama yang dihasilkan ialah beras organik dan produk sampingan termasuk baja agro-foliar cecair, baja bio-organik dan madu.

Penanaman padi organik yang diusahakan oleh koperasi ini adalah menggunakan kaedah Sistem Intensifikasi Padi yang berjaya meningkatkan sistem ekologi dan produksi koperasi. Kaedah ini dipopularkan oleh *SRI International Network and Resources Center* (SRI-Rice), Universiti Cornell dan telah digunakan secara meluas di lebih 52 negara. Kelebihan koperasi ini ialah mereka merupakan satu-satunya pengeluar padi organik yang mendapat pengiktirafan dari Jabatan Pertanian Malaysia melalui Sijil Organik Malaysia.

Tujuan Koperasi ABSB adalah untuk mengoptimumkan kecekapan pengurusan sumbe asli dalam penanaman padi. Misi koperasi ini adalah untuk menjadi syarikat terbaik di sektor pertanian di Malaysia. Sementara visi koperasi ini adalah untuk melaksanakan teknologi standard dalam sektor pertanian, menyediakan produk beras berkualiti tinggi, dan menyediakan perkhidmatan pelanggan terbaik kepada pasaran, pelanggan, dan pembekal. Objektif koperasi ini pula adalah untuk menyediakan teknologi pertanian terbaik dan produk pasaran di seluruh Malaysia untuk membolehkan faedah teknologi pertanian ini dinikmati oleh semua yang terlibat dalam industri pertanian.

Ahli koperasi terdiri daripada pemilik tanah dan penduduk kampung yang berhampiran. Kawasan penanaman padi telah dipajak daripada beberapa penduduk kampung selama 15 tahun. Ahli lembaga pengarah dan pengurusan Koperasi ABSB adalah mereka yang mempunyai pengalaman yang luas dalam pelbagai sektor, khususnya dalam bidang pertanian.

Koperasi ABSB mempunyai 50 anggota di bawah empat jabatan utama yang ditubuhkan oleh syarikat iaitu jabatan beras, jabatan hortikultur, jabatan ikan ternakan, dan jabatan baja. Di samping itu, terdapat juga ahli-ahli yang merupakan pemilik tanah di mana sawah organik ditanam. Tujuan penubuhan koperasi adalah untuk menggalakkan lebih ramai orang untuk memupuk padi organik dan mencapai skala ekonomi yang lebih besar.

Koperasi dan Pengiktirafan Skim Organik Malaysia

Dalam industri padi organik Malaysia, Koperasi ABSB adalah peneraju utama dalam menghasilkan padi organik dan telah mendapat pensijilan organik sejak tahun 2015. Koperasi ABSB telah mendaftarkan ladang padinya untuk status organik pada tahun 2011. Seterusnya koperasi berjaya memperolehi sijil pengiktirafan ladang organik iaitu myOrganic pada tahun 2015. Sijil ini menggunakan Malaysian Standard MS 1529:2015 *Plant-based organically produced foods-requirements for production, processing, handling, labelling and marketing (First Revision)*. Pengiktirafan ini setara dengan sijil organik antarabangsa dan merupakan penjenamaan semula Skim Organik Malaysia (SOM) yang mula diperkenalkan pada tahun 2002 oleh Jabatan Pertanian bagi memberi pengiktirafan kepada ladang yang mengamalkan perladangan organik berpandukan Malaysian Standard MS 1529:2001 *The Production, Processing, Labeling & Marketing of Plant Based Organically Produced Food*. Urutan logo persijilan mengikut tahun dapat dilihat pada Rajah 1.



Rajah 1: Logo Asal dan Penjenamaan Semula Skim Organik Malaysia

Seterusnya, Jadual 1 menunjukkan petani di Malaysia yang berjaya mendapat pengiktirafan sijil organik bagi tanaman mereka dari tahun 2002 sehingga 2015 adalah sebanyak 151 orang di kawasan seluas 1848 hektar. Dari keseluruhan ladang tersebut, terdapat hanya tiga ladang tanaman padi yang berjaya memperolehi sijil Organik termasuk Ladang Sri Lovely. Koperasi ABSB berjaya mengekalkan sijil organik untuk pengeluaran beras sehingga hari ini (DOA, 2018).

Jadual 1

Bilangan ladang yang diiktiraf dengan pensijilan myOrganik berdasarkan komoditi dari tahun 2002 - 2015

Komoditi	Pensijilan myOrganic	
	Bilangan ladang	Hektar
Buah-buahan	36	321
Sayuran	44	125
Beras	3	118
Lain-lain termasuk cendawan dan herba	68	1,283
Jumlah	151	1,848

Sumber: (DOA, 2015)

Pemilik sijil organik ini juga perlu memperbaharui sijil mereka setiap tahun. Ladang juga akan diaudit dan dipantau oleh pegawai Jabatan Pertanian Daerah Sik sepanjang masa berkaitan sembilan fail yang melibatkan semua proses dan rantaian nilai penanaman padi organik.

Proses dan Pengurusan maklumat myOrganic Koperasi

Proses memperolehi sijil myOrganic dimulai dengan pendaftaran myGAP, pendaftaran myOrganic, perlantikan penyelia ladang, penyediaan fail myOrganik dan akhirnya pemantauan dan audit. Bahagian penyediaan fail amat penting kerana ianya memberi kesan semasa memperbaharui sijil. Proses ini diterangkan di bawah dan diringkaskan di Rajah 2.

1. Pendaftar myGap

Pendaftaran sijil myOrganic boleh dilakukan setelah petani mendaftar skim myGAP yang merupakan Skim Amalan Baik Pertanian Malaysia untuk mengurangkan penggunaan baja dan racun perosak. Skim ini adalah untuk pertanian konvensional yang mengamalkan Amalan Pertanian Baik (APB) di mana ia memberi tumpuan kepada empat konsep utama termasuk keselamatan makanan, kualiti yang lebih baik, perlindungan alam sekitar, dan juga tenaga kerja yang selamat (DOA, 2014).

2. Pendaftaran myOrganic

Skim ini mengubah pertanian padi konvensional kepada kaedah lestari. Skim ini adalah sistem perladangan yang tidak melibatkan penggunaan bahan kimia sintetik seperti baja dan racun perosak dan mengekalkan alam sekitar. Proses awal dalam aktiviti pertanian dari

membeli bahan input sehinggalah kepada pembungkusan adalah bebas dari penggunaan bahan kimia dan menggunakan bahan semulajadi yang menyokong ekologi dan biologi.

3. Pelantikan Penyelia Ladang

DOA akan menghantar penyelia yang bertindak sebagai pembimbing untuk membantu petani yang mendaftarkan myGAP dan myOrganic. Penyelia akan memberi khidmat nasihat dan melawat ladang dari semasa ke semasa.

4. Penyediaan fail myOrganik

Persijilan myOrganik ini dilaksanakan dengan memenuhi semua kriteria yang ditetapkan dengan menyediakan dan melampirkan sembilan fail yang mengandungi rekod penanaman padi organik. Borang yang perlu terkandung dalam fail disediakan oleh DOA dan hanya perlu diisi oleh petani. Selain itu, dalam setiap fail, terdapat panduan untuk mengisi rekod myOrganic. Oleh itu, petani hanya perlu memenuhi semua rekod yang diperlukan seperti rekod pembelian input, rekod maklumat pekerja, rekod penggunaan bahan dan sebagainya.

5. Pemantauan dan Audit

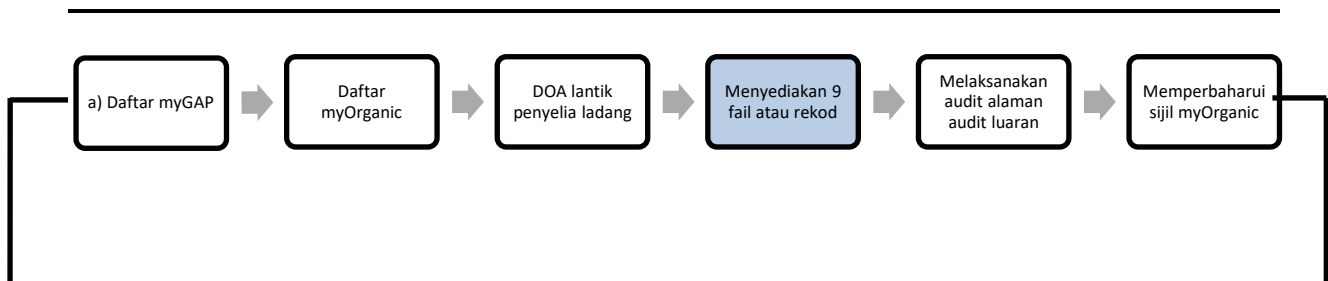
Audit dalaman atau pra-audit dijalankan bagi memastikan pengusaha mengamalkan perladangan organik. Pegawai pra-audit terdiri daripada Pegawai Jabatan Pertanian peringkat Daerah. Pegawai Jabatan Pertanian peringkat Daerah akan mengambil sampel hasil untuk tujuan analisis residu racun makhluk perosak, logam berat dan microbial.

Seterusnya, audit luar atau audit susulan dijalankan bagi mengenalpasti pengusaha mengamalkan dan mematuhi amalan perladangan organik berdasarkan standard yang telah ditetapkan dan seterusnya mengesyorkan untuk dipersijilkan. Pengauditan dilaksanakan oleh Pegawai Jabatan Pertanian (Teknikal) yang telah dilantik oleh Ketua Pengarah Pertanian

6. Memperbaharui sijil organik

Setiap tahun, petani yang mempunyai sijil Organik perlu memperbaharui pensijilan mereka untuk memastikan pelaksanaan myOrganik ini dijalankan secara berterusan oleh petani. Tempoh kelulusan pensijilan pada pendaftaran kali pertama adalah dalam tempoh 24 bulan.

Kesemua proses ini diringkaskan di rajah 2. Kesimpulannya, pengurusan fail atau rekod yang berwarna dan difokuskan merupakan fasa penting dalam menyimpan maklumat yang perlu dikemaskini selalu.



Rajah 2: Proses memperolehi dan mengekalkan Pengiktirafan myOrganic

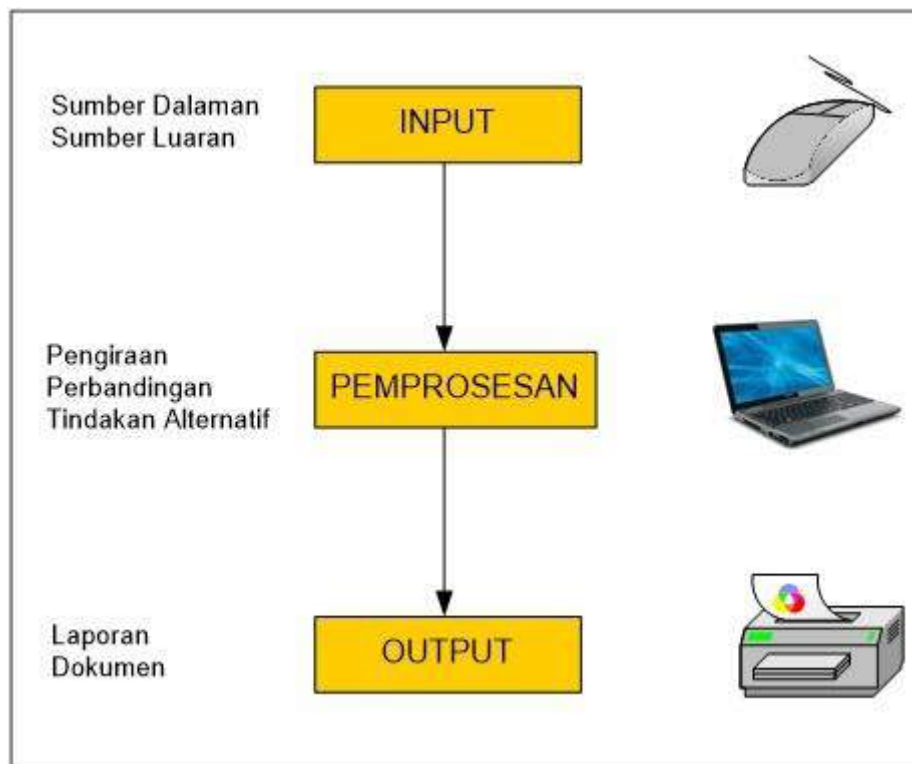
Sistem Pangkalan Data Elektronik

Sistem adalah sekumpulan unsur dan tatacara yang berkaitan, yang berkerjasama untuk melakukan sesuatu tugas. Data adalah fakta asas mengenai manusia, peristiwa, tempat, atau konsep. Ia tidak memberikan sebarang makna apabila digunakan besendirian. Sementara, maklumat ialah data yang telah disusun atau diproses supaya ia mempunyai maksud dan nilai kepada penerima. Penerima mentafsir maksud serta membuat kesimpulan dan implikasinya. Dengan itu sistem maklumat ialah set prosedur untuk mengumpul, memasuk, menyimpan, memproses, menganalisis, mengeluarkan, dan menyebarkan maklumat untuk tujuan tertentu. Sementara Sistem Maklumat berasaskan Komputer ialah sistem maklumat yang menggunakan teknologi komputer untuk melaksanakan sebahagian atau kesemua tugas yang dikehendaki (Bohari, Abu Bakar & Othman: 2006).

Umumnya, komponen asas sistem maklumat ialah manusia, perkakasan, perisian, data, rangkaian, dan prosedur. Komponen sistem maklumat ini berada dalam keadaan tersusun, saling tindak serta tidak beroperasi secara berasingan. Sistem ini kemudiannya membentuk satu aliran sistem yang lengkap.

Pengumpulan, pemprosesan dan penggabungan, ringkasan data yang banyak adalah sesuatu yang sukar untuk dilakukan. Sebuah sistem haruslah lengkap dengan komponen yang saling berkait mengikut tatacara dan pengurusan tertentu. Aliran pengurusan sistem maklumat

(Rajah 3) merangkumi pemerolehan input (data, arahan), pemprosesan input dan output (laporan, pengiraan). Pada fasa input terdapat satu aktiviti pengumpulan data mentah. Pengurusan ini disokong oleh pangkalan data yang berfungsi sebagai tempat penyimpanan dan mengawal sistem. Dengan kata lain pangkalan data adalah tulang belakang kepada pengurusan sistem maklumat.



Rajah 3: Aliran Pengurusan Sistem Maklumat

Umumnya, data mentah yang dimasukkan sebagai input, diperoleh daripada sumber dalaman dan sumber luaran. Setelah input data dikenal pasti dan dikumpul, ia akan diproses. Fasa ini dikenali sebagai pemprosesan. Ia melibatkan pengiraan, perbandingan dan mengambil tindakan alternatif dan menyimpan data untuk kegunaan masa depan. Fasa terakhir di dalam aliran sistem maklumat ini ialah fasa output. Fasa output adalah hasil maklumat yang berguna, biasanya dalam bentuk dokumen atau laporan. Komponen-komponen sistem maklumat saling berkait untuk membentuk aliran input, pemprosesan dan output untuk menghasilkan maklumat yang lebih berkualiti.

Pangkalan data merupakan **satu sistem simpanan** koleksi data yang tersusun yang mempunyai maklumat berkaitan sesuatu (Gillenson, 2012). Himpunan data-data adalah

berkaitan dan dikongsi bersama oleh pelbagai kategori pengguna untuk memenuhi kehendak dan keperluan maklumat sesebuah organisasi. Ini bermaksud pangkalan data ialah suatu koleksi bersepadu bagi rekod data, fail, dan objek-objek pangkalan data lain. Sistem Pemrosesan Fail Tradisional adalah sistem yang dilaksanakan secara manual atau tradisi. Data dan maklumat disimpan di dalam fail-fail kertas yang kemudiannya disimpan di dalam kabinet-kabinet khas. Fail yang disimpan adalah mengikut turutan abjad dan nombor rujukan supaya pencarian fail dapat dilakukan dengan sempurna. Sementara, **Sistem Pengurusan Pangkalan Data (SPPD)** pula adalah pakej perisian elektronik dengan atur cara komputer yang mengawal penggunaan dan penyelenggaraan pangkalan data dan persekitaran pangkalan data. Dengan kata lain SPPD merupakan sistem perisian yang membolehkan pengguna mentakrif, mencipta, mengemaskini, mengurus, mencipta dan menyelenggara pangkalan data. SPPD turut mengawal capaian terhadap data dalam pangkalan data. Terdapat pelbagai kaedah dan templat untuk membangunkan pangkalan data seperti template Oracle, IBM dan sebagainya.

Pengurusan Maklumat Fail 4.2: Rekod Pembelian Input

Terdapat sembilan fail iaitu fail 4.1 hingga 4.9 yang disenaraikan di Jadual 3 untuk menyimpan rekod pelaksanaan myOrganic di Koperasi ABSB. Kandungan setiap rekod masih dalam penggunaan manual yang merupakan tulisan tangan. Rekod tersebut juga mengandungi data dari tahun 2011 hingga sekarang. Setiap fail mengandungi panduan untuk mengisi rekod myOrganic yang perlu dipatuhi. Koperasi ABSB telah memenuhi semua kriteria yang perlu untuk mendapatkan pengiktirafan myOrganic. Rekod untuk setiap tahun juga telah disahkan oleh DOA Sik selepas menjalankan audit luar dan dalaman. Kesemua borang asal diperolehi dari Jabatan Pertanian dan perlu dilengkapkan. Contoh fail hadapan rekod dapat dilihat di Jadual 2 dan contoh borang di Rajah 4.

Selepas memahami maklumat berkaitan fail-fail yang diperlukan, dalam kes ini, 'Fail 4.2: Rekod pembelian input', fasa berikutnya adalah pengumpulan data secara terperinci.

Jadual 2: Senarai Fail myOrganic

- Fail 4.1: Rekod pembelian dan penggunaan bahan-bahan tumbuhan
- Fail 4.2: Rekod pembelian input
- Fail 4.3: Reksod penciptaan input
- Fail 4.4: Rekod penggunaan input
- Fail 4.5: Rekod kawalan input kawalan
- Fail 4.6: Rekod mesin dan peralatan ladang
- Fail 4.7: Rekod pengeluaran hasil (selepas tuai)
- Fail 4.8: Rekod pelupusan sisa tanah
- Fail 4.9: Rekod senarai pekerja



Rajah 4: Contoh fail Koperasi ABSB

Pengumpulan Data Koperasi: Fail 4.2

Pengumpulan data untuk pangkalan data Fail 4.2 dimulai dengan memahami maklumat Rekod Pembelian Input. Melalui pemerhatian dan temubual dengan pengurus ladang, terdapat sembilan item atau atribut telah dikenalpasti di dalam borang myOrganic 4.2 (Rekod Pembelian Input) di Rajah 5 iaitu Nama Fail myOrganic, Bil, Tarikh, Jenis Input, Kuantiti,

Komposisi, Jumlah harga, Nama pembekal, Negara dan Kebenaran Import. Kesemua atribut tersebut mempunyai maklumat terperinci yang diterangkan pada Jadual 3.

myOrganic 4-2
REKOD PEMBELIAN INPUT

JABATAN PERTANIAN

myOrganic MALAYSIA

myOrganic : 13-0001/K-120

BIL	TARIKH (a)	JENIS INPUT (b)	KUANTITI (c)	KOMPOSISI (d)	JUMLAH HARGA (RM) (e)	NAMA PEMBEKAL (f)	NEGARA (g)	KEBENARAN IMPORT (h)	
								YA	TIDAK
				Kandungan bhan input					
	24/8/16	CECAIR GULA MERAH 150kg		CECAIR	RM 38@ 7 TON.	GULA PEG TERAP.	-	-	-
	24/8/16	TONG DREH PLASTIK		PLASTIK	RM 90@ 10 TON.	SP TRADISI BARANG LEBIH	-	-	-

Malaysia Organic, Jabatan Pertanian

Rajah 5: Borang Fail 4.2: Rekod Pembelian Input

Item / Atribut	Penerangan
myOrganic	Nama sijil skim myOrganic
Bil	Bilangan transaksi rekod pembelian input dilakukan
Tarikh	Tarikh pembelian input mengikut resit dan invoice
Jenis Input	Nama input seperti Baja/ Perapi Tanah/ Pengatur Pertumbuhan/ Agen Penguraian (contoh: EM, IMO dan sebagainya)
Kuantiti	Nyatakan kuantiti input yang dibeli
Komposisi	Nyatakan komposisi input yang dibeli – contoh kandungan bahan dalam input baja.
Harga (RM)	Jumlah harga input yang dibeli pada tarikh tersebut (Jumlah keseluruhan Per Unit)
Nama Pembekal	Nama pembekal input yang dibeli
Negara	Negara asal input sekiranya ia diimport
Kebenaran import	Kebenaran import oleh kerajaan Malaysia samada dibenarkan (ya atau tidak)

Jadual 3: Atribut Borang Fail 4.2

Kesemua data dan maklumat yang dikumpul melalui fail ini dapat digunakan untuk merekabentuk sistem pangkalan data.

Bagaimanakah maklumat dari borang fail 4.2 boleh digunakan untuk membina rekabentuk pangkalan data. Di sini istilah-istilah entiti, atribut, rekod dan jadual perlulah difahami. Entiti merupakan sesuatu objek yang wujud dan ia boleh dibezakan daripada objek-objek yang lain. Entiti boleh terdiri daripada orang, objek, konsep, tempat, peristiwa atau kejadian. Contoh entiti di atas 'pembekal'. Atribut adalah sifat yang menjadi ciri khas (suatu benda atau orang). Atribut merupakan penerangan atau ciri-ciri sesuatu entiti. Sebagai contoh atribut bagi entiti pembekal adalah Nama Pembekal dan Negara.

Sementara, jadual adalah gabungan rekod yang sama dan terdiri daripada lajur dan baris seperti yang terdapat pada boring 4.2. Lajur merupakan atribut dan baris pula merupakan rekod-rekod. Dengan itu, rekod merupakan gabungan atribut yang berkaitan. Sesuatu rekod akan menerangkan sesuatu seperti data seseorang, data peristiwa atau data bagi objek.

Penutup

Encik Nasri dengan dibantu pengerusi ladang padi menyusun strategi untuk membuat pelaburan bagi merekabentuk sistem pangkalan data RIPP. Ianya salah satu strategi untuk memastikan Koperasi Agro Belantik Sik Berhad (ABSB) mampu mempertahankan persijilan myOrganic. Dengan adanya sistem ini, segala maklumat penting dalam RIPP dapat dikemaskini dengan lebih mudah dan lebih cepat. Ia juga memudahkan dalam pencarian maklumat tentang apa yang mereka mahu dan dapat dicapai dalam masa yang singkat.

Penghargaan

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Pledging the Green Policy: Is it a challenge?

Asmahany Ramey¹, Basri Rashid², Muhamad Shah Kamal Ideris³
*School of Tourism, Hospitality & Event Management, Universiti Utara Malaysia, 06010, Sintok,
Kedah, Malaysia*
(Asmahany¹, Basri², Shah Kamal³) @ uum.edu.my

INTRODUCTION: ABCSOB, The leading graduate schools of business in Malaysia

Last year, ABC School of Business (ABCSOB) has received a few sustainability certifications as the evidence of their high commitment to enhancing environmental quality. They include-ISO14001:2015, SR10:2015 as well the GC-Mark, a reward that verifies the receiver as a green school. Particularly, the ISO14001:2015 Environmental Management Standards certification required ABCSOB to (i) enhance their environmental performance, (ii) comply the green university standards and obligations and (iii) ensure the environmental objectives are achieved. As the leader of Accreditation, Ranking & Reputation for ABC School of Business, Mr. X, is responsible for ensure school's sustainability mission are accomplished and running smoothly. Thus, he is accountable as the person in-charged for sustaining the status of green school agenda. Besides, Mr.X and his team is also responsible for advising and, ensuring the activities organized at the school are in line with the green university standards.

As environmentally and sustainably friendly practices, or green practice; is considered new for his team, Mr.X encounter several challenges, which could impede him from successfully hosting environmentally and sustainably friendly practice activities. Perhaps, these challenges would be the major obstacles in maintaining and sustaining the existing sustainable certified for the upcoming years. Thus, Mr.X has to figure out what are the challenges for adopting environmentally and sustainably friendly practices in handling school activities. Notably, ABCSOB needs to organize many educational events including conferences, corporate meetings, as well as educational exhibitions that should be handled in a greener way. Hence, immediate action should be taken.

About ABCSOB

ABCSOB is one of the best graduate schools of business in Malaysia. It offers various postgraduate programs namely Master of Business Administration (MBA), Doctor of Business

Administration (DBA), Doctor of Philosophy (Ph.D.), and Doctor of Management (D. Management). Their MBA and DBA programs offer a range of specializations and attract many corporate figures, senior officials, high-ranking individuals in the society, which attests the true standards of the quality of business and management education they are offering. Like other graduate schools where?, ABCSOB is active in promoting their postgraduate programme. However, apart from providing education as their core business, Professor M, Dean of ABCSOB in their sustainability report for the year 2017 said that;

“We are committed to making a difference in the society, environment, and the world at large. We do this by giving opportunities to our students and staff to engage with the community in our programmes and activities inside and outside the campus environment,”

Therefore, a department namely Accreditation, Rankings, and Reputation Management that was directed by Mr.X was made accountable to accomplish all of the sustainability agenda for the sake of enhancing their environmental performances, which helped them in sustaining their environmental certifications.

The current practice of environmentally and sustainably friendly in ABCSOB

As for now, ABCSOB has declared its own Environmental Policy that is verified by the Dean of ABCSOB on 23 May 2017. The policy stated that they are committed to:

- i) Protect the environment and subsequently reduce carbon footprint, conserve natural resources and reduce waste
- ii) Prevent pollution from their daily administration activities and supporting services within their control, and
- iii) Fulfill the relevant compliance obligations regarding environmental protection and sustainability

The above environmentally and sustainably friendly practices commitment were achieved through the implementation of environmental management systems. To complete this, they has consistently followed the Environmental Management Systems Standard (ISO 14001:2015) which could be referred to by any organizations of all types and sizes, for both private and not for profit organizations. This international standard perhaps could helped ABCSOB to identify,

manage, monitor, and control their environmental issues in a “holistic” manner and automatically places ABCSOB at the international level. In detail, it provides guidelines for organizations to deal with environmental issues including air pollution, water and sewage issues, waste management, soil contamination, climate change mitigation and adaptation in addition to efficiency of resource.

The benefits of green practices

Sustainability practices may help ABCSOB in getting a higher sustainability ranking: as a university, rankings have become a global phenomenon. It is a kind of competition where universities throughout the world try their best to secure the highest position in the ranking list, and since decades ago, research and academic reputation were the only indicators that are used to place the ranking of the universities. The declaration of Sustainability in Higher Education (SHE) has changed the situation whereby universities have started to use environmental sustainability as a new indicator for the ranking (Grindsted & Holm, 2012). SHE is an international regulation, which is meant to help the development of sustainable standard practice in higher education institutions. This declaration becomes a symbol of the eminent sustainable development for universities around the world and has convinced those who have not committed to any sustainability initiatives to get on board. Apart from the chance of getting a better ranking, it portrays ABCSOB as the best place for educating future leaders, as it does not only include the subject matters of the degree, but also educate future leaders to be responsible for nature. As mentioned by Grindsted (2011), as an academic institution that has the power to educate the nation, it should be a role model in this sustainability movement. More importantly, universities, which normally grow with a high population, lead to the deterioration of the environment. For example, Balsas (2013) found that campus expansion has resulted in an increase in the usage of motor vehicles and resource consumption. In relation to resource consumption, water and energy are among the most highly used resources by university students. Tan, Chen, Shi and Wang (2014) stated that the annual total energy consumption in universities and colleges throughout China reached 30 million tons of standard energy, and an annual water consumption is nearly 4 million. Earlier, Grindsted (2011) also stated that universities were facing high climate and sustainability issues.

Significantly, if ABCSOB is able to adapt and uphold this green practice in the future, it is believed that this practice would be an image creator that would promote ABCSOB as a responsible organization. Besides implementing green practices in their activities, the practicality of these environmental friendly events also shows the good conduct of Corporate Social Responsibility (CSR) by ABCSOB. More importantly, implementing green practice in managing their activities would provide more added value for ABCSOB as well as maintaining their certifications.

ABCSOB: The challenges of green practice implementation

ABCSOB is seen as successful in organizing school activities (i.e meeting, seminar, postgraduate, and staff workshop, classes) in relation to the green implementation of green practice. However, although these events can be considered as successful, there is always rooms for improvement.

Remarkably, the nature of the above-mentioned events, are gathering many people in one time, at a specific place for a specific reason. Thus, regardless who are the host, it is common to relate these type of activities as high usage of energy, big amount of water usage, and high usage of transportation (that is associated with the emission of Carbon Monoxide that leads to environment pollution), as well as the high production of food leftovers. Therefore, if the organizer, including ABCSOB does not transform the traditional practice of organizing events into a green event that is more environmentally friendly, the negative impacts will keep ruining the quality of the environment that is supposed to be conserved and preserved for our future generation. That is because, once our environment is polluted, it is difficult for us to regain the original quality of the environment.

Hence, in the effort to assist ABCSOB to implement this green practice in the future, it is critically crucial to be aware of its challenges. To this day, it has been identified that the challenges are within the ABCSOB as they lack in knowledge about green principles and short of skilled staff and poor funding. Therefore, in an in-depth semi structured interview session, Mr. X shared the challenges of pledging the green policy. The details of the challenges are as follows:

Humanitarian challenges

The effort to pledge the promise inscribed on the environmental policy in ABCSOB due to the humanitarian challenges. Mr.X believes that this problem can be solved by sharing awareness about the importance of sustaining the ecology among stakeholders involved in their activities. For example, he has to ensure that the cleaning staff is consistently sorting physical waste like can, paper, and plastic into its respective categories. Indeed, ABCSOB has provided separate bins, but sometimes some people mistakenly throw the waste into the wrong bin. Another problem that might happen is when well-experienced cleaning staff who handle green matters need to be transferred to another department. Some of them also resign from ABCSOB. For Mr. X and his team, retraining new staff is a challenging task.

Monetary challenge

According to Mr.X, “It is true that green practice is helping us in cutting the operation cost. At the initial stage of implementing green practice, we have to invest money. To encourage the sustainability practices among school members and visitors, we provide the facilities such as recycling bins for them to sort the physical waste accordingly. We also provide water refill station, so it would reduce the use of plastic bottle. In addition, we need to provide an environmentally friendly building. For example, the cost to change the eco-friendly LED and eco-friendly air conditioner is not cheap”. He added that another investment is when we have to pay consultants to come and train the operational team. Normally, the consultant will come and train them on ways on how to save the energy, water, and recycled things.

Difficulty in measuring effectiveness

Mr. X said that it is quite challenging for him to measure the effectiveness of the green practices. The only way to measure their sustainability success is through the low rate of the utility bills, which possibly is shown by the low usage of energy and water due to semester break or long holiday. Thus, the effectiveness of green practice is arguable. However, in the 2017's sustainability report, they have managed to calculate and compare the percentage of reduction of water, electricity, and paper from 2016 to 2017. In order to see the consistency on the pattern of utility usage, they have to wait for a year, which is considered as a long waiting time.

Conclusion

Conclusively, apart from the benefits gain from sustainable practices, implementing the Green Policy into ABCSOB activities is quite challenging. In the case of ABCSOB, it is noted that the effort towards enhancing their environmental performance require teamwork and consistency practice the green plans. The belief that green policy would benefit the future generation is crucial, as it would motivate a continuing effort from all stakeholders in an organization such as the ABCSOB.

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PAK TAM CAFE: ISSUES AND CHALLENGES IN ATTRACTING AND RETAINING CUSTOMERS

Yaty Sulaiman, Nik Kamariah Nik Mat, Selvan Perumal,
Maria Abdul Rahman

*School of Business Management, College of Business,
Universiti Utara Malaysia*
yaty@uum.edu.my

One day, Tuan Haji Ruslin Ibrahim was walking to his car. Suddenly he stopped for a while to see why so many people queue at one cafe. He wonders what are so special about this cafe even it still in early morning. He thinks it will be better if Pak Tam Cafe (PTC) also receive a lot of customers every day. He decided to call a meeting for PTC management team tomorrow to discuss details on how to attract and retain the customers since he noticed that PTC was facing difficulties in attracting new customers. In addition, he also aware that the numbers of customers also decreasing a bit based on sales volume (for example on certain menu). The main agenda for the meeting was to discuss details on the marketing strategies of how to attract new customers and also at the same time to retain the existence customers. Despite the growth that PTC had been able to achieve since it was established in 1986, the company had been struggling in attracting the new customers and retaining the existence customers, especially, with the increasing number of competitors nowadays.

Tuan Haji Ruslin Ibrahim, one of the members of board of directors and the founder for PTC disclosed that PTC has only managed to capture the high number of customers during public holidays. However, the number of customers dropped when it comes to weekdays and weekends. Being dependent on high costs of materials and foreign labor to run the business, therefore, Tuan Haji Ruslin Ibrahim believed that they would need to improve their marketing strategy. “Guys, you need to think and come out with a few marketing strategies which appropriate to attract new customers to come and enjoy our foods and beverages, during public holidays, weekends and weekdays. In addition, you also needs to prepare a list of marketing strategies which suitable to be implemented soon in order to retain our existence customers. Please remember that our tagline ‘*Tuuu...Dia Pak Tam*’ will always reflect to our products and company brand”. These

commands gave an immediate pressure on the management team as they would need to carefully think of the appropriate strategies in improving the number of customers.

Company Background

Pak Tam Cafe (PTC) is a business organization which providing food and beverage services including restaurants, cafe, catering, bakery and pastry, retail shops and food truck business. PTC retains their value through customer relationship in which serving one client at a time. PTC also fulfill the customers' needs by providing good services from food service and accommodating food tastes. PTC have its own food signature likes *Mee Rebus Pak Tam*, *Nasi Bukhara*, Pak Tam bread and Pak Tam Coffee. PTC offers enjoyable cuisine experiences for all customers. With expertise in Malay, Chinese, Indian and Western Cuisine, and the unlimited food choices offered, it grows to be a quite successful business. PTC also obtains *halal* accreditation from *Jabatan Kemajuan Islam Malaysia (JAKIM)*. The company has potential to expand bigger, but, it had been struggling in attracting the new customers and retaining the existence customers, especially, with the increasing number of competitors nowadays. Furthermore, nowadays, many returning costumers come to this cafe but only at the North and South R&R Tapah branches. For other branches, they show a decreasing number of customers.

The founder, Tuan Haji Ruslin Ibrahim hold over 30 years of experience in F&B specialize in restaurant, cafe, catering operation, training and mentoring and the mastermind behind the existence various outlets under *Tuuu...Dia Pak Tam* brand. Tuan Haji Ruslin Ibrahim also the creator of various product such as Kopi Pak Tam, Original Pak Tam Bread, Pattern Slice Food Truck as well as Quick Bite. He is currently hold the position as Board of Director for Sirah Heritage Holding Sdn. Bhd (the parent company for PTC) and Managing Director for Juara Saji Sdn. Bhd (the subsidiary company of PTC and Sirah Heritage Holding Sdn. Bhd). He has excellence cook with expertise in various cuisine around the world and hold great experience as a serial entrepreneur. Therefore, Tuan Haji Ruslin Ibrahim was invited to share his experience and culinary knowledge in countless talk and seminar locally as well as overseas.

Since 1986, famous with tagline *Tuuu...Dia Pak Tam*, starting with the RM25 capital, Tuan Haji Ruslin Ibrahim and wife sell 'mee rebus' and 'rojak pasembur' under the umbrella at Taman Selayang and Ramadan bazaars. After a year, customers began to be familiar with 'mee

rebus' and '*rojak pasembur*', Tuan Haji Ruslin Ibrahim and wife traded at a stall followed by a cowboy shop at the same place which was then demolished for development by the authorities in March 2002. The sincerity and honesty are priority in dealing with either the customer or other business partner. In addition, the cooked noodles and frying recipe are the main menu, prepared with their own recipe. Likewise, with the ingredients of *nasi kandar*. All the dishes as the main menu of restaurant chains and ***Tuuu...Dia Pak Tam*** kiosks. This couple obtained experience and knowledge on food and beverage industry by hard work and confidence in self-esteem, learning from experience, reading and attending courses and training provided by the government. Start with average net income just around RM600 a month and now increases not less than five figures a month, Tuan Haji Ruslin Ibrahim, his wife and colleagues always and will continue to improve their business in quantity as well as quality.

Today, PTC has wholly owned 6 companies include Juara Saji Sdn Bhd, Pak Tam Katering Sdn Bhd, Jalinan Madu Sdn Bhd, Kulit Kayu Manis Enterprise, Ana Boss Enterprise and Jalinan Madu Enterprise. PTC is specialised in food & beverages business which includes restaurant, café, catering, bakery & pastry, retail shops, and food truck business with 14 branches all over Malaysia. It also produced its own products includes Kopi Pak Tam, drinking water, Malay traditional biscuits and cakes. Recently the company has launched the latest brand, Pattern Slice, a wonderful and delicious cakes and pastry for sweet lovers. PTC is an established company more than 30 years in catering and food and beverages industry. PTC has significantly evolved in serving small function to serving over 15,000 people in a single event, with the combined expertise of the management team and experienced employees. PTC services are available for all business and private social events and function including wedding events, corporate events, business luncheon and dinner meetings, open houses, theme parties, private party barbecues and more.

However, in spite of experience more than 30 years in food industry, PTC's brand is still unpopular among certain Malaysians due to lack of exposure or advertising in social media, printed advertisements and also electronic advertisements. At the same time, PTC only focus on a few food signatures such as *Mee Rebus Pak Tam*, *Nasi Bukhara*, Pak Tam Bread and Pak Tam Coffee. Similarly, to strengthen the product brand is very difficult. In other words, PTC is

facing constraints in attracting and retaining his customers due to a low awareness about PTC brand, which leads to decreasing number in sales. It shown in it financial analysis which is PTC gross profit margin is 44.4% in 2015 and decreased to 43.27% in 2016. The gross profit in 2017 is also decreased about 5.04% to 38.22%. PTC also suffered negative net profit margin in 2017 which is -0.66%. Therefore, in order to advance the business, they need to invest in promoting and strengthening their own brand.

Pak Tam Cafe Achievement

Recently, PTC has been awarded a certificate of achievement for successfully acquiring three star rating 2017 under SME Competitiveness Rating for Enhancement (Retail & Distributive trade) by SME Corporation Malaysia. Star ratings for PTC are assigned to indicate the performance level of company based on a seven assessment criteria namely financial strength, business performance, human resource, technology acquisition and adoption, certification and market presence. Three-star rating are awarded to a company that showcase the uses technology from semi to fully automated, able to implement quality system, undertakes product and process improvements, intellectual property registered, ready for export compliance certification and recommend measures for improvements.

Having achieved a three star certification from SME, PTC is entitled to get various development programmes and financial assistance schemes to enhance the capability and capacity of company. Apart from offering advisory services relating to the development of the industry, SME Corp. Malaysia also gives facilitation in developing SMEs through various support programmes aimed at improving their capacity and capabilities, thus enabling them to access into the international markets. One of the programs that should be participated by *PTC* is Malaysian Brand. Malaysian Brand is an accreditation scheme for quality, excellence and distinction of products and services of Malaysian company's collaboration SME Corporation Malaysia with SIRIM QAS International Sdn. Bhd. Participating Malaysian companies will be evaluated through stringent standards, whereby auditing and monitoring measures will be put in place to ensure adherence to the set quality standards. If successful, the products or services will be given the right to carry the National Mark of Malaysian Brand for the period of two years. To retain the Mark, auditing and monitoring measures will be done periodically to ensure adherence to the

criteria set. Various trade promotion activities will be undertaken to promote brands that have been awarded with the National Mark of Malaysian Brand. *PTC* should strength their product and services and take this opportunity to apply for Malaysian Brand to distinguish *PTC* as a trusted brand.

Putrajaya Hospital Cafeteria PTC Branch also was awarded the Certificate of Recognition as 'Clean, Safe and Healthy' (BeSS) by the Ministry of Health Malaysia and was the first cafeteria in Malaysia to receive such recognition. Another *PTC* branch, *Seremban Hospital Cafeteria Branch* was also recognized by the Ministry of Health Malaysia as the first hospitalized Cafeteria in Malaysia which introduced a healthy food menu and also has been used as a hospital model for hospitals across Malaysia under Ministry of Health Malaysia.

Competitors

Pak Tam Cafe (*PTC*) direct competitor is *Ani Sup Utara* while the indirect competitor is Oldtown White Coffee. *PTC* is a local company which is similar with *Ani Sup Utara*. Both companies are established as Small Medium Entrepreneurs (SME's) in Malaysia and run by local Malaysian. They provide similar dishes which are mainly Malaysian dishes. *Ani Sup Utara* is focusing more on soup-based dishes as its main dish. In comparison between *PTC* with Oldtown White Coffee, it is global company with its branches in Malaysia. In terms of corporate image, it has a strong image that enable it to position itself in the food and beverage industry. *PTC* has strong corporate image which used black and red color to attract consumer and remember their logo image. Oldtown White Coffee have used dark brown color which suitable to create their restaurant looks like traditional interior design.

PTC has *halal* accreditations from JAKIM, offered Malaysian signature dishes and food taste which suitable for Malaysian, have variety of product offered which not only focusing on one products and attractive packaging and choose strategic locations. While, *Ani Sup Utara* have own strengths which has more branches and located at urban areas. However, for indirect competitor which is Oldtown White Coffee, it has strengths in high market share value in Malaysia and have good franchise system. In addition, all of three businesses have strategic locations which are located near to crowded places or in a mall, hospital and others. This shows that locations chosen possess strengths to open store and operates business.

However, all three businesses above have their own weaknesses in business operations and management. For PTC, *Ani Sup Utara* and Oldtown White Coffee, they have similar weaknesses which is quality of food that they provide to consumer. The food that is provided by PTC, *Ani Sup Utara* and Oldtown White Coffee only can withstand for one day. If customer wants to eat the food for other day, they need to opt for take-out and keep it in refrigerators. However, customers will not gain same quality like having it on the first day. In addition, they don't have central kitchen hence the food taste is different for every branch. Besides, the weaknesses face by *Ani Sup Utara* is less of advertisements in social media, newspapers and television.

Besides, all of the three businesses that stated above have their own opportunities in terms of management and operation of businesses. PTC has opportunity to go global by using its brand. In comparison with *Ani Sup Utara* which not yet had opportunity to expand globally. This is because they need to establish strong presence in Malaysia market. However, *Ani Sup Utara* has a long-term plan to expand their business into global market such as The South East Asian. In terms of halal certificates, all of three businesses have halal certificates and logo from JAKIM that enable them to run business operations in Malaysia. Halal certificates will create confident to Muslim people to purchase foods and drinks in the restaurants. In terms of the comparison of e-commerce, PTC and Oldtown White Coffee have been doing extensive process of adding more product lines to the existing product and introducing new product mix. This will create more opportunity for these businesses to be well-positioned in the market as consumers always wants to know and purchase new product in market.

These businesses possess threats that need be face in business management and operations. For three businesses above, there are external threats that they need to face. PTC, *Ani Sup Utara* and Oldtown White Coffee are facing the same threats from their direct and indirect competitors. Hence, they need to craft better marketing strategy to attract their customers. They need to understand and examine feasibility study about customer demand in choosing their meal.



Ani Sup Utara is identified as the primary competitor for PTC. *Ani Sup Utara* is the largest restaurant that serve soup in Malaysia. *Ani Sup Utara* operates on 1st July 2003 at *Plaza Sentral Shah Alam, Selangor Darul Ehsan*. The distributor of *Ani Sup Utara* is *Allahyarham Mr. Hasanuddin bin Ibrahim* and *Mrs. Rohani binti Abu*. *Ani Sup Utara* have its own company namely *Little (M) Sdn Bhd* was establish on 13th June 2005 and register below *Suruhanjaya Syarikat Malaysia (SSM)*. *Little (M) Sdn Bhd* that managing the chain of *Ani Sup Utara* Restaurant which have 36 branch whole Malaysia. 36 branches consist of 13 as restaurant and 23 from kiosk at mall and government offices.

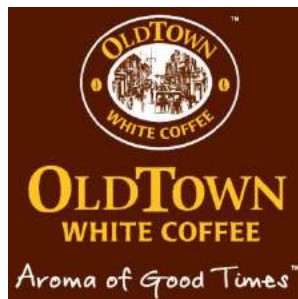
Ani Sup Utara produces food based on soup such as Meat Soup, Mix Soup, Chicken Soup, Bones Soup, Gearbox Soup and many more. It also serves *Nasi Lemak* as a breakfast food. It is famous for the tagline '*Ingat Sup Ingat Ani Sup Utara*'. The pricing strategy is based on the type of soup will be serve to the customer, as shows in Table 1 below.

Table 1: Ani Sup Utara Product Prices

Signature	Price
Set Nasi	RM2.00
Sup Daging	RM7.50
Sup Perut	RM6.50
Sup Campur	RM6.80
Sup Ayam	RM6.50
Sup Paru	RM6.50
Sup Ayam Cendawan	RM7.70
Sup Tulang	RM7.70
Sup Ekor	RM13.90
Sup Kambing	RM13.90
Sup Ekor	RM13.90
Sup Lidah	RM13.90
Sup Urat	RM17.00
Sup Gearbox	RM15.00 - RM 40.00
Sup Tulang Rusuk	RM11.50
Buhun Sup	RM5.00
Mee Sup	RM5.00
Kuey Teow Sup	RM5.00
Bubur	RM5.00
Soto	RM5.00
Nasi Ayam	RM5.00
Bakso	RM5.00
French Fried and Nugget	RM5.00

Laksa	RM5.00	
Mee Kari	RM5.00	
Nasi Bebola Daging	RM5.00	
Kuih Tradisional	RM0.50-RM1.00	
Telur ½ Masak	RM1.50	
Roti Bakar	RM1.50	
Nasi Lemak Bilis/Telur	RM1.50	
Drinks	Cold	Hot
Nescafe	RM1.90	RM1.70
Mocha	RM4.00	RM4.00
Capuccino	RM4.00	RM4.00
Milo	RM2.00	RM1.80
Nescafe	RM1.70	RM1.50
Coffee	RM1.70	RM1.50
Teh	RM1.70	RM1.50
Oren	RM2.50	-
Laici	RM2.50	-
Bandung	RM1.90	RM1.70
Sirap	RM1.60	RM1.40

The indirect competitor for PTC is Oldtown White Coffee. Oldtown White Coffee was established in 1999. It is become the indirect competitor of PTC because Oldtown White Coffee also serves coffee to the customer and they also provide complete meal sets. The products and service offered are quite similar compared to PTC. Both businesses are established by Malaysian entrepreneurs.



The pricing strategy is based on the type of meal will be serve to the customer, as shows in Table 2 below.

Table 2: Oldtown White Coffee Product Prices

Foods	Price	
Oldtown BBQ Chicken Dry Curry Big Noodles	RM 11.50	
Oldtown BBQ Chicken Dry Egg Noodles with Fried Wantan	RM 11.50	
Oldtown BB Chicken Soup Egg Noodles With Fried Wantan	RM 11.50	
Oldtown Asam Laksa	RM 11.50	
Oldtown Curry Mee	RM 11.50	
Oldtown Prawn Meehoon Mee	RM 11.50	
Springy Noodles Special	RM 10.40	
Meehoon Soup with Minced Chicken Meat	RM 7.90	
Meahoon Soup with Fish Ball	RM 7.90	
Dry Springy Noodles with Chicken Chop	RM 13.60	
Oldtown White Curry Macaroni	RM10.40	
Macaroni in Tomato Soup	RM 10.40	
Dry Curry Meehoon & Mee	RM 10.40	
Oldtown White Curry	RM 10.40	
Oldtown Nasi Lemak with Fried Chicken	RM 12.60	
Oldtown Rendang Chicken Rice	RM 15.70	
Oldtown Nasi Lemak with Tumeric Fried Chicken	RM 13.60	
Oldtown Nasi Lemak with Sambal Sotong	RM 12.60	
Oldtown Curry Chicken Rice	RM 13.60	
Oldtown Ayam Masak Merah Rice	RM 15.70	
Spicy Chicken Chop Rice	RM 16.80	
BBQ Chicken Rice	RM 10.40	
Roti John	RM 5.90	
Mixed Grill	RM 17.90	
Chicken Chop	RM 16.80	
Drinks	Hot	Cold
Oldtown Nan Yang	RM 4.70 (Regular)	RM 5.50 (Regular)
	RM 5.70 (Large)	RM 6.50 (Large)
Oldtown White Coffee Hazelnut	RM 5.50 (Regular)	RM 5.80 (Regular)
	RM 5.80 (Large)	RM 6.80 (Large)
Oldtown White Coffee Cham	RM 4.40 (Regular)	RM 4.70 (Regular)
	RM 5.40 (Large)	RM 5.70 (Large)
Oldtown Nan Yang O	RM 3.40 (Regular)	RM 4.00 (Regular)
	RM 4.40 (Large)	RM 5.00 (Large)
Oldtown White Coffee Mocha	RM 5.50 (Regular)	RM 5.80 (Regular)

	RM 6.50 (Large)	RM 6.80 (Large)
Oldtown White Coffee Signature Freezy	-	RM 11.10
Oldtown White Coffee Freezy	-	RM 9.30
Oldtown White Coffee Hazelnut Freezy	-	RM 9.80
Oldtown White Coffee Hazelnut Freezy	-	RM 9.80
Black Tea	RM 4.00	RM 4.50
Oldtown Teh Tarik	RM 4.40	RM 4.70
Oldtown White Milk Tea	RM 4.40	RM 4.70
Lime Juice		RM 4.70 (Regular) RM 5.70 (Large)
Orange Juice		RM 5.50 (Regular) RM 6.50 (Large)
Fresh Lemon Tea	RM 5.00 (Regular) RM 6.00 (Large)	RM 5.50 (Regular) RM 6.50 (Large)
Honey lemon Juice	RM 5.00 (Regular) RM 6.00 (Large)	RM 5.50 (Regular) RM 6.50 (Large)
Gula Melaka Soya Milk	-	RM 6.10
Soya Milk Cincau	-	RM 6.10
Cinnamon Soya Milk	RM 6.10	-
Organic Wheat Grass Honey Juice	-	RM 7.20
Soya Milk	RM 5.00 (Regular) RM 5.60 (Cold)	RM 5.60 (Regular) RM 6.60 (Large)
Lemon Coke		RM 5.50 (Regular) RM 6.50 (Large)
Lemon Sprite		RM 5.50 (Regular) RM 6.50 (Large)
Coca Cola		RM 4.40 (Regular) RM 5.40 (Large)

Sprite		RM 4.40 (Regular) RM 5.40 (Large)
Fanta Grape		RM 4.40 (Regular) RM 5.40 (Large)
100 Plus		RM 4.50 (Regular)
A&W Sarsaparilla		RM 4.50 (Regular)
Mineral Water		RM 3.50 (Regular)
Drinking Water		RM 0.80 (Regular)

Financial Performance

PTC sales are constantly increasing from year to year. In 2014, PTC sales volume was about RM2,827,229.00 and increased about 80.8% to RM5,111,258.00 at 2015. In 2016 the sales were continuously increased about 76.5% to RM9,024,065.00. The increasing in sales each year is a good sign for small companies that are just about to grow like PTC. The reason for the growth sales in PTC is the change in the business operation of the company. Another reason that helps increase sales is the addition of newly opened outlets and aggressive promotions by PTC.

PTC gross profit margin is 44.4% in 2014 and decreased to 43.27% in 2015. The gross profit in 2016 is also decreased about 5.04% to 38.22%. This shows that as sales increase, the cost of sales also increases. Increasing in cost of sales is due to unpredictable items such as increasing oil prices will indirectly raise the price of goods in the market. For company which is involved with the food and beverages industry, this is unavoidable. The company also has to be able to minimize its costs and avoid increasing food and beverage prices to attract its consumers and keep the relationship with its loyal consumers.

PTC had suffered negative net profit margin in 2014 which is -0.66% and getting better to positive net profit margin which is 0.42% in 2015. PTC net profit margin was slightly better in 2016 which increased almost 50% to 0.89%. In 2014 the return on capital employed (ROCE) is 3.19% indicates that for every ringgit invested in capital employed, the company made 3.19 cents of their profits. In 2015, the ROCE is increased to 6.60% and increased about 11.13% to

17.74% in 2016. This means that PTC did a better job of deploying its capital. ROCE is an important indicator of performance. In general, investors tend to favour company with stable and rising ROCE numbers over companies.

In 2014, the company account receivable ratio was 92 days. In 2015 it has decreased to 36 days and increasing to 37 days in 2016. This show that how quickly and efficient PTC collects on its outstanding bills. PTC account payable ratios in 2014 is 100 days and decreased to 66 days in 2015. For 2016 this ratio decreased to 63 days. From the ratio, it means that PTC suppliers have high trust on the company and allow them to delay the payment from 100 days to 63 days. Besides, PTC has a stable relationship with the suppliers and from both receivable ratio and account payable ratio we can see that the company has a stable financial statement.

In the year of 2014, PTC current ratio was 2.3, increased to 2.4 in 2015 and decreased to 1.49 in 2016. We can see the increasing and decreasing of the ratio from year to year. However, despite this situation the company still capable in paying its obligations, as it has a larger proportion of asset value relative to the value of its liabilities. Debt ratio for this company is 0.38 in 2014, 0.37 in 2015 and for 2016 this debt ratio is decreased to 0.35. From year 2014 till 2016 this ratio is decreasing meaning that PTC is having low level risk of debt and do not rely heavily on borrowed fund and the company is financially stable.

An analysis of PTC financial statements reinforces that PTC is financially stable and the liquidity position of this company is good. The company's sales growth and gross profit has been extraordinary during the past three years and increased almost 50% each year. Despite having negative loss in net profit margin in 2014, PTC managed to get up and gain profits within a year. This show that PTC has taken immediate effect to develop their strategies to improve its operation. As a conclusion, to be as a company with global operations in hospitality and a leader in world class innovations and excellent service through different target customer and food concept, PTC should increase their net profit by controlling their expenses and reduces cost of goods sold. For record PTC have suffered negative net profit margin in 2014 which is -0.66% and getting better to positive net profit margin which is 0.42% in 2015. PTC net profit margin was slightly better in 2016 which increased almost 50% to 0.89%. The bigger the net profit percentage, the more stable and prosperous company will be.

Marketing and Standard Operating Procedure (SOP) Practice

PTC implemented comprehensive Standard Operating Procedure (SOP) in their daily operation in order to make sure that PTC could manage the quality of foods and beverages offered by this company. Quality products are mandatory to help to maintain customer satisfaction, increase customer loyalty and increase food safety. The strict and wide-ranging SOP has enabled PTC to accumulatively collected awards from various organizations. For the record, *Putrajaya Hospital Cafeteria Branch* was awarded the Certificate of Recognition as 'Clean, Safe and Healthy' (BeSS) by the Ministry of Health Malaysia and was the first cafeteria in Malaysia to receive such recognition.

Another PTC branch, *Seremban Hospital Cafeteria Branch* was also recognized by the Ministry of Health Malaysia as the first hospitalized Cafeteria in Malaysia which introduced a healthy food menu and also has been used as hospital model for hospitals across Malaysia under Ministry of Health Malaysia and optimistically this is the beginning of the PTC towards acquiring ISO 9001. Accreditation will help *PTC* to win new customers or enter new markets by giving prospects independent validation of company's capability to supply quality products. This will eventually help to increase company revenue.

To ensure the quality of the product and services provided meeting customer expectation, there are few steps can be taken by PTC. The first one is to develop comprehensive system enabling systematic food handling operation and services. For example, comprehensive standard operating procedure can be made available to cover food preparation processes and services. Guidelines and clear expectation on the task can also be created. Automated way of handling the product and services can also be introduced to move away from human dependency such as by creating a central kitchen where the food is prepared, measured and pack as per intended quantity and delivered to each outlet to avoid mishandling of food processing at the outlet itself. Central kitchen is commonly used by companies with limited retail space. By having central kitchen, operators can reduce the kitchen space and make the best use of the retail space. Central kitchen is very beneficial to all F&B industry and having a central kitchen is not as easy as we think because it requires an expensive investment of time, money and resources. Thus, PTC need to make a lot of consideration and planning to adopt a central kitchen in their operation.

For the task where human resources are unavoidable, recruiting capable employee to fill up the competency gap is necessary. Comprehensive training to equip the staff on the quality of food and services expectation is also needed to ensure the staffs are certified to perform the task as expected. Enforcement on the procedures that abide to labour law can also be implemented to ensure the required standard operating procedures are correctly followed.

SOP alone is insufficient to retain the quality of the product and services. PTC also require a comprehensive supply chain management system. In fact, as a solution to the PTC in relation to food quality issues is to provide central kitchen. Adoption of central kitchen as a part of business's PTC significantly help to improve company operations as well as profit of the company. For example, food preparation time can be reduced as majority of the dishes are generally prepared in advance at the central kitchen before delivering to the outlets. As such, manpower at the outlets can also be reduced and this directly helps to reduce the labour costs. Central kitchen not only prepares food in quantity but also maintains consistent quality. Therefore, centralized foodservice system gives improved quality, reduced costs and time which results in better productivity and increased profit.

Poor quality increases costs. PTC should have an effective quality control system or may incur the cost of analyzing nonconforming goods or services to determine the root causes and retesting products after reworking them. In some cases, company may have to scrap defective products and incur additional production costs to replace them. If defective products reach customers, company will have to pay for returns and replacements and, in serious cases, they could incur legal costs for failure to comply with customer or industry standards. With adoption central kitchen in PTC, it will help PTC to improve bottom line by reducing costs through economies of scale, reducing food preparation time and manpower at the outlets and most importantly control and ensure consistency food quality.

Customers nowadays anticipate the company to deliver quality products otherwise they will quickly look for alternatives. Quality is critical to satisfying the customers and retaining their loyalty so they will continue to buy from PTC in the future. Quality products make an important contribution to long-term revenue and profitability. They also enable PTC to charge and maintain higher prices.

Brand Management

Beside quality product and services, building a strong brand is also crucial. Consumer has certain expectation on the product and services based on the brand that the company is offering. PTC has expanded to 10 outlets across Malaysia and looking forward to growing even bigger, aiming to be a company with global operations in hospitality and a leader in world class innovations and excellent service through different target customer and food concept.

To achieve this goal, PTC needs to build a strong brand that the consumers can relate to. Currently, all PTC outlets are carrying *Tuuu...Dia Pak Tam* logo without standardization on the prices, café concept and servicing style. This may cause confusion to the customers when the services or the prices are not meeting customers' expectation.

To build the strong brand PTC needs to classify the many outlets based on the target customer and cost requirement. For example, to capture low to moderate income customer, Hospital Cafe - *Hospital Kuala Lumpur, Hospital Putrajaya* and *Hospital Titiwangsa* can be renamed from *Tuuu...Dia Pak Tam* to *The Canteen*. For the food court concept outlet like PTC in *Tapah Selatan, Tuuu...Dia Pak Tam in Tapah Utara, Tuuu...Dia Pak Tam in Ulu Bernam* may be renamed to *The Eatery*. PTC as in *Vista Alam* can remain as the blue print outlet that targeted for moderate to high income consumer. PTC has significantly evolved from serving small functions to serving 15,000 people in single event. PTC services are available for all business and private social events and functions including wedding events, corporate events, business luncheon, dinner meetings, open houses, theme parties, barbeque and more. With this strategy, the brands are defined clearly and the consumers are clear about what to expect when they visit each outlet. So, when PTC classify their outlet based on the target and cost requirement, the consumers can choose their favourite food base on existing outlets. With classification also, PTC can accurately assess the investment opportunity and place the right brand at the right location.

Pricing

Pak Tam Cafe offered a variety of foods and beverages with a reasonable price as shown in Table 3 below:

Table 3: Pak Tam Cafe Product Prices

Signature	Price	
Mee Rebus	RM 5.90	
Mee Rebus Ayam	RM 8.50	
Mee Rebus Udang Herba	RM 8.50	
Mee Rebus Sambal Sotong	RM 8.50	
Rojak Pasembor	RM 5.90	
Rojak Pasembor Ayam	RM 8.50	
Rojak Pasembor Udang Herba	RM 8.50	
Rojak Pasembor Sotong	RM 8.50	
Rojak Pasembor Paru	RM 8.50	
Rojak Pasembor Mee	RM 6.50	
Nasi Ayam	RM 6.40	
Nasi Sup	RM 6.50	
Aneka Sup	RM 5.90	
Roti Bakar	RM 3.50	
Drinks	Cold	Hot
Teh	RM 2.10	RM 1.60
Teh O	RM 1.80	RM 1.10
Nescafe	RM 1.90	RM 1.60
Milo	RM 2.70	RM 1.90
Kopi	RM 2.10	RM 1.60
Kopi O	RM 1.80	RM 1.10
Limau	RM 2.10	RM 1.10
Horlick	RM 2.70	RM 1.90
Epal	RM 3.50	RM 3.20
Oren	RM 3.50	RM 3.20

Sunquick Oren	RM 2.10	-
White Coffee	RM 3.50	RM 3.20
Sirap	RM 1.80	RM 1.30
Bandung	RM 2.10	RM 1.60

Customer Needs and Expectations on Street Foods

The street foods are playing an essential role towards Malaysian food industry. According of Economic Census 2016, the Malaysia food and beverage sector number of establishment at 167,490, growing from the years before which is 5.1 % per annum over the past five years. It shows that food service has a high demand from the consumers. They want the food in their live as a basic need. Nowadays, consumers need the food that make them satisfy with it.

The street foods also contributed to the growth of tourism industry in Malaysia. For example, Penang is the best culinary destination to travel and taste the street foods as it was recognized by the Time Magazine in 2004 as having the best street foods in Asia and as the “food paradise”, chosen by the CNN as one of the top ten street food cities in Asia. The major strength of Malaysian food was found to be centred on food price, rich in flavours, freshness, high availability, cleanliness, good services and variety. Customers are satisfied with their food experiences image and satisfaction. Therefore, the owners of street food business should enhance the image of Malaysian food and consequently to position Malaysia as one of the popular food destinations in Asia. Also, with the government efforts to promote Malaysian food around the globe by supporting entrepreneurs to set-up Malaysian restaurants in major cities such as New York, London and Tokyo, which in turn will help to generate awareness and interest among travelers and customers from other countries on the uniqueness of Malaysian food. This may assist the Malaysian food industry by providing new insights into the consumers’ perceptions of food quality.

Conclusion

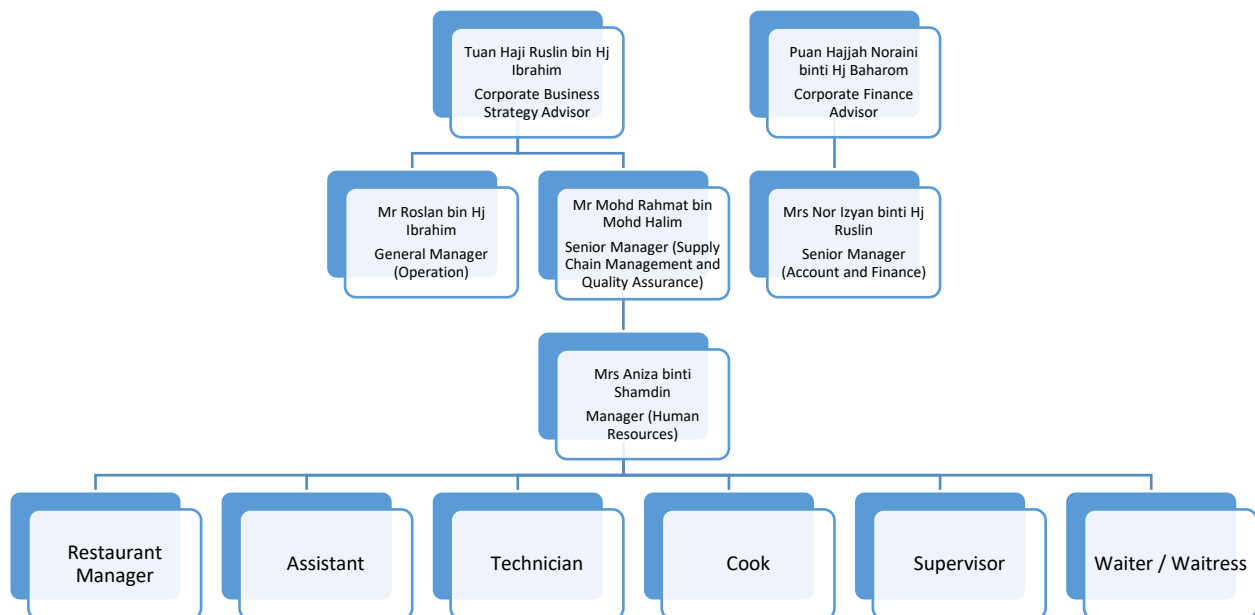
The case study on Pak Tam Cafe provides a more comprehensive look on an example of one of successful Malaysian SME companies from the marketing perspective. The concept of marketing has been widely implemented in analyzing the business in PTC specifically, and Malaysia business in F&B, generally. It also identifies the internal and external issues and challenges faced by PTC to sustain its business by attracting new customers and retaining existence customers. However, PTC needs to implement new strategies which can contribute in achieving the goals. Therefore, the PTC management team had listed a few questions in order to decide on the strategies: What are the strategies to be taken to help Pak Tam Cafe to attract new customers? What are the strategies to be taken to help Pak Tam Cafe to retain existing customers? What can be done by the management team to increase PTC sales volume during weekdays, weekends and public holidays? Is there any customer relationship management (CRM) can support PTC sales performance at every stage of the sales cycle, from leads to customer management? How to implement appropriate strategies such as environmental analysis, competitor analysis and market analysis?

Exhibit 1: Pak Tam Cafe Images





Exhibit 2: Pak Tam Cafe Organizational Chart



Value Co-creation with Customers by Facebook Community: A Successful Example of PKT Logistics

H. M. Belal, Alminnourliza Noordin, Quamrul Hasan, Mohamad Faizal Ahmad Zaidi
*Knowledge Science Research Lab, School of Technology Management and Logistics
Universiti Utara Malaysia*

PROLOGUE

Value co-creation is an emerging subject in the practical field. Companies are very familiar to practice value creation of goods innovation rather than value co-creation by adding service concept. Meaning, value is created not only by what firms do, but also by getting the consumer to engage with firm for new knowledge as well as experience in terms of adding service-based value, which is co-creation (Prahalad and Ramaswamy, 2004).

Some companies are practicing well in co-creating value with customers with the view of service. For example, Nike Inc., collaborating with Apple Inc., the Nike has innovated a new product as a service called Nike+ shoes (i.e., Nike+iPod Sport Kit). The Nike+ shoes co-creation platform exploits the link between running and listening of music. Users can select their exercise from a personal training list, including foot movements, rhythms, times, distances covered, and calories burned.

Cisco company is providing an on-line service for giving its customers open access to Cisco's resources, information and systems, thereby Cisco and its customers can get involved with each other and make user community (Prahalad and Ramaswamy, 2004). This community works as a platform of dialogue between company-consumer for new knowledge creation in terms of problem solving and designing services as a solution. Hence, the value creation is adding value to their product and offer 'value packages' (Wise and Baumgartner, 2000) to customer by practicing service activities within the business. That sounds great. Now, how PKT Logistics applied this Value Co-creation with Customers by Facebook Community?

INITIAL STATE OF PKT LOGISTICS

In 1974, Dato' Tio Sook Keo founded a trading company called Port Klang Trading in Shah Alam, Malaysia. The company was renamed and is operating today as PKT Logistics Group Sdn Bhd. Their motto is "We serve... with passion." PKT is currently considered a leading logistics company not only in Malaysia but also in the Asia Pacific region. To reach this position, PKT had to differentiate itself by changing its business philosophy from the standard to the service concept perspective.

In doing this, they are strongly committed to providing a total logistics service-based solution to customers through mutual cooperation among stakeholders. The services include end-to-end design, implementation, and operation of logistics solutions in freight forwarding, customs brokering, contract logistics, haulage, and distribution management for large and medium-sized national and multinational companies (Business Times, Oct 25, 2016). The leadership of Dato' Michael Tio (DMT), Group Chief Executive & MD of the company, was behind this change and the eventual success of PKT.

Business Partnership and Expansion

However, it was initially a partnership company whose customers thought PKT was a very small company because only small companies do a partnership. The turnover was only 2 million Malaysian ringgit (MYR) per annum. Now, PKT is a limited company (Sdn. Bhd.) and ranked fifth in Malaysia in the logistics service industry with the turnover 300 times what it was before. PKT has created its own brand image, and it has the top ten licenses for costumed brokerage including other services. PKT has expanded its business with international collaborators.

PKT has already formed a venture business with Japanese company Utoc Express (whose name changed from Utoc Corporation). Utoc Logistics is a subsidiary of Mitsui groups (e.g., Mitsui Sumitomo, Mitsui O.S.K. Lines, Ltd., and Mitsui Bussan trading house, which are all restructured and owned by MOL Logistics). PKT also joined a venture with a Korean company called Asia Pacific Express that led PKT into the Korean market. PKT has also started another

joint venture with Massa Logistics and Okamoto Logistics Co., Ltd. to become an automotive specialist.

Furthermore, PKT has expanded its business into non-automotive sectors as well. It has focused on fast-moving consumer goods (FMCG), Food & Beverage (F&B), and renewable energy segments with the plan of earning 40% of company's total revenues. PKT is operated by about 400 energetic employees who are eager to manage almost 200 hundred high-profile customers such as Kia Motors, Hyundai Motor Company, Mitsui O.S.K. Lines, Ltd. (MOL), Mazda Logistics Co., Ltd. (Malox).

RESTRUCTURING BUSINESS MODEL OF PKT

After returning DMT to Malaysia in 1996 from the United Kingdom, he took over the operating responsibilities from his father. His goals were a greater annual turnover, a greater market share, and to see his company as a logistics leader in Malaysia as well as attain a reputable position in the global logistics market. In addition, the broader goal was to make Malaysia the logistics hub of the region rather than Singapore. But, how? He found the answer by realizing that making his company different from its competitors with a service-oriented view rather than the standard view of business is possible with the philosophy of "Dream of it, Talk about it, Plan for it, Work on it, and Get it."

Therefore, he restructured his business model as a continuous knowledge creation process by redesigning the company internally and externally to offer service-based value. They focused on internal issues such as the company's availability of favorable infrastructure for logistics support such as advanced structured buildings (STARBIZ 6 Feb. 2017), vehicles, workplace design, service-minded human resources that were highly motivated and skilled (e.g., smart truckers), ICT, and relationship platforms. Again, the external issues focused on customer accessibility systems to the company for co-producing value, the company's social responsibilities (CSR), building trust, etc.

PKT adapted the restructured business model and practiced it by managing the PKT-DMT Facebook community as 'Ba' ('Ba' is the platform of sharing participants' idea/data/information/experience for new knowledge creation). To strategically operate PKT's business, DMT gave priority to employees and customers. He preferred to put employees first and customer second, because customers tend to remember employees' service as what made them happy and loyal rather than the product itself. DMT believes that connecting the customers to every system of his business is crucial. Therefore, he aimed to make a beneficial relationship platform for himself, customers, employees, partners, and society. With this in mind, he relied on ICT and, more specifically, on Facebook as a communication method. He created a PKT-DMT Facebook community where his entire staff communicates.

He chooses Facebook because, the ways of communication are changing and if anybody tried to evaluate the future communication channel, then it becomes across Facebook and it is the next wave of communication between people. In functional aspects, the Facebook is more progressive than others social media. Whereas others social media like Twitter- has limited to a certain number of characters, Instagram- is just only for pictures sharing, WhatsApp need to invite them to a specific group. They even conduct and record meetings via Facebook.

Corporate Social Responsibility

In addition, DMT made PKT a well-known social entrepreneurship that delivers beneficial service to society as well as creates new entrepreneurs. His philosophy is Corporate Social Responsibility (CSR) is not about how you spend your profits; CSR is about how responsibly you make your profits," which has made PKT's CSR stand out among the rest. For the community, there is the Anak Belajar Ibu Bekerja (ABIB) program that is focused on giving job opportunities to mothers who live in the villages surrounding PKT's facilities, a Career Day for Facebook fans to come and seek job opportunities from PKT's customers and clients with job matching done by PKT's Human Resources team, and the Smart Trucker program to motivate new graduates to work four years as a trucker with high wages and career progression guaranteed after the four years. These programs also aim to ensure reductions in road accidents and national

unemployment and ensure customer satisfaction with deliveries. In this way, PKT has improved its brand image.

DMT-PKT FACEBOOK COMMUNITY

The Facebook trend of effective communication via social media and the opportunity it presents to gain competitive advantages when used commercially has been recognized by DMT. Therefore, since 2009 PKT has strategically made Facebook compulsory for its employees, customers, and mentees. The application of this strategy was very challenging and risky, as it was a completely new approach to networking in a business generating system compared to emails or phone calls. DMT has managed it very carefully by understanding his employees' state of mind. He knew that his employees like using Facebook and he believed that using it could create a fun environment for his company, essential for getting his employees' best efforts.

DMT also wanted to keep them up to date on what was going on with him. He also wished to always be available to communicate with PKT's customers, his mentees', and society to inform them of every situation of PKT and to gather knowledge from them. So, he thought creating a Facebook community could become very strategic for the company's business operation system. He chose Facebook because methods of communication are changing and Facebook is seen as the next wave of future communication between people. Functionally, Facebook is more progressive than other social media. Meanwhile, other social media like Twitter is limited to a certain number of characters, Instagram is only for sharing pictures, and Whatsapp requires invitations for users to join specific groups. So, Facebook is the biggest platform for media without producing any content.

Additionally, DMT wanted to have an enjoyable, cool, and fun working environment in the company. Thus, he decided to create the PKT Logistics Group Sdn. Bhd. and Dato' Michael Tio' Facebook pages, which are considered the "PKT-DMT Facebook community." He structured it correctly and set some rules that transformed all partners' mentality. As of May 1, 2017, there are more than 800,000 followers in this Facebook community (Dato' Michael Tio's Facebook page has 732,372 followers and PKT Logistics Group Sdn. Bhd.'s page has 70,000 followers). In

addition, there are some other PKT-related Facebook pages for departments and decision-making management that are special and secret. All human resource information is usually shared internally in those groups.

However, the main characteristic of this PKT-DMT Facebook community is sharing updated information and activities regarding PKT Logistics, such as its upcoming services and benefits for customers-employees society. PKT-DMT's Facebook community also shares DMT's way of thinking to generate business for the new era, DMT's philosophy towards attaining business success and his successful experiences, PKT's and DMT's achievements, concepts and policies for young or potential entrepreneurs, PKT's programs and events, introducing customers' and mantees' products and benefits, directions on how to achieve national business and economic progress, encouraging education to increase employability, the job creation service for housewives and many more by status, and images and live videos. Characteristics differ between DMT's and PKT's Facebook pages.

DMT's page is more like an entrepreneurship page. It also creates an image for PKT. DMT pages handle internal postings that are more about entrepreneurship, leadership, and corporate social responsibility (CSR). PKT's page is for the company's overall business operations.

Currently, in PKT, the PKT-DMT Facebook pages are seen as the most practical way to operate business. It is used for every business procedure, such as meeting arrangements, customer linking, marketing, value propositions, selling, managing CSR program, mentoring program, new product launching, financial report, event organizing, and data storage. In addition, PKT now uses Facebook as a recruitment channel. Currently, the PKT-DMT Facebook community has over 800,000 fans, who are indirectly helping to create a strong brand image for PKT.

Additionally, about the knowledge transferring from PKT to customers or bringing from customers to PKT, Facebook is the platform that PKT could share and transfer the knowledge to the customers and at the same time gathers the successful experience from them. This is because all the postings, videos, comments, and reviews on the Facebook are recorded and can be traced.” Thereby, PKT or its partners can apply those postings, videos, and comments as knowledge to co-produce value. An example can be given to issues in retaining employees in the company.

Value co-creation between DMT and employees

As a visionary leader, DMT has proven that he has got many ideas and is highly capable in turning the idea into reality. The value co-creation between DMT and his employees happens also from the virtual group meeting, and direct communication as well. These are based on experience, knowledge sharing, and customer data gathering and analyzing. Here we are giving a few examples related to these. Three of the employees responded:

“We do a lot of virtual meetings. Simply because we all have different schedules, unless specifically talking about time. It is difficult to be face-to-face. Sometime, we arrange the same time with DMT and other senior managers”.

“Virtual meeting is very useful for Key Performance Index reporting. DMT and I also could monitor all HoD (Head of Department) have submitted their KPIs (Key Performance Index). Whatever happen in Penang, when the HoD submit the KPIs, we can query him what happens this month, and why this number has such a drastic drop. So there are lots of interesting interaction”.

“We can get the quick information from DMT. When there is any problem or if he found out something, he will immediately post it in the Facebook and our team will solve it.”.

Value co-creation between employees and customers

With the aim of win-win business relationships for both parties, PKT employees and customers are working together with the aid of the DMT-PKT Facebook Community. In this, another example is the establishment of “one stop center” at PKT for customer service and support. Customers are reporting and appraising their desirability through face to face meeting or the

Facebook. From these, PKT is designing and delivering the required solution to their customers. As a result, for example, the customers do not need to visit the governmental office or other agent by themselves. Also, from this service of PKT to their customers they do not need to depend on a consultant, which can lessen their extra work and save some cost as well.

Another successful example in this is: PKT is arranging programs for its customers, and DMT's Facebook followers to help in improving their skills related with the business results. The program of "G String Management for C Level Competence" is one of them. This was conducted in 2016. The program's flyers, agenda, activities, schedule, etc. were shared with others (including participants) using the DMT-PKT Facebook Community. A total of 70 participants successfully completed this program.

EPILOGUE

The service-based value co-creation model created based on visionary leadership, PKT employees and PKT customers. They are connecting each other for attaining 'Ba' with the aim of new knowledge creation using the Facebook platform. The significance of this new model is the top managers (decision makers) are directly interconnected with both the customers and employees, who are the value-determinant, value-designer and value-deliverer via the Facebook platform. Thereby, the decision makers can remain updated including live about the current and latest situation of the company's business and issues. In addition, it includes the existing capability and shortage (e.g., knowledge, skill, resource gap) which helps the management to decide on how to minimize the diagnosed gap for gaining the competitive advantages and future direction of the company as well.

As a result, the outcomes become more beneficial for the company in terms of employee's motivation, customer engagement, risk minimization, successful experience gathering, understanding the actual issues, high possibility to deliver customers' desired services, improving brand images, and finally increase market share with revenue. Although many firms are attempting to use Facebook as a platform for customer connection but in many cases companies are unable to successfully bring and hold the three parties (decision

makers, employees and customers) together and making the ‘service Ba’ as it has been successfully created in PKT. Today, PKT logistics made success with Value Co-creation by Facebook Community, but how about future? Is it sustainable?

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**ENERGY INEFFICIENCY AT UNIVERSITI UTARA MALAYSIA (UUM) MAIN
ADMINISTRATIVE BUILDING**

Mohd Nasrun Mohd Nawi

Wan Nadzri Othman

Abdul Aziz Othman

Jafni Azhan Ibrahim

Mohamad Farizal Rajemi

Mohamad Zamhari Tahir

*School of Technology Management and Logistics, College of Business,
Universiti Utara Malaysia*

Introduction

One morning, located at a beautiful university campus and calm environment, a senior officer at the Department of Development and Maintenance (JPP), Universiti Utara Malaysia (UUM) has received a formal letter from the Energy Commission of Malaysia. The official letter is a letter of notification and appointment of Electrical Energy Manager, since the regulation states that any installation used, worked or operated by a private installation licensee with a total net electrical energy generation equal to or exceeding 3,000,000 kWh over any period of six consecutive months. All electrical works in relation to the Energy Services provided by the Registered Energy Service Company must be performed by competent persons in accordance with the Electricity Supply Act 1990 and the Electricity Supply Regulations 1994. Therefore, in this case, a letter received by a senior officer clearly stated that the entire UUM campus recorded a total electricity consumption exceeding 3,000,000 kWh over any period of six consecutive months based on the billing history data obtained, and follow-up actions must be taken in accordance with the instructions issued under the act.

This huge campus is located in Sintok, Kedah; being located in north Malaysia, it benefits from a tropical climate with high temperatures and high humidity throughout the year in these climatic conditions. Among the main buildings of the campus are the Sultanah Bahiyah

Library, the Chancellery, the Sultan Badlishah Mosque, the Mu'adzam Shah Grand Hall, the Tan Sri Othman Hall, the Sports Complex, the Varsity Mall, the Budi Siswa building and the Convention Complex. In UUM, energy plays an important role in everyday operation, especially when it involves a huge amount of electricity consumption for the campus such as HVAC system (heating, ventilating, and air conditioning) which provides acceptable thermal comfort and indoor air quality. The campus certainly uses a lot of energy in the office buildings that requires a method for determining the rate of energy consumption in a building. As energy consumption in Malaysia is high then no exception of UUM campus and studies show that the commercial sector and residential use half the amount of electricity generated. Therefore, it is important to look at energy efficiency in buildings, by taking into account the objectives of this study.

In order to address this problem, all buildings located around the UUM campus need to undergo an energy audit to be conducted by an experienced consultant. This consultant, also known as energy manager, will be with UUM JPP to form an energy management committee whose members are appointed among engineering professionals, technical support staff and lecturers at UUM. However, for the purpose of this case study, major administrative building such as Chancellery building was chosen as the focus of this study to facilitate discussions and analysis of findings.

Background of the building

According to the senior officer, Chancellery building in UUM is an iconic main office building (Figure 1), being used as administration office and located in the prime area of the UUM campus nearby Sultanah Bahiyah Library and U-Assist Unit. The imposing 25-year-old building houses several main offices for the administration of UUM such as Vice-

Chancellor's Office, Office of the Deputy Vice-Chancellor, Registrar's Department, Treasury Department, Department of Student Affairs and the UUM Gallery as well. Among the advantages of this building is that it is located in a green valley surrounded by tall trees and hills. There is no skyscraper or other nearby building which may reflect excessive light during the afternoon. This indirectly helps to prevent the reflection of light radiate heat directly into the building. The building is a six storey building and its operation hours are from 7.45am to 5.30pm. The Chancellery building uses energy in form of electricity to activate building operations, especially to run lifts, office equipment and air conditioning as part of Mechanical and Electrical (M & E) systems in building, which consume more energy in the operation stage.



Figure 1: Chancellery building

Chancellery building is a multi-storey building with gross floor area of 8,983m². Located in front of the building is a spacious parking area and surrounded by ornamental plants and flowers. While behind the building there is a very wide area known as Dataran Perdana (prime square). The square has a fountain located in the middle, there is a leisure area and a sitting area, ornamental plants, flowers and flanked by a library building in the north and building U-Assist Unit in the south.

Energy Efficiency Issues

Energy efficiency in buildings has become a primary objective for energy policy at regional, national and international levels. Energy efficiency is defined as a way of managing and restraining the growth in energy consumption. Something is more energy efficient if it delivers more services for the same energy input, or the same services for less energy input.

Typically in Malaysia which has a hot and humid tropical climate, conventional office buildings consumed more than half of energy usage (in form of electricity) for air-conditioning. Electricity distribution in Malaysian office buildings consist of air-conditioning load with the highest percentage (58%), lighting (20%), office equipment (19%) and others (3%).

This figure will be more meaningful if some calculations (using performance index) have been done in order to obtain the performance index of the building that would be required by the officer and the team later. Raw data is based on energy consumption (total energy used in a building) for one year in kilowatts hours divided by the gross floor area of the building in square meters. This formula is known as Building Energy Index (BEI). Consequently, the calculation results allowing comparison with other reference values of the index coming from other similar buildings. Previous study by Malaysia Green Technology Corporation (MGTC) revealed that majority of Malaysian office buildings had BEI in the range of 200 kWh/ m²/ year to 250kWh/ m²/ year (Figure 2) and that shows the inefficient use of energy during operation stage.

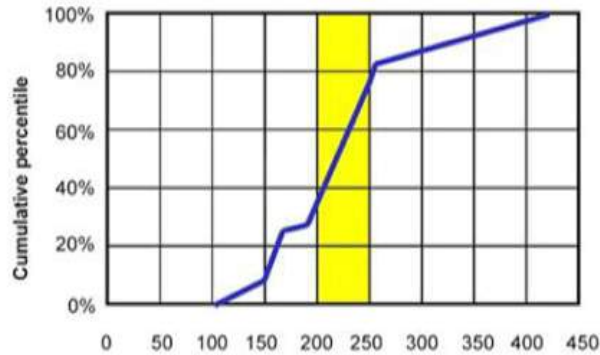


Figure 2: BEI range of Malaysian office building

Seeing that, one of the causes is most of the buildings in Malaysia were design without taking energy conservation (in the form of electricity) into account. Furthermore, the increasing of oil price and environmental degradation in recent years had attracts global concern and leads to a call for better use of energy in the buildings. Therefore, the energy efficiency of buildings become a prime concern for anyone wishing to identify factors that become barriers to energy savings.

Concerning efforts to identify factors that contribute to higher energy consumptions, in fact, many past researchers have implemented several approaches in order to optimized energy consumption in the building as well as minimizing operational cost suggest appropriate management practices that can be implemented with the low-cost and no-cost practice that can be achieved shortly and create the efficiency culture in the organization. Several processes involves and focuses on management practices and some technical aspects as is required to facilitate the process of improving energy use in the building.

Implementation of Energy Efficiency Programs

Throughout the year 2017, the Energy Management Committee which was established in UUM with the cooperation of various units from the Department of Development and Maintenance (JPP), lecturers and energy managers has taken various initiatives that are best considered in ensuring the use of electricity around the campus is to meet the requirements of the Energy Commission (ST). Taking into account the various factors and views of various parties comprising academics, energy managers and M & E equipment suppliers, these are among the key steps taken to address these issues including the selection of low-cost and no-cost practice to achieve energy efficiency in the building.

Interesting findings and reviews

Through a series of information gatherings, there are interesting facts to identify the level of energy use in the Chancellery building. Air conditioning system, lighting system and office equipment are the main operation of energy used in this building. For the purpose of energy management program, the electricity usage for the building was obtained through the collection of monthly electricity bills from the year 2012 to 2016. In the early 2012, there was a slight increase in energy usage in February, followed by a sudden decline in the next month (March) before rising again starting from April to September. In facts, semester breaks are usually from mid-January to mid-February, a week off in April and two-month semester break at the end of June until September, however there was no any significant change to the pattern of energy usage. The rate of electricity consumption goes down in October with a total consumption recorded as 66,111 kWh before returning to a rather ordinary usage of 150,889 kWh in November and 163,961kWh in December 2012 with the total energy consumption for the year 2012 is 1,691,961 kWh.

While for 2013, energy consumption was relatively low early in the year but has begun to increase in February and March before it declines again in April and May. In June, energy consumption recorded the second lowest consumption of the year was probably caused by the long semester break at UUM campus. Then, the energy consumption in the Chancellery is experiencing ups and downs until November 2013 with 198,985 kWh which is the second highest energy usage after March. Total energy consumption in the year increased to 1,746,737 kWh.

In 2014 it appears as two peaks showing how the higher usage of energy occurred sharply in March with a record of 193,034 kWh and also October of 235,234 kWh. However, energy consumption of the other months is much lower with not exceeding 150,000 kWh per month. High energy consumption in March and October can be attributed to the influx of new students and seniors in mid-January and September, which may involve high data throughput, especially involving the office of the Registrar and Bursar located in the Chancellery building.

For the year 2015, data show that in March, October and November there was a significant increase in energy consumption, almost the same as the previous year. This may be due to the registration of new students and returning students. The total energy consumption throughout the year was only 1,780,118 kWh.

In 2016, the rate of energy consumption at the beginning of the semester showed a significant decrease compared to the previous three years. October was still showing the highest energy consumption of the year as the previous years, but the number is lower than in 2015 and 2014 with a total of 139,656 kWh only. However, the total energy consumption for the year 2016

was still very high at 1,873,559 kWh. Figure 3 shows yearly usage comparison from 2012 to 2016 and there is a significant increase every year.

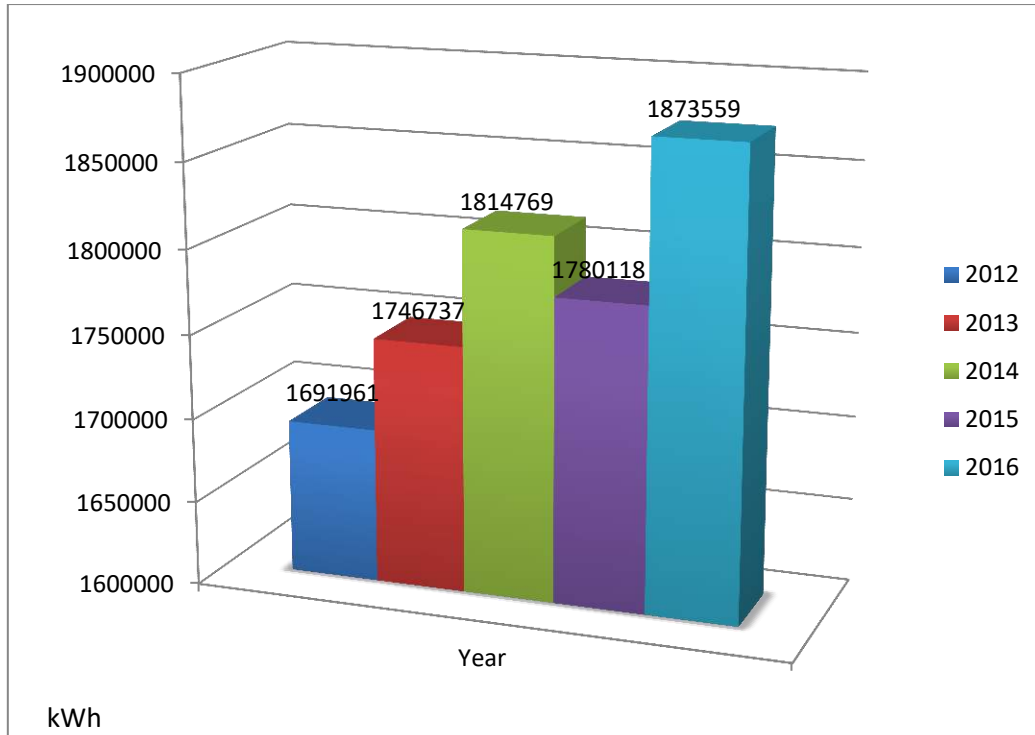


Figure 3: Yearly usage comparison from 2012 until 2016

There were varieties of electric density load and those were all depended largely on functional and aesthetic requirements, and the operating hours. There were also other minor electrical appliances, such as the audio / visual and office equipment.

Based on the monthly electricity consumption history, the energy consumption (kWh) of Chancellery buildings was very high throughout the 12-months periods because the buildings were occupied throughout the year. In fact, the difference in level of energy consumption in certain months as described in previous paragraph is due to academic session and semester breaks.

The electrical system for the buildings is distributed to the use of lightings, plug loads and others while artificial lighting system is used to illuminate interior office space and external areas such corridor and building façade. Basically, there are two parameters that are used to evaluate the lighting efficiency namely lighting power density and luminance level. Overall, electricity usage of the Chancellery building is very uneven throughout the year.

Conclusion

In conclusion, this study is aimed at producing a strategic approach or model for energy-efficient operation and management for effective of building maintenance and operation in Malaysian office building. Which for this case study refers to Chancellery building in UUM, Sintok, Kedah. Overall, the Chancellery building at UUM campus in Sintok, which is the main administrative offices at the university, has very high energy consumption which is increasing every year from 2012 to 2016, except for 2015 when there was a slight decline. The building that houses several main offices such as Vice-Chancellor's Office, Office of the Deputy Vice-Chancellor, Registrar's Department, Treasury Department, Department of Student Affairs has a total gross floor area of 8,983m² and annual energy consumption in 2016 was 1,873,559 kWh/ m²/ year. As a major administrative building in a higher education campus, the management of university must take immediate action in identifying factors that have caused high energy consumption for the past five years.

According to a senior officer at the JPP, a lot of benefits of energy efficiency through a well-planned energy management program over the life of the office building in Malaysia especially in the environment of the university campus. This is important as this study involves many professionals in the field of electrical, mechanical, energy management, academics as well as sharing of expertise and information from other universities.

SUSTAINABLE SUCCESSION PLANNING IN SMALL FAMILY BUSINESS: A CASE OF 5Ds ENTERPRISE

By

Noor Asma Jamaluddin¹, Abdul Halim Abdul Majid², Adedapo AbdGhaffar Alagabi³ & Phathara-on Wesarat⁴

^{1&2}*Corresponding Author/Email: noorasma@uum.edu.my ; ahalim@uum.edu.my*

¹*School of Languages, Civilization and Philosophy, UUM College of Arts and Sciences (CAS)*

^{2 & 3}*School of Business Management, UUM College of Business, Kedah Malaysia*

⁴*Prince of Songkla University, Pattani Campus, Thailand*

Synopsis

This case highlights some specific human resource (HR) issues pertaining to succession planning. An entrepreneur in small family business should give adequate attention on these issues to ensure strategic business success and sustainability. This case discusses the challenges faced by Mr JM in planning successful transition of the family business to the next generation. Mr JM had always been inspired and enthusiastic in contributing towards the growth and survival of his business. His company involved in manufacturing of a wide range designs of steel grills, windows, doors, house/office cabinets and other related services. Old and infirm at 74, Mr JM desired a successful transition when he quit or died. He had been actively engaging and encouraging family members to take over key positions and ownership in the future due to his ill health or exit. However, he had been failing in achieving this and hence the situation had become worrisome and his hope for successful transition to the next generation was getting bleak. The case provides an opportunity for readers to study and understand the challenges faced by most of small family businesses on succession issues. Importantly, it also aims to underline how it can be responsively addressed to help sustain the growth and continuity of family-based businesses in the context of Malaysian economy.

Introduction

Mr JM, the Managing Director (MD) as well as the owner of 5Ds stared at the figure walking through the door of his office. "It's time to go boss," said the staff to signal the close of work. JM nodded in admittance and boded the staff farewell as he watched him go through the door again. It was almost sunset on a bright but windy day in September 2018 in Kuala Lumpur, Malaysia. JM peeped through his office window and watched as the sun disappeared into the

clouds; filled with tears he repeatedly says, “it’s time to go!”. JM knew that as a 74-year-old who had just survived stroke in a country where the life expectancy is 72 years; retirement and death were quite near.

The experienced JM was an extraordinaire entrepreneur with fabulous patriotic drive to mentor and create entrepreneurs. He believed and preached that for the country to progress comfortably into a developed nation, there was a need to constantly create and aid entrepreneurs who will not only provide employment, but power the economy to greater heights. Entrepreneurship was his passion and in recognition of this, the Malaysian government had sent him for a short course on entrepreneurship at one of the universities in United Kingdom about three decades ago. Since he came back, he had mentored many successful small and medium scale entrepreneurs. He knew as he had always warned his mentees; succession was a very challenging issue in business. Going through the company files on his table and looking at his office walls he asked, “How prepared am I for succession?”

JM, 5Ds and the Journey So Far

JM was a creative and weathered entrepreneur with superlative vision. He had over four decades of business experience up his sleeve. He got the spark for entrepreneurship at an early age. “Entrepreneurship has always been my passion,” he said. As a young high school leaver in the 1960’s in a new independent Malaysia struggling to build its economy, JM knew there was an urgent need to provide modern businesses and to engage the citizenry in the new industries. He quickly saw an opportunity in the printing industry and started out as an apprentice with a printing press in his hometown, Kedah, Malaysia. In three years, he was skilled enough to start his own business. He went into partnership with his elder brother to establish a printing press. There in Kedah, he spent several years learning how to manage a family business.

In 1980, the young JM relocated to Kuala Lumpur for greener pasture. Motivated by his experience in Kedah, he decided to establish his own printing business in the heart of the city. However, the new business could not survive because of stiff competition from other printing press who had the monopoly of the thriving KL market. Challenged but undeterred, JM had to close the business and seek for employment first in the printing and later in real estate

industry. Albeit, he was successful working in the real estate industry, his childhood passion for entrepreneurship had refused to go.

Though not sure of what to do, his experience in the real estate opened a lot of opportunities to explore. On the side-lines of his real estate deals, JM arranged additional services such as home insurance, security systems and other domestic amenities to his clients. While delivering these services, JM observed that there was a very high demand for steel grills and doors especially in Ampang area of Kuala Lumpur. Picking on the scarcity of providers of these products and his huge network of clients, he decided to rekindle his entrepreneurship vision catering for these needs.

In 2002, JM quit his real estate job and setup 5Ds as a full-fledged steel design company. He got a comfortable start by leveraging on the network of clients that he had in the real estate job. The company was managed as a family business with his wife had been working full time and his six daughters and a son were helping as part time staff in areas of financial and customer management. Craftsmen were also employed for both full time and project-based employment.

Till date, 5Ds serviced the areas of Federal territory of Kuala Lumpur especially in the Ampang district. 5Ds provided standard and customised services to its clients. It offered a wide range of steel and aluminium product designs. On this, JM remarked “We always keep pace with trendy designs and upgrade our services to keep with changing customer demands. Over the years we get inspiration for design from catalogues and more recently, internet.” JM continued “my daughter is also a gifted artist and she has been actively designing grills, doors and allied products to customers who desire customised services.”

Aside individual customers, the company also provided services for government institutions and prominent companies and private businesses in the retail sector. The business operated six days a week from 10am to 7pm but also engaged staff overtime when there were special projects. Aside his family, the company presently had eight artisans who worked full time while part time positions were offered when there are major commercial projects. The company had grown in leaps and bounds and recorded high success. 5Ds had come from the humble beginning of a single shop lot to the present six and a robust network of satisfied

clients. According to Mr JM, “I believe the company still have huge potentials to grow into the future of which I am not part of, but presently it is a success.”

Road to Succession

5Ds as a family business operated in the 3D-job sector (difficult, dirty and dangerous) of the Malaysian economy. The company’s operation was labour intensive and its workforce comprised of eight full time employees. “Since the 3D sector is shunned by locals especially because of its relatively low wages on offer, our workers are foreigners from Myanmar, Nepal, Bangladesh, and Indonesia; aged between 24 and 40 years old. Most of them are very skilful artisans who work and produce steel window grills, steel doors and steel furniture items” said Mrs RJ (i.e. JM’s wife). JM supervised the day to day activities of the company, he also provided designs for production by the artisans. Mrs RJ took care of the financial management, customer relation management as well as other administrative activities. JM added “When the children were young; they also worked on part time basis to mainly help Mrs RJ. My wife and the children have been the back bone of the business”.

JM had seven children, six daughters and a son aged between 51 and 43. The eldest daughter and child, Mrs N.J. was an architecture degree holder from an American university, and was working with a reputable architectural firm in Kuala Lumpur. Three of his daughters were university staff; Mrs B.J. and L.J. were lecturers and H.J. worked as an executive administrative staff. The other two daughters, namely J.J. and M.J. were budding SME entrepreneurs. The only son, Mr A.J. was a retired army officer who had a successful medium scale company that presently produced and supplied printed t-shirt and embroidery works. “We are blessed with beautiful children who are endowed and fostered with entrepreneurial spirits. We engaged them through their teen years till they are married in 5Ds and made sure they are skilled enough in running the business and by extension any other business” expressed Mrs RJ.

JM’s Family Background

Name	Age	RELATIONSHIP	Qualification	Profession
Mrs R.J	72	Wife	Diploma in book keeping & Business Management. Former English Teacher, Clerk at Malaysia Meteorology Department	Retired and currently helping Mr. JM in managing 5Ds
Mrs N. J	51	Daughter	Degree in Architecture from USA	Working in Architect firm
Mrs J.J	50	Daughter	Complete high school	Tailor & small business (textile supplier for schools)
Mrs H.J	48	Daughter	Degree in Arts from local university	Working in a public university as an executive/administrator
Mrs B.J	48	Daughter	Master & Degree in Accounting from overseas (UK & USA)	Lecturer in a public university
Mr A.J	47	Son	Diploma in Business & Ex-Army officer	Medium business (T-Shirt printing & Embroidery)
Mrs M.J	44	Daughter	Diploma in Business from local university	Doing small business from home
Mrs L.J	43	Daughter	PhD in Education from local university	Lecturer in a public university

Meanwhile, the workers were all immigrant workers and trained artisans with little or no formal education. They were carefully selected and recruited based on their skills and competence. According to JM, “We ensure they are people with the highest potentials, who match the industry’s specificities and can make a difference to the business performance through their immediate and long-term contribution. 5Ds’s immigrant worker retention rate is one of the highest in the sector. This is because they are well remunerated relatively to industry standards. Their immigrant visas are renewed as at when due and return flight tickets home are given every two years.” Mrs RJ added “we ensure they are given additional and continuous training to make sure they are up to date and meet increasingly changing customer demand.” Most of the workers had been consistent, indeed there were four workers who had over 10 years of experience working with 5Ds. On these four, JM commented “These four are trusted and reliable workers, I enjoy working with them and they have stayed long enough to work without supervision and understand the dynamics of the technical aspects of the business.”

The Succession Dilemma

For the old and infirm MD of 5Ds, succession was a nagging challenge. JM had no formal succession plan. “I have read about succession stories and challenges, but I never knew it will be this challenging in 5Ds!” exclaimed JM. While establishing 5Ds, it had been JM’s dream of providing jobs not just for the citizenry but particularly for his children. “At the beginning of the business we had the vision of building the business sustainably in a way that the children will be comfortable and take pride in working and managing the business after we might as well be gone, but here we are today!” quipped Mrs RJ. JM continued “the Chinese family businesses in Malaysia are rather successful at that, their well-educated children are quick to join the family business, so we thought we can.”

JM’s children were well established in their chosen field and just like average Malaysians the 3Ds sector was not attractive to them. JM had to no avail invited them to join the company, but they were hesitant. “I know they can manage the company but they found 5Ds as unattractive” expressed JM. Mrs BJ affirmed that “for those of us working as employees in the university and architectural firm, 5Ds cannot pay us comfortably and 5Ds is not pensionable. We just don’t see a rewarding future in the family business.” His children who were self-employed also shared the same view. According to the only son “enrolling in the army in my late teens denied me the needed opportunity to gain enough experience in 5Ds; as soon as I left the army, I started my personal business and today it is doing well as a medium scale business. My business is very demanding with great prospects”.

It was JM’s utmost wish to leave the company in the hands of family members who can nurture and sustain the company after he quit or died but none was dedicated enough to stay or acquire the required skills needed from a successor. Referring to this JM conveyed “those that have been engaged soon left the company without notice or any tenable excuse. It is so bad we had to rely on immigrant workers for successful running of the business during the period of my illness”.

JM had no plans for shares transfer or outright sale to parties outside the family. To him the business had enough liquidity and healthy balance sheet albeit he had not valued and analysed 5Ds in the same way a potential buyers and competitors would. To JM, shares transfer or outright sale was something he would resist. Referring to this JM remarked “I have no plan now or in the future to prepare for part sales or outright sales of the business to none family members”.

The Way Forward

Struggling for a way out of the succession challenge, JM expressed “I have always envisioned a future where I will bequeath a successful and sustainable family business in which my family and indeed Malaysians can manage and work to attain individual economic freedom as well as national growth and development. As a patriotic Malaysian with over 40 years of entrepreneurship experience, a business owner and business mentor, I have passionately worked and preached for successful and sustainable businesses. I hope the next generation sees family businesses as a call to patriotism and ensure such businesses grow and survive going forward.”

JM had decided to have a succession arrangement in which his trusted artisan was engaged on a project profit sharing ratio basis. On this JM stated “I have experienced and dedicated artisans who have displayed competence in factory maintenance and the technical productions in 5Ds. I have observed that during my brief illness, while my daughter provides the designs and my wife takes care of the marketing, administrative and the financial aspects; the artisans led by Suraimi, a Bangladeshi, were engaged on an agreed project profit sharing approach which was successful and had been retained since my resumption”. “This has worked well, and my husband is quite excited about it. Going forward, he is hopeful this will help in the succession plans...” added Mrs RJ.

Along with the project profit sharing arrangement, JM was working on his eldest daughter who has volunteered to produce the designs over the years to take over the marketing, financial and administrative aspects of the business. Harping on this, JM commented “My children are capable hands when it comes to the nitty gritty of the non-technical aspects of the business, hence my eldest daughter, Mrs NJ is being persuaded to take up the design,

marketing, financial and administrative aspect of this business. The result has not been encouraging but I hope she gives it the needed consideration” he chuckled. Asked about this, Mrs N.J answered unconvincingly “it is true I have provided designs free of charge and my parents have been discussing succession issues in 5Ds with me nonetheless, when we get to the bridge, I and my siblings will surely cross it”.

JM believed he was out of options and could only anchor his hope for succession on this for now.

What other succession options were available for JM and 5Ds? If there was, how could the potential option be used to solve 5Ds succession dilemma? Was 5Ds well prepared for succession? What strategy should JM and 5Ds use to overcome the succession challenges?

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Corporate Communication Rebranding : A Case Study of SME Bank Berhad

Rosli bin Mohammed, Mohd.Khairie Ahmad, Mohd.Noor Sharipudin,
Jamilah Jamal
Universiti Utara Malaysia

Introduction

In 2005, *Bank Pembangunan dan Infrastruktur Malaysia Berhad (BPIM)* dan *Bank Industri dan Teknologi Malaysia Berhad (BITM)* did a restructuring process and changed their name to The Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank, 2017). The bank is wholly-owned by the Ministry of Finance Inc, and started its operation as Development Financial Institution (DFI) regulated by Bank Negara Malaysia and supervised by the Ministry of International Trade and Industry (MITI) (SME Bank Group, 2017). The process was not only changed their name, but also includes rebranding exercise that include a new bank's identity such as logo, corporate colour, mission, vision, corporate culture etc.), and communicating the new identity to the stakeholders.

However, it seems like the more to restructuring and merging from two different banks into one name. The exercise was more to more change the new name and logo, and still lack of other rebranding elements. It could be argued that a few issues derived from the rebranding exercise, for example, whether the bank did a research or survey, how the rebranding was done, why it was done and pre audit during and post exercise.

In July 2013, SME Bank did a rebranding exercise and introduced a new brand identity. the rebranding exercise was part of second phase of five years transformation programme (SME Bank, 2017). With the new identity, SME Bank launched a new logo as it entered into second phase of its transformation programme. As compared to previous restructuring exercise, this rebranding aimed to strike a balance between self-sustainability and maximising performance through further expansion and market outreach had driven the implementation of the exercise. In addition, SME Bank incorporate a new business model which focuses on enhancing its financing ecosystem driven by the desired outcomes while enabling it to play a more meaningful role in the national economic transformation agenda. The exercise includes the introduction of a new set of vision and mission as well as core values of the bank.

After five years, a few questions arose with regard to the transition process, commitment (participation and engagement), effectiveness and challenges experienced by SME Bank. Any

rebranding exercise will undergo certain duration of transition process which success depends on the smoothness of the process. Commitment from stakeholders especially employees will also determine the success of the exercise. Failure to participate and engage in the rebranding process will affect the expected result and prevent the achievement of the rebranding objective. How SME Bank addressed these issues and challenges will be portrayed in the effectiveness of the exercise as the bottom result, which is the main concern of this study. This study investigated how the rebranding process is done by SME Bank. How the effectiveness of rebranding process in SME Bank and whether it meets their expectation.

Since then, the bank started to promote and convey their new identity to its stakeholders. SME Bank underwent a rebranding exercise with the aim to be a major market player in banking industry. Therefore, this case study's protagonist mainly focused on Mr. Abdul Latiff Bin Putih, the Assistant Vice President, Corporate Communication Department and executives in Corporate Communication Department in SME Bank, who was responsible in rebranding exercise.

As a result, this case study focused on rebranding process in SME Bank, whether they achieve their rebranding objectives, did they experience any issues or challenges, and did the rebranding exercise met their expectation.

History and growth of SME Bank

As mentioned earlier, SME Bank is a combination of two banks namely, *Bank Pembangunan dan Infrastruktur Malaysia Berhad (BPIM) dan Bank Industri dan Teknologi Malaysia Berhad (BITM)*. The bank is dedicated to accelerate the growth of nation's small and medium enterprises (SMEs) serving as a one-stop financing and business development centre. The main activities of SME Bank are to provide financing as well as financial and business advisory services to Malaysian SMEs classification guidelines of the National SME Development Council.



Figure 1: SME Bank's Old and New Logo

SME Bank is at the forefront in nurturing and developing the nation's small and medium enterprises (SMEs) in support of the Government's main economic and development policies including the National Key Economic Areas (NKEAs) (2010-2020) and the Financial Sector Blueprint (2011-2020). With more than RM20 billion worth of loans approved, SME Bank continues to provide an important source of funding for a broad spectrum of SME segments that lack key business essentials for sustained growth amidst potential risk factors. The Bank maintains a core focus on the development of SMEs in six of the twelve NKEAs identified as sectors of economic opportunity to increase the country's Gross National Income and global competitiveness. The sectors are Tourism, Wholesale and Retail, Oil and Gas, Education, Healthcare and Business Services.

SMEs form an important catalyst for growth, contributing significantly towards the development of Malaysia. The implementation of the SME Masterplan (2012-2020) charted a new development path for SMEs in all sectors till 2020. The plan which supports the Government's Economic Transformation Programme and 11th Malaysia Plan will see SMEs continue to play a vital role towards transforming the nation into a high income and high value added economy.

SME Bank has introduced a 5-year Transformation Roadmap (2010-2015) with a primary objective to streamline its business model and operational processes. Among others, the exercise includes the introduction of a new set of vision and mission as well as core values of the bank. There are the core focus areas of SME Bank:

- Restructuring and transformation
- Self-sustaining and global standard
- Pushing for greater financial inclusivity

Based on the 5-year Transformation Roadmap (2010-2015), SME Bank decided to conduct rebranding exercise inline with their new identity (e.g. vision, mission, core values etc.)

Pre, during and post rebranding exercise

Corporate Communication Rebranding Strategy

There are several strategies implemented by SME Bank in rebranding exercise. This case study divides the rebranding strategy into two folds. Firstly, the formation of SME's

corporate identity. Secondly, this part is more to SME Bank's strategies to promote and communicate their new corporate identity to stakeholders.

1. SME Bank's Corporate Identity

This part explores how the new identity of SME Bank (e.g. mission, vision, core values, corporate colour etc.) has an impact on SME Bank's corporate culture and the formation of brand manual. As part of rebranding exercise, SME Bank has introduced a new vision, mission and core values in line with their new identity (Table 1). In order to cater the new identity, SME Bank planned corporate communication strategies how to achieve and convey the vision, mission and the core values. These elements are essential in rebranding exercise in regard to formation of corporate identity and provide a positive perception from stakeholders' point of view. The creating of the new missions, vision and core values leads to the formation of a new corporate culture and it needs to be communicated to all stakeholders (e.g., employee, customer etc.).

i. SME Bank's Brand Manual

Brand manual is the visual representation of the documents and useful in monitoring the consistency and clarity of the brand's communication. It also to ensure the adherence of all related corporate branding material to corporate brand identity guidelines. SME Bank has established their brand manual as a guideline to all SME Bank's departments. The brand manual consists the identity of SME Bank such as logo, logo rational, corporate colour, signage, tagline many more (see Exhibit 3-5 for details).

Table 1: Vision, Mission and Core Values

<p>Vision</p> <p>“A full-fledged specialized financial institution; an international benchmark for nurturing SME excellence”</p>
<p>Mission</p> <p>“To develop SMEs to be the nation’s engine of growth, in line with the Government’s economic agenda”</p>
<p>Core values</p> <ul style="list-style-type: none">● Passion - Passion in all actions derive fulfilment while ensuring success.● Commitment - Commitment turns a promise into reality.● Trust - Faith is meaningless without upholding trust and integrity.

ii. Rebranding strategies

Corporate communication practices (CCP) involved during rebranding exercise can be divided into two groups, internal and external stakeholders. Internal stakeholders refer to SME Bank’s employees and subsidiaries regardless of their level. Meanwhile, external stakeholders entail any parties that have interest to the SME Bank such as consumers, media, investor, government, and suppliers.

iii. Internal stakeholder

When SME Bank decided to do rebranding exercise, the first thing that they would like to inform was their internal stakeholder. Internal stakeholder in this case study refers to SME Bank’s employees. It can be argued that employees are the backbone of the SME Bank. They need explain to the employees the reasons and relational of the rebranding exercise, and why the exercise should take place.

However, the bank has experienced challenges and difficult time since the employees get used to the previous working culture and reluctant to change to the new corporate culture. It might be argued that the organisation has been there for a long time or many years. The employees been working at SME Bank for many years and they did not want to move away from their comfort zone. Some of them were very cynical with the successful of the rebranding exercise, and they would like to stay like normal. One of the quotations:

“The managing director, Datuk Mohd Radzif Mohd Yunus, who was instrumental of the change of the organisation because he came in to change the entire organisation and he did that. He successfully achieved but he had very difficult time, trying to change”

It was a wake call for the SME Bank’s employees. The bank needs to change streamline with the new identity (e.g. vision, mission, core values). Corporate Communication team took this stance as a tasks to move forward, and proposed a few programmes that encourage the employees to understand and embrace the new culture. The staff really stated to change but of course it was not easy. It took years but eventually the bank can see employees beginning to see the result.

iv. SME Bank’s Corporate Culture

As part of rebranding exercise, SME Bank designed a new corporate culture for its employees. The new corporate culture needs to streamline with the SME Bank’s new identity, and mainly derived from their vision, mission and core values. For example, the new vision of SME Bank is to be an international and world standard organisation. The question was how SME Bank going to achieve it. Again, the employees were cynical and high difficult to follow the vision set by the bank. It seems like the bank set a high expectation and benchmark for them. The bank responded by implemented a various programmes as part of strategies to convey the new corporate culture to their employees, and it as phase by phase programmes. It also useful to foster understanding and awareness among the employees to the new corporate culture.

One of the programmes conducted in rebranding exercise was BRAIN or brand internalisation programme. This programme aimed to give awareness and understanding to the employees regarding the new brand identity. The programme provides explanation to the employees the meaning and justification of the rebranding exercise.

Another programme organised by SME bank was PaCT. It refers to their new core values (i.e. Passion, Commitment and Trust). The bank’s employees are one of the important tools in rebranding exercise. The bank could easily change their new name, vision, mission, or signage as long as they have money; however, it is hard to convince the employees to embrace the new identity and culture. Hence, the PaCT programme intended to change employees’ attitude and behaviour, so that they will adapt and embedded the new corporate

culture in their mind. They also need to embrace the new core values in order to achieve SME Bank's objectives. For example, it can be shown in SME Bank's client charter on how the employees should react especially for the front liners (e.g. people at the branches) (see Exhibit 2). As a result, the rebranding exercise aimed not only change SME Bank's identity; however, it also changes the corporate culture of the bank.

2. External stakeholders

There a number of CCP involved in rebranding exercise for SME Bank. These strategies were to convey the new identity of SME Bank to the external stakeholders. Next, this case study discusses strategies that SME Bank employed in rebranding exercise.

i. Media relations

Media relations were one of the main strategies employed by SME Bank during their rebranding exercise. Media relations need more public relations (PR) effort to get publicity in the media. The cost was much cheaper than as compared to advertising and promotion (A&P). Mr. Abdul Latiff stated that he is a PR person, and favour to employ media relations rather than A&P. His team also has more capability in PR. He urged that the bank needs to go into a big way, and media relations were the option. SME Bank was used this advantage to promote their new identity using media relations. Hence, the bank used more PR practise rather than A&P effort.

The reason why the bank focused on media relations because of limited budget that they have, and how they would convey their new identity to the external stakeholders. The bank started looking into all angle of rebranding effort, with the objective was to make SME Bank visible with the last amount of money. So then, the bank decided to use media relations as an effort in rebranding exercise. The bank started promoting the new identity more aggressively and make sure that the bank appeared everywhere in the media. The A&P was used to support a little bit of rebranding exercise due to limited budget.

The bank employed an extensive media relations effort. The bank featured the managing director (MD) in magazine, on television, radio, and interactive media. It can be event or product launchings, interviews that consisted of one-to-one exclusive interviews and online interviews. The bank also works together with media houses, and they organise, for example seminar on entrepreneurship where the bank has an opportunity to present and promote their

new identity. Finally, stakeholders began to notice SME Bank's new identity through media relations activities.

ii. Advertising and Promotion

Besides media relations, SME Bank employed A&P as a vehicle to communicate their new identity. The A&P consisted of below and above the line marketing to support media relations effort to reach their stakeholders. The A&P were used for SME Bank's events, products, programme that they launched.

For example, the bank used outdoor advertisement such as billboard since the billboard may attract a hundred thousand or even millions of people view the message if the billboard at the right spot. The other platform such as print, radio, television and online advertisement (e.g. Facebook ad).

Furthermore, SME Bank created their own television programme called "Success". This programme was aired at Astro Awani 501. It was featured successful stories of SME Bank's entrepreneurs and issues related SME Bank. These strategies helped SME Bank to communicate their new brand and awareness among stakeholders.

iii. Interactive marketing

Online platform one of the strategy used by SME Bank. The bank launched a campaign website and YouTube Channel as medium to share successful stories. The bank took initiative to share their clients' success stories for motivation and future reference. It consisted of 10 episodes of SME Bank clients 'success stories. In You Tube, the video has attracted more than 450,000 viewers.

Besides, SME Bank initiated "SME Bank Online Initiatives" for stakeholders especially their customers and general public to obtain fast and efficient information about the Bank via the Bank's dedicated mobile applications and its responsive mobile website. SME Bank also introduced the SME Bank Apps. The objective of this apps is to improve the bank's service delivery to customers and public. The SME Bank Apps is designed to provide easy access to SME Bank's corporate information, financing programmes, branch network and happenings in the Bank through mobile devices.

3. Outreach programme

The SME Bank implemented a number of outreach activities to position and establish their new brand to stakeholders. The programme targeted to reach the stakeholders especially entrepreneurs and engage with them. Below are the examples of the activities:

Activity	Objective
SME Bank Customer Open Day	Building and strengthening the relationship between SME Bank and its customers by providing the opportunity for them to interact directly and resolve issues pertaining to the accounts or services provided by the Bank
SME Bank XCESS	Providing face to face interaction with SME entrepreneurs on their financing needs and development assistance.
Regional Outreach Programme	Providing opportunity for SME entrepreneurs and the general public to explore how the Bank can cater to their financing needs.
Specific Engagement Sessions	Providing opportunity for targeted SME entrepreneurs to explore how the Bank can provide support to their financing and development needs.

Case scenario: The effectiveness of rebranding exercise in SME Bank

As discussed above, this case study explored pre and during rebranding exercise initiated by SME Bank. This section discusses the feedback of rebranding exercise from stakeholders point of view. Mr. Abdul Latiff asserted that SME Bank did not conduct a formal or scientific method in evaluating the effectiveness of all activities implemented during the rebranding exercise. Despite that, the bank intends to conduct a proper research, but they did not get to do it. He added that the bank plans for measuring the CCP and rebranding research in near future.

Meanwhile, the bank took other initiative to conduct customer satisfaction index survey, and this survey has been done every year. The results have been consistently average 87.9% every year (SME Bank, 2017). Even though the survey did not specific to CCP and rebranding

exercise; however, the survey mainly focused on the aspect of customer service and customer satisfaction offered by SME Bank.

In addition, SME Bank received feedback from campaigns and programmes that they organised, for example SME Bank XCESS. As mentioned earlier, the purpose of this programme is to provide face to face interaction with entrepreneurs on their financing needs and development assistance. It is a platform to gather more than 1000 entrepreneurs at one place. So, when we organised XCESS, we had to think of a way on how to measure the effectiveness of XCESS since the programme was very expensive, and cost us a few hundred thousand Ringgit. The corporate communication department was given the task to manage the whole events and activities.

The feedbacks that the bank received from customer that first time join the programme. Generally, they quite impressed on what the bank been doing now since we used a lot of technologies. The bank migrated from traditional method to online for registration, and the participants were able to register online. When the customer came to XCESS, they do not need to fill up the form anymore. It is expedite the application process and convenience for the customers. The customers perceived that this is the new SME Bank rather than traditionally approach where customers need to line up and fill up the printed application form.

The other measurement that the bank employed was to evaluate the effectiveness of online marketing ad. The bank advertises campaign or programme on website such as online newspaper. For example, when someone responding from the online ad in the Star Newspaper, the bank received a notification and appears on the date base. That means the customers read and view the ad from the Star. The bank knew where the customer came from. Therefore, the bank was able to identified where the customer coming from, and it becomes the basis of us evaluating the effectiveness of our ads.

SME Bank's Achievements and Awards

One of the core areas for SME Bank is receive recognition in global standard. It also stated on their vision to bring the bank in a world standard organisation. A number of strategies that have been implemented to the bank's vision.

One of the achievement is SME bank was accepted part of the Montreal Group (TMG). This is the pinnacle of SME Bank's achievement at the international level. TMG is an exclusive

global forum for state-owned development banks focused on assisting micro, small and medium-sized enterprises. The bank is the only financial institution in Malaysia even in South East Asia to be chosen as TMG member. TMG is based in Canada, and only eight organisations in the group. It is a very exclusive group, and the world usually will refer to TMG members when it comes to development issues. Mr. Abdul Latiff impressed and proud with the achievement since the bank did not expect that. He added, “*We are talking about world standard*”, the bank managed to be one of the members in TMG.

Being accepted to the Group is part of the bank’s journey in achieving its vision towards becoming a full-fledged specialised financial institution, an international benchmark for nurturing SME excellence. The bank used this achievement quite extensively, and highlighted in all marketing and exhibition materials to inform stakeholders that the bank is part of TMG.

Additionally, as at 2017, SME Bank had been recognised with received a total of 23 awards national and international level. At the beginning of the rebranding exercise, it was difficult to convince stakeholders that the bank will achieve the global standard as stated on our vision. After years of efforts, now the bank began to see the results.

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Rescue 911: The Initial Stage of Reviving MAGNUM PKE Emporium

^{1,*}Marlin Marissa Malek Abdul Malek

²Mohd Nizam Abdul Kadir

³Abdullah Lin

⁴Nazahah Abdul Rahim

⁵Shahrin Saad

^{1,2,4} Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia,
06010 Sintok, Kedah, Malaysia.

³Lucrative Base Sdn. Bhd., Nilai 71800 Negeri Sembilan, Malaysia.

⁵School of Business & Management, Universiti Utara Malaysia, 061010, Sintok,
Kedah, Malaysia.

*Corresponding Author; email: marissa@uum.edu.my

Nizar's mind was wandering off being preoccupied with an earlier conversation that he had this morning. He was on his way home after picking Nani, his daughter from nursery. His adorable 3 year old daughter who was talking to him animatedly telling him about what happened at nursery today shouted with anger "Daddy, you are not listening to me. Meow, the cat at school scratched me today. Look Daddy, it is still bleeding." "Oh sorry my dear, let me see your arm. It's not that bad. Let's put a plaster when we get home", replied Nizar to Nani. She continued her chatter oblivious to the fact that her Dad is not listening to her. His mind is still thinking on the new project assigned to him by the senior management team (i.e. the steering committee) of MAGNUM Headquarters (HQ) to revive the flagging MAGNUM PKE to a profit-making emporium. He still remembers the statement made by Datuk Hj. Azeez Ali, the Managing Director of MAGNUM via the phone, "I strongly believe you can do it, you are one of our best managers. We do not need an external consultant to do it. We know you can transform MAGNUM PKE to a profit-making centre!"

MAGNUM Holdings Berhad (MAGNUM) projected accumulated annual revenue of RM3.0 billion in 2013 with a profit nearly RM24 million. MAGNUM has enjoyed sales growth approximately at 12 percent per annum until 2012. However, most of the 45 outlets performed quite badly which had resulted in a significant drop in sales performance in 2013. The 45 outlets comprised of 3 emporiums, 2 supermarkets and 40 mini markets. One of the 45 outlets was MAGNUM Pekan Emporium (MAGNUM PKE) which recorded a significant net loss of RM668,756. This poor performance has affected MAGNUM's overall plan to go for public listing.

MAGNUM senior management team formed a Steering Committee to review and address issues that would have contributed to the overall financial performance of MAGNUM. Some of the more crucial items for MAGNUM to work on was to intervene and stop MAGNUM PKE from making more losses, revive and convert MAGNUM PKE to be a profit-making emporium. They should find a suitable project leader and this project needs to be executed immediately. Hence, Nizar, one of MAGNUM's highly reputed Senior Managers had been assigned to lead the business turnaround project at MAGNUM PKE. His mission was to identify and determine the reason behind MAGNUM PKE's dismal performance and to initiate reviving efforts for MAGNUM PKE to revert to its former glory with the ultimate aim of improving the overall sales performance in ensuring that MAGNUM could take care of their shareholders and also go for public listing.

Nizar was a Senior Manager at MAGNUM franchise outlet located in Nilai, Negeri Sembilan. He had 12 years relevant working experiences in retail industry at various areas such as setting up new outlets, project management, merchandizing and operating outlet. He possessed good entrepreneurship skills when he led the MAGNUM Mart Nilai and his outlet (i.e. MAGNUM Mart Nilai) received a number of prestigious awards, including the Anugerah Kedai Pilihan Rakyat 2013, Anugerah Kedai Harga Patut for two years (in 2010 and 2014) and Sijil Prestasi Cemerlang PUNB 2009. He also gained experiences in various companies such as Permodalan Nasional Berhad as business consultant and Kumpulan Darul Ehsan Berhad as QA & Procedure Manager – prior joining MAGNUM Group. Nizar obtained a Degree in Marketing from Universiti Putra Malaysia (UPM), Master of Business Administration (MBA) from Universiti Kebangsaan Malaysia (UKM) and is currently pursuing a Doctor of Business Administration (DBA) at Universiti Utara Malaysia (UUM).

THE INDUSTRY – WHOLESALE AND RETAIL

Wholesale and retail business is among the biggest contributors towards the GDP of Malaysia. These sectors registered the sales value of RM121 billion in 2015 providing employment for 1.4 million people (Department of Statistics, Malaysia). These sectors are categorized under the Service Sector Industry by the Malaysian government which are mainly divided into three components, namely:

- a. Wholesale and retail trade; restaurants and accommodations (WRAA)

- b. Finance, insurance, real estate and business services (FIRB)
- c. Transport and storage; and communication (TSC)

In September 2010, the Government had introduced the wholesale and retail sector as one of the 12 National Key Economics Areas (NKEA) under the initiative of Economic Transformation Programme (ETP), a high priority programme with the goal of boosting Malaysian economy and for becoming a developed-nation by 2020. The other objective of ETP is to alleviate Malaysia's status as one of the world's best shopping destinations.

According to Price Waterhouse Cooper Report 2015-16, the retail industries were expected to grow by 5.4 percent in 2014 with the overall transaction of USD93 billion compared to the statistics of 2013 (6.4%: USD89 billion) – Refer Exhibit 4.

For the years 2013 and 2014, Malaysian businesses including retailers were subjected to two important policies by the government; the introduction of minimum wage and imposing of Goods and Services Tax (GST). In January 2013, Malaysia had introduced a minimum salary scheme in which the basic rate of RM650 for a general worker had been increased to RM900, for Peninsular Malaysia and RM800 for East Malaysia. These increases equalled to 38 per cent of increased wage. Employers had no choice but to accept these changes which sadly have caused their operational cost to increase and their profit margin to decrease. Many of the small businesses were at risk and some of them had to cease operations or had changed their focus to other forms of businesses that required lesser people. Some companies even had to go back to the drawing boards to re-strategize in order to ensure they remain in business.

The GST was officially imposed on 1st January 2014 by the Malaysian government. Despite many assurances given by the Minister of Domestic Trade, Consumerism and Cooperative that the price of most products would become cheaper, the price of consumer products kept on increasing from time to time. GST is supposed to replace sales and service tax (SST) which varied for different products; at a maximum rate of 12 percent to a flat rate of 6 percent. However, manufacturers and producers insisted that the increasing costs of raw material, fuel hike and other factors had resulted in them hiking the product prices. Ultimately, the consumers suffered and had to fork out extra money due to the price increase.

The minimum wage policy had put a real blow on the profit and loss of labour-intensive industries like manufacturing, agriculture, construction and retailing. However, some argue that better wages would increase the morale of employees and boost productivity, both

positive for employers. Meanwhile, those against the minimum wage argued that it interfered with the market demand, increases business costs and lead to some inflationary impact as higher costs will be transferred to consumers.

The government also admitted that certain products might suffer from price hike. Despite the issue surrounding minimum wage policy, the number of products involved was very minimal. On the other hand, some manufacturers had increased the price ahead of the date of implementation that caused price to increase before the implementation of GST. As a result, sales volume had fallen in the aftermath and affected the revenue of many companies.* (For the record, GST has been abolished as part of the new ruling party, Pakatan Harapan's manifesto from 1st June 2018 onwards. GST will then be replaced with SST from September 2018 onwards).

THE COMPETITOR IN RETAIL INDUSTRY

The retail sector can be considered as a fragmented industry due to geographical influence. The rural areas are still dominated by traditional stores. On the contrary, in urban areas, the trend showed that the markets are more organized and mostly cater for premium brands. For household and groceries subsector, hypermarket establishments were the popular choice due to its convenience, easy accessibility and "all under one roof" merchandizing. Based on a 2015 PriceWaterhouseCoopers Report, Dairy Farm, a Hong Kong-based subsidiary dominated this subsector with 3 chain formats in 2013: Giant (which had 78 hypermarkets and 72 supermarkets), Cold Storage (17 outlets) and premium market, Mercato (2 outlets). Tesco, the UK-based retailer has 46 hypermarkets; and AEON Jusco (Japan) had increased its share with 58 outlets after taking over from Carrefour in 2012.

For the local companies, MAGNUM had strengthened its strategy by having 14 hypermarkets, 38 departmental stores and 2 premium outlets. Parkson Grand, a subsidiary of local conglomerate Lion Group dominated the departmental stores segment with 39 outlets mostly located in the mall of major cities. Other small players are Econsave, Jaya Grocers, Billion, TF Mart and Hero Mart are mostly located in small cities and towns.

In the future, there is still room for growth for every player as this industry would keep growing due to its nature – where people need to fulfil their daily needs. In addition, the current development at major cities showed the market is going to be dominated by

hypermarkets - one stop centre that provides new trend for modern merchandizing, a one-stop avenue for family shopping and leisure. However, having said that, players need to be mindful of the growing influence of online shopping especially by the younger generation in urban areas.

HISTORY OF MAGNUM HOLDINGS BERHAD

MAGNUM Holdings Bhd. previously known as Syarikat MAGNUM Mohamed is a local retailing company, steadily growing from a small family business in Penang selling merchandize such as toys to a well-established Malaysian-owned business throughout Malaysia. The founder of this company is Mr. MAGNUM Mohamed (also known as Uncle MAGNUM). In 1945, he started a small business in Georgetown, Pulau Pinang, then he moved to Kelantan to set up his very first shop in 1957. Later in 1979, he again moved to Terengganu and his eldest son Mr. Murad Ali had set up a branch at Kuala Terengganu. From then on, MAGNUM has established itself to be a reliable and trustworthy retailer with their branches offering a variety of merchandise at affordable prices. In 1986, Uncle MAGNUM's second son, Datuk Hj. Azeez Ali who had never shown any interest in the family business came back into the family fold and helped to open their third branch in Jalan Masjid India, Kuala Lumpur and together with his three brothers, MAGNUM had steadfastly moved forward and continuously expanded their business.

MAGNUM business model come in several forms namely hypermarkets, emporiums, mini markets, 24 hours convenience stores, bazaars and complexes (see Exhibit 1). In year 2013, they have more than 110 outlets with 10,500 employees and hope to emerge as the best home-grown company in distributing *halal* goods and services. At the beginning of their business, MAGNUM only sold non-food items such as textiles and bags known as soft-line products. For the record, the hard-line products include stationery, electrical, toys, bags, and more. When they opened their first hypermarket in USJ Subang Jaya, they sold full range of products that include fresh foods items such as chicken, vegetables, fruit, drinks, beverages and confectioneries. The food items also began appearing in other branches such as mini market and bazaar.

Business Concept

As per Exhibit 5, each MAGNUM branch has their own business category, based on the capacity of goods traded. In 2014, MAGNUM had 114 retail chain outlets nationwide which consist of:

- a) 14 hypermarkets – one stop shopping centre under one roof. It provides all necessary items inclusive of non-food and food items. The sales area was about 55,000 sq. ft.
- b) 32 emporiums – selling several product lines without fresh foods and the size approximately 20 to 30,000 sq. ft.
- c) 6 franchise MAGNUM Mart (emporium)
- d) 52 super markets / mini markets (48 MAGNUM, 2 MAGNUM Bazaar & 2 Sam's Groceria -premium minimarkets – selling groceries, fresh and wet with medium scale size of stores (10 – 30,000 sq. ft.)
- e) 8 Convenience stores – under the flagship of My Mart, a small outlet around 1,400 sq. feet operating 24 hours every day. Similar concept with 7 Eleven.
- f) 2 premium café – Sam's Deli (F&B)

MAGNUM was also entrusted by the government to operate the national discount mini markets, which are Kedai Rakyat 1 Malaysia (KR1M) under the public-private partnership arrangement. As of 2014, there were 113 KR1M outlets throughout Malaysia.

RECOGNITION

Based on the overall performance, both MAGNUM Holdings as a company and the Managing Director of MAGNUM Holdings, Dato' Ameer Ali had received 40 awards and some of the prestigious awards received were:

- Corporate Social Responsibility Leadership Award 2012 – Young Entrepreneur Organization Malaysia
- Special Award for Industry Collaboration 2012 – UUM

- Brand Laureate Top 10 Master Award 2011- SMEs Chapter Award for Most Preferred Brand in Retail-Hypermarket
- Retail & Courtesy Standard of Excellence Accreditation Program 2011/2012 –MRA
- The People’s Choice Putra Brand Award 2011
- Excellence Brand – The 8th Asia Pacific International Entrepreneur Award 2009
- The Malaysia Business Leadership Award 2010-Retail Chain Sector E&Y
- The E-50 Enterprise 2007 – SMIDEC & Delloitte
- Fair Price Retailer- KPDNKK from 2003 till 2014
- Anugerah Tokoh Kepenggunaan Islam 2008 -PPIM

The awards received reflected the recognition of a Malaysian company that has successfully strived and competed with the big multinational competitors such as Tesco, Carrefour, Jusco, and Giant – as well with other local players such as Econsave and Billion.

MAGNUM EMPORIUM (MAGNUM PKE)

MAGNUM Emporium (MAGNUM PKE) is located at the royal town of Pekan, Pahang. MAGNUM PKE rented eight double-storey shop lots in the commercial area of Pekan. The emporium started operating its business in September 2005. The size of the emporium was about 22,400 square feet and the product assortments were more to non-food merchandize; with no fresh items sold. Pekan then was populated with approximately 112,000 people with the main activities were agriculture, plantation and livestock. The majority of them fell under the low and middle income categories.

MAGNUM PKE was led by a young Assistant Manager named Bakri holding a Bachelor’s degree in Business Administration with less than one year of working experience. He had been appointed as Management Trainee at one of MAGNUM’s outlets for 4 months. Due to his superb performance during internship program, MAGNUM has decided to hire him as MAGNUM PKE manager in January 2014. This big and hasty decision were made since the current MAGNUM PKE manager had tendered his resignation on a 24-hour notice. Taking in an outsider may take a longer time. Therefore, MAGNUM needed to hire someone who

already know the operation of MAGNUM PKE and how to manage the staff. MAGNUM PKE had 64 employees and 50 of them were on a 2-rotating shift. As such, Bakri took the reign of MAGNUM PKE when the sales were on a declining trend.

Since the inception, MAGNUM PKE enjoyed the sales growth of about 5% to 7% a year. However, the growth could not be sustained and the sales started declining in 2012 and 2103. Based on internal report, the sales for this outlet is shown at Exhibit 2.

The significant movement and volatility of sales figure normally affect the profit and loss of any business. As for the wholesale emporium, the huge declining of the revenue would definitely reduce the profit for the respective year. This was also due to the nature of MAGNUM's business, which was selling at a wholesale price instead of retail's price. MAGNUM has targeted for small margin and expected high volume of sales in order to make profit. When the sales volume drastically dropped, MAGNUM is unable to make profit since the other costs such as operation and fixed costs remains unchanged. Therefore, MAGNUM suffered a big lost during that particular year – See Exhibit 3 for MAGNUM PKE's Financial Report.

THE JOURNEY BEGINS

Nizar was assigned by the steering committee as an internal consultant or project leader for the initial revival initiatives for MAGNUM PKE. He needed to turn the loss to profit from year 2014 onwards. In addition, he needed to train and mentor the existing MAGNUM PKE branch manager, Bakri on how to better run the emporium and manage the stakeholders. He realized that the top management of MAGNUM Holdings failed to put succession management program in place. They simply appointed Bakri, a fresh graduate as the MAGNUM PKE branch manager without providing him sufficient knowledge and skills prior to holding the branch manager position. They assumed that this newbie could perform the job due to his stellar performance as an intern. Unfortunately, Bakri failed from the beginning due to the lack of relevant knowledge and skills in managing the people and the whole operation. As a young and new manager, despite him being excited and raring to go, he still had a lot to learn in business operations and people management. On top of that, he should possess good communication skills and be a people person when liaising with all the stakeholders.

WHAT HAPPENED TO MAGNUM PKE?

The sudden departure of MAGNUM PKE branch manager forced the MAGNUM management team to quickly appoint someone to lead the branch. Due to his superb performance during internship program, Bakri was selected to be the new branch manager for MAGNUM PKE in January 2014. Since he was a fresh graduate, MAGNUM had offered him as Assistant Manager first instead of the manager position. Bakri had just graduated from a local university majoring in Business Administration. Soon after graduation, he was offered as Management Trainee at one of MAGNUM's outlets (i.e. not MAGNUM PKE) for 4 months.

To rub salt in the wound, MAGNUM PKE was severely understaffed! As at January 2014, MAGNUM PKE had 64 staff, 50 of them working in shift period (2 shifts rotating) and the rest work normal office hours. The overall manpower planning was 88 staff. Hence, there was a manpower shortage of 24 people!

Nizar contacted Sarah and Azmi to know more about the situation at MAGNUM PKE. Sarah and Azmi are attached to MAGNUM PKE since the opening of MAGNUM PKE. Both of them were supervisors at MAGNUM PKE. Sarah was the operational supervisor and Azmi was the store supervisor. Prior to joining MAGNUM PKE, Sarah worked under Nizar at MAGNUM Mart, Nilai and Azmi was his friend at MAGNUM Holdings, Kuala Lumpur.

There were many other issues which contributed to the drop in sales and profit. The issues could be grouped into six (6) areas as follows:

i. Process

The process of ordering merchandize items was poorly done. There were lack of supervision and enforcement by the supervisors which caused the items to be always out-of-stock (OOS). MAGNUM PKE got its supply from the HQ warehouse. HQ warehouse was responsible to deliver the items to MAGNUM PKE before the items go OOS. When OOS was not properly managed and controlled, the outlet could not make sales. The situation worsened when the basic items normally needed by the customers were not displayed since the items was OOS. On the other hand, some of the important items were already OOS at the headquarter warehouse causing long waiting time at MAGNUM PKE. The record showed reduction in delivery compliance between HQ warehouse and MAGNUM PKE from 72% to 66%.

For ordering system, MAGNUM PKE used the Internet broadband leased from a private company. However, the Internet was slow in transmitting data (i.e. the order) to the headquarters resulting in delay in issuing purchase order (PO). It was observed that manual recording for receiving items were still practiced. In addition, the music that was played loudly in the background had caused disturbance to manual checking and recording. As a result, the staff had to wait for manual record to be completed before they could collect the items for sales. In addition, they have also realized that when items arrived within the same week, the deliveries created mountains at the receiving area where many of the boxes were left unattended and blocked the walkways. That in itself posed health and safety risk in case of emergencies. Also, manual record could contribute to error in item counting.

ii. Working Environment

The outlet consisted of 2 storeys equipped with toilet and other facilities. Unfortunately, the first floor toilet was forced to be closed under the direction of Bakri ever since he found some staff had misused the toilet on the first floor for smoking, resting and loitering. As a result, the staffs who work at the first floor would now need to spend more time going to toilet at the ground level. With heavy traffic, the toilet would be congested and unclean. In addition, some of the staff felt that they did not have a proper toilet and resting area. They felt stressed and experience unpleasant working environment.

In addition, the backroom and the storage areas were quite humid. There was no air-conditioner installed. They only used normal air suction and blower machines for better ventilation of air flow. Due to stuffiness, many staff were reluctant to enter inside the backroom and storage areas to get the items.

iii. Lack of Skills

As a new kid in the retails business, Bakri was still lacking in understanding on how to analyze reports and make use of the data for remedial and improvement actions. There were many useful reports such as Top 100 sellable item or the report on ABC items. For instance, 'A' items are items mostly needed by customers/bestselling; 'B' items are the items that always received customer complaint; and 'C' items refer to basic wholesale items. It was also found that selling key units (SKU) was not correctly done where category of items were mixed between A, B and C. In addition, 3 out of the 4 supervisors were also new and have

not fully understand the workflow at MAGNUM PKE and these lack of understanding have contributed to the overall operations performance of the outlet.

iv. External Environment

The increase in high living cost resulted in lesser the spending power. People tend to use money for more important items and saved some for rainy days. In addition, MAGNUM's competitor such as Giant had its operation at Pekan Shopping Mall and offered better service and competitive price. As a result, some of MAGNUM PKE's customer shifted to Giant.

v. Manpower

Shortage of staff was really alarming. It really affected the whole operation of MAGNUM PKE. In addition, some of the staff were not willing to work overtime due to family and other commitments. Most of the staff especially the foreign workers, security guards and cashiers had to work for longer hours due to staff shortage. The normal working is 8 hours but due to shortage of staff, most of them had to work overtime. Some of them worked 12 hours a day, for 20 to 26 days a month. Despite having some extra money from the overtime payment, staff felt stressed and were physically and mentally tired due to the long hours which then prompted them to leave the company.

vi. Facility for Customers

Trolley for customers and the staff were not enough. Thus, some customers would buy fewer items from their list since due to shortage of trolleys to put their shopping items. The staffs are unable to restock the needed items on rack if the trolleys are unavailable to transport the items. There was no escalator to move from ground floor to first floor. People needed to use staircase which caused inconvenience to them. Furthermore, some of the items were without price tags and heavily influenced on the refusal of customers in purchasing these items.

There were 7 counters for cashiers but most of the time, only 4 to 5 counters were opened due to staff shortage. Some customers just left their items in the trolleys and walked out from the outlet since they were not willing to wait in the long queues.

GO OR NO GO?

Nizar was given a month to diagnose the problems and propose relevant strategies for the initial reviving efforts for MAGNUM PKE and share them with the steering committee. He was challenged to make the initial turnaround within 3 months. Is this project going to be good to cement his influence and guaranteeing a solid career with MAGNUM or a suicide mission? Nizar has always been praised for his good observation skills and entrepreneurial mindset. He has also being hailed as one of MAGNUM's 'next-in-line' leaders. However, he is not sure whether he could deliver what the steering committee wanted in the given time frame. While he was mulling on this dilemma, he suddenly heard his daughter crying and cries of "Daddy, Daddy" shifted his attention to the present. To his dismay, Nani was lying face-down on the steps at the entrance of the house. She fell down while trying to navigate her way to the front door tripping herself on her untied shoelaces. Nizar quickly ran to his daughter, calmed her and carried her inside. "It's okay Princess, you will be fine. Let's go in and I shall get the plaster for your arm and we will see what else needs some tender loving care".

Exhibit 1: Business Structure of MAGNUM Mohamed Holdings Berhad

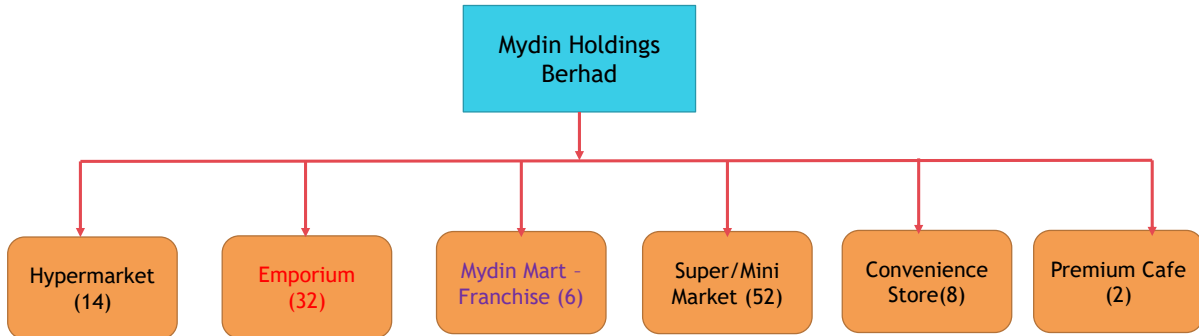


Exhibit 2: MAGNUM Emporium (MAGNUM PKE) Annual Sales

Year	Annual Sales (RM)	Sales Growth (%)
2010	19,735,176	
2011	21,108,791	6.9
2012	20,307,079	-3.8
2013	19,286,486	-5.0

Source: 2013's MAGNUM PKE Sales record

Exhibit 3: Extracted from MAGNUM PKE Financial Performance Summary

Year	Profit/(Loss) (RM)	P&L (%)	Growth
2010	103,276		
2011	177,406	7.2	
2012	116,406	-9.4	
2013	(668,756)	-47.4	

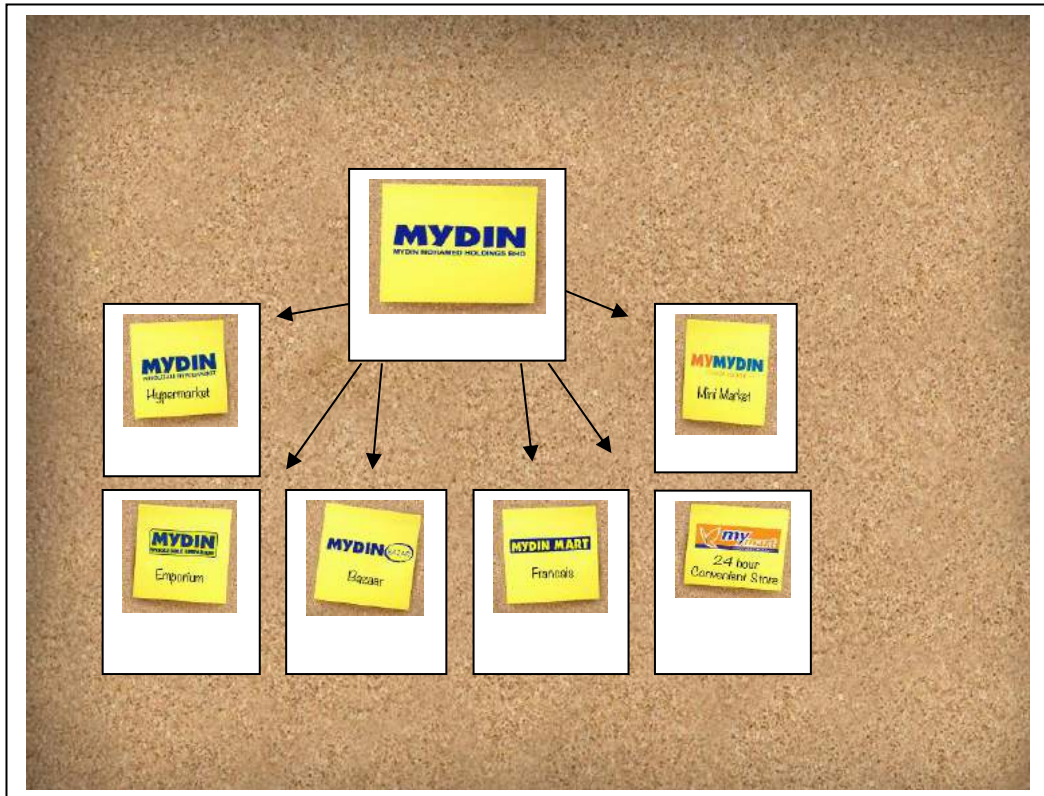
Source: Audited Financial Report 2010-2013

Exhibit 4: Malaysian Retail Sales Outlook 2011-2015

	2011	2012	2013	2014	2015
Retail sales volume growth (% p.a.)	4.5	5.7	6.4	5.4 (Forecast)	5.3 (Forecast)
Retail sales (USD million)	78,260	82,554	87,939	93,295	106,831

Source: Economist Intelligent Unit, BIMB Research

Exhibit 5: MAGNUM's Business Concept



Lim Chee Chee
School of Economics, Finance and Banking
Universiti Utara Malaysia
Email: cclim@uum.edu.my

Wan Zarina Wan Mahmud
University Health Centre
Universiti Utara Malaysia
Email: dr.wan@uum.edu.my

UUM's Winning Strategies in Dengue-Free Public University 2018 Competition

Opening Paragraph

On 7 July 2018, Dr Wan Zarina Wan Mahmud, the Director of University Health Centre of Universiti Utara Malaysia (UUM), was at Kampung Sungai Kayu Ara Primary Religious School, Damansara Utama, Petaling Jaya, representing her university's Vice Chancellor to attend the prize-giving ceremony of Dengue-Free Public University 2018 Competition. She was very proud that UUM had won two awards in the competition and being presented a total of RM7,000 as prize money. UUM had emerged as a champion among the 20 public universities taking part in Dengue-Free Public University 2018 Competition. Besides that UUM had also won the best administration award in managing dengue.

When Dr Wan Zarina was approached by a local newspaper reporter for brief press statements, she said, "The collaboration between University Health Centre and other units within UUM such as Unifilm Studio, Institute of Quality Management, Arts and Culture Centre, Development and Maintenance Department, and all Student Residential Halls especially INASIS MISC, has contributed to this achievement." Pausing for a while, she continued to say, "The success is an acknowledgement towards the efforts undertaken by UUM management and students. I am sure these two awards will certainly motivate UUM staff and students to strive harder to attain a higher level of excellence in the future." Upon request of the reporter, Dr Wan Zarina agreed to share UUM's winning strategies in managing dengue in an exclusive interview.

Dengue-Free Public University 2018 Competition

Dengue-Free Public University 2018 Competition was jointly organized by Ministry of Health (MOH), Ministry of Higher Education (MOHE) and 1Malaysia for Youth (IM4U) in view of increasing dengue cases in Malaysia. The competition's main objectives were to ensure that public universities would be dengue free areas, to create awareness among students of public universities on the danger of dengue and its prevention, and to encourage innovation and creativity in dengue prevention. All 20 public universities in Malaysia were required to participate in the competition.

Dengue-Free Public University 2018 Competition offered three different categories of awards, namely (i) awards for the best dengue-free public university with monetary rewards of RM5,000, RM3,000 and RM2,000 respectively for each winning university at the first, second and third places, and also consolation prizes of RM1,000 each for two universities, (ii) a special award with prize money of RM2,000 for the best administration in managing dengue, and (iii) a special award with prize money of RM2,000 for the best innovation and creativity in dengue prevention.

Five locations in the universities, namely the administration buildings, academic buildings, student residential halls, staff quarters and open fields, were subject to inspection in Dengue-Free Public University 2018 Competition. The selection of winning public universities was based on established assessment criteria. The following aspects were being assessed in the competition: (i) the university's administration in managing dengue, (ii) the cleanliness of the university's environments, (iii) the university's awareness programs on dengue prevention, and (iv) the university's innovation and creativity in dengue prevention.

Backgroud of Universiti Utara Malaysia (UUM)

UUM was established on 16 February 1984 to become the sixth Malaysian public university specializing in management education. UUM began its operations at a provisional campus built on a 62-acre of land in Bandar Darulaman about 18 KM north of Alor Setar and 4.8 KM from Jitra. Its first batch of students started their study in early June 1984.

UUM then moved to its permanent campus on 15 September 1990. The permanent campus was built on a 1,061-hectare of land in Sintok about 48 KM north of Alor Setar and 10 KM east of Changlun. Among the main buildings in UUM's permanent campus were Sultanah Bahiyah Library, chancellery building, Sultan Badlishah Mosque, Mu'adzam Shah Hall, Tan Sri Othman Hall, sports complex, varsity mall, convention complex, University Health Centre, academic buildings holding the various schools of three main academic colleges (namely College of Business, College of Arts and Sciences, and College of Law, Government and International Studies), and 15 student residential halls providing accommodation for students (called INASIS or *Inapan Siswa* – namely INASIS Bank Muamalat, INASIS Bank Rakyat, INASIS BSN, INASIS GRANTT, INASIS MAS, INASIS Maybank, INASIS MISC, INASIS Petronas, INASIS Proton, INASIS Sime Darby, INASIS SME Bank, INASIS Tradewinds, INASIS TM, INASIS TNB, and INASIS YAB).

UUM University Health Centre had been playing an important role in providing healthcare services to its surrounding community. It was under the leadership of Dr. Wan Zarina since 2012. The Environmental Health Division of University Health Centre, specifically Vector Control Unit and Education and Health Promotion Unit, had played a significant role in leading and coordinating the activities related to Dengue-Free Public University 2018 Competition in managing dengue in UUM Sintok campus. The main function of Vector Control Unit was to manage vector-borne diseases such as dengue, malaria, filariasis, leptospirosis and also Chikungunya. Meanwhile, the main function of Education and Health Promotion Unit was to maintain the wellbeing of UUM staff and students' physical and mental health.

Strategies to Manage Dengue at UUM Sintok Campus

Dengue (either dengue fever or dengue haemorrhagic fever) could cause sudden high fever, severe headache, pain behind the eyes, muscle and joint pains, skin rashes and bleeding in some cases. The disease was caused by mosquito-borne virus infection from four dengue virus (DENV) serotypes, namely DENV-1, DENV-2, DENV-3 and DENV-4. Armed with the above knowledge, UUM focused on managing the primary mosquito vector responsible for transmitting dengue, i.e. *Aedes aegypti*. Hence, the dissemination of pertinent information about *Aedes* was a strategy used by UUM in its efforts to manage dengue. For this purpose, University Health Centre had organized awareness-raising activities for the campus community by conducting a public talk and an exhibition on the danger of *Aedes* and the ailments it could bring along. Besides that the campus community was also being taught the ways to keep away from being bitten by *Aedes* so that they could avoid being infected by diseases. Pertinent information about *Aedes* was also being channeled via email or social media. Briefings were conducted by University Health Centre at various units for UUM staff and students (both existing and new intake). Other than briefings targeting at groups of people, University Health Centre also provided briefings on a one to one basis for individuals upon their request.

UUM strongly believed in the proverb of 'practice makes perfect'. Hence, UUM had organized training sessions to provide hands-on exercises to show the participants (campus community) the characteristics of *Aedes*, its habitats and ways to get rid of *Aedes* completely. For this purpose, University Health Centre had launched the Search and Destroy Campaign. In this campaign, the campus community was being coached by the doctors from University Health Centre to search and identify the potential breeding areas of *Aedes* and the doctors demonstrated to them the ways to destroy these areas. Subsequent to the hands-on exercises, some participants (campus community) were being selected to form dengue patrol teams to perform dengue control activities on a weekly basis at their respective units.

UUM had been holding on to the adage of ‘prevention is better than cure’ when dealing with healthcare issues. As routine activities, University Health Centre would conduct fogging at Student Residential Halls two times in a year, every time before the start of a new semester in February and September. The fogging was conducted at the toilets of Student Residential Halls. It was required so as to destroy mosquito larva when the toilets had been not in use for months during the semester breaks. The Development and Maintenance Department and the management office at each Student Residential Hall would schedule workers to clean up pipes in toilets to clear blockages to ensure smooth flows of water so that there would not have built-up of stagnant water that would become the potential breeding areas for mosquitoes. Cleanliness campaigns called *Gotong-Royong* were held from time to time throughout the year at Student Residential Halls and at academic buildings to keep the environments clean.

University Health Centre had been vigilant for signs of dengue when patients sought treatment at its clinics. When a patient was suspected of contracting dengue, the patient would be required to undergo a blood test for confirmation of his/her health condition. This was a precautionary measure taken by University Health Centre so that if the blood test confirmed that it was a dengue case, prompt actions could be taken to provide the patient appropriate medical treatment to reduce his/her sufferings and to conduct fogging to contain the outbreak of dengue in university campus.

Apart from the traditional measures mentioned above, UUM had also tried to use new ways by taking innovative and creative measures in managing dengue:

- The university had drafted a policy in making UUM an Aedes-Free Zone. (Refer to Exhibit-1)
- The university had designed a logo to draw the campus community’s attention on UUM’s participation in Dengue-Free Public University 2018 Competition. (Refer to Exhibit-2)


- The university had taken the initiative to prepare a self-audit checklist for the use of dengue patrol teams to record dengue control activities on a weekly basis at their respective units. (Refer to Exhibit-3) The self-audit checklist was an output of the collaboration between University Health Centre and Institute of Quality Management.
- UUM had made a video called *Sesalanku* (My Regret) to highlight the danger of Aedes and the severe consequences of contracting dengue. (Refer to Exhibit-4) The production was a joint effort between University Health Centre and Unifilm Studio. The video could be viewed via <https://www.facebook.com/officialpkuum/videos/244189102926709/>.
- UUM had composed a song called *Bebas Aedes Bebas Denggi* (Aedes-Free Dengue-Free). (Refer to Exhibit-5) This was the product of the cooperation between University Health Centre and Arts and Culture Centre. The song could be accessed via <https://www.facebook.com/officialpkuum/videos/1932337820172730/>.

Concluding Paragraph

During the interview Dr Wan Zarina highlighted UUM strategies in managing dengue. Towards the end of the interview session, Dr Wan Zarina concluded by saying, “UUM is committed in managing dengue. With the prize money obtained from the competition, the money will be used to fund our ongoing and future activities to fight against Aedes in the course of managing dengue in order to achieve a higher level of excellence.”

Exhibits

Exhibit-1 : University Policy – UUM an Aedes-Free Zone




UNIVERSITY POLICY
AEDES FREE ZONE

Universiti Utara Malaysia undertakes the responsibility and is committed to create a clean, safe and healthy university environment for all its staff, students and the local public.

This policy is formulated for the following reasons:

- To prevent and control infectious Aedes mosquito borne diseases from affecting the staff, students and the public.
- To promote good health practices in order to reduce the risk of Aedes mosquito related infections.
- To inculcate a culture of healthy practices through continuous supply of information, education and training.
- To create a university environment that is safe and clean.
- To create a university environment that is free from the risk of Aedes mosquito diseases.
- To ensure that the university is a non-Aedes mosquito breeding ground.

IT IS ONLY THROUGH CONCERTED EFFORTS, COMMITMENT AND COOPERATION FROM ALL STAFF, STUDENTS AND THE PUBLIC THAT THIS POLICY CAN BE EFFECTIVE.



Prof. Dato' Seri Dr. Mohamed Mustafa Ishak
Vice Chancellor, Universiti Utara Malaysia
1st August 2017








Exhibit-2 : Logo – UUM Zero Aedes



Exhibit-3 : Self-audit Checklist to Record Dengue Control Activities

LAPORAN MINGGUAN KAJIAN AEDES DI INASIS/PTJ UUM

Inasis/PTJ : _____

Bulan : _____

Bil	Tempat Pemiakan	Contoh	Minggu (<i>Bil.Bekas Positif</i> <i>Bil.Bekas yang Diperiksa</i>)				Tindakan
			1	2	3	4	
1	Tempat Makan / Kafetaria						
2	Tandas						
3	Longkang						



4 Pelupusan Sampah & Pengumpulan 3R



5 Ruang Pejabat



6 Taman Rekreasi



7	Bilik Penginapan Pelajar/Perumahan Kakitangan							
   								
   								
8	Kawasan Persekitaran							
   								
   								

Catatan:

Bil. kes denggi (jika ada):.....

Exhibit-4 : Video on Dengue

Title : *Sesalanku*
Director : Ismansor Akhmar Ismail
Script Writer : Musyaznie Mokhtar
Artists : Ahmad Akmal Fahmi bin Ahmad Termizi
Razneer bin Rakhizi
Muhamad Hanif bin Abd Rahim
Mohamad Nur Firdaus bin Kamaaripin
Nurizzati Mohd Razali
Putri Nur Aimi Zafira Azman Putra
Dr. Nor Saleha Jamil
Aida Abdul Jalil
Nurul Huda Mat Saman
Producer : UUM Uniflim Studio

Exhibit-5 : Song on Dengue

Title : *Bebas Aedes Bebas Denggi*
Composer : Mohammad Haris Abd Azis
Lyric Writer : Mohammad Haris Abd Azis
Singer : Sukeana Md Arif
Producer : UUM Arts and Culture Centre

Bebas Aedes Bebas Denggi

*Penyakit denggi penyakit berjangkit
Sakit yang membawa maut
Sehingga kini tiada vaksin
Untuk mengubati penyakit ini*

*Penyakit denggi tidak mengenal
Orang dewasa serta kanak-kanak
Berwaspadalah kita semua
Dari gigitan nyamuk Aedes*

*Cegahan dan kawalan
Langkah yang bijaksana
Amalan kesihatan
Mengurangkan risiko ... jangkitan*

*Sebarkanlah maklumat
Berikanlah didikan
Wujudkan persekitaran
Yang bersih dan selamat
Agar bebas denggi*

*UUM bebas dari denggi
UUM bebas dari denggi
UUM bebas dari denggi*

UUM Bebas Denggi

Acknowledgements

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TAMING THE TIGER: BELLA'S MENTORING JOURNEY

Cordelia Mason
Universiti Kuala Lumpur
cordelia@unikl.edu.my
cordeliamason65@gmail.com

ABSTRACT

When Bella decided to quit her high-flying career to 'give back to society', little did she know what was in store for her. Armed with almost three decades of work experience in various industries, the HR expert was confident that she could easily apply her skills in the ivory tower. How wrong could one be? After what seemed to be a smooth-sailing norming and storming period, Bella faced one of the most challenging time in her career. Tasked to mentor Dr. Tania, an up and coming leader for the university, Bella found herself in various predicaments as she tried her best to contribute towards the succession planning program. As she tried her best to groom Dr. Tania on the personal side of leadership and relationship building, Bella began to doubt her own capability to tame the tiger. Are leadership skills transferable, she pondered? Is she really up for this job at all?

KEYWORDS: Leadership, Relationship Building, and Succession Planning

TO CLICK OR NOT TO CLICK?

It had been a long day for Bella. At half-past seven on a dreary Monday evening, as had always been the case lately, Bella was still at the office. Since she assumed the position as the Deputy Director of Consultancy and Training at Triumphant Learning University College (TLUC) for the last ten months, life had not been quite the same. It had been a roller-coaster of sorts experience. The first few months was simply blissful. The last month, however, was definitely something else. The sweet and gentle Dr. Tania, the Director whom she was assigned to mentor turned out to be a handful. Mentally and physically drained, Bella had decided to quit her job! She felt like she did not get what she bargained for. The resignation took her three hours to craft, and now, after reading it for the umpteenth time, Bella was undecided. Should she click 'SEND' or should she let it be for another day? Maybe tomorrow a refreshed mind would be more sensible?

Rossabella Rodriguez AKA Bella

Rossabella Rodriguez, or Bella for short, was a well-known figure in the local HR development scene. With more than two decades of experience, Bella had often been wooed by headhunters to turn around ailing companies where human resource matters were most challenging. Succession planning and leadership development were her forte. She had many feathers on her hat as most of her clients were very pleased with the outcomes of her intervention. She was a turnaround maverick!

Though she held many responsibilities in her job, Bella always made it a point to keep in touch with her friends. At least once a month, they would arrange a get-together session.

Bella treasured these moments as it provided her an outlet to share her feelings, both positive or otherwise. It was during one of these sessions when Bella chanced upon the opportunity to make a 180 degree turn in her career, leaving the corporate world for the academic world.

THE UNANTICIPATED OPPORTUNITY

The drawing room at Majestic Hotel was an ambience of festivity. Bella was celebrating her fiftieth birthday with six of her close friends. They had been in boarding school together since thirteen, and since Facebook reconnected them some seven years ago, they had arranged get-togethers at least once a month. After the customary candle-blowing, the ladies' started filling-in on what they had been up to.

Rose: Tell me Bella, now that you have just turned half-a-decade old, what are your plans for the next phase of life?

Bella: I haven't been thinking much about it as work had been grueling for the last two months or so.

Lisa: The same for me. I am at the verge of throwing in the towel.

Anne: No, you shouldn't Lisa. You have worked your way up as the VP and you know it is not easy for a woman to reach that position in our country. We need to contribute to the country's aim of having 30% women at the top.

Lisa: While I agree with you Anne, I don't think I should risk my life just to stay in power. Leading the HR sector is not easy. What bothers me most is indiscipline among the deadwood. Complacency is so hard to manage. I get tired of listening to arguments on why we should not take hard measures on those who are setting bad examples. Enculturation is tough work and I am getting a bit drained.

Nora: I get what you mean Lisa. Although I have no problem managing my team, my direct boss is in pain. I get this feeling that he is trying to get rid of me. He is incoherent and changes his decisions by the day. Sometimes he picks on me in front of my staff and that is really hurtful. At my age! I wasn't born yesterday you know!

Nancy: My small outfit of a law firm is not too bad after all. My stress usually comes from the court sessions but generally the day to day running of the firm is pretty routine. Leah, how about you? What are you up to now?

Cathy: As you all may know, life as an academic has its ups and downs. Being with the students is always rejuvenating, but the current obsession on ranking is getting on my nerves. Quite a few of my colleagues are resigning and it gets lonelier to soldier on alone. These days I mentor more of the younger researchers, a big challenge in itself. However, I miss the debates with researchers around my age. I am thinking of retiring soon. I envy Prof Tan who has only a year to go before retirement.

- Rose: Oh, yes. I know Prof Tan since he did some research work for our bank. I met him last week and he did mention about this being his last six months at work. He said that he was looking for someone who could lead the Consultancy and Training Division at your university, Cathy.
- Bella: Really? Is that true Cathy? Giving back to society had been at the back of my mind lately. Like leaving a legacy kind of thing. I have been doing HR a long time and training is a passion of mind. I think training and retraining is key to organizational success. Do you think I qualify for the job Cathy?
- Cathy: You must be joking Bella! Why would a high-flying HR practitioner like you consider a job in academia with comparatively much lower remuneration?
- Bella: I am serious Cathy. Can I drop by next week to explore this idea further?
- Cathy: Sure. But you must think deeply before you take the plunge. Working in the academic sector is not as rosy as many think it is.
- Lisa: Wow, our group will have two profs now!
- Bella: No way Lisa. I don't have a PhD like our Prof Cathy. If they can take me in, I will be over the moon! Don't know what my chances will be.
- Cathy: You are over qualified Bella!

The conversations lasted until late evening. The seven friends went home on a jovial mood. The next day their careers would demand their undivided attention and time. The ladies were high-flyers of sorts. Rose was director for industrial relations in a government-linked bank; Lisa was vice president of human capital in an oil and gas company; Anne was a founder and CEO of a cosmetic company; Nora worked in the service sector as Senior Manager of F&B; Cathy was a professor at a public university; Nancy co-own a law firm; and Bella, as has been mentioned, was a HR Professional who had made a name for herself in trouble-shooting organizational woes, some sort of a turn-around guru.

Bella, however, was beyond jovial. She began anticipating a career change. She knew she needed to start thinking seriously about how she could leave a legacy. Many of her acquaintances had 'migrated' into academia and shared their feelings on how happy they were to be able to contribute to the betterment of society. Bella decided to take a day leave the following week to start the ball rolling. Opportunity had knocked on her door. She must open it fast!

THE PLUNGE

Barely two months later, Bella clocked in at the university for the first time. Being mindful of fitting in right from the start, she had dressed down. Instead of her usual three-piece suit, she wore a simpler pantsuit. Her spirit however, was the total opposite. From the first encounter with the university officials to the interview and until this particular day, Bella had been gung-ho about 'giving-back'. She had to forego her leave to join the university earlier. She couldn't wait to turn-around the division she had been entrusted to. Prof Tan would be her immediate boss until he was to retire in a few months' time. Taking a thirty

percent pay-cut, Bella was ready to apply what she had learned in the 'real world'. She reasoned that the thirty percent pay-cut would be compensated for less hours of daily work as she planned to leave on the dot every day and drive to the park at least three times a week to get those legs moving. Her knees had been hurting lately and she been prescribed Glucosamine pills. In short, this move, besides 'giving-back' was also to be healthier physically, mentally and to some extent, spiritually. She would be a member of the much-respected group of people in the noble profession of teaching. Never would she have guessed that she could have landed in this place before her birthday celebration two months ago. Knowing about the vacancy was the best birthday gift for Bella that year. Cathy had mentioned to her when they met up after the birthday do that she never knew that Bella had any ambition to work in a university. To which Bella answered:

"Neither did I. However, as I have achieved most of my work goals, I have been feeling a sense of emptiness. I often question why do I keep on having a hectic life. My children have grown up in an 'out-sourced' environment. My husband and I are often out stationed. Now that the children are both studying in Australia, I realized that this type of a career is merciless. I really need to nourish my soul Cathy. I hope I will be able to land this job."

A PRODUCTIVE START AND A NEW PROPOSITION

Bella, being the professional that she was, took to the work tasks life fish to water. Her many years of training and her strong sense of advocacy for continuous learning were highly relevant. Several standard Operating Procedure (SOP) documents were also produced with the support of the well qualified staff under her division of fourteen staff. The team spirit was good and as Bella was a quick learner, the onboarding went smoothly. Prof Tan was pleased that he had decided to hire Bella. He was confident that the division would continue to do well when he leaves. The staff respected Bella and were eager to share TLUC's good practices and also learned from her. Bella blended in well and therefore it was not a surprise that two months into the job, she was called in by the CEO into his office where he requested her to consider sharing her expertise in leadership development.

Bella was exuberant as she walked out of the CEO's room. She felt most honoured to be assigned the task to mentor her immediate boss who was to replace Prof Tan when he retired. The CEO acknowledged that while Bella did not hold a PhD qualification, she was top notch in the area of leadership development. Therefore, as the incoming director was much younger and relatively inexperienced in leading a team, Bella was to mentor her to develop competence in the personal side of leadership and as well as relationship building, leadership skills much needed for her to effectively lead the team. Caring and nurturing by nature, Bella looked forward to this task. She was, however, requested to carry out the task in a confidential manner.

After the initial surprise over the unusual work assignment, work went on well for Bella who enjoyed every minute of it. The only sad moment was when they had to bid farewell to Prof Tan. Being the close-knit team that they were, the division however, could not wait to welcome the new boss, waiting with much anticipation.

Dr Tania, The New Boss

Dr. Tania was touched by the warmth welcome she received on her first day. The staff were welcoming but it was Bella who made her feel at home almost immediately. She hoped that she would soon get used to the new environment. It seemed so different. For the last seven years of her career she had worked as a researcher at a multinational company. As a high-flying student, she graduated with a first-class degree from a prestigious American university. After a short stint at a multinational company based in Atlanta, she managed to get a transfer to work in Singapore, which was much closer to home. Bored with the lack of human interaction at work, Dr. Tania accepted TLUC's offer for her to lead the Consultancy Division. The headhunter managed to persuade the highly talented Dr. Tania to join TLUC as the university college's senior management and board wanted to expand their product line by introducing research consultancy, and were willing to pay premium for the right candidate. And to make sure "Miss Right" would be "Miss Perfect" Bella had been assigned to mentor Dr. Tania.

Queen Bee?

The two ladies hit it off immediately. Bella was mindful to assist Dr. Tania as much as she could. She would prepare all the reports needed and draft and proofread her emails. Meanwhile, Dr. Tania spent most of her time 'restructuring' the department with the objective of optimizing everyone's potential to continuously enhance efficiency. As was normal in any norming and storming phase, there were ups and downs as the team learned to adjust to the management style of their new boss.

However, after a while, it became obvious that Dr. Tania was a control freak. She wanted to on top of everything. She vetted all incoming as well as outgoing mails. She did not delegate any work as she felt that in order to get things done right, she had better do them herself. Soon, words got around that she was micro-managing every step of the way. Being protective over Dr. Tania, Bella often tried to explain her behavior and urged the team to continue giving their full support.

"We must remember that Dr. T used to work in an environment which requires high precision which cannot tolerate errors. Scientists are usually a little eccentric anyway. We all have our little roles to play around here, and of these is to understand each other."

Up to the third month of Dr. Tania's tenure, the team was still tolerant and tried their best to accommodate their 'intellectually brilliant' boss. On the side though, they started to confide in each other about how much they missed Prof Tan.

"How I wish Prof Tan was still our boss."

"I know. I feel the same too. I miss his morning greetings and gentle demeanor."

Lunchtime conversations soon began to centre around Dr. Tania.

"I hate to say this but I am beginning to understand the lady boss syndrome."

"To me she is a strong lady who believes that failure isn't an option. She just happens to be a loner and I don't think there is any wrong with that. I know many men who are like that too."

"High achievers can be such a perfectionist to the point that they are overtly critical of themselves too."

"I don't care if she is a high achiever or not. She just never seems to be satisfied with my work."

"Her demanding behavior is draining my energy. I had to redo my report three times yesterday!"

"I heard that she was born in the year of the tiger. That explains her behavior!"

Bella was cognizant of the building resentment over Dr. T's management style. She too observed the boss' lack of leadership skills and felt a little challenged. Is her mentoring approach effective? How long does it take to develop basic leadership skills? Bella realized that she also had to handle the relationship between Dr. T and the team members. Based on her experience, she knew that managing boss-subordinate relationship was key. And this type of relationship is the same as any other types of relationship – it needs to be nurtured and fed! The level of commitment among the staff was still high. They continued to do their best. Dr. T, however, had not shown any effort to recognize and appreciate their efforts. Bella prayed that there was no serious mismatch between expectation and values. If there was, it would be an uphill battle for the division. Bella began to closely observe Dr. T's communication style. Does she like more or less communication? Which mode of communication does she prefer – through emails, social media or in person? Bella tried to get into Dr. T's shoes. How is she dealing with her role? Is there any personal challenges or pressures affecting her? What does she care about? What makes her happy? What upsets her? What is most important to her? How can the team seek to understand her? For Bella, she needed to ask herself whether she had the capacity and capability to shift the dynamics of the relationship in this workplace. So far, Dr. T seemed to be picking more on the ladies compared to the guys. Could it be that Dr. T may have the Queen Bee tendency?

Green or Red Apples?

The general dissatisfaction turned worst one Monday morning. When Bella arrived at work, no one was at their work station. It was queer as usually most of the staff arrived earlier than Bella. Bella found them gathered at the pantry. Patsy was sobbing heavily. She had just been scolded by Dr. T for not keeping her in the loop when ordering refreshments for the visitors yesterday. Her major blunder was not stating the type of apples – Dr. T preferred red apples to green apples! When Bella asked what happened, in between sobs, Patsy said:

"Dr. T ticked me off saying that I was disorganized and disrespectful. I should have asked for her opinion when ordering food and beverages. And all emails must be CCed to her. I really don't get it. Prof Tan trusted me completely to do my work."

Bella went to Dr. T's office to seek clarification. Dr. T was not in a good mood and told Bella that the staff at the division were generally incompetent and needed to be sent for training. She also shared her plans to reshuffle the staff and voiced her dissatisfaction with the staff.

"They need to learn how to multi-task. I think their level of competence is barely 60%. I am also concerned that they do not informed me about many things. How do they expect me to lead them if they are holding back information? Bella, please plan for their training. I expect better than this. I did not give up my career in the MNCs to deal with mediocre people! Get it done fast, please." her voice raised as she dismissed Bella from her room.

What's Behind the Tiger's Stripes?

Although Bella was a bit aghast at the recent turn of events, unperturbed, she tried hard to calm. She had handled more difficult cases than this and was quite sure that she could somehow deliver her promise to the CEO – that she would be able to facilitate Dr. T in her quest to build the personal side of leadership skills. She interacted more with Dr. T and tried to see what was behind the tiger's stripes. She learned that Dr. T had strict parents who provided all they could to ensure that she excelled in school. She was 'forced' to learn how to play the piano and had passed Grade 8 by the time she was 14 years old. She also took swimming lesson since four and enrolled in the competitive swimming programme when she was six. She won many gold medals for swimming. In school, she was an accomplished debater. She had outstanding credentials! Sadly, she had almost no friends and she had no time for romance either. Her parents and relatives were trying to match her with someone, but the few dates that she was able to set a bit of time for did not harvest any potential hope for marriage. Neither was she interested in marriage. It was just to make her parents happy. Bella had a soft spot for Dr. T as to some extent she faced the same situations as a child. But her parents were not overtly demanding.

A Disheartened Mentor

Bella inhaled and held her breath. Never in her life had she seen so much insolence. Her 'mentee', in a rage, had called her into her office, and hurled some files on the floor.

"Bella. I learnt from someone that you have been assigned to be my mentor by the CEO. What was he thinking about? How could he appoint someone of lesser qualification to mentor me? I am the sure I can lead this lousy team. Pray, tell me that this is not true. I cannot believe this. No wonder you always appear to be accommodating. Let me remind you that I am a well-known researcher and should be capable of mentoring you instead! Either you leave or I leave." screamed Dr. T.

So much for her determination to tame the tiger! Bella was so frustrated and disappointment to be treated that way. She went home with a heavy heart that Friday evening. The weekend went by slowly as Bella did some soul searching. Could this be a case of a generation gap? Can leadership be taught? Can it be learned? Was the challenge of building leadership skills different for different industries? Which type of leadership skills would be most appropriate for a consulting unit?

Bella was drained thinking about it. So much so that she thought perhaps she should just succumb to Dr. T's threat and leave TLUC. At the rate it was going, the chance to inspire someone like Dr. Tania was quite slim. She just did not seem to subscribe to some good practices of leaders such as placing other people's need above their own, lack the vision to empower others, did not prioritize the well-being of others, and was prone to anger. Bella felt compromised.

"Should I end my mentoring journey here. I am not sure that this job gives much opportunity to give back? Maybe Cathy was right after all!"

ISSUES AND CHALLENGES IN ESTABLISHING A SHARIAH COMPLIANT HOTEL (SCH): CASE OF ADYA HOTEL, LANGKAWI

Nor Rabiatal Adawiyah Nor Azam, Basri Rashid, Noor Azimin Zainol,
Muhammad Fauzi Mokhtar, Razmi Rahmat
*School of Tourism, Hospitality and Event Management, College of Law, Government and
International Studies, Universiti Utara Malaysia*

1.0 Introduction

In today's globally competitive tourism sector, hotels adopt and implement innovation to stay competitive and sustain market share. It has been proven through previous studies that innovation could be a tool to improve service quality, hotel reputation, and competitive advantage in the hotel industry. Rogers (2003) defines innovation broadly as any practice, new idea, or object that is new to an organization. This broad definitions seems applicable for various industries hence, would be relevant for the service industry such as hotels. Accordingly, Shariah Compliance Hotel (SCH) can be considered as service innovation because SCH is a new service concept that may be adopted and implemented by hotels in Malaysia.

Malaysia has been leading the way in the halal tourism and halal hotel industry. As a popular Muslim tourist destination, Malaysia has been successful in attracting Muslim tourists from all over the world. Strategically, the adoption of SCH would serve as the attracting factor for Muslim tourists to stay at a hotel that adopt the service concept. This paper provides highlights on the issues and challenges of establishing a Shariah Compliant Hotel referring to the Adya Hotel, in Pulau Langkawi, Kedah.

A Shariah Compliant Hotel is defined as a hotel that provides services in accordance to the Shariah principles in all aspects. It covers the aspect of both Shariah Compliant and Muslim Friendly Hotel. It has deeper commitment in ensuring business, financial, people, operational procedures, cleanliness, food service and hygiene are in accordance with the Islamic values and that they are being interpreted and adopted into management and practices.

The criteria of Shariah Compliant Hotel concept in Adya Hotel is having halal foods and no alcohol to be served in the hotel premise, having the Holy Quran, prayer mat and arrow

that including the directory of qiblat, the beds and toilets positioned not facing the qiblat, prayer room (Musollah) available on the hotel, no inappropriate entertainment, predominantly Muslim staffs with a proper Islamic code of dress, separate spa and swimming pool for men and women and follow Islamic financing and funding.

Adya Hotel Langkawi approach is based especially on the development and staffs training, so Adya Hotel see that implementing Islamic hospitality values to the guests would help them to deliver the best service to their guests. The key corporate philosophy are Islamic, Friendly, Hospitality. In term of Islamic, Adya Hotel Langkawi priority is customer satisfaction through Islamic values implementation within its business objectives. The basic Islamic values are instilled in hotel environment such as Muslim Greetings (Assalamualaikum), Azan at each prayer time, Dua' (prayer recital) in the morning, Solat Jama'ah with staffs, Charity to needy (CSR), wearing hijab (scarf) for women staff is compulsory. Every Muslim's staff are required to allocate a small amount of their monthly salary in Tabung Haji (Prigrimage saving) and deduction for Zakat is made compulsory on eligible staffs. With regards to friendly phylosophy, Adya Hotel Langkawi nurture each of the staff to greet and smile every time they meet the guest (no matter how frequent they have met for a day). Every staffs are much willingly to help any guest in difficulties. In the context of hospitality, Adya Hotel Langkawi provides welcome drink for arrival guest and offers 207 comfortably and well-appointed guestroom with private balcony of various category.

The high level of competition is one of the most difficult challenges in the hotel industry. This is reflected by increasingly narrow margins and pressure to provide more and better service, which has led to increasing costs, reduced customer loyalty and consequently a decrease in the occupancy rate. In Malaysia, the hotel industry operates in an aggressive competitive environment, thus making it vulnerable to international competition. To sustain in this challenging and competitive market, hotelier needs to differentiate their business with others. By transforming their conventional hotel to Syariah Compliant Hotel (SCH), they have attracted tourist attention, especially Muslim tourist who is really concerned about halal products and services.

1.1 Background of Adya Hotel

Adya Hotel Langkawi is owned by the Kedah State Government under the state's Menteri Besar's (Chief Minister's) Office and wholly owned by Permodalan Kedah Berhad Management and Services Sdn. Bhd. The building is located in Pulau Langkawi; a premier duty-free shopping destination. Adya Hotel Langkawi is conveniently located in the heart of commercial district of Kuah town, close to various shops and eateries, and walking distance to duty-free shopping areas, banks, and restaurants. With just a 10-minute drive from the jetty terminal and 25 minutes from Langkawi International Airport, it is less time consuming for people to come over.

Adya Hotel Langkawi has modern architecture and unique facilities that offer 207 rooms located within 12 floors. The hotel also provides a non-smoking floor at floor 6 and 7 particularly for guests who come with family. The word 'Adya' is derived from Sanskrit to mean 'The First'. The name is apt because this is the first ever state-owned hotel built 20 years after Langkawi has been developed. It is also the first Islamic (Syariah-compliant) hotel in Langkawi. It is the first hotel on the island to have two swimming pools; one dedicated only for female while the other for general guests. Other unique features include piped in Azan (call for prayer) and piped in Quran recital during the mornings.

Adya Hotel Langkawi was officially opened in January 2015. Their record showed that the average occupancy, even during Ramadan month, has consistently been 70% or above. The hotel emphasizes on providing quality products and services at reasonable prices. Since its opening, Adya Hotel Langkawi has steadily been making a name for itself. Currently ranked number one in Kuah and number thirteen in Langkawi, out of over one hundred hotels listed on TripAdvisor. It also garnered the award as the Best Four Star Hotel during Langkawi International Tourism Awards (LITA 2015).

1.3 The Characteristics of Shariah Compliance Hotel in Adya Hotel

Adya Hotel Langkawi is a new city hotel with Islamic hotel concept designed with modern Malaysian and Moroccan inspired architecture, located at the centre commercial district of Kuah town in Langkawi, Malaysia. The Islamic hotel concept set up to meet the

needs and wants of Muslim travellers to confidently fulfil their religious obligation during their travel period. Adya hotel provide similar basic facilities in the guest room as compared with other conventional hotels, but with additional features or facilities for the Muslim travellers such as spacious bedrooms for Muslim guests to perform their prayer, prayer mat (sajadah), the Al-Quran, qiblat sign (direction of Makkah), prayer schedule, bidets in the bathroom to ease Muslim guest to take ablution and room decorations and arts that do not depict the human or animal forms.

Other Muslim friendly services offered by Adya Hotel Langkawi are quite impressive. Some of the requirements in star rating have been innovated to fit with Sharia Hotel concept. In this instance, Adya Hotel provides two spacious prayer rooms for all male and female Muslim guests to perform their prayer. Halal restaurant and halal lounge makes the Muslim travellers feel comfortable to dine-in in the Jelapang Restaurant and Executive Lounge by Adya. They also provide 24 hours room services also provide with Halal menus for the guest having food and drinks in a guest rooms. The management encourages all staffs to wear Adya Hotel staff uniform provided to make sure all staff covered their aurat (parts of the body to be clothed) based on the sharia principles. In addition, the hotel provides Sahur and Ramadhan buffet for break-fast in Ramadhan month to ease all Muslim guest perform their fasting routine. For the banquet and meeting room's facilities, Adya Hotel Langkawi provides spacious function rooms and enough to cater for separate seating for male and female based on the customer request.

In terms of recreation facilities, this hotel tries to perform their best to meet the sharia compliant requirement. Two swimming pools are located at separate places; one pool is for male guests and the families called 'common pool' which to fulfil the request from the non-Muslims guest who want to have leisure time together with family members in a same swimming pool. The other pool is specifically dedicated for female guest, in particular for the female Muslim guests to enjoy their leisure time at a separate swimming pool in a covered area away from the male guests. Adya Hotel Langkawi also provides separated spa and gym for male and female guests, and for female guest they may have a massage services in their own guest rooms.

Other Islamic values and activities are constantly conducted for staff by Adya Hotel. These include activities such as Morning Prayer, Al-Quran recital and Usrah (preaching). The management team imparts their staff to provide equal attention and co-operation to both

Muslim and non-Muslim customers. The management team also encouraged the outsource travel and tour agent to create a Muslim tour packages in Langkawi and discourage them to plan a red-light entertainment for the Muslim guest who request for their services.

1.4 Challenges to be Shariah Compliance Hotel

In Malaysia, the opportunity of Malaysia hotels to provide some facilities and activities in line with the Islamic values indirectly has come into existence. For example some hotels promote the traditional halal food, organize the Bazaar Ramadhan, Ramadhan buffet and prayer room to perform solat tarawih. However to set up the Shariah-Compliant hotel in a short period of time is very difficult. It takes times to make it comes into existence. In Malaysia it was reported that only 101 hotels throughout Malaysia have applied for the Halal logo certificate from JAKIM to certify their restaurant and cafe. (Berita Harian, 2010). Shariah Compliant Hotel that is an interesting development which illustrating several important features of demand and supply of hospitality services within an Islamic realm.

In spite of having some prospects in developing shariah compliant hotel, there are also some challenges that might be faced by Adya Hotel Langkawi. Firstly is educating non – Muslim guests about Shariah Compliant hotel concept. For example, sometimes guests could be ignorant by bringing in prohibited items such as liquors. Secondly, monitoring staff behaviour internally or externally in conducting them in accordance to project an Islamic way of life also the issue especially their external behaviours could stain or affect the hotel image when staff conducts immoral activities. Thirdly, social media is another challenge because this platform as part of public relations could be disastrous if the public think otherwise when negative issue is posted. Social Media platforms (like Facebook, Twitter, YouTube and many other) provide consumers with access to a vast and rapidly growing pool of high-quality, topical and most importantly impartial information, generated not by commercial interests but by other consumers (Sigala and Marinidis, 2010). The use of Social Media by hotels and businesses in general represents a continuous area of interest because of its popularity. Using Social Media is very often considered as a “mega trend” within the tourism and hospitality industry (Xiang and Gretzel, 2010, p. 179). Fourthly, Adya Hotel also face problem with non-Muslim guest complaints as disturbance of Al-Quran Recital or Azan through pipe audio.

The main challenge in Adya Hotel is to effectively educate the employees on the shariah compliance hotel by maintaining aurat (parts of the body to be clothed) based on the sharia principles. This refers to proper attire that is not revealing certain body parts for male and female (aurat) that the staff must wear at the public areas in the hotel. Another issues arises that encouraging five time prayer a day. As part of the daily prayer, jamaah prayer during Zohor and Asar lead by an Imam is encouraged but may be difficult due to busy schedule. Another recognizable challenge, several staff of Adya hotel neglect to wish Muslim guests with Salam at all times.

Conclusion

This paper focuses on the concept of Sharia compliant hotels (SCH) which becomes a highly attractive concept through the Adya Hotel. The SCH concept still needs to be clearly defined. There are big potential and bright prospect of SCH to the economy and to the hotel industry, especially with the growing number of Muslim population and Muslim travelers; this market segment is expected to grow fast. This promising future comes with great challenges. In Malaysia, this concept is totally new and needs to be further studied; hence, this paper is concerned with highlighting the defining challenges that SCH facing in striving to achieve the concept development in Adya Hotel. SCH also attracts non-Muslims guest specially who seeking health-conscious lifestyles, are socially aware and appreciate of other cultures and societies.

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**OPTING MTD AS FINAL TAX: IS IT A GOOD CHOICE?
A CASE STUDY ON CORAL OIL BERHAD**

By

Idawati Ibrahim, Muzainah Mansor, Natrah Saad, and Zainol Bidin
Tunku Puteri Intan Safinaz School of Accountancy (TISSA-UUM)
Universiti Utara Malaysia

MONTHLY TAX DEDUCTION AT CORAL OIL BERHAD

CORAL OIL BERHAD¹ has decided to exercise MTD as final tax² on its approximately 50,000 employees. Under this scheme, the employees of CORAL OIL BERHAD are given option to treat MTD as final tax or to file their personal tax returns every year as normal practice. This proactive move was undertaken in order to facilitate its employees. In addition, the scheme has also shifted the responsibility of tax collection from the IRBM to CORAL OIL BERHAD who is now responsible to withhold monthly taxes from its employees and to remit the amount by the 10th of the following month. In the case of MTD process in CORAL OIL BERHAD, the departments involved are Human Resource (HR) Division and Finance Division which were led by Zara and Dawood respectively.

As a newly appointed HR manager, Zara is responsible to handle all affairs relating to monthly salary of the employees in CORAL OIL BERHAD, including the MTD. As an employee of CORAL OIL BERHAD herself, Zara is also wondering about her responsibility towards the MTD scheme system and whether or not to opt for the scheme. She understands that employees have options whether to opt for MTD as final tax or not. This makes the company to face three situations:

- (1) A system for all employees that suits MTD as final tax
- (2) A normal MTD system which is not for MTD as final tax
- (3) A system that can cater both options, MTD as final tax and normal MTD.

Since the calculation of MTD is made and revised monthly, Zara feels it is necessary for those who plan to choose MTD as final tax to furnish the relevant information (particularly

¹ CORAL OIL BERHAD is not a real name for this case.

² Further explanation on Monthly Tax Deduction is presented in Exhibit 1.

on relief and rebate) accurately and timely. This is even crucial as the information needs to be updated by the respective employees on monthly basis. This requires understanding and cooperation from the employees, which is not happening at the moment. From her initial survey by talking to some employees, they feel that providing their details related to MTD as final tax is a cumbersome procedures. However, the top management of CORAL OIL BERHAD believes that it is a waste of investment made on the MTD software (for accurate MTD calculation purposes) if it is underutilized by its employees for MTD as final tax. Thus, it is the top management's view that it is the responsibility of Zara to convince the employees to adopt the MTD as final tax scheme. She is also concern about making the calculation for MTD as accurate and timely as possible. Therefore, Zara requires the help of the Finance Division to implement the new task urgently.

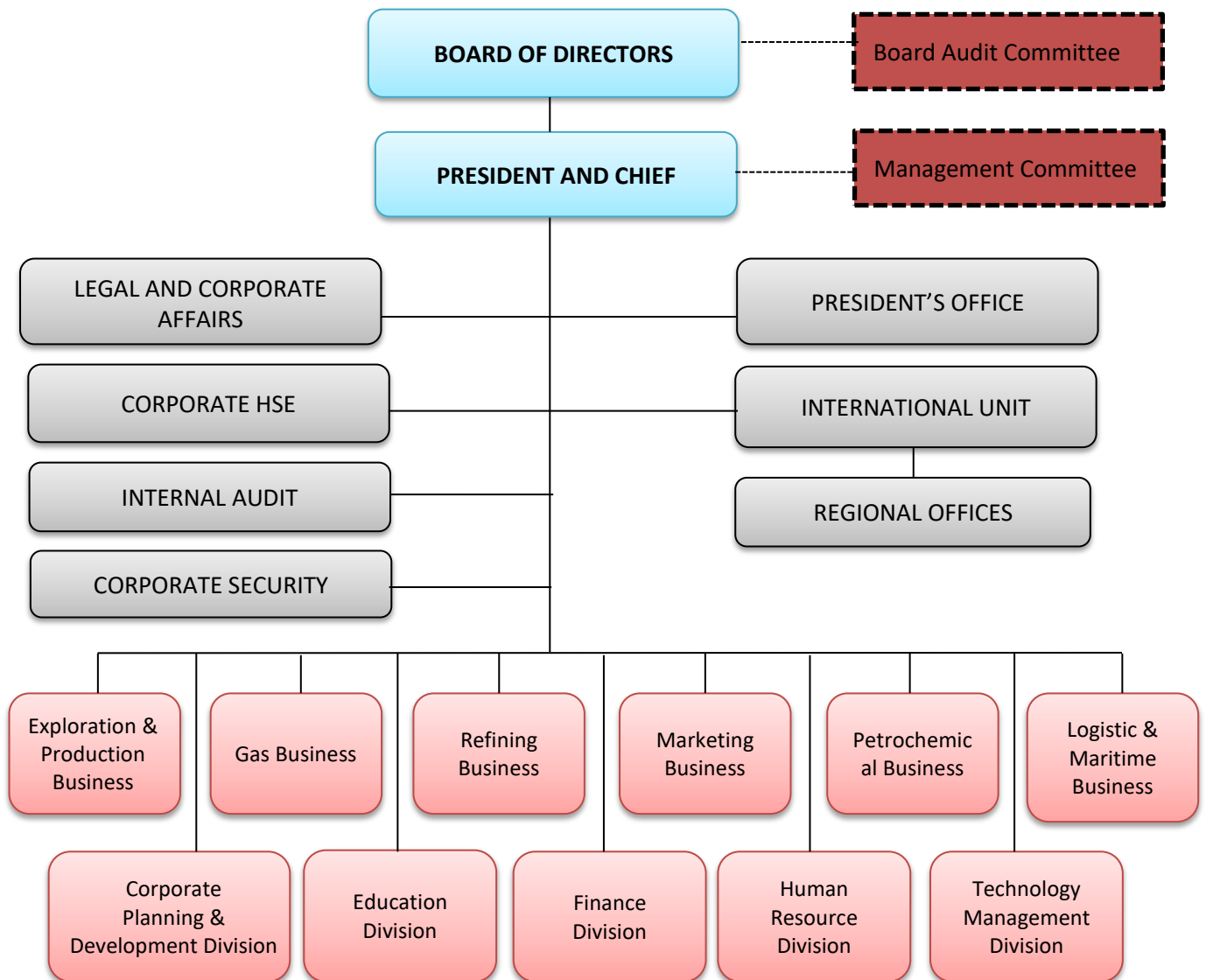
BACKGROUND OF CORAL OIL BERHAD

CORAL OIL BERHAD is a petroleum company operating in Malaysia. Established in 1975, CORAL OIL BERHAD is ranked among the largest companies in the world. CORAL OIL BERHAD explores, produces and delivers energy to meet society's growing needs.

CORAL OIL BERHAD' business activities include (i) the exploration, development and production of crude oil and natural gas in Malaysia and overseas; (ii) the liquefaction, sale and transportation of Liquefied Natural Gas (LNG); (iii) the processing and transmission of natural gas, and the sale of natural gas products; (iv) the refining and marketing of petroleum products; (v) the manufacturing and selling of petrochemical products; (vi) the trading of crude oil, petroleum, gas and LNG products and petrochemical products; and (vii) shipping and logistics relating to LNG, crude oil and petroleum products. Committed to ensuring business sustainability, CORAL OIL BERHAD also strives to responsibly manage natural resources in a way that contributes holistically to the well-being of the people and nations wherever it operates.

To be renown in global market, CORAL OIL BERHAD has a vision *“to be a leading oil and gas multinational company”* and missions *“to be a business entity which produces high quality petroleum products; to be responsible to develop and add value to this national resource and to contribute to the well-being of the people and the nation.”* The organizational Chart of CORAL OIL BERHAD is depicted below:

Figure 1: The Organization Chart of CORAL OIL BERHAD



MTD PROCESS IN CORAL OIL BERHAD

In the case of MTD process, the departments involved are Human Resource (HR) Division and Finance Division. Zara is the head of Human Resource Division and Dawood is the head of Finance Division. The calculation of MTD is done by the Finance Division with the information supplied by the HR Division. With a big number of CORAL OIL BERHAD staff (which is approximately 50,000), processing payrolls and MTD every month would be a huge task for the divisions. MTD is a mechanism in which employers deduct monthly tax payments from the employment income of their employees. Employers rely on an employee's personal data submitted to their HR division to compute MTDs. Therefore, these monthly

deductions are net of personal relief, relief for spouse with no income, child relief and zakat payments.

Further, employees may request for other reliefs to be deducted so that the total MTD payments equal the total final tax payable. To do so however, employees need to submit Form TP1. It is in this form that employees should state other reliefs that they are entitled to, to facilitate the computation of MTD. Reliefs that the employees can include in the form are:

- Medical treatment, special needs and carer expenses for parents,
- Basic supporting equipment for use by the disabled employee, spouse or parents.
- Self-education fees,
- Medical expenses on serious diseases,
- Complete medical examination,
- Purchase of books, magazines and journals,
- Purchase of personal computer (once every 3 years),
- Net deposit in Skim Simpanan Pendidikan Nasional (SSPN),
- Purchase of sports equipment,
- Alimony payment to ex-wife,
- Life insurance,
- Education/medical insurance,
- Deferred annuity,
- Interest on housing loan (subject to meeting stipulated conditions), and
- Zakat payment (only if not deducted through MTD already).
- Others as stipulated in the Income Tax Act 1967

Even though there are a number of reliefs as stated above, the Organisation for Economic Cooperation and Development (OECD) proposed that the eligible reliefs should be minimal for a successful MTD as final tax. This is because many reliefs available to the taxpayers will increase the workload of the employers to calculate the accurate MTD for the employees.

CORAL OIL BERHAD is responsible to remit the amount deducted to Inland Revenue Board of Malaysia (IRBM) every month in accordance with Income Tax (Deduction and Remuneration) Rules 1994. To avoid burdening employees with the need to re-compute their

income tax which may already equal the MTD remitted by employers to IRBM, taxpayers no longer need to submit their tax returns. However, three criteria must be met:

- Such employee must receive their employment income prescribed under Section 13 of the Income Tax Act 1967;
- MTD of such employee must be made under the Income Tax (Deduction from Remuneration) Rules 1994; and
- Such employee must serve under the same employer for a period of 12 months in a calendar year (i.e. January 1 – December 31).

This change is effective from year of assessment 2014. Employees who choose MTD as final tax and have been submitting their Form TP1, no longer need to submit their tax returns by the deadline the following year. The IRBM has warned taxpayers against trying to claim more tax relief than they are entitled if they opt for MTD as final tax. The fine can range between RM1,000 and RM10,000 plus 200% of the tax undercharge.

Since the MTD as final tax was introduced, the problem that arises relates to Form TP1, particularly the lack of awareness of its existence and the timing of its submission. An article by a newspaper quoted a group of financial officers as saying that not many employees knew of the deduction and rebate form. In addition, MTD as a final tax would create more work for employers. They have no problems accepting the forms as long as it is before their payroll cut-off date but many employees did not use the form.

Specifically, for the case of CORAL OIL BERHAD, the level of awareness among the employees regarding Form TP1 has been bothering Zara. In addition, she recently received a very disturbing memo from Dawood regarding the implementation of MTD as final tax in their company. As a result, she has decided to discuss this problem with Dawood one day during the lunch hour.

Scenario 1: CORAL Café (1.00 pm, 6 January 2017)

The menu of the lunch for the day seemed unappealing. Actually, Zara had not been having much appetite. She had been unable to sleep well at night for the last three days since she received a memo from Dawood. She was supposed to meet Dawood that day during lunchtime to discuss the matters highlighted in the memo.

While waiting for Dawood, Zara's mind had a flashback. It had been a month now that Zara has been working with CORAL OIL BERHAD as the Human Resource manager. It was an exciting change from her previous position as a Human Resource officer in her previous company. Her old office was small and cramped, making it hard for her to arrange her work-related stuff nicely. In addition, the view from her office window was really unattractive. Every day she can only see the scenario of a construction work with disturbing sound from the opposite building which had been under construction for so many years. She always dreams of having a big office room with a nice view that will give her a good feeling to go to work every day. It had been a dream came true when she received the offer from CORAL OIL BERHAD to become the HR manager.

However, the excitement was disturbed when an email reached her. The email asked her to make sure that starting from this year, the MTD as final tax should be a smooth process. Her mind drifted back to the strong words in the email. She looked at her smart phone to see the email again, trying to digest the words one by one. The most disturbing sentence reads as follows:

“...the due date to submit MTD is approaching...so much money was spent on purchasing the new software for MTD as final tax purposes...with your new appointment as HR manager, we anticipate that the job will be done accurately and timely...I am disappointed that you have yet to send me the relevant report...Is the form for IRBM ready?...what seems to be the problem?...have you received all the relevant information from our employees? I need to be updated urgently!”

Zara was fully aware that employer shall pay MTD to the Director General of IRBM not later than the fifteen day of every calendar month. She was supposed to calculate the total amount of tax deducted or should have been deducted by her from the remuneration of employees according to MTD schedule. With MTD being the final tax, she had to furnish a complete and accurate employees' information of the following in a return when submitting MTD:

- income tax number (if any);
- name as stated on identity card or passport;

- new and old identity card number/police number/army number or passport number (for foreign employee); and
- MTD/additional deductions amount.

Zara felt very sad with the memo from Dawood. She thought that it would be great if she can run away from this situation. Flying to Mauritius and lying on a pearl white sandy beach was a nice escape. Suddenly, her imagination was abruptly disturbed with Dawood's husky voice.

Dawood : Sorry I'm late, something important just popped up.

Zara : It's ok

Dawood : Let's order lunch.

Zara : Ok

Dawood : Any updates on the MTD report?

Zara : Hmm.... Well, not much progress.

Dawood : Why? Don't you understand my memo?

Zara : It's not that I don't understand. The problem is...I don't have enough information from employees regarding their eligible reliefs...and majority of them do not submit their Form TP1.

Dawood : How many exactly those who have submitted the form?

Zara : I am not sure but my subordinate told me that it is very low.

Dawood : It's that all you can tell me? Why is it low? Then you should find out more. I need the accurate information. You must find out whether the employees are aware about the requirements for MTD as final tax, how many employees have adopted the scheme, whether the information provided by them is accurate and the submission is on time.

Zara : Ok I will do that as soon as possible.

Dawood : I need you to present the information on 13 January 2017 to me. Hopefully we can submit the relevant form to IRBM on time. Ok, you can continue your lunch. I need to go back to the office now.

Scenario 2: Human Resource Manager's Office (2.00 pm, 6 January 2017)

Zara went straight to her office after meeting Dawood. She did not order any lunch. Her biggest problem was the MTD matters. The process of MTD was not a new thing to her as she has been doing it for her previous employer. However, processing MTD as a final tax for the employees was something which she had not done before.

So she had to find the information required by Dawood very fast. Suddenly, she remembered her beloved tax lecturer during her undergraduate time, Dr. Mona. Luckily, she saved her lecturer phone number and directly texted her asking whether it is appropriate for Zara to call her at that moment. Luckily, she received a good response from her lecturer and called her directly. Dr. Mona suggested to Zara to refer OECD reports on pre-filled return system to gain some ideas on the factors needed in order to have a successful MTD as final tax system. Dr. Mona also suggested to Zara to conduct a research on CORAL OIL BERHAD employees in order to understand their perceptions towards the MTD as final tax system. She felt so relief because she managed to find the solution to her problem. She decided to carry out a questionnaire survey and interviews with employees. She directly picked up a pen and started drafting the questions for the survey and interviews. Her mind was fully occupied with the questions and the steps to be taken in conducting the research.

Scenario 3: Human Resource Manager's Office (8.30 am, 7 January 2017)

Zara arrived at her office early that day with a smile on her face. She has planned her work very well. She printed the questionnaires and distributed them to all staff through their respective head of divisions. She needed the responses urgently and therefore she requested that the questionnaires to be returned to her in two-day time by each head of department. As for the interviews, she decided to select some employees from every division to be the respondents and the interview were conducted the following day.

Then she continued to do her routine work as usual. At the back of her mind, she kept thinking about the outcome of the research that she was about to conduct and wondering whether she can get the information needed for the MTD on time. In the meantime, she tried to search for more information on MTD as final tax from the IRBM website, business magazines, newspapers and other online sources.

She found an article which revealed that employers support the MTD as final tax. However, they prefer the submission time of Form TP1³ to be regulated. The article also stated that the executive director of Malaysian Employers Federation proposed for Form TP1 to be submitted only twice a year (as opposed to monthly), either in June or July and November. Furthermore, he added that employees did not submit their Form TP1 often; saying that most employees prefer to file their income tax returns in April every year.

Having knowledge regarding one's taxes is important to ensure proper financial management. Awareness regarding MTD and Form TP1 will ensure that all necessary reliefs are taken into account, thus ensuring accurate tax payments in a timely manner. But, one must also note that there are two routes (i.e. submit Form TP1 or claim reliefs when filing income tax) to the same result. Hence, one should opt for whichever method that is most convenient and the one they are most comfortable using.

The findings from the article have shed some light on the issues of MTD as final tax from the perspective of other employers. She wondered whether the same situation exists in her company.

Scenario 4: Much-Awaited Day, CORAL Meeting Room (13 January 2017)

Zara woke up early that morning. She had prepared the results of her research which she had included in her report.⁴ She believed that the information would help to solve the MTD issues in their company. Her report showed that majority of the employees (about 80%) were not submitting the TP1 form. At this stage, the employees said that they did not understand the new system well. So far, the findings of her research indicate that HR and Finance Divisions never ask the employees about their opinion and problem regarding MTD. Perhaps, the reason for this low acceptance rate is due to the above problems.

While she was flipping through her report, Dawood came into the room. She presented her research findings to Dawood who seemed satisfied with Zara's report. Both Zara and Dawood discussed the possibility of inaccuracy of MTD calculation based on the limited information provided by the employees. They also felt that IRBM was not giving much guidance on the implementation of MTD as final tax. The IRBM has never followed up on

³ Exhibit 4 is sample for TP1 form for year 2017.

⁴ Exhibit 2 indicates her results from questionnaire survey and Exhibit 3 is the interview results.

their achievement in implementing the new scheme. This is probably due to the voluntary nature of MTD as final tax. Finally, they have both agreed that they were open to accept their employees' choice whether to opt for the new scheme or not. They were also waiting for IRBM's next move regarding the new scheme.

INSTRUCTIONS:

In relation to the above case:

1. What is the level of understanding of employees about the scheme?
2. What are the responsibilities of the employer and employees under the scheme?
3. Do they have an appropriate system to accommodate the scheme?
4. How the current income tax law support the implementation of the scheme?
5. Is there any integration with supporting agencies (e.g. EPF, insurance companies and zakat institutions) in implementing the scheme?
6. What is the acceptance rate among employees for the scheme?
7. Are the employees satisfied with the scheme?
8. What are the problems faced by CORAL OIL BERHAD at the early stage of the implementation of the scheme?
9. What are the actions to be taken by CORAL OIL BERHAD in ensuring the smooth running of the scheme?
10. How to ensure the information furnished by the employees is accurate and timely?
11. How does the calculation of MTD reflect the true and correct amount of tax payable?

EXHIBIT 1

INTRODUCTION TO MONTHLY TAX DEDUCTION AS FINAL TAX

Many developed countries have taken action towards simplifying personal income tax system. In many European and Australasian countries, majority of taxpayers do not need to prepare their own income tax returns because their revenue bodies have generated for them. For instance, in the United Kingdom (UK) and New Zealand, personal taxpayers do not have to file an income tax return due to a good tax withholding system at source (Evans, 2004). The system is called a no-return system and referred to as Pay-As-You-Earn (PAYE) system. In the UK, HM Revenue and Customs (HMRC) uses a tax code to tell employer or pension provider how much tax to deduct from your wages or pension. The tax withhold by employer is considered final tax.

In Denmark and a few other Nordic countries, tax returns are prepared by tax authorities using third-party information such as employer and insurance company by the assistance of advanced technology to produce a complete or half complete return to taxpayers (Highfield, 2006). Taxpayers only need to check and verify tax returns prepared by the revenue body (OECD, 2006). The system is called a pre-filled return system. The main idea of such systems is to ease taxpayers' burden and at the same time reducing tax evasion as well as increasing revenue collection by maximising the use of technology (Ibrahim & Pope, 2011). Other countries that also utilising this system include Australia in tax year 2004/2005 as part of their e-filing system (Evans & Tran-Nam, 2010), California in 2004 (Bankman, 2005), Singapore in 2005 (Inland Revenue Authority of Singapore, 2005) and Slovenia in 2006 (Klun, 2009). The system is also categorised as an improved service delivery by tax authorities (OECD, 2010).

In Malaysia, a system referred to as Monthly Tax Deduction (MTD) has been implemented since 1994. Similar to PAYE system, the MTD system also requires employers to withhold a portion of salary as tax to be paid to the tax authority. MTD is The deduction in the MTD (Amendment 2004) is not the final amount of tax payable but it is a mechanism to reduce the burden of salaried group taxpayers from paying a lump sum amount of tax at the end of a tax year (IRBM, 2015). Refund of any excess tax paid will then be made by the Inland Revenue Board of Malaysia (IRBM) after the final tax payable and the total deduction by taxpayers has been determined.

In 2009, the IRBM has introduced a new MTD system. In the new system, tax exemptions and rebates are filed on a monthly basis instead of yearly basis. This is beneficial to employees who normally overpay their income taxes, then later need to file for a refund the following year. The new system attracts the employers' attention to reduce their employees' tax burden by allowing instalment payment through monthly remuneration deduction. However, since the MTD scheme is not a final tax, employees still need to file income tax return form to the IRBM at the end of tax year annually. This system creates burden to salaried taxpayers and also confusion for some taxpayers as they thought that they have actually paid income tax.

As a result, the IRBM has introduced the MTD as final tax beginning the year 2014 as being tabled by the Finance Minister in the year 2014 budget. The MTD as final tax is expected to be somewhat similar to the PAYE system in the UK. This action is mainly to reduce the burden of filing return forms among the salaried taxpayers group. Under this new system, taxpayer may choose not to file a return form because he or she accepted his/her MTD is final tax. No refund or extra tax payment will happen under this system as the calculation of MTD need to be as accurate as possible. To ensure this, employees need to update their employers on their circumstances, especially the items related to reliefs and rebates so that the calculation of MTD can be done accurately. However, this may impose extra burden especially to employers because in Malaysia, the burden of calculation the MTD (which is the correct amount of monthly tax liability) has shifted to the employers. Until present, the successful of the MTD as final tax is also unknown.

EXHIBIT 2

RESULTS OF ZARA’S RESEARCH ON CORAL OIL BERHAD’S EMPLOYEES

Table 1

Age, Gender, Ethnic, Marital Status and Number of Children (N=50)

	Frequency	Percentage
Age		
24 and less	1	2
25 – 44	40	80
45 – 54	7	14
55 – 64	1	2
65 and above	1	0
Gender		
Male	27	54
Female	23	46
Ethnic		
Malay	46	92
Chinese	2	4
Others	2	4
Marital Status		
Single	11	22
Married	38	76
Others	1	2
Number of Children		
None	14	28
1 – 2	17	34
3 – 4	11	22
5 or more	8	16

Table 2

Education and Position (N = 50)

	Frequency	Percentage
Education		
STPM	4	8
Diploma	4	8
First Degree	33	66
Professional Qualification	7	12
Masters/PhD	3	6
Position		
Management	13	26
Officer	27	54
Admin/Clerical	10	20

Table 3

Working Experience and Gross Income (N = 50)

	Frequency	Percentage
Working Experience		
Less than 1 year	1	2
1 - 4 years	6	12
5 - 9 years	12	24
10 - 19 years	19	38
20 years and above	12	24
Gross Income		
Less than RM36,000	1	2
RM36,000 - RM69,999	14	28
RM70,000 - RM149,999	20	40
RM150,000 or more	15	30

Table 4

The Acceptance of MTD as Final Tax (N = 50)

	Frequency	Percentage
Yes	16	12
No	31	62
Unknown	13	26
Total	50	100

Table 5

Descriptive Results (N=50)

	Min	Max	Mean	Std. Deviation
Attitude	1.00	5.00	2.18	1.080
Social Norms	1.00	5.00	2.45	1.012
Perceived Behavioural Control	1.00	5.00	2.33	0.898
Readiness	1.00	5.00	3.15	1.089
Intention	1.00	5.00	2.43	1.226

Table 6
Descriptive Statistics by Each Item (N=50)

	Min	Max	Mean	Std. Deviation
Attitude				
ATT1: I feel comfortable with MTD as final tax	1	5	2.30	1.266
ATT2: I do not satisfy with MTD as final tax*	1	5	2.06	1.316
ATT3: MTD as final tax is more beneficial	1	4	2.18	1.044
Social Norms				
SN1: My family encourage me to use MTD as final tax	1	5	2.44	1.091
SN2: My employer think that I should use MTD as final tax	1	5	2.54	1.014
SN3: My colleagues said I should accept MTD as final tax	1	5	2.38	1.159
Perceived Behavioural Control (PBC)				
PBC1: With current tax knowledge, it is easy for me to fill my tax return*	1	4	1.84	0.912
PBC2: With limited tax knowledge, it's better for me to accept MTD as final tax	1	5	2.30	1.129
PBC3: Accepting MTD as final tax makes my tax matter easier	1	5	2.52	1.282
PBC4: Accepting MTD as final tax reduces the chances of getting audit	1	5	2.66	1.062
Readiness				
RDN1: My employer is not ready for MTD as final tax	1	5	2.98	1.270
RDN2: My employer provides limited information on MTD as final tax	1	5	3.32	1.269
Intention				
INT1: I am interested to use MTD as final tax in the next tax filing year	1	5	2.38	1.227
INT2: MTD as final tax is my number one choice as compared to other methods	1	5	2.48	1.313
INT3: I will recommend MTD as final tax to my relatives and colleagues	1	5	2.44	1.248

Notes: *ATT2 and PBC1 are the reversed coded items.

EXHIBIT 3

RESULT OF INTERVIEW WITH EMPLOYEES OF CORAL OIL BERHAD:

Question	Answer
What do you understand about MTD as final tax?	<ul style="list-style-type: none"> • Very minimum understanding • Only know that I don't have to do tax return and it will be automatically computed • No complete and clear information or engagement • No communication on MTD from employer • I thought that for MTD as final tax, I cannot claim deductions or reliefs. I am not sure whether this is true or not
Is there any session conducted by the company on explaining the process involved in choosing MTD as final tax?	<ul style="list-style-type: none"> • No meeting • No workshop • No memo • No email
Does the company have the appropriate system for processing MTD as final tax?	<ul style="list-style-type: none"> • No information • There is no system prepared by the company for me to inform the employer about all my tax deductions or relief throughout the year • I cannot check whether the employer has recorded all the information about my claims or not • I do not know to whom I must report the information regarding my claims • No information on what the employee is supposed to do regarding MTD as final tax
What are the problems faced by the employee under the MTD as final tax scheme?	<ul style="list-style-type: none"> • Not understand • All I know is that the employer has given me a choice whether to choose the scheme or not • But I do not fully understand what are required under the scheme • I do not know to whom I should give all the relevant information if I have chosen to opt for MTD as final tax • Makes me worry about this, so I prefer to file the tax return every year

EXHIBIT 4

BORANG PCB/TP1 (1/2017)

LEMBAGA HASIL DALAM NEGERI MALAYSIA
BORANG TUNTUTAN POTONGAN DAN REBAT INDIVIDU
BAGI TUJUAN POTONGAN CUKAI BULANAN (PCB)
 (KAEDAH-KAEDAH CUKAI PENDAPATAN (POTONGAN DARIPADA SARAAAN) 1994)
 BORANG DITETAPKAN DI BAWAH SEKSYEN 152, AKTA CUKAI PENDAPATAN 1967 (ACP)

Bulan Potongan Tahun Potongan

BAHAGIAN A : MAKLUMAT MAJIKAN

A1 Nama Majikan :

 A2 No. Majikan : E

BAHAGIAN B : MAKLUMAT INDIVIDU

B1 Nama :

 B2 No. Pengenalan :
 B3 No. Pasport :
 B4 No. Cukai Pendapatan :
 B5 No. Pekerja/No. Gaji :

BAHAGIAN C : MAKLUMAT POTONGAN

	HAD TAHUNAN	POTONGAN	
		TERKUMPUL	BULAN SEMASA
C1 Perbelanjaan rawatan perubatan, keperluan khas dan penjaga untuk ibu bapa (keadaan kesihatan disahkan oleh pengamal perubatan); atau	TERHAD RM5,000	RM <input type="text"/>	RM <input type="text"/>
C1a Pelepasan bapa	} Tertakluk kepada kriteria seksyen 46(1)(o), ACP	RM <input type="text"/>	RM <input type="text"/>
C1b Pelepasan ibu		RM <input type="text"/>	RM <input type="text"/>
C2 Peralatan sokongan asas untuk kegunaan sendiri, suami/isteri, anak atau ibu bapa yang kurang upaya	TERHAD RM6,000	RM <input type="text"/>	RM <input type="text"/>
C3 Yuran pendidikan (sendiri): (i) peringkat selain Sarjana dan Doktor Falsafah – bidang undang-undang, perakaunan, kewangan Islam, teknikal, vokasional, industri, saintifik atau teknologi maklumat; atau (ii) peringkat Sarjana dan Doktor Falsafah – sebarang bidang atau kursus pengajian	TERHAD RM7,000	RM <input type="text"/>	RM <input type="text"/>
C4 Perbelanjaan perubatan bagi penyakit yang sukar diubati atas diri sendiri, suami /isteri atau anak	RM <input type="text"/>	} TERHAD RM6,000	RM <input type="text"/>
C5 Pemeriksaan perubatan penuh atas diri sendiri, suami/isteri atau anak	TERHAD RM500 <input type="text"/>		

C6	Tabungan bersih dalam Skim Simpanan Pendidikan Nasional (jumlah simpanan dalam tahun semasa tolak jumlah pengeluaran dalam tahun semasa)	TERHAD RM6,000	RM	<input type="text"/>	<input type="text"/>
C7	Bayaran alimoni kepada bekas isteri	TERHAD RM4,000	RM	<input type="text"/>	RM <input type="text"/>
C8	Insurans nyawa	TERHAD RM6,000 (termasuk KWSP)	RM	<input type="text"/>	RM <input type="text"/>
C9	Insurans pendidikan dan perubatan	TERHAD RM3,000	RM	<input type="text"/>	RM <input type="text"/>
C10	Skim Persaraan Swasta dan Anuiti tertunda (<i>Deferred annuity</i>)	TERHAD RM3,000	RM	<input type="text"/>	RM <input type="text"/>
C11	Faedah pinjaman perumahan (mesti memenuhi syarat-syarat kelayakan)	TERHAD RM10,000	RM	<input type="text"/>	RM <input type="text"/>
C12	Caruman Pertubuhan Keselamatan Sosial (Perkeso)	TERHAD RM250	RM	<input type="text"/>	RM <input type="text"/>
C13	Pembelian bahan bacaan, komputer, telefon pintar, tablet, alat sukan, yuran keahlian gimnasium dan langganan internet.	TERHAD RM2,500	RM	<input type="text"/>	RM <input type="text"/>
C14	Pembelian peralatan penyusuan ibu (potongan dibenarkan sekali setiap 2 tahun untuk pembayar cukai wanita sahaja)	TERHAD RM1,000	RM	<input type="text"/>	RM <input type="text"/>
C15	Yuran pusat asuhan dan pra-sekolah berdaftar	TERHAD RM1,000	RM	<input type="text"/>	RM <input type="text"/>

BAHAGIAN D : REBAT

D1 Zakat selain yang dibayar melalui potongan daripada gaji bulanan RM

BAHAGIAN E : AKUAN PEKERJA

Saya mengakui bahawa semua maklumat yang dinyatakan dalam borang ini adalah benar, betul dan lengkap. Sekiranya maklumat yang diberikan tidak benar, tindakan mahkamah boleh diambil ke atas saya di bawah perenggan 113(1)(b) Akta Cukai Pendapatan 1967.

Tarikh

	-		-	
Hari		Bulan		Tahun

Tandatangan

BAHAGIAN F : PERSETUJUAN MAJIKAN

Permohonan tuntutan pekerja di atas adalah dipersetujui bagi bulan potongan tahun potongan

Tarikh

	-		-	
Hari		Bulan		Tahun

Nama :
Jawatan :
Alamat majikan :

NOTA

1. Majikan dikehendaki untuk memproses permohonan ini dan membenarkan pekerja untuk membuat tuntutan potongan yang dibenarkan dan rebat di bawah Akta tidak kurang daripada dua kali dalam tahun semasa.
2. Borang ini hendaklah diisi oleh pekerja dan satu salinan diserahkan kepada majikan tanpa resit atau dokumen sokongan untuk tujuan pelarasan pengiraan PCB.
3. Pekerja dibenarkan untuk membuat tuntutan potongan yang telah dibelanjakan sehingga had yang dibenarkan dalam tahun yang sama.
4. Majikan tidak perlu menyemak amaun tuntutan potongan dengan resit atau dokumen sokongan.
5. Majikan hanya perlu menyimpan borang tuntutan ini untuk tempoh 7 tahun daripada tahun tuntutan dibuat. Borang tuntutan ini perlu dikemukakan sekiranya diminta oleh LHDNM.
6. Semua resit atau dokumen yang berkaitan dengan tuntutan potongan dan rebat hendaklah disimpan oleh pekerja bersama dengan salinan borang ini untuk tempoh 7 tahun daripada tahun tuntutan dibuat.

**SWIMMING48:
A TATTLE TALE OF THE ORGANIZATIONAL CHAOS**

Farzana Quoquab¹, Jihad Mohammad²

^{1,2}Azman Hashim International Business School, Universiti Teknologi Malaysia,
54100 Kuala Lumpur, Malaysia

Swimming48: Clouds in the Coffee

It was a Sunny morning of September 2016. Chan Kok San (subsequently known as Chan) the founder and owner of Swimming48 looked through his office window. Natasha, a senior employee was talking harshly with a newly employed junior employee. Chan took a sip from his coffee mug and started to think how he can change Natasha's behavior. The daily quarrel and fight between Natasha and other employees made Chan concerned about the future of the swimming school.

Natasha was an experienced employee who had been working with Swimming48 since its inception as an accountant. However, she also used to assist in sales and administration. On several occasions, Chan received feedback from other employees that Natasha was not patient enough to deal with her colleagues, especially with the newcomers. Chan was contemplating whether to (i) conduct one to one meetings with Natasha, (ii) isolate her in a department with less interaction with other staff, (iii) transfer her to the new branch or (iv) fire her. Chan was planning to open another outlet on January 2017. Thus, he felt it deemed necessary to settle this issue in order to avoid the negative word of mouth.

Chan's Conversation with Lili

Lili, the human resource manager several times informed Chan about this issue. On 3 September, 2016, almost two weeks ago Lili reported him about the latest issue pertaining to Natasha.

Lili: Mr Chan, you got to do something about Natasha. She is just poking her nose in everybody's business!!

Chan: Humm... She changed lot. She was not like this before. She is with Swimming24Swimming48 since 2014.

Lili: I know that she is one of the oldest employees. I think she started to think that this is her own property.

Chan: That's not a big problem.

¹ Corresponding Author: fqbhabib@ibs.utm.my

Lili: *Yes, but it is a problem if she is not doing her own job properly instead looking for other employees mistakes. And you know what? She is submitting her work very late. I have to ask other employees to get the things done. Sometimes, I do myself even.*

Chan: *I see... Did you try to talk to her in this regard?*

Lili: *Yes I did, but it did not work. She said me that it is none of my business! In fact she doesn't pay attention to anyone! So, if you are not interfering in this situation, there might be drastic consequences. I doubt, more employees will resign since there are many other swimming pools around. Moreover, if they share our internal problems with others, it may hamper the reputation of the organization. I agree with you that she was not like this earlier, but day by day, things are getting crazy.*

Chan: *Is it that serious?*

Lili: *Of course it is. She had started to quarrel with everyone for all petty matters. As you can remember, Justin resigned last year, basically because he couldn't tolerate Natasha's tantrum. He was a hardworking and shy boy. After that, Siti, Nora and Rafi also left Swimming48 and joined other places. And they used to say that here they didn't find a harmonious working place due to Natasha's poking attitude. Recently, some of them started to come late. I suspect this is basically to avoid argument with Natasha. Many of them do not complain to you directly since they know that she is your friend.*

Chan: *Okay. Let me think what I can do. You can go now.*

Chan started to think his conversation with Lili. He reminded himself:

If I am not able to ensure the workplace harmony among the employees, it would be difficult for me to provide the best service to my customers and to be the number one among the competitors. Also it may affect the reputation of the swimming school. It seems that I have to take this issue seriously. I need to make sure that every issue is tackled and everything is settled before the New Year starts.

He whispered:

Firing her will not be the best solution. She had been so loyal to this swimming school even when there were not enough employees and customers. Moreover, Janice will not be happy at all since she is her friend... Firing will be the last option if I don't have any choice.

He decided to discuss the issue with Janice, his wife who had the half share of this business. She might have any suggestion for it. But before that he thought to call Natasha for a casual meeting to understand her perspective.

Chan's Conversation with Natasha

It was 19 September, 2016 when Chan called Natasha to see him in his office. He thought to start the discussion with some light discussion.

Natasha: *Is there anything urgent? I just saw you thirty minutes ago, but you did not say anything on that time!*

Chan: *Yup! I do not know how to start but I think I need to know your opinion.*

Natasha: *Opinion about what?*

Chan: *What do you think, how can we create better customer image of our swimming school? Also, what else we can do to become the first choice of our customers?*

Natasha: *Nothing to worry about. We are doing just great!*

Chan: *That is what you think. But in reality, some of our competitors are gaining more customers than us. Perhaps you do not track any record of our competitors but being the owner of this swimming school, I do.*

Natasha: *I see...*

Chan: *I think recently you became bit careless about your own responsibility too... Did you hear about what some of your coworkers have expressed some concerns about you lately?*

Natasha: *What kinds of concern? You know me since you launched this swimming school. How it matters to you what nonsense others are saying?*

Chan: *Yes. I know you very well. And therefore, I called you to know from your side what made this thing so huge!*

Natasha: *So?*

Chan: *I am informed that you are bit dominating and harsh in your behavior recently.*

Natasha: *May I know who said so in my back?*

Chan: *That is not the point. The point is, you are one of the oldest employees in this organization. I expect more responsible attitude and behavior from you so that others can learn from you. So that I can look for others matters for the growth and image of our swimming school. When I am concerned about the reputation of the organization, your behavior is ruining it.*

Natasha: *I see... If they don't know how to show respect to the senior employee, then is it my mistake? What is the problem of this generation? They don't think at all before they speak...*

Chan: *You are referring to whom? Who misbehaved with you?*

Natasha: *Last week Patrick came late to the office and then asked him what was the reason? Instead answering my question he started to accuse me saying that I am interfering in his daily affairs too much even when he is not being questioned by the human resource manager or CEO. The other day, Wei Lin didn't finish compiling all information for the 'kid competition' project and I reminded her. Instead of feeling ashamed, she said it is okay if she does it on the next day. How rude they are? And now they are complaining to you about me in my back? I am your most senior employee and the loyal one. You are paying attention to others without considering my situation?*

Chan seemed bit confused by listening Natasha's opinion. He planned to discuss this matter with Janice, his wife.

Swimming48: Its Structure and Work Culture

Chan, a 30 years old young entrepreneur founded Swimming48 as an official swimming school on July 2014 at PJ Palms. He was married to Janice who had fifty percent share of the business. Previously he used to work as a swimming coach individually for 5 years. His concern was to teach people how to swim as a necessary skill in everybody's life.

During 2009 Chan used to provide swimming lessons at customer's private swimming pools or public pools. Later, on July 2014, Chan established his own swimming school at PJ Palms sport school and started to work officially. PJ was a strategic location for conducting swimming lessons which possessed standard Olympic 50 meters swimming pool and gymnasium. There were plenty of restaurants and cafes around the school as well to fulfill customers and athlete's needs. Besides that there was a physiotherapy school located at PJ Palms which worked hand in hand with the swimming school and the gymnasium to treat sports injuries.

Swimming48 started with Chan, Janice and Natasha in 2014 and grew to 6 management staff, 16 coaches and 3 lifeguards in 2016. With the increased number of employees, Chan decided to set certain rules for employees to follow such as fixed shifts and advance leave application.

Each employee was in charge of 2-3 departments. For instance, Natasha was responsible for accounting, sales and at the same time admin work too, while Janice was in charge of operations, sales, customer service, admin and scheduling. In December, 2014, Lili was appointed as the HR manager and on July 2015 Wei Lin was added to the management team to help Natasha in doing accounts and overall operations monitor. Besides management team, two admins were responsible to keep records of customers, do sales for walk in customers and make sure classes are conducted smoothly and on time (see Figure 1). Chan served as the CEO of Swimming48 and handled the overall marketing side of the Swimming48. There were few coaches who were

trained to work as administrative staff at the same time and also few administrative staff who were trained to coach as well. The lifeguards and senior coaches used to report their duties to Chan directly. However, unofficially, Natasha used to monitor them.

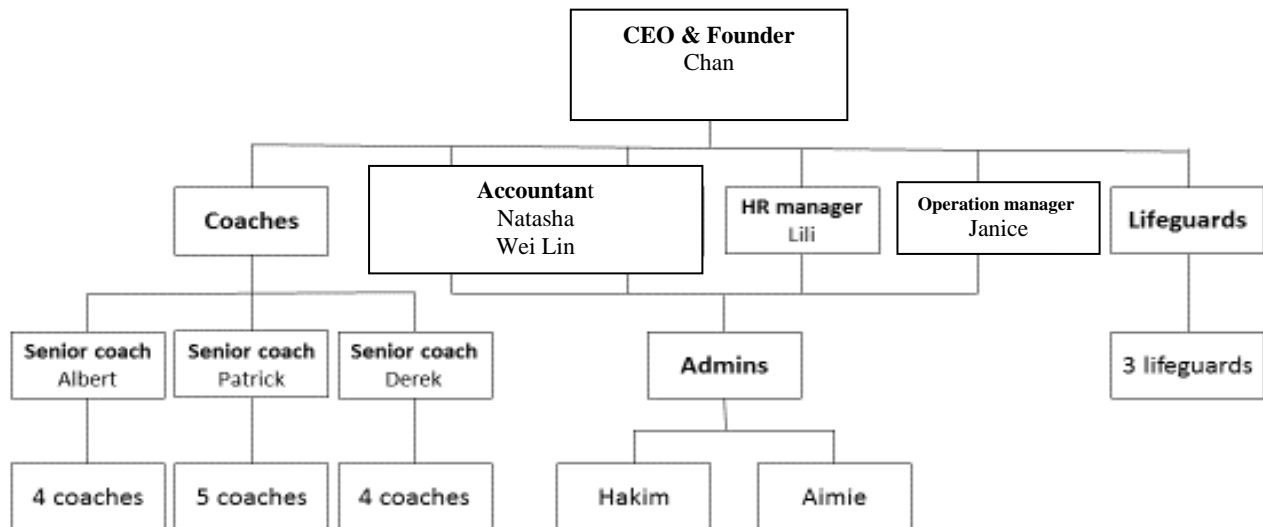


Figure 1. Swimming48's Organization Chart as per September, 2016

Administrative staff were being responsible for different departments, made them interact with each other closely. Everyone was responsible for any error if happened. There was no strict supervision over administrative staff as well. Chan believed that as long as employees get their jobs done, there is no need for restricted control. Although Natasha, Lili and Janice were leading three major operations, Janice had more decision making power due to her share in the business. However, Natasha also enjoyed plenty of freedom and priority for being one of the oldest employees at Swimming48.

At the very beginning, for the first few months, Chan, Janice and Natasha used work for long hours every day since there were only 3 of them. Lack of enough employees to change shift and cover other members' leaves was the main issues arose at the time. Chan was not able to recruit more employees since it was not possible to pay salary additional employees. Therefore, the employees had to work long hours with low salary.

Since September 2014, the normal working hour for management team was 14 hours every day including weekend. Meanwhile, lunch and nap hours were not fixed, and employees could take break from work any time. Holidays and annual leaves were between one to two weeks and employees had the freedom to take last minute leaves and breaks. Moreover, private and confidential information was shared only with Natasha and most of the profit of Swimming48 was spent on operational expenses.

Later, at the middle of 2015 the number of employees increased, and thus certain rules were set to manage staff properly. 2 shifts were determined each for 10 hours per day and employees had one day off per week. Employees had only one hour break per day for lunch and nap, and were allowed to take holiday leaves for maximum 7 days only.

Chan was kind to his subordinates and offered flexibility in their work style and pattern as long the employee could deliver their work properly and could bring more customers for Swimming48. He ignored employee's faults in many cases and showed little power over them. He showed respect to those who showed loyalty and commitment towards Swimming48. Chan believed that retaining loyal employees would be beneficial to the business.

Swimming48's Customers

Swimming48's customers were kids who were above 4 years old, teenagers and adults. Different range of programs enabled Swimming48 to sale lessons to a vast age category. Moreover, various kinds of programs offered customers options to choose the best program that suits them. Besides that different programs had different prices to let customers choose their affordable lesson. Customers were from different races such as Indian, Malay and Chinese besides Europeans and Caucasians while most of the company's employees were Chinese. On 2016, Chan started hiring employees from other races and nationalities to make the swimming school more diverse.

The programs were divided into five main categories for different ages. Early swimmer's program was for 4 to 6 years old kids. Guaranteed program was for any age above 7 years old. Monthly program, pre competition program and crash course lessons were offered for every age above 4 years old. Moreover special need lessons were also given to any disabled or special needed person at any age. Swimming48 lessons were provided for any gender by both female and male coaches. In an Islamic country, there are many women who prefer getting services from a female coach. Therefore Swimming48 always considers this matter and assigns coaches for students based on the customer's preference.

Swimming48 customer's race range was wide. The company was managed by Chan who was a Chinese and majority of employees were Chinese as well. However, the company's customers were from different races such as Chinese, Malay, Indian, Arabian, Iranian, Nigerian and few Europeans (who used to work at nearby MNCs). Swimming48 had hired employees from different races such as Indian, Malay, Chinese, Arabian and Iranian to fulfill every customer's expectations and needs. The company targeted all races (Malay, Chinese, Indian, Sikh, etc) as well as foreigners living in Malaysia.

Basically Swimming48 program fees are slightly higher than other schools and is considered quit expensive. Therefore the company mostly targeted middle to high income families who could afford the high cost of swimming classes. At the same there is a monthly program which does not guaranty swimming independently within a certain time but it is affordable for middle income families.

Marketing Strategies

On September 2016, the company had 900 students under monthly programs and 500 students under guaranteed programs. It was a new run company which achieved success quite quickly and got famous in the industry mostly because of its quality and efficient lessons. After 30 months of operations, it had 26 employees including the CEO himself. The growth strategy was very aggressive and every month's revenue was considerably higher than previous months. Within 30 months the company had made RM2.5 Million which RM1.2 Million of it was made in 2016.

Guarantying swimming especially within only 12 lessons was a big challenge for him and the company but at the same time it was his differentiation strategy to compete in the industry. Moreover, the innovative method of teaching made him able to follow and grow this program. In addition to guaranteed program, his other concern rather than curing water phobia, was to teach swimming to special need people. He believed that everybody needs to know how to swim in order to prevent them from disaster. Therefore he also developed a program for special need people. Besides that he set a special discount for these people due to their high daily expenses.

In addition to that, Swimming48 had got promoted in 4 magazines, 3 newspaper, 2 radios, 1 online radio, 1 TV, 10+ blogs, and 10+ social media celebrities. The company's marketing strategies were made by Chan the CEO himself and it was an aggressive strategy. He paid a great attention to social media promotions and got 5 star review for the company on Facebook.

Swimming48 had devoted attention to corporate social responsibilities as well. The company actively sponsors hundreds of underprivileged kids and adults to swim free. It includes handicaps, orphanages, single parents, deaf, blind, etc. It also supported meaningful awareness campaigns to serve the community. The community consisted of breast cancer, kid's cancer, anti-smoking, handicap and etc. Swimming48 actively sponsored various events such as charity events. The company co-sponsored prize and cash for ATMAH Foundation Charity Human in 2015. Besides that Swimming48 helped to raise RM5,000 cash donation and sponsor in services to YAYASAN Sunbeams Home. Moreover, the company donated free Sunway lagoon tickets for Islamic aid Malaysia and various other charity organizations.

Swimming48 had also promoted their swimming lessons by attracting celebrities and giving free lessons to them. A list of celebrities is provided below:

- IZ – Singer
- Aizat Amdan – Singer
- Nadia – FlyFM DJ
- Arja Lee – Actor
- Alam Wakaka – Celebrity
- Azzam Sabtu – Celebrity speaker
- Raj and Renu Reevan – Australian national badminton players

Services Offered by Swimming48

Swimming48 offered free trial class for new customers that coaches gave free lesson to them while they assess the new customer's situation and learning capacity. After the free lesson, coach recommends the best program that suits every particular customer. For instance, there are cases that a customer's kid has special needs but the parents do not confess it. Therefore within the free trial class, coach diagnosed it and informs the office that this kid needs special need lessons program.

The main differentiation strategy got Swimming48 to come up with guaranteed programs which guarantee swimming independently for every age above 7 years old. The guaranteed program consists of 4 levels or modules which are foundation, relaxation, exercise and survival. The very first module which is foundation teaches breathing techniques and guarantees students to swim 50 meters breaststroke and 50 meters gliding breaststroke. Gliding breaststroke are not official strokes but are in the module to assist the learning process of breaststroke. The fee for this module is RM900 and is valid within a year to graduate from foundation module. The lessons are given once a week within an hour. However, students usually graduate within three to five months which is twelve to twenty lessons.

The next module was relaxation which cost RM600 and guarantees students to swim squid for 25 meters, wall kicking and maneuvering. Squid is not an official stroke but is an easy stroke for swimming on back while the swimmer has access to air at all time. In fact, it is a basic for complete backstroke in the higher levels. The third module is exercise which guarantees swimmers to swim freestyle and backstroke for 50 meters. The price for this program is RM600. It is valid for one whole year as well and the lessons are given once a week within an hour. Normally students graduate from this level in three to six months. The fourth level of guaranteed program is survival which teaches diving, plunge, survival jump and water treading. The fee is RM600 and students usually graduate within three to four months. Table 1 summarizes this information.

Table 1: Swimming48's Services Offered in 4 Modules

Customers	Duration	Module Type	Fees
New Customers	One time only	To assessment customer's physical fitness and learning capacity	Free Trial
After the First Trial	Valid for 1 year	Module 1	RM 900
	Valid for 6 months	Module 2	RM 600
	Valid for 1 year	Module 3	RM 600
	Valid for 3 - 4 months	Module 4	RM 600

In addition to guaranteed programs, Swimming48 offers monthly programs that the payment is once a week while company does not guarantee swimming strokes to student. Basically this program is for those who cannot afford to pay high cost of guaranteed programs at once. The fee is RM300 monthly for once a week or RM380 monthly for twice a week. This program is also for those students who coach believes they are slow learner and won't be able to graduate within a year.

Besides that, the company offers young kids program to kids between ages of 4 to 6. The price is same as monthly program and the number of students in one class varies from 1 to 4 who would be taught by one instructor. At the same time, there is crash course program for those who do not commit to come for class for a month long time and need classes in short time so they can sign up for crash course which payment would be after each class. The fees are quite high for this program but still convenient for those who need to learn in the e shortest possible time. In addition to that fees differ based on number of students in a crash course class which varies between one to four students.

Moreover, Swimming48 provides swimming lessons for special need kids and teenagers with special discount because of their high daily expenses. Coaches were well trained and aware of common special needs and how to teach and deal with them to teach how to swim and how to create a pleasant time for them. Not only this, Swimming48 used to offer services for competition preparation. Fees were same as monthly and young kids program but the number of students in each class could exceed to 10 students taught by one instructor.

Revenue and Sales

Sales and revenue in Swimming48 was equal due to no investment or extra income from another corporation. Swimming48's revenue from July 2014 to December 2016 is shown in Table 2. The main income of the company was selling swimming lessons to students or renting out swimming pool lanes to freelance coaches and their students. However recently a new program was offered, called underwater hockey which was a very new sport in Malaysia and Swimming48 is the pioneer in the industry to officially launce lessons for underwater hockey. There was no income from this program yet but it gave a good opportunity to Swimming48 for future sales and revenue.

Table 2. Swimming48's Revenue since July 2014

	Month	Swimming48 lessons	Freelance coaches	VSA	Total	Total Quarter
Quarter 3.2014	Jul	870	330	425	1625	12880
	Aug	2100	650	2035	5185	
	Sep	3400	550	2120	6070	
Quarter 4.2014	Oct	4465	1150	1485	7100	23940
	Nov	6095	460	1730	8285	
	Dec	6705	630	1220	8555	
Quarter 1.2015	Jan	7020	1020	2270	10310	28170
	Feb	4600	1140	1780	7520	
	Mar	6625	1250	2465	10340	
Quarter 2.2015	Apr	6660	2280	1485	10425	32460
	May	7030	4520	1445	12995	
	June	6170	1710	1160	9040	
Quarter 3.2015	Jul	6805	1570	380	8755	27390
	Aug	8250	2290	60	10600	
	Sep	5920	2020	95	8035	
Quarter 4.2015	Oct	6555	1740	65	8360	29900
	Nov	7300	3290	60	10650	
	Dec	7635	3170	85	10890	
Quarter 1.2016	Jan	9440	2565	0	12005	31420
	Feb	7005	1215	0	8220	
	Mar	9370	1825	0	11195	

Quarter 2.2016	Apr	9295	1755	0	11050	35520
	May	10025	2530	0	12555	
	Jun	9525	2390	0	11915	
Quarter 3.2016	Jul	11210	1955	0	13165	40645
	Aug	11560	1890	0	13450	
	Sep	12050	1980	0	14030	
Quarter 4.2016	Oct	11345	1745	0	13090	28110
	Nov	13040	1980	0	15020	
	Dec	NA	NA	NA	NA	

Source: Internal Financial Report, Swimming48 (2014-2016)

Swimming48 income since July 2014 has never recorded a loss. In fact in the first months of operation the profit was not considerable but it was still not a loss to company.

Swimming24's Major Competitors Swimming48

There was a huge number of swimming schools in Malaysia while the main competitors of Swimming48 were D swim academy, advanced aquatics, and white shark. Advanced aquatics and D swim academy were located in Kuala Lumpur while white shark was located in Penang with a brunch school located at Kuala Lumpur. Advanced aquatics was found on 2005 by three former national swimmer and grew to over 150 employees. Meanwhile DSA has 8 branches around Kuala Lumpur with 8 main programs for all ages. White shark offered 4 kinds of swimming programs with low cost strategy practices.

These three swimming schools were the most well-known and famous schools which had longer history of working compared to Swimming48. However, Swimming48 has managed to become known in the industry through its website and social media with the quality services and high ranked reviews. Its differentiation strategy was to guarantying swimming in 12 lessons was one of the company's main strengths.

The Figure 2 shows market share of the top three swimming schools in Malaysia compared to Swimming48. D Swimming Academy led the industry and followed by Advanced Aquatics. However, White Shark was behind the competitors with a smaller market share.

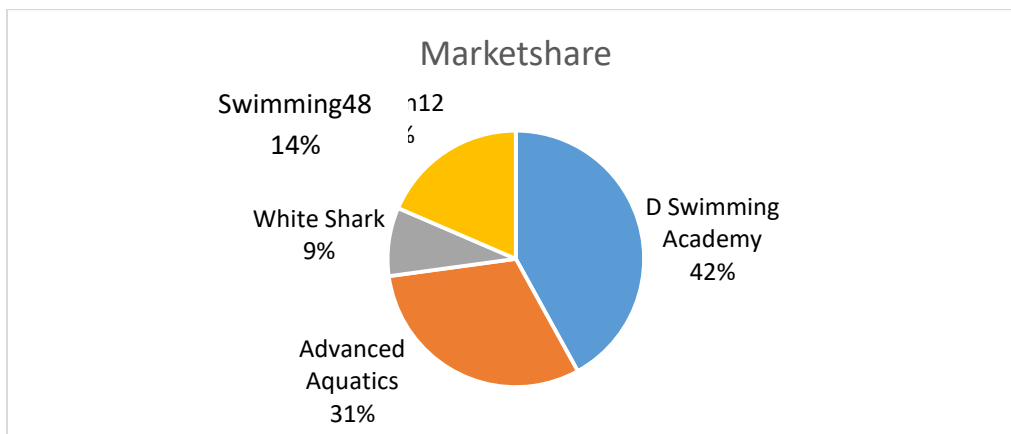


Figure 2. Swimming48 market share in the industry

D Swim School

D swim school was the leading swimming school in the industry in 2016 with 8 branches in different locations around Kuala Lumpur and Selangor. Each branch possessed Olympic size swimming pool surrounded by sports fields, gymnasium and restaurants in strategic crowded areas. Their programs were 'lil swimmers-6 months to 36 months old', 'kiddie swimmers-3 to 4 years old', 'learn to swim-5 years old and above', 'squad programs- 4 years old and above', 'synchronised swimming', 'aquatic health and fitness', 'water polo' and 'Austswim course'. Maximum number of students in each class was 10 who will be taught by one instructor.

The programs included every age and gender with different interests for aquatic sports so that each customer had the choice to register for the best program that suited his/her condition. Moreover, the schools ranking review by Google was 4.2 out of 5. There was no information about number of customers that D swim academy handles monthly but it operated every weekday and weekend since 8 am to 10 pm.

Advanced Aquatics

Advanced aquatics was founded in 2005 by three friends who were former national swimming team members. In 2016 it had more than 120 coaches and trainers who had gone through advanced aquatics special training programs to qualify as a swimming coach at advanced aquatics. The company did not possess a swimming pool at a fixed location and kept changing location from a pool to another to conduct swimming lessons. However, it was quite well known and famous in the industry. Basically, the Advanced Aquatics matched students to their specialized swimming coaches in different locations.

The swimming lessons were divided into 8 main categories which were Aqua babies, beginners basic, competitive swim program, ladies swim program, Muslima program, powerswim, stroke correction and zen swim. The maximum number of students in a class was 6 who would be taught by one instructor. Their main focus was to provide comfortable and joyful swimming lessons for both kids and adults in order to differentiate themselves from their industry players.

White Shark

White shark swimming school had one branch at Kuala Lumpur. Their swimming lesson programs were categorized as ladies swimming lessons, kids swimming lessons-8 years old and above, and adults swimming lessons. The fees were lower than other swimming schools but there was no guarantee for students to learn swimming independently. There was no competition training program either. It was open every weekday and weekend and their main focus was to take in huge number of students in each group with the low charging fees. No certification was given by completing a course and maximum number of strokes to teach to kids, was only two. Their main strategy was cost leadership which decreased service quality and efficiency.

The Workplace Chaos

Swimming24 started operating as a small swimming school in July 2014 with only 3 employees: Chan - himself as the founder, CEO and head coach, Janice - his wife as operations manager, salesperson and manager of customer service section, Natasha as financial manager and sales person. Once the number of customers started to grow, Chan started to recruit more employees to handle different shifts and to assist in different administrative works.

Natasha was a 30 years old single mother who was with Swimming48 since very first day that company started to operate. She was the only child of a single parent. Since she could not finish her SPM degree, she hardly got a good job to bear the expenditures of her family. She was bit pessimist and hardly hang-out with lots of friends. Once she failed SPM, she never tried again to re-sit for the exam. Since then she started to become more depressed and surrendered to her fate. After she broke-up with her long-time boyfriend, she started to suffer from anxiety and depression.

Her mother was working in a local restaurant as a cashier to bear the living. Since her mother was getting too old, she was in need of a permanent job to serve her family. She worked as a sales girl for few years in a watch selling shop she started to search for a better option. She was acquainted with Janice since her secondary school and she kept communication with Chan and Janice for long time. Once Chan shared her about his intention to establish his swimming training school and thus he was looking for a loyal and committed sales person, Natasha took this opportunity to work with him at Swimming48.

One of her main responsibilities was paying employee's salary in the first of the month but it was always out late until 7th of the month. Meanwhile one of the common complaints about her from colleagues was the fact that she did not spend her working hours to do accounts and she was mostly spending it for her personal matters.

Moreover, her behavior towards her colleagues was offensive and rude. She was impatient to explain things and expected a lot from other employees. Natasha had a bullying attitude towards colleagues and used to scold them for their mistakes even if it was a minor one. She was stubborn in nature and was not tolerant to hear others' opinion. Therefore, her colleagues found it very difficult to work and deal with her. Most of the employees became de-motivated and disappointed; and some of them to the extent opted to resign.

For instance, Albert was a smart and hardworking employee in the admin team who wanted to resign on November 2015 after 2 months working. His main reason was the environment created by Natasha in the office which had de-motivated him and he felt that he does not suit the job. However, from Chan's point of view he was a competent employee and worth keeping him with Swimming48. Chan intervened the process and asked Albert to join back and assured that Natasha would not to interfere his work. In addition to Albert, 5 other employees resigned since November 2015 to middle of September 2016 which was approximately 10 months due to Natasha's behavior and the hard time that she created for them.

She started to feel that this is her organization and thus she has the full freedom to interfere others' work affairs, particularly when the CEO was so flexible. She had a good vision to see Swimming48 future. However, her strict, straightforward attitude made communication barriers between her and other staff.

In the middle of 2015, Chan started to get involved in another family business and he and his wife started to spend more time in his new business putting the work responsibility mainly on Natasha and Lili. Natasha had always enjoyed the freedom to decide and perform according to her own choice, now tended to skip her tasks, submit her work late, finding fault in other employees' work, and blaming them for small matters became a regular issue. Since the company continued to grow and had good number of customers than before, Chan did not pay any attention to this matter. However, from early 2016, it became a common phenomenon that Chan started to receive complain from Lili often about Natasha's rude behavior.

On 3 January 2016, Chan was working in his office when he heard argument between employees. Pedro, one of the lifeguards walked in to the office and angrily started yelling at Natasha. Lifeguards were paid hourly, based on the hours that they signed in and out on their attendance sheet. Natasha noticed that Pedro's signed in hours are not accurate and brought up the issue on the day before, by accusing him in the company WhatsApp group in an offensive and rude way. The following day, Pedro responded to the accusation with anger and resentment and had a big quarrel with Natashs. Chan immediately intervened and had private meetings with both of them to calm the situation down. But ever since that day, Pedro and Natasha did not get along well.

Chan recalled another incidence of an internal conflict between Natasha and a newly employed administrative staff named Hakim. Hakim had started working from June 2016. He was a fresh graduate. Chan asked Natasha as a senior employee to train him for his administrative work and to introduce him with all other staff of the company. Chan thought that it could be a good opportunity to give Natasha a chance to communicate with her colleagues and it might build a friendly relationship with the new comer. However, after three sessions of training, Hakim claimed that he is not interested in the job and he won't come for any more training sessions. that Lili informed Chan that it might be because of Natasha's behavior. So he asked Hakim's feedback about Natasha and made sure that his only problem is Natasha's attitude. Therefore he set a meeting with Hakim and asked Janice to hold the training sessions with him. Later on, Hakim got employed and started working with Swimming48.

After employing new human resource manager, sales person and admin staff, Natasha was no longer in charge of sales or admin work. So her only task was doing accounts which did not last for so long until Wei Lin was involved to the financial part. She was trained for financial and accounting management which was always done very late by Natasha. The idea was to get Wei Lin helping Natasha and make a financial team to make sure that the financial part works well along with creating a relationship between Natasha and Wei Lin. However, after two months, most of the accounting system was controlled by We Lin because Natasha was skipping it with excuses and was always late. So literally Natasha was left with no tasks. When there was an error or mistake found, Natasha's excuse was that she has not done that part and always put the blame

on Wei Lin. However, she was literally doing nothing with the accounts and she never checked it anymore since Wei Lin got involved in that task.

It was Natasha's habit to be the first person to come to the office and to present almost every day and stayed for longer hours than she was supposed to. But the problem was that, she spent all her time for her personal matters such as browsing the social networks such as Facebook, tweeter and playing video games. In fact, everyone even the CEO was aware of it and she had no shame to hide it. Nonetheless, she was very curious about other employees and what tasks they are doing. She always looked for finding others mistakes and start scolding, bullying and shouting on them.

In the last quarter of 2016, Chan had received loads of complaints from most of the employees against Natasha. The complaints received by Chan were about different aspects and every employee had different point of view about her. But the most common complaint was about her rudeness and not being responsible for her faults. Most of the time, the conflict happened because she was impatient to explain anything more than once. She was also defensive and emotional to feedbacks. She countered any feedback or any admission to fault on her part by pointing out the other employee's faults and rudely blame them instead. Her coworkers found her argumentative and difficult to deal with.

Besides her behavior, there were complaints about her not working during working hours and spending time for her personal matters and usually submitting her work late. One of her tasks was to give employee's salary which was out late every month. As the number of employees increased, late salary raised complaints. In addition to that there were many cases that she changed her working shift or took last minute leave and other employees had to cover for her. On the other hand, she had the highest salary due to long time working with the company and her technical skills and experience.

Chan's Dilemma

Although Natasha is Janice' friend, being the partner of this business, Janice would consider the matter seriously to find out an effective solution to this matter, Chan thought in his mind. On the night of 19 September, 2016, after the dinner Chan shared this issue with Janice:

Chan: Today I am quite upset upon Natasha's behavior. There are loads of complaints against her from other employees that she either skips her tasks or delegates it to her juniors. She neither accepts any of the accusations nor listens to others objection properly. Most of the time, she finds excuses to put the blame on others. Her performance had considerably dropped and her attitude had greatly worsened.

Chan added: *Is it that she is thinking I'll never take any action against her?*

Chan was not so sure why and how this issue grew so big. But the meeting with Natasha made Chan to think further. He realized that, there was a serious miscommunication between some of the staff's perception and Natasha's understanding about the matter. Perhaps Natasha did not

realize that the way she had been pointing others' mistake was not appropriate way to rectify their fault! May be she was too direct and did not think how her choice of words could create a communication barrier!

Janice replied:

I don't see how we can take action against a person who is our family friend and had been so loyal. Again, I can't allow anyone to pollute the working environment.

Chan decided to come up with a plan to tackle issues before 2016 ends. So that he can start working on his new brunch at Jalan Bukit Bintang. He was worried whether to (a) keep conducting one to one meetings with Natasha to train her with communication and leadership skills, (b) isolate her in a department with less interactions with other staff, (c) transfer her to a new branch, or (d) fire her.

SOURCE OF INFORMATION

Interview with Chan, the founder and CEO, Swimming48, November 13, 2017.

MyRelo Sdn. Bhd.: Lessons Learnt from a Balanced Scorecard Implementation

**Halim Mad Lazim, Hendrik Lamsali, Mohamed Najib Salleh, Che Azlan Taib,
Wan Nadzri Osman**
Universiti Utara Malaysia
mhalim@uum.edu.my

ABSTRACT

MyRelo Sdn Bhd is a professional mover company established in 2006 as a one-stop provider to local and international relocation services. This Malaysian company was founded by Mr Craig Dasiuk from Canada and Madam Isma Dasiuk from Malaysia. Basically, MyRelo is a company that provides home moving services for both local and international relocations. The company also provides moving materials such as boxes, tapes, wrapper and other packaging essentials. Individuals and corporate clients preferred MyRelo services because of its professionalism and systematic processes. This paper attempts to discuss only two components of Balanced Scorecard namely, financial and learning and growth that have been implemented by Myrelo Sdn. Bhd. The detail of performance measurement system to demonstrate financial status is discussed. While, on the learning and growth, the commitment of Myrelo Sdn. Bhd. to ensure all staff are competent also illustrated accordingly.

**‘ANJUNG TAMU’ WELCOME CENTER, UNIVERSITI UTARA MALAYSIA:
THE OPERATIONAL ISSUES**

Nor AshikinMohd Nor¹, Johan Afendi Ibrahim²

School of Tourism, Hospitality and Event Management, Universiti Utara Malaysia
(norashikin@uum.edu.my, afendi@uum.edu.my)

Abstract

Anjung Tamu, is an iconic building that welcomes visitors to Universiti Utara Malaysia. It is located at the main entrance and it serves as a welcome center, providing visitors with information related to the University. Its location at the main entrance justifies its role as a ‘one stop center’, where visitors can get information, enjoy its architectural design and attractions inside it, buy souvenirs and use the public facilities offered around the building such as public toilets, prayer rooms and Automated Teller Machines (ATMs). The role of Anjung Tamu has increased significantly since the launch of Discover UUM in 2016, when edutourism has become the focus of UUM. However, having only limited number of staff and with so many roles to play, Anjung Tamu’s operation can be affected. This article highlights the problems of Anjung Tamu, specifically on the operational side.

The background of Anjung Tamu

Anjung Tamu is the welcome center of Universiti Utara Malaysia (UUM). The strategic location of Anjung Tamu at the front of UUM justifies its role as the center to welcome visitors. This is the first building that people see before entering the University. The idea of having a welcome center in the university came from the former Vice Chancellor, Professor Dato’ Seri Dr. Mustafa Ishak. The idea was generated when he visited a few universities in the United States in 2011. By having a welcome center, it gives a “sense of welcoming” to all visitors to UUM. The construction of Anjung Tamu commenced in 2012 and it was officiated on 15 June 2014 (Welcome Center, 2015). Anjung Tamu has the vision to become a renown welcome centre at national and international level, while its mission is to ensure that it serves as a global centre for

information, customer service, promotion, and hospitality for the clients and visitors (Anjung Tamu promotional brochure).

As a welcome center, the staff at Anjung Tamu deals with visitors and tourists, providing them UUM hospitality and information about the University. Thus, the service provided by the staff at Anjung Tamu must be in high quality as it reflects the service of UUM - the Eminent Management University. Anjung Tamu has been closely linked to tourism in the University. Generally, it is the first place that visitors stop to seek for information. For organized trips and tours, visitors are welcomed at Anjung Tamu before visiting other places and they will be given a briefing on the history and attractions in UUM by the Manager of Anjung Tamu.



Figure 1: Anjung Tamu

The roles of Anjung Tamu

Most of the roles of Anjung Tamu are related to tourism in campus.

i) A welcome center

The role of Anjung Tamu as a welcome center has increased significantly since 2016. In 2016, a formal initiative, 'Discover UUM 2016', was launched in conjunction with Discover Kedah 2016 and since then edutourism has become one of the University's agenda. The education tourism or better known as 'edutourism' is deemed as a continuous process and it is divided into two aspects, i) general interest learning or exposure, and ii) purposeful learning and traveling (Lam, Sia, Ooi & Goh, 2011). The popularity of edutourism is rising and it is a fast growing sector in the travel and tourism industry (Future Market Insights, 2014). The Government of Malaysia has the target of 200,000 edutourists by the year 2020 (MOHE, 2011). The launching of Discover UUM 2016 indicates the readiness of the University to open its gate and welcome visitors and tourists from all over the world. In 2016, UUM received revenue of RM34,000 from edutourism.

There are two 'Customer Service Officers' at Anjung Tamu and they have the duty to assist visitors and answer all their queries. Upon arrival at Anjung Tamu, a group of visitors is greeted and the manager of Anjung Tamu will have a welcoming speech for them.

ii) A one stop center

Anjung tamu is expected to be a one stop center, where visitors can get information just like a 'Tourist Information Center-TIC', which is defined by Hazlin Jamari (2007) as a facility that serves the tourists and assists them by giving information relating to accommodation, transportation, local sightseeing tours and attractions. Thus, TIC is the main attraction for tourists in a destination, especially for the tourists who have not been to the destination. As a one stop center, Anjung Tamu is able to arrange for a transport service for its visitors to have a tour around UUM. For example, a van or a tram can be arranged based on visitors' request. There is also a horse carriage, which can be arranged for 'very important people' (VIP).



Figure 2: The tram for campus tour

However, the transport service is belonged to Students' Department, which is also the secretariat of Edutourism at the University level. Thus, problem relating to the coordination of both departments may arise such as delay and different procedures.

iii) An educational center

Anjung Tamu is an educational center. It provides information regarding the history of the University and attractions around UUM. There is a replica of Sintok tree in Anjung Tamu and visitors are given a briefing about the usefulness of this tree. There is also a photo gallery inside Anjung Tamu and visitors can admire the beautiful photos of UUM's forest and surrounding area. There are also books, magazines and brochures for visitors to read and get information about the University. In addition, the big map of UUM is painted on the wall and it provides the information on places to visit in the campus.

iv) An attraction

As an attraction, AnjungTamu is the latest icon in UUM. It is designed based on the traditional Malay wooden house and the architecture was inspired by the *sirih junjung*. *Sirih junjung* is a unique artistic arrangement of betel leaves which is essential for a Malay wedding ceremony. It is stated in Anjung Tamu brochure that the design of Anjung Tamu has been adapted from unique characteristics of traditional Malay houses. The design includes *serambi*, which is the foyer, *rumah ibu* - the main lobby, *rumah tengah* - the exhibition area, *ruang jemuran* - the open area between the toilet and prayer room, *rumah dapur* – the pantry, and *loteng* or the attic, which comprises of the office area on the first floor. Visitors can educate themselves on the architectural aspect of Anjung Tamu through the briefing by the staff and reading the Anjung Tamu brochure.

To highlight ‘green’ commitment of UUM. The design of Anjung Tamu focusses on energy saving using natural ventilation and lighting system. Great emphasis was given to the integration of Anjung Tamu and the natural surrounding (Universiti Utara Malaysia, 2014). Anjung Tamu blends naturally with the green surrounding around it, which reflects the tagline of UUM – ‘The University in the Green Forest’. The unique architecture and relax atmosphere of Anjung Tamu attract people to visit the building.

v) Promotion

Anjung Tamu has a role to promote UUM as a place to visit. The importance of Anjung Tamu as a welcome center has increased since the launching of “Discover UUM 2016”. Since then, UUM has done a tremendous effort to promote UUM as an edutourism destination and Anjung Tamu has a significant role to play in the promotion task. However, promotion is not free. Anjung Tamu has to pay for promotional booth at conferences and exhibitions. During convocation at UUM, staff at Anjung Tamu are actively involved in promoting attractions in the University and selling Anjung Tamu’s souvenirs.

vi) Selling souvenirs

Anjung Tamu has its own souvenir shop on the ground floor. Mugs, t-shirts, hats, lanyards, pens and key-chains are some of the souvenirs that are sold here. Visitors can also buy 'Utara Spice' products. There are three main products which are body shampoo, hair shampoo and facial cleanser. These products use natural ingredients such as sintok and other herbs. By selling souvenirs, Anjung Tamu is able to generate its own income. However, there is only one cashier in this souvenir shop.

vii) UUM service desk

As a UUM service desk, Anjung Tamu invites complaints and feedbacks from the UUM staff and students. The complaints and feedbacks that Anjung Tamu receives will be channeled to appropriate departments in UUM. This is an approach to improve the overall service quality of the University, whereby the University seeks for complaint and suggestion from the University's community. Apart from seeking to improve overall quality of service in the University, Anjung Tamu also invites feedbacks and suggestions from its visitors. Before leaving Anjung Tamu visitors are required to fill in a suggestion form. The suggestion form helps the staff to know the aspects that need further improvement. There is also a suggestion box for visitors to write their complaints and suggestions outside the building.

viii) Record keeping

The staff at Anjung Tamu records the number of visitors. Visitors have to write in the Guest Book. By having this guest book, the statistics of visitors to UUM, particularly to Anjung Tamu can easily be determined. The number of visitors to Anjung Tamu has increased overtime. In 2014, there were 41,276 visitors to AnjungTamu. In 2016, the accumulated figure has increased to 1,000,010 (UUM Welcome Center, 2016). The accumulated number of visitors reached 1 million in 2016, perhaps due to intensive promotion being done during Discover UUM campaign in 2016.

Most of the roles of Anjung Tamu are edu-tourism related. Thus, this paper discusses the operational problems within the scope of edu-tourism.

The organisational structure of Anjung Tamu

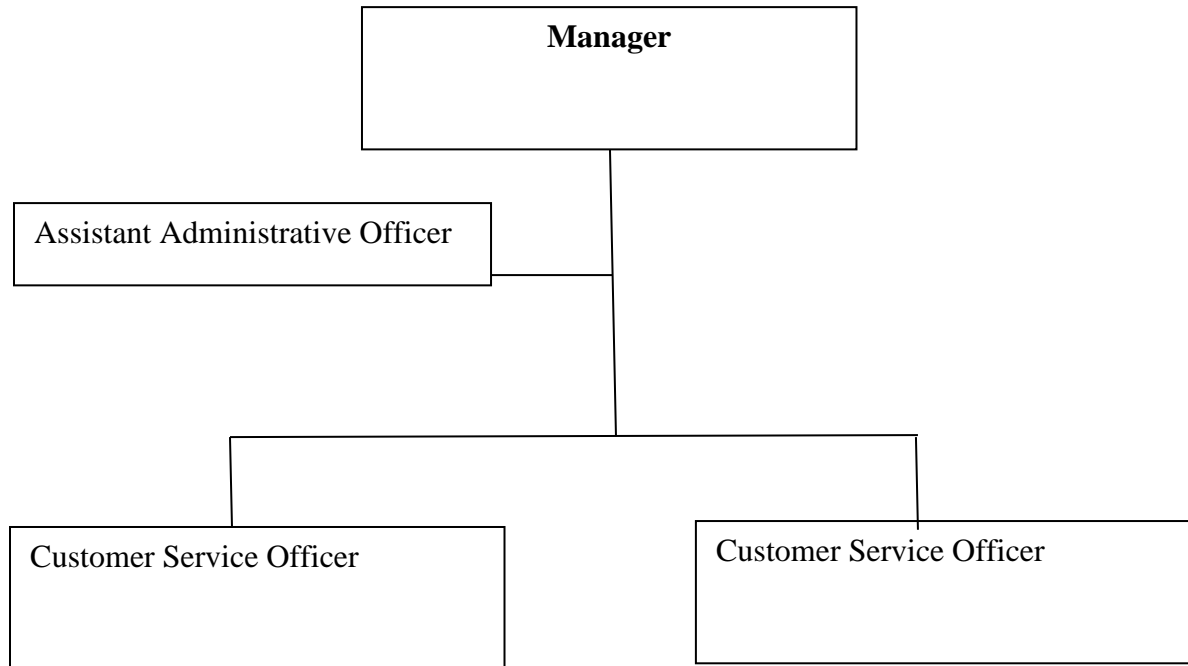


Figure 3: Anjung Tamu Organisational Chart

The Manager of Anjung Tamu is the head of the office. She manages the staff in the office and divides their task accordingly in preparation to receive a group tour. The manager involved directly in the daily operation of Anjung Tamu. Due to limited number of staff, the Manager herself has to welcome and brief the visitors about the history of UUM, the University's achievements and the attractions around UUM. The manager would ask her staff to snap group photos and she would write about the group and email the story to the UUM community. The manager also involves directly in the promotion of Anjung Tamu. She has to find opportunities to promote UUM and its edutourism. Having only a few staff and a limited budget, promotion is a challenge to Anjung Tamu.

The operational problems

The objective of this article is to highlight operational problems faced by AnjungTamu, based on its edutourism related roles. With so many roles to perform, one can expect that there are many staff working at Anjung Tamu. However, there are only four permanent staff in the organization. The problem of limited number of staff at Anjung Tamu affects its operation. Anjung Tamu receives visitors almost everyday, except for weekend. They are in various quantity. Some are individuals, families and groups. Some are independent visitors and some are organized, such as the school trips. There are domestic visitors as well as international tourists. With so many roles that AnjungTamu has to play, it is obvious that there is not enough staff when there are only four permanent staff, which include the manager, an administrative officer and two customer service officers. There are various implications from limited number of staff:

i. Increase in workload

The focus of Anjung Tamu staff is welcoming their visitors. However, there are other administrative work that they have to do. Thus, each one of them especially those involved in administration, such as the manager and the assistant administrative officer, have so much work to do, particularly during convocation. During UUM convocation, Anjung Tamu has to promote edutourism and selling their souvenirs at the main hall because there are a lot of people there. At the same time, Anjung Tamu also receives a huge number of visitors during convocation and they need to be greeted, welcomed and briefed on UUM's history and attractions. In order to reduce the workload for her staff, the manager has requested for a final year student to do internship at Anjung Tamu.

ii. Multi-tasking

Having only four staff at Anjung Tamu, each of them has to do a multi-task work. Often 'job description' has to be ignored. Job description specifies the duties, responsibilities, working conditions and other aspects of a job (Hornsby & Kuratko, 2002). However, the role to welcome the visitors and to brief them about the University is mainly the job of the manager. The other staff are not that capable in delivering the information in English due to English language barrier. Thus, the manager has to be at Anjung Tamu, particularly when there is an

international organized tour. It does affect her planning for Anjung Tamu promotion when the manager has to be in campus most of the time. At times, her staff has to replace her at promotional venue when her presence at Anjung Tamu is required to welcome the visitors.

iii. Promotion

The manager of Anjung Tamu needs to be selective in promotional activities since UUM has a budget constraint. Limited budget is not the only barrier to promotional activities but there is also limited number of staff to do the promotional activities. Visitors come almost everyday to Anjung Tamu which requires staff to be there all the time. At the same time, promotional activities need to be undertaken, which require staff to be out of campus. With limited number of staff and budget constraint, promotion cannot be done frequently and effectively. In general, promotion is done by setting up booth at a conference or seminar. Besides that, brochures and leaflets are also printed and given away for promotion.

iv. The service gaps

Working at Anjung Tamu welcome centre, the staff have the responsibilities to welcome visitors, brief them and entertain their queries. Since the main focus of Anjung Tamu is providing service, service quality operational position should be adopted. This means, Anjung Tamu has to strive hard to deliver a higher quality service than its competitors. In this case, other public universities engaging in edutourism are considered as competitors. Functional quality focusses on the process of how customers are treated in terms responsiveness, assurance and empathy, while technical quality stresses on the outcome of the service such as tangibility and reliability. Service quality concepts and gap theory can be applied to the operation of Anjung Tamu. When delivering the service to guests, there are a few potential failures and these failures have to be indentified, before it can be mitigated. Thus, reflecting the use of the 'Gap Theory' by Parasuraman, Zeithaml and Berry (1985).

Gap 1 is the difference between what customers expected and what the management perceived customers expected. The concept of ecofriendly environment at Anjung Tamu to

symbolize UUM as the University in the green forest may not be appreciated by visitors, particularly domestic visitors. There is no air condition in Anjung Tamu. The management expects visitors are attracted to the eco concept, however, visitors expect a cool, comfortable surrounding. In addition, the main lobby area is small and is not able to accommodate large number of people. When there is a large group of visitors in the small areas, such as in the lobby and the gallery, the heat can be felt and may lead visitors feeling uncomfortable.

Gap 2 is the difference between management's perception of consumer expectations and the translation of those perceptions into service quality specifications. In this case, the manager of Anjung Tamu knows what customers want but fail to translate these expectations into the correct service specifications. This is due to the resource constraints such as limited budget, limited number of staff and limited space. The manager has no control on these matters. For example, she is not able to select suitable staff to work in her office because the selection of employer is beyond her control. In addition, she cannot prevent her staff from being shifted to other departments. She cannot do anything because the rotation basis is the culture of UUM and she has no control over it.

Gap 3 is the difference between the service quality specifications and the delivery of those specifications to the visitors. Generally, this gap is derived from the variability and inseparable nature of service. Since most services are performed by people, the quality of service is highly dependent on how well the staff perform his or her job. For example, the final year Japanese student who was doing internship at Anjung Tamu was given a task to attend to visitors queries. However, he was neither fluent in English nor Malay Language. The fact that he has weakness in communication in both languages, his delivery of service might not fulfill visitors' expectations.

In conclusion, Anjung Tamu is a significant organization in UUM because it has many important roles to play. It provides services to visitors and enhances edutourism experience in campus. However, a few problems relating to the operation of Anjung Tamu has been identified, which may hinder Anjung Tamu from delivering good quality service to visitors. These problems are rooted from insufficient number of staff working at Anjung Tamu and insufficient budget. Thus, the University has to assess the need of Anjung Tamu and support it with sufficient resources if edutourism is still the main agenda of the University.

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NEELOFA THE “CELEBRITY OUTLIER” - HOW NOT TO STOP ACTING?

Hartini Ahmad¹, Rohafiz Sabar², Norzalila Jamaluddin³, Alminnourliza Noordin⁴
^{1,2,3,4}Universiti Utara Malaysia

¹hartini@uum.edu.my

²rohafiz@uum.edu.my

³norzalila@uum.edu.my

⁴alminnourliza@uum.edu.my

Abstract

The purpose of this paper is to examine the celebrity outlier and her achievements in the business, as the acting platform of her own success stories. This case study utilizes the document analyses and interviews the key persons for understanding the context of the study. The analysis reveals interesting naturalistic key characteristics of Neelofa and her own style of performing both entertainment, and beauty and fashion business. The results of this study could promote a better understanding of “how not to stop acting” in the digitalized business particularly pull by the young generations’ demand power. Therefore, the recommendations in the paper would benefit the reader to understand better on the value of business acumen and commercial mindset of an outlier.

Keywords: Change Management, Digital Business, Neelofa, Celebrity, Outlier, Hijab, Character, Business Acumen, Commercial Mindset

Paper type: Case Study

1.1 Introduction

This millennium it is not unusual to see the youngsters and including the *hijabers* (the people who wear up-to-date hijab) adore their iconic celebrity Neelofa. She won many awards not only in the entertainment industry but also in the beauty and fashion industry. The untold stories need to be revealed on how she achieves the success at a young age. She is one of the celebrity outliers, who has her own unique characteristics to be different from her fellow actress alike. She is still acting in the entertainment industry and continue performing by her own way in the beauty and fashion industry. To be more competitive in the global market, SMEs are using strategy practices and they also need support from the government (Khan & Khalique, 2014).

“The business has existed to cater the trendy Muslim hijabers – to allow them to choose the best Lofa collections.” She is pursuing a new business model in the digital economy, where many fans using mobile apps, the internet of things, Instagram, twitters to show excitement in Lofa.

How not to stop acting? The story of Neelofa is 10 times interesting as tomorrow’s success look so bright. This is due to a very resilient person in her. Today Naelofar Hijab becoming one of a leading brand for the hijab industry in Malaysia. A frontier in the industry despite many challenges and obstacles. Neelofa is coming from a business-oriented family and having a passion for fashion, it’s no surprise that Neelofa is now a fashion entrepreneur herself.

It began in 2014 when both sisters Neelofa and Nabila made a decision to sell the hijab or scarves. This is coinciding with Neelofa personal transformation of wearing a modest hijab. It is in the middle when the online business boom when most of the online business flooded with the scarves orders. Hence, Naelofar Hijab has emerged and produced more than 80 collections of scarves. They decided to get serious about their online business particularly through Instagram. Most of which are sold out within minutes of their launches. Indeed, the acting in the Instagram attracted more fan to own Neelofa favorites no matter what.

Noor Neelofa Mohd Noor (1989), the founder of NH Prima International Sdn. Bhd. one of the fast-growing Muslim trend and fashion companies in Malaysia, and in Asean as well as Asian countries. She got a bachelor degree from a Sunway University in International Trade and Marketing and started her career in 2010. She is also an actress, a TV show host, a public figure, a model and entrepreneur. More importantly, Neelofa or Lofa is an icon for many big corporations such as AirAsia, Swarovski, and Lancome. Unsurprisingly, in 2017, Neelofa was named amongst 'Forbes 30 Under 30 Asia'.

Noor Neelofa Mohd Noor widely known as Neelofa is Malaysian celebrity, actress, host and presenter, commercial model and also being a public figure with 5.7 million followers on Instagram (as on 14 Oct 2018) and the number kept increasing day by day. Every time she appears on screen, her adoring fans go crazy about her looks, the clothes she wears, whom she acted with, to a point her fan are so fanatics about her love interest.

"Her reputation as Malaysia's leading businesswomen, one of the few Malaysians named by Forbes Asia in their 30 Under 30, and her track record in championing women in business is an inspiration to us. I look forward to working with Neelofa," Tony Fernandes said in Press (2017).

She could be iconic for her fan among the millennial groups in particular, as Lofa said;

"This is not only an achievement for me but for all women out there. For the past seven years, I have explored both the entertainment and business industries which have presented me with so many opportunities to grow and to transform."

There are numbers of competitors, to name a few that targeted the same or different, and wider range of consumers such as Duck Scarves by FashionValet, Fareeda, Ariani and other competitor's hijab brand among the artists. Hence, could Lofa sustain in this game with the Generation Y or millennials' pull demand. This is becoming the urgency of the case to resume.

"I want to use my success as an example to inspire women not just to make money but also to have good confidence in themselves, be strong and not necessarily rely on men."

Her own brand of scarves and branded accessories catering to style-savvy young Muslim women. The marketplace is not only Malaysia, but it already penetrating globally such as Indonesia, Brunei, Australia, Dubai etc, Other than a well know products, the Naelofar Hijab, the business started to diversified, including Lofalens – the contact lens, Baeutea Slim pills,

Bellavita, and others health and beauty products. The recent business expansion is the introduction of Lofarbag, a collaboration with a big name in a digital business - Zalora.

A number of controversies in recent years and early 2018 had badly or positively affected the company's own image as doing "business without shariah awareness and sensitivity". This is because, Neelofa launched turban range, "Be Lofa Turban" at Zouk, a nightclub in KL in conjunction with her birthday celebration in 2018. The issue is not with the place, but how the team performed and dance during the launching. Nevertheless, the new turban line was sold out in less than 24 hours after launching. Thus, her latest Be Lofa range that comprised "Be Lofa Turban" and headscarf range, "Be Lofa Shawl". The "Be Lofa Shawl" was not retailed online.

Periods of grapevines, coupled with Islam authority's critics and Muslim fans frustration, poorly and motivated stockists. "I made the decision to ignore public criticism regarding any issue, what is important I know what is being done," (Neelofa, BH Online 2018). The public propaganda against the company drives Lofa to not standing still but doing something. Is the business model that she adopted could make her cope with the Muslim lifestyle, beauty, and fashion trending? Who is behind her success? How does she penetrate the market for pilot hijab? Be Lofa or not to be Lofa, is this the celebrity outlier sustaining game?

1.2 Background

Back in the year 2014, Noor Neelofa Mohd Noor, or Neelofa, or Lofa founded the NH Prima International Sdn. Bhd. Seeing the opportunities from the Muslim women lifestyle, beauty and fashion trending particularly the young generation (Y). The major products and popular of the

NH Prima International business is the headscarf brand, Naelofar Hijab ranges, the Lofa ranges, forever young, Tania, Dear Love etc. The ranges focus on trendy, sophisticated and casual style. The company business model is more on having the authorized stockist; and online businesses rather than having its own shop outlets. It has more than 400 authorized stockists in Malaysia, Singapore, Indonesia, and Brunei. NH Prima International Sdn. Bhd. also increase the sales throughout various bazaar outlets all over Malaysia. After years, that started in 2016, few shop outlets were found at the shopping mall such as at the Isetan and Parkson, in Kuala Lumpur.

The unique of the Hijab was designed by a renowned celebrity, Lofa that it was made them so special and trendy, and high taste. The customers found the products are a very high class, a handful of lifestyle brands but at an affordable price and as Lofa was very available in engaging with her clients. In addition to that, a very aggressive and resilient advertising make the customer or Lofa lovers becoming so excited and motivated. It is a departure from a "modest wear market" to trendy lifestyle brands by Lofa. This is why, one of the reasons, the "Be Lofa Turban" range was sold out in various countries.

In December 2017 when Lofa has been appointed as the non-executive independent director of AirAsia. She brought admirations from many Muslim women and her fans when a corporate leader Tony Fernandes in his statement praise Lofa as "super smart, young and independent", and he further stated a complete package of Lofa to provide fresh insights into AirAsia to transform into a digital airline. Prior to that in June 2017, she took one step ahead by collaborated with the AirAsia to design hijab for the female pilots. This may the consequence of build the trust of the airlines tycoon.

Thus, the first NH Prima International Sdn. Bhd. the stockist opened up in KL in 2014. This was followed by opening up stockists in various states in Malaysia. The internet for online shopping is still not fully developed in order to keep pace with the youth generation and Muslim lifestyle, fashion, and trend. By the early 2017 NH Prima International Sdn. Bhd. was a well-spread company mostly in Malaysia and all over the world more than 38 countries including Brunei, Indonesia, Singapore, Australia, the United Arab Emirates, United States of America, United Kingdom and Europe.

1.3 Scenario

Within two months, they started selling the shawls online and at bazaars. The instant shawls were a hit and stockists were appointed to handle the increasing demand. Currently, there are more than 100 stockists in Malaysia, Brunei, and Singapore. The adoption of technology provides many benefits for SMEs, for instance extending their market reach increased sales, improvements external communication, company image, the speed of data processing, and employee productivity (Rahayu and Day, 2016).

“Being passionate with the business that you are in is the most fascinating acting,” would it be coined by the researcher when analysis Neelofa as the celebrity outlier. Moreover, perhaps the best point to begin a discussion of artist turns entrepreneur, the iconic celebrity outlier.

When Neelofa first appeared in the public eye in 2009, it was as the Dewi Remaja (Miss Teen) Malaysia with a very outstanding personality, but people still doubt of her achievements, most

probably like other Dewi before, hey gone, and fad. However, Neelofa successfully transitioned from the Dewi Remaja and became a high-class personality with her own style and being an icon of her followers because of her bold actions in the entertainment industry. She has never stop acting, inspiring other people for being at the level she is currently – the business venture.

The wide product ranges of Naelofar including Naelofar Abaya, Naelofar Casual, and Naelofar Telekung. Including other product ranges which is almost a complete set from top to toe to a lady for her grooming and appearance. The product that NH launched, aimed for modest fashion, the market aimed to be worth USD 327 billion by 2020, Naelofar Hijab aim to serve the untapped market. Her being in limelight, as an actress, host, businesswomen has been an advantage for her to market her product. Instead, the world turned from a competition to a collaboration. Hence, Neelofa working closely with Air Asia, "we should be ahead in our way of thinking."

In spite of fulfilling the market and becoming an outstanding entrepreneur in the Beauty and Fashion trending for Muslim, Lofa was accused with a number of critiques in the period between 2016 and present because of, one of many things her aggressive business model itself. The particular issues in which the NH was challenged included its claims of Muslim headscarf, however, many people raise the issues on the non-Shariah compliance in the business model. Despite the issues, the Lofa lovers or fans supported NH despite the criticisms evidenced by the sold-out Lofa hijabs.

While the NH offers its products to be used by the Muslims and unique with Neelofa's own brand, at the same time the imitation of Lofa Hijab spread in the news by unethical rivals who

directly take the headscarves from other countries such as Vietnam. The obsessive fans remain supportive and took the efforts to buy NH although much expensive compared to the same product range in the market.

On the other hand, the hijab such as Lofa ranges remained very popular among consumers all over the world to date. Neelofa could be seen as an outlier, a successful celebrity turned entrepreneur, has successfully built a business empire centered around the Naelofar Hijab brand. And her business model could or could not be sustained? Did she abreast with the market, as stated that Muslim consumers spent \$266 billion on clothing and footwear in 2013 -- and it expects this market to account for more than 14% of the global fashion market by 2019 (Reuters, 2017). Where NH in the future ahead remains questionable.

1.4 Methodology

The researcher selected the case study in order to understand the field of knowledge that subjected around the founder of the NH. Since this case study research is still in the first phase, the initial stage of the unstructured and semi-structured interviews was conducted with the owner of the NH, 2 major stockists. The role of the participants for the interviews is expected to be an informant on the outlier success. As the stockists, they understand the direction to succeed in business, along with the programs that are being implemented by the headquarter. The interviews and the observations were conducted in the outlets. This is an inductive approach that helping the researcher to expand or to refine the concepts that have already been developed as stated by Yin (2015). Therefore, the use of one single case study, the outlier would offer an in-depth understanding of a natural setting based on the real experiences of the participants.

1.5 Findings and Discussions

In this part, we offer the descriptions on the initial stage of the main products of NH, and we continue in the next section with Neelofa key characteristics that putting her at this level. Other than that a study found, the adoption and use of the technology enhance the profit margins and increase the business performance of SMEs (Ardjouman, 2014).

1.5.1 Scarves – The Core Products

1) Brand – the hijab collections from Naelofar have increasingly attracted the customers to buy from urban, suburban and rural areas. The brand that used special names from her family's name and flowers alike have their own class and admiration from the public. All they know basically are “Neelofa or Lofa brands”. What she wears most people want to imitate.

2) Product - Most of the design are instant shawls, however non-instant shawls ranges keep increasing in production as the demand from the customers keeps changing and increasing. The hijab is suitable to all ages, from teenagers to a grown-up or mature women. It is a reasonably quick turnaround for the latest collections, which as the expansions of the existing collections. NH keep on introducing the new collection (almost every month), which is seen as a premium and more elegant limited pieces, and emphasis on the innovation (Daragahi, 2017).

3) Quality- It was found that NH used a good quality material, fabric, and packaging. The variety in the market is attractive with rare colors and materials, which are up to date. Naelofar Hijab is not out the trend or overpriced with the quality of the products offer to the market. Hence the best quality and workmanship would ensure customer satisfaction.

4) Price – the price is reasonable at the quality offered Nealofar Hijab. They have wider product ranges which targeted to the different segment. NH also provide good offers and promotion, particularly for the older collections or designs. The online sales have included free shipping for customers who made purchases exceeding RM250 in a single receipt.

5) Publicity - Neelofa herself promotes the scarves proudly particularly in the TV programmes, tv shows, Instagram, functions, formal occasions etc. The publicity in terms of formal and informal that bring the crowd attention to wear the same hijab she wore on various engagements.

6) Packaging - Packaging comes in styles, that is what NH doing, whereby the scarves always come with attractive packaging, as precious gifts for the loved ones. The packaging looks stylish and elegant, and it reflects the precious items in your parcel.

All that aspects show the importance of the business in the digitalization world, in which previous studies stressed whether in the small business (Lazar, 2017), to the large business (Andronie, 2017; Chan, 2015), in terms of the e-commerce and the internet of things (IoT), and Brun (2014) on the digital marketing.

1.5.2 Lofa – the Outlier

Why Neelofa is an “**outlier**” is because she is extraordinary whose personality and behavior is outside the normal range of common actresses or actors. She is an outstanding public figure, who

is a very successful iconic actress cum entrepreneur. Hence, this paper highlights top five (5) characteristics of a celebrity outlier who turns into an iconic entrepreneur as:

1) **Confidence as the first mover** - looking at her on stage and when she attended the press, she looks so confident and knows what she is leading to, and always be a first mover in the business. She exudes that confidence her main career as the public figure as well as the businesswoman to lead. She be the “first mover” for her own products to ensure the business boom, such as promoting her own scarves in Warda, in “Suri Hati Mr. Pilot” television drama series 2016 that gained profits of more than RM50 million, “Meletop” with her own fashion and she lead the business launching at Zouk, and to date she will become the first mover for the Europe Muslim fashion.

2) **Passionate and energetic**– She shows how she loves her current involvements. She looks energetic in what she is doing, she has shown a self-actualization in what she is doing, and always make a betterment in the area that she is good at and exploring new ideas and new business with passion. “She seems like work around the clock and never stop,” said Isey, one of her top stockists. With her passion, she could manage well her employees, stockists, partners, and her fans to ensure the achievement of desirable outcomes, the business soar – as the end game!

3) **Clear direction** – Neelofa is a person with a clear direction of what she wants to achieve. She would go steadily to meet her target with proper plans ahead and long-term perspectives.

She set the parameter and following the path. Hence, it is observed that the products and services are superb, not outdated, obsolete, out trend and underserved.

4) **A sense of self-belief** – the incredible sense of self-belief makes her a remarkable icon, she could manage the obstacles around her, work smartly and turn those to become the opportunities. She has her own way to succeed, to survive and to sustain. She manages the head-hunters for her own career development to flourish in her business and to make known to the world.

5) **Outlier game** – she is different, she has her own niche particularly in her products – the uniqueness and the brand itself, business networking and ventures, and advertisements. She found the other way to accelerate in the business and celebrity show as well. She could manage her partners in her own way of attractions, like how when she is acting, and how she manages her fans and how her fans adore her.

1.6 Conclusion

The lessons learned from the case study on the celebrity outlier and her achievements in the business are divided into the two (2) major aspects; 1) the product itself, and 2) Neelofa – the founder herself. The products in terms of the brand, product, quality, price, publicity and advertising, and packaging. Five key characteristics of Neelofa are her full of confidence as the first mover, passionate and energetic, clear direction, sense of self-belief, and her battlefield is an outlier game. She is steady shows on “how not to stop acting” in the millennial of a digitalized business battlefield!

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**The PetCare Centre:
Striving to Build the Awareness**

Jihad Mohammad¹, Farzana Quoquab^{2*}, Nor Liza Abdullah³, Norjaya Mohd Yasin⁴

^{1,2}Azman Hashim International Business School, Universiti Teknologi Malaysia, 54100, Kuala Lumpur, Malaysia

³School of Management, Faculty of Economics and Management, Universiti Kebangsaan Malaysia, 43600 UKM Bangi, Selangor, Malaysia

⁴Business and Management Centre, Open Universiti Malaysia, Malaysia

Ayman's Dilemma...

It was 13 January, 2018, a lazy Saturday morning. Ayman Sharifi was watching the busy roadside from his house located at Jalan Belimbing Inda, Serdang. Although Ayman was looking toward the street, he was hardly noticing anything properly. He was drowned in deep thought about his animal shelter, "PetCare Centre" (PCC) which was run by himself and his wife Anisa Sobiri. They opened this animal shelter 2 years back at the backyard of their house which was overpopulated. Three days ago his 13 years old son Akmal brought one more astray cat which was severely injured by a run-and-hit case. A car hit the poor cat and drove fast without trying to bring the cat to the vet. Akmal was running his bicycle and observed the accident. By seeing the vulnerable situation of the injured cat, he brought it to the house.

Ayman's thought was interrupted when Anisa brought a cup of coffee for Ayman. Anisa noticed that Ayman was looking gloomy which made her worried.

Anisa: Are you thinking about our PCC?

Ayman: You are right. Not so sure, how to manage more money for our animal shelter. So far not many cats are adopted by others. We are not that rich to take care of all animal our own. By the way, how is the new cat today?

Anisa: I called Putrajaya Veterinary hospital. She is better today. I will take Akmal and shall go to bring her after lunch.

Ayman: How much we have to pay?

Anisa: I already paid that day 500 ringgit for the tests. I think today I have to pay more 500 ringgit.

Ayman: Humm... Our expenditure is increasing day by day.

Anisa: The number of cats is increasing also. The place is not so big to take more cats even. We need to put efforts on promotion. Perhaps we can get attention from rich people and NGOs to get some financial help.

Ayman: You are right. I think we need to open Facebook page for our animal shelter. So that people will know about it. Also, we can post information to create awareness among public for not to buy cat instead to adopt the ashtrays.

Anisa: Agree with you. If everybody is caring for animals, then it can create a better environment for the animals.

* Corresponding Author: fqbhabib@ibs.utm.my

Anisa left to complete the household chore. Ayman felt bit better after sharing his worries with Anisa. He finished his coffee and went to his backyard to check the cats as the usual routine.

The PetCare Centre (PCC)

Ayman Sharifi was 45 years old Malay. He was married to Anisa Sobiri. They were staying in Jalan Belimbing Indah, Serdang with their four children: Nuruddin, Nisa, Akmal and Siti. Ayman was an engineer by profession and his wife was a housewife. Although Ayman's parents had adopted two cats, initially Ayman did not have any cat until 2011. On 2011 he and his wife went to pray at Universiti Putra Malaysia and Anisa saw one paper box placed outside the toilet of the ladies side. A sound came from the box which made her curious. Once she opened the box, she saw one tiny kitten was inside the box who was crying for food. She realized that someone dumped the kitten here. She was bit confused about what to do with the kitten. Once she finished her prayer, she just wanted to see the kitten out of curiosity. She showed some affection to the little creature. Her heart melted down by seeing her thin body and cute gesture. She informed Ayman and sought his advice. Finally they decided to bring the cat to the house. Their children all were very happy by the new family member.

They had adopted their second cat in 2013. They were going to Alamanda for shopping and saw a cat on the roadside. Once they were close to the cat, they realized that it was injured. They could not leave the cat and thus decided to bring it to the vet clinic for treatment. After the treatment, they adopted the cat. And then they adopted their third cat which was abandoned by a neighbour who left the nearby terrace house and went to KL.

The couple was very sensitive to cat's welfare. It was October 2015 when, Anisa suggested Ayman to open an animal care centre for cats.

Anisa: Do you think that we can open an animal care centre to help some stray cats?

Ayman: Your idea is good, but where to open the centre? Who will take care of those animals?

Anisa: We can do it in our house, at the backyard. We have plenty of space in the surrounding. We can by few cages and keep them there. I can take care. And you and our children will assist too.

Ayman: It will be an additional responsibility... Are you willing to do that for long? What if, one day you will feel tired of doing this?

Anisa: I think I will love to do this. I really feel for them. Their suffering touches my heart.

Ayman: How is about financial support? Who will bear this additional expenditure?

Anisa: We can keep it small now, perhaps we take only 10 to 15cats. Then let's see, if we can manage some donors to finance. Yes, we will have extra expenses for sure. But it will be considered as sadaqah too.

Ayman agreed to Anisa's suggestion and they prepared their backyard for the cats. First they took 10 stray cats. They picked those who were sick or were subject to accident. Once they adopted a cat, they used to bring it to vet for treatment and check up. After the cat recover, they neutered the cat. Slowly, the number of the cats increased to 20. They named the shelter as the PetCar Centre (PCC).

Ayman did not register the centre since the number of cats was not too many. He and Anisa used to cover the expenses by their own. The monthly major expenditures were related to medical treatment, buying the cat food, and buying sand for pee and poo. However, since the number of the cats in the shelter was increasing Ayman felt that it is the time to register it.

Although the name was pet care, they used to keep only cats due to the religious concern. Mostly Anisa used to take care of the cats. However, Ayman and children helped at weekend. Sometimes their maid also assisted the home grown pet centre.

On the Verge of Creating the Awareness Building Campaign

The couple was learning by doing things since they did not have any prior experience in handling such social cause. It did not come to their mind to have social media pages for their animal shelter; neither they had Facebook page nor any Instagram account for PCC.

The couple started to inform their neighbours, friends and colleagues about the centre, in a hope that they will adopt cats from the shelter. They used to call their friends or Whatsapp the information and cat pictures to ask whether anyone is interested to adopt any cat from PCC. However, the adoption rate was very slow since most of the pet owner preferred to buy foreign breeds from the local pet shops. The couple charged only RM 30 per cat for those who intended to adopt a cat from the PCC.

The couple believed the old quote by Anatole France's quote, 'until one has loved an animal, a part of one's soul remains unawakened'. They were frustrated by observing animal cruelty and negligence of the pet owners towards their pets. Many owners used to buy expensive pets from the shops and leave their pets on the street without thinking how the pet would survive alone. Even some owners used to treat them as a toy without realizing that pets also have soul, mind, liking, disliking, and physical discomfort. The biggest concern was, most of the pet owners preferred to buy pets rather than adopting strays. The couple felt urgent need to make the pet owners educated about the issue.

We Should Never Give Up...

Anisa came back from the vet hospital around 4pm with the new member of the shelter. She was still weak and was in need of some nursing until her wound gets recovered completely.

Anisa: I paid 667 ringgit for the medicines and treatment. She seems bit better but need some time to recover.

Ayman: So, now we will have 23 cats including this one.

Anisa: I think we need to stop taking more cats for the time being.

Ayman: Agree... Let's try to do some promotional activities and then see whether we can get more adopters for our shelter cats.

The conversation ended since Ayman heard Adhan (the call for prayer) from the nearby mosque and stood to pray. On the way to the Mosque he started to think for his next course of action for the PCC. He decided to start with creating the website and Facebook page for PCC. He felt determination to pay attention in creating awareness among the public to motivate them to adopt instead of buying the expensive pets from the pet shops. He reminded himself, "*I know, it is not an easy task, but we will not give up so easily...*"

SOURCE OF INFORMATION

Interview with Ayman and Anisa, the founder of PCC, March 19, 2018.

A Blue Print to be an Eminent in Malaysia Animation Industry

Nadia Diyana Mohd Muhaiyuddin; Ariffin bin Abdul Mutalib

*Department of Multimedia, School of Multimedia Technology and Communication (SMMTC),
Universiti Utara Malaysia, 06010 UUM Sintok, Kedah
nadia.diyana@uum.edu.my, am.ariffin@uum.edu.my*

ABSTRACT

Animation industry in Malaysia is being improved and some of the animations are popular all over the world. However, to become an eminent company is not easy. There are a lot of obstacles and steps are required to be achieved. As told by one of the well-known company in Malaysia, Digital Durian (DD) animation studio. An interview is done to identify the obstacles that they had faced, steps taken before they become famous n marketing strategy to promote their products. The data is analysed in purpose to give exposure for students about the roadmap taken by DD to become eminent in Malaysia. From the analysis, there are a few stages taken by DD which are design, user testing and strategy marketing. These stages are shared with seminar students so they can applied in their future work. Teaching note are distributed to test whether they understood the taught given by them in online learning. For future plan, final year project students are expected to apply DD steps in producing their animation.

INTRODUCTION

Digital Durian (DD) Animation Studio sdn. bhd. started from the bottom in 2008 with only two employees and they fought for making their animated cartoon more appealing among their target audience. Finally their animation cartoon; Didi and friends were viewed in Youtube with 1 billion views in 2014. With this achievement, Digital Durian (DD) Animation Studio sdn. bhd. was approached by Astro TV and their animation cartoon; Didi and friends were displayed in Astro TV in end of 2014. Recently, on March 2018, Didi and friends was aired on TGV cinemas. Thus, Didi and friends are still popular in Youtube until now. Didi and Friends is animated children's song videos that consist of Malaysian famous songs. Most of the video's duration in the youtube is from 2 to 3 minutes only. The first video of Didi and Friends' was released on YouTube in May 2014. The number of viewers reached six million by the end of 2014. Started

last year (2017), this product is also famous among toddlers and preschool in television and Youtube channel.

Before become an eminent in Malaysia, many obstacles and challengers were faced by DD such as failed to perform in the first animation, they also have to open Durian Kahwin to sustain the company and developed a few e-learning projects. However, in 2013, they aimed to achieve success in animation industry, so they developed animation called Didi and friends. These steps are described in the following sections.

DESIGN

The first stage to produce eminent animation is design which contains four steps which are search engine, fill the gap, identify the characters and expert consultation.

Search engine

People search for Malay language songs one day in 10,000 search. Many people are looking for children's songs in Youtube. From these searched, DD team identified the gap. The most important is actually the research and circulation of the important moments and the current needs by the target audience. DD team also did the search engine to confirm that the content of the DD product is not similar with other people or companies products. Then, DD team had to ensure that every single publications or productions were unique compare to other companies or people.

Fill the Gap

Apparently easy to find a gap but actually to be unique or different from others took quite some time. After a lot of searching engine, observation and discussion, finally DD team figure out the gap and they directly planned the aims of their products. They aims to produce animated cartoon that make children happy and concurrently educate the children. In addition, DD teams also put the aims on top of their dreams, no turning back even though the product is not acceptable by the targeted audience. For example, in 2014, they struggled to get feedback, but still received not got good feedback for DiDi & Friends especially on the non-believers in animated cartoon can educate children, but DD team continued to believe in their aims. For achieving DD aims, they identified back the characters and added traditional songs to Didi and Friends animated cartoon.

Identify the characters

DD team also stress on the importance of creating characters that provide positive impact to the targeted audiences. For example the main character of Didi and friends which are Didi, Jojo and Nana. DD team took quite some time on identifying the suitable character but different from other animation in the world. A lot of presentation, discussion and observation were conducted to produce these main characteristics. Besides that, DD team also discussed on the collaboration between these characters. Thus, DD team listed the characteristics of these characters including the shirt, cap, shoes, socks, spectacles and others. In purpose to make the characters more remembered, DD team identified the characters tag lines. After identifying the characters, DD team chose the song and usually a traditional song. A few storyboards are proposed and a discussion will be made to identify the best storyboard. Then the script will be made accordingly and finalized by the scriptwriter. A scriptwriter in DD team attend a course to make a movie. The animation will be developed including the sound and the voice.

Expert Consultation

For the initial products, DD team used expert consultation to validate their animation quality. They collaborate with Dr Mariani from Universiti Malaya, she is an expert from early childhood education program. DD initial product was developed based on her suggestion. The animation is continuously changing based on her opinion. Finally, after a few cycle of enhancement, the initial product is ready to be shown for focus group testing.

USER TESTING

In developing a quality Didi and friends, DD team conducted focus group technique for user testing.

Focus group

The DD team also collaborates with founder Genius Aulad, Mrs. Zaliza, Genius Aulad around Cyberjaya and Malaysia Kindergarten Association (PTSM). Animated Cartoon on Didi and Friends was showed to these kindergarten students. During this session, DD had a agreement with nursery management not to distribute the content of the animation on the broadcast or public. The feedback DD main gained during this stage

was the ideal content that gave impact to preschool children. The enhancement on the content were made based on feedback from preschool children until animated cartoon Didi and Friends were attractive to them. In addition, the show times also been checked to see how much time the child can focus on. For Didi & Friends animated cartoon, first target DD team for 10 minutes but after focus group test, preschool children only focus on 7 minutes, later than that, the children has lost focus. From there DD team decide to build animations that can be aired only within 7 minutes.

MARKETING STRATEGY

There are a few steps taken by DD team in marketing strategy which are content strategy, upload animation in Youtube, competition and level up the new content.

Content strategy

A quality content for animation is not easy to be developed especially on achieving the aim of DD team; attractive and cheerful content but at the same time educate the targeted audience and parents also sing along with their children. Besides that, the content also must always matching with the up-to-date requirements and close with the rival achievements.

Upload animation in Youtube

In 2014, DD team started to upload Didi and friends animated cartoon in the Youtube. The purpose to upload the animated cartoon is to gain more feedback from respondents or viewers. Actually in design phase, DD team develop Didi and friends for television programme. However, television productions only received animated cartoons which are popular whether in the website, Facebook, Instagram or Youtube. According to this requirements, DD team decided to upload their product in Youtube. Again, DD team had to search engine again for the suitable show time range in the Youtube. They changed the animated cartoon from 7 minutes to only 2 minutes. The first animated cartoon Didi and friends is 'Rasa Sayang'. For getting more viewers, 3 steps were conducted which are boost viewers, collaborate with social network group and competition.

Firstly, DD team pay RM100 in purpose to increase the level of showing the link of Didi and friends animated cartoon in the Youtube. Then, the percent of people to watch

the link was increased and furthermore, more people watched the Didi and friends animated series because suggested Didi and friends series were appeared on the right side. When people watched the first song, Youtube suggested the second, third, fourth song. That was the way DD team increase the subscribers in the Youtube.

Secondly, DD team collaborated with a few social network groups. In early involvement in the Youtube, some series were famous but others are not. That is why DD team decided to collaborate with a few social network groups such as Group Facebook 'Ibu Bapa Cemerlang'. In choosing the right network group, a few criteria were identified. The main criteria were the parents in the group must have children between 2 years old until 6 years old. Most of the members had to be active and gave feedback to any materials posted in the group. They also always forward the materials to other group, families and friends.

Thirdly, DD team also produced competition during Didi and friends promotion. There were various competitions for children and also parents. These competitions conducted in the social media and also after promoting Didi and friends' series. One of the competitions was the best messages of the Didi and friends series. From this competition also DD teams gained a lot of ideas and healthy comments to improve the Didi and friends series.

Level up on the new content

The first animated cartoon Didi and friends get more negative feedbacks from parents and viewers. However, DD teams always took these feedbacks as the challenges and make them stronger to achieve their aim. Again, DD team involved in designing animated cartoon Didi and friends that could fulfil the requirements of the Youtube targeted viewers. Then, DD team produce a product for every two week because children always hunger on the new contents of Didi and friends. However, not all of DD animation were famous, so DD team had to analyse the criteria in famous and less famous DD and friends animated cartoon. After went through the analyzation, DD team identified the characteristics that were attracted to the targeted audience. Finally, DD team produced animation that was famous. With this achievement, DD and friends animated cartoon series were accepted to be shown in ASTRO.

CONCLUSION

The Intellectual Property (IP) itself has to be strong and there is no product like Didi at that time. From DD team invention, a few company starts to make education from animated cartoon. Another important step is to maintain and handle the IP is important and teamwork have to believe in success. For DD team, their products not only have to be viral once, but viral consistency, the content give positive impacts to the targeted audience. For students that have a dream to be eminent in animation industry, produce a different and unique animation but content ought to be benefit even a bit. Then with the good content, do figure out with good platform and marketing. Thus, the dream can be true despite it is possible to be achieved.

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WAYFINDING AND THE COMPLEXITY OF THE AIRPORT ROAD DESIGN

Author(s): Nur Khairiel Anuar and Rohafiz Sabar

Affiliation: Universiti Utara Malaysia

Address: Logistics and Transport Department, School of Technology Management and Transport, College of Business, Universiti Utara Malaysia, 06010, Malaysia.

Telephone: +604 9287048

Fax: +604 9287070

E-mail: nurkhairiel@uum.edu.my and rohafiz@uum.edu.my

1.0 Setting a Scene

Airport road access wayfinding defines as a process in which drivers navigate an airport landside environment using information support systems (e.g. signage, architectural clues, street lights and road markings). It includes the process of finding a way in the geographical space and identifies present location, knowing how to get to and from (Farr, Kleinschmidt, Yarlagadda, & Mengersen, 2012) the airport. The wayfinding process involves decision making in response to continuing a journey, information received from the environment and which route is the best alternative to continue to navigate (Fewings, 2001). A straightforward design has been adopted in the structure of airport road access wayfinding design. Simplifying wayfinding provision will eliminate the effort in delivering an aesthetic value of signage as the aim is to reduce investment cost.

Wayfinding is useful for making a quick decision due to complex road access design. Figure 1 shows a basic wayfinding process which could be applied on the airport road access network. Drivers use two immediate elements of wayfinding; choices and clues. Choices are related to instance decision points in wayfinding (Raubal & Egenhofer, 1998; Raubal & Winter, 2002). The choices give opportunity to decide two or more alternative ways of airport road access. Drivers (including senior drivers) prefer to use a clue to make estimation on road architecture. Clues include any signs and physical architecture along the road. (Mitchell, 2010) agreed signage should be specific, designed and placed in accordance to national standards which have advantages to drivers in terms of being able to locate, read and understand them within a timeframe.



Figure 1 Drivers' wayfinding process

1. Driver (Route decision)

Complete information concerning alternative ways of airport road access is available and feasible to senior drivers.

2. Environment (Process)

Senior drivers use alternative surrounding objects (e.g. wayfinding systems) and process into valuable information. At this point, senior drivers develop alternative shorter distances in which presentation of the right information is crucial.

3. Destination (Result)

Senior drivers eliminate an excess in travelling based on the amount of information received. Financial costs (e.g. fuel costs and parking charge) and the opportunity costs (e.g. travel time spent) on their journey are included.

According to Harding et al. in ACRP Report 52 (J. R. Harding et al., 2011), the airport road signage needs to be conspicuous, legible, brief, understandable, and located in within a sufficient distance from the choice point to allow enough time to detect, read and make a decision. Thus, drivers have a big responsibility to translate traffic signs into valuable information in order to make a right decision. The information might be translated into two impacts; negative and positive outcomes.

2.0 Characteristics and Principles of Airport Road Access Wayfinding Systems

A good wayfinding (including signage) has its' own characteristics and principles. The principle of wayfinding are split into two different types of route decision-making; (1) the "static choice problem", where people already know the environment they are to navigate and the decision is made knowing the possible results (Raubal & Egenhofer, 1998); and (2) the "dynamic choice", where the decision-making is done in an unfamiliar environment (Mitchell, 2010) by first-time visitors. An example of this might be a choice of routes and transport modes from one's home to an airport. Where the route selection involves searching for or being given information on new routes, it is termed a

dynamic choice problem. This is the type of problem faced by first-time travellers on entering an airport terminal (Fewings, 2001). The following are the basic principles of airport road access wayfinding design:

1. The requirement of the signs information in certain area to make quick decision;
2. Minimise the number of signs in one place;
3. Minimise the signage size;
 4. Simplifying colour, font style and size of signs design;
 5. Avoid obstructing pedestrians;
 6. Consider the signs position (low and high);
 7. Provide signs information where necessary;
 8. Coordinate the current sign provision;
 9. Avoid redundant signs information; and
 10. Use double sided signs where possible.

There are three techniques that have been identified to ease wayfinding; recreational, resolute and emergency wayfinding (Fewings, 2001; J. R. Harding et al., 2011). Recreational wayfinding offers an individual (e.g. senior drivers) the opportunity to solve problems (i.e. where to go next) that can be a source of satisfaction and enjoyment. Resolute wayfinding applies where the main purpose is to find a way in the most efficient manner. Under emergency wayfinding conditions, the only important factor is reaching the destination as quickly and easily as possible.

3.0 Kuala Lumpur International Airport (KLIA)

Kuala Lumpur International Airport (KLIA), Malaysia, is situated at Sepang, which is 30 miles from the main city, Kuala Lumpur. The construction cost of KLIA was about \$3.5 billion. Planning and development of the new airport began in 1990 when it became evident that the then existing airport, Sultan Abdul Aziz Shah International Airport or Subang International Airport, faced capacity constraints and was incapable of meeting long-term increases in passenger traffic and cargo demand. In addition, KLIA was interested in becoming one of Asia's major aviation hubs along with neighbouring airports, Bangkok Suvarnabhumi Airport and Singapore Changi Airport.

In 2017, the airport handled 58 million passengers' movements, 387,234 aircraft movements and 710,186 metric tonnes of cargo. The airport is operated by Malaysia Airport Holding Berhad (MAHB), Sepang Berhad, and serves as the base for Malaysia Airlines, MASkargo, Air Asia and Air Asia X. Malaysia Airlines (MAS) is a traditional airline with comprehensive hub-and-spoke networks comprised of regional, domestic and international services. In contrast, Air Asia and Air Asia X are airlines with point-to-point services, low fares and lower overall cost structures.

4.0 Current Airport Road Access Wayfinding Issues at KLIA

The design of signage and wayfinding, and the facilities provided for airport road access is very important to all travellers, as airports contribute to high growth economies and affect the environment and quality of life. Meanwhile,

the government aims to ensure all transportation networks, including airport signage, are protected by effective systems and adequate policies for safety. The debate concerning visual effects caused by the proliferation of signs and wayfinding in airport area has led to considerable discussion by airport planners. This is a major problem which threatens to become greater as more and more elements are added to airport road access; much of the wayfinding furniture is not there to help with airport road safety and it is understandable and right that airport authorities consider this one of their main priorities (Kanakri et al., 2016; Transport Scotland, 2006). Ineffective signage (Leversen, Hopkins, & Sigmundsson, 2013) in the airport road access distracts from wayfinding. Harding (2012) stated that many airports have not established the concept of 'simple, functional and less is more' for airport signage systems. He suggests a simple wayfinding and sign message could help reduce the overall cost of poor signage systems which make them less attractive and competitive than alternative airport road access (Alhoussein, 2011; J. R. Harding et al., 2011). This distraction (e.g. too much advertising signage) can increase travellers' confusion and raise the risk of incidents (Cuenen et al., 2015; Fofanova & Vollrath, 2011; Mitchell, 2010; Wener & Kaminoff, 1983) in airport road areas.

The improvement of airport road signs has been made in response to travellers complaints, for instance, at Bristol International (Bristol International Airport, 2006). The improvement of airport road signage also has been made in subsequent of growth in traveller number to the airport. Similarly, in order to increase passengers travelling to and from London Luton Airport, for instance, a proposed action plan has been highlighted to improve wayfinding and onward

travel facilities for passengers (London Luton Airport, 2012). The movement of travellers associated with the airport road access and terminal are generated by and respond to a host of variables including travellers' choices of access and clear directional signage. Therefore, Southampton Airport proposed that a clear directional signage and information in airport terminal access network is necessary (Southampton Airport, 2012).

4.1 The demand for surface access facilities

The debate concerning development of airport surface access has led to considerable discussion by airport practitioners. Airports have to retain the airlines as business partners and customers and have to decide to build new facilities to ensure airlines use the airport as hub in their operations. Apart from that, airports must be flexible to change to fulfill the demands and needs of passenger. The development criteria for airport surface access facilities are still an unknown area and there is a strong demand for guidance on airport user perception and expectation towards airport investment, operational costs and revenues, and airport charges and air fares. Bearing in mind these reasons, the case study discusses alternative models of airport road surface access design and its applications for Kuala Lumpur International Airport (KLIA), Malaysia that constitute approximately 48.9 million passengers and a successful low cost airline based in Malaysia, Air Asia which make it a suitable focus for conducting such study.

4.2 Poor Wayfinding Provision

Poor wayfinding provision discourages drivers (Burns, 1998; Darken & Sibert, 1996; Montello & Sas, 2006) in airport areas. For instance, people fail to navigate or to find a place the first time because they are unable to understand the complete topological structure of the space (Darken & Sibert, 1996). They cannot perceive the space from a single viewpoint in large-scale spaces (Passini, 1981; Raubal & Winter, 2002), and have to navigate through extensive areas to locate specific ‘things’ in space (Leveresen et al., 2013). Examples of large-scale spaces are buildings, the architectural environment and cities. The space as urban elements (e.g. paths, landmarks and districts) is useful in dividing the environment into smaller and clearly connected parts (Lynch, 1960) from the departure point to the destination in order to navigate to the airport. Taking landmarks as one of the recognised indicators visible to any traveller implies the importance of signage (Baskaya, Wilson, & Özcan, 2004). The number of signs can have a large impact on airport road surface access. Good positioning is more important than quantity. Having many signs in one place can be ineffective, creating ambiguity and confusion for airport drivers and being visually intrusive (Charles & Haddad, 2007). Two signs that are poorly positioned can be less effective than one that is well positioned. Airport travellers can only absorb a limited amount of information while moving, so overload can lead to confusion and the possibility of drivers executing dangerous manoeuvres (Fofanova & Vollrath, 2011); thus it is better to provide fewer signs of better quality.

In addition, many airport complexes have been developed in a manner that has resulted in unusual roadway layout and design when compared to typical roadway systems (J. R. Harding et al., 2011). Airport roadway users (e.g. senior

drivers) often have unique characteristics due to their unfamiliarity with the roadway system and integrated facilities, coupled with potentially high levels of driver stress (Matthews et al., 1998; Taylor & Dorn, 2006) caused by tight flight schedules, security warnings, and other factors (J. Harding, 2012; J. R. Harding et al., 2011).

Wayfinding has been intensively investigated in previous studies (Farr, Kleinschmidt, Johnson, Yarlagadda, & Mengersen, 2014; Fewings, 2001; J. Harding, 2012; J. R. Harding et al., 2011, 2017; Kanakri et al., 2016; Legge, Downey, Giudice, & Tjan, 2016; National Passenger Facilitation Committee, 2011; Orellana & Sayed, 2013; Suzer, Olgunturk, & Guvenc, 2018; Symonds, 2017). Previous studies highlighted that the number of signs can have a large impact on airport road access wayfinding. Good positioning is more important than quantity. Having many signs in one place can be ineffective, creating ambiguity and confusion for airport travellers and being visually intrusive (J. R. Harding et al., 2011). Two signs that are poorly positioned can be less effective than one that is well positioned. Airport travellers can only absorb a limited amount of information while moving, so overload can lead to confusion and the possibility of travellers executing dangerous manoeuvres (J. Harding, 2012); thus it is better to provide fewer signs of better quality.

5.0 Discussion on Road Access Design

5.1 Overview of Research Methodology

The discussion about the success factors of the proposed methodology is necessary in order to achieve the aims and objectives of the research. The primary source of data consisted of feedback from 40 respondents. A

questionnaire was developing to collect and support research frameworks were completed by them to determine their viewpoints on the safe driving behaviour. The mean and standard deviation were used in this research as they are the most common descriptive statistics, and a very useful tool of statistical rules, in normal distribution

5.2 Key Factors Influence Safe Driving Behaviour

Figures 2, 3 and 4 show mean and standard deviation computed for senior drivers' age mistakes based on 'Less Complex', 'Complex' and 'More Complex' road design, respectively. The results show that there is a relationship between road design complexity and driving errors. The results also revealed that the road edge excursions were the most common mistake and 'disobeyed' red traffic lights were the lowest mistakes made by senior drivers in all simulated driving scenarios. Senior drivers preferred to drive near to the road edges (or road shoulders), 'too carefully' at the junctions and roundabouts and surprisingly drove too fast in sections of the road that had lower speed limits. This pattern showed that senior drivers are less safe and are exposed to incidents on the road.

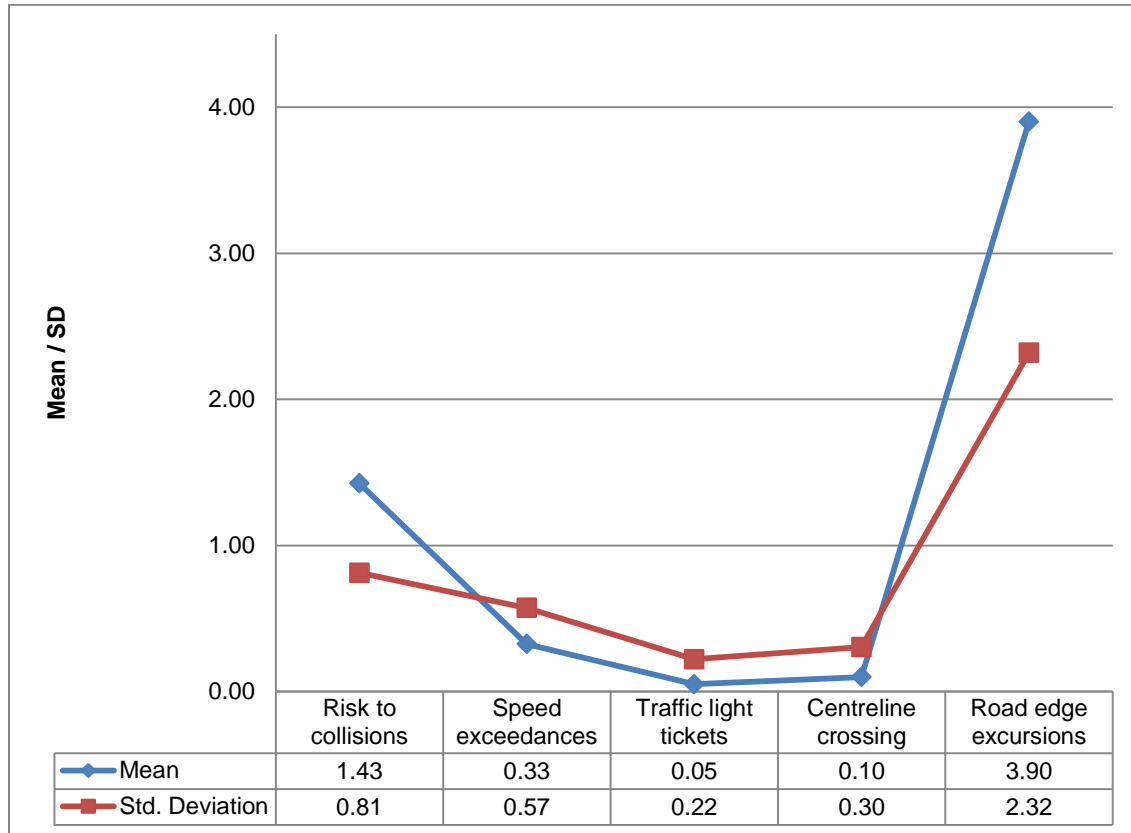


Figure 2 Mean and SD of drivers' age based on 'Less Complex' Scenario

In the 'Less Complex' wayfinding design (Figure 2), senior drivers were likely to cross the road edge (mean=3.90, SD=2.32), be exposed to the risk of collisions due to driving too close to a vehicle in front (mean=1.43, SD=0.81), exceeding the speed limit (mean=0.33, SD=0.57), cross the centreline (mean=0.10, SD=0.30) and were aware of red traffic lights (mean=0.05, SD=0.22).

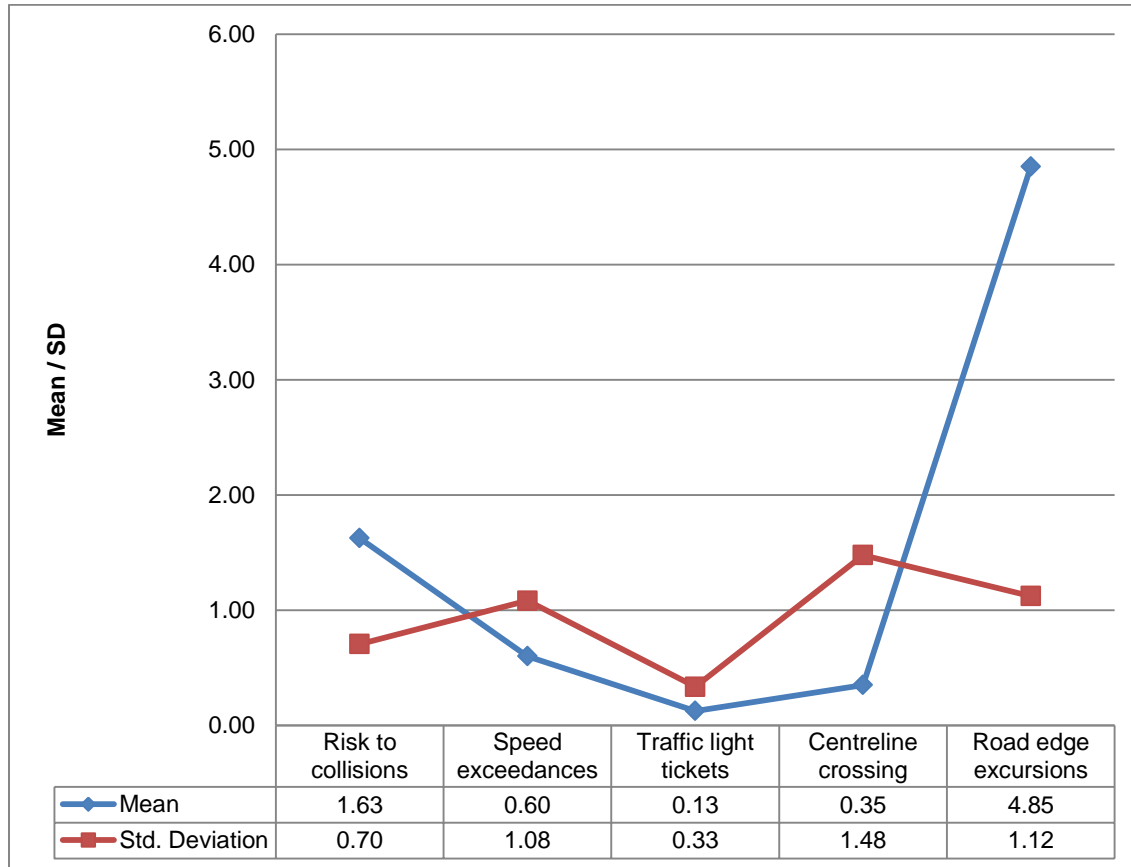


Figure 3 Mean and SD of drivers’ age based on ‘Complex’ Scenario

In the ‘Complex wayfinding design (Figure 3), senior drivers were likely to speed and exceed the standard speed limit (mean=0.43, SD=0.84). They preferred to drive close to the kerb, which resulted in road edge excursions (mean=4.20, SD=1.44). However, they were likely to cross the centreline of the road lane (mean=0.15, SD=0.43) when attempting to turn at the next junctions. Tailgating as one of the major contributors to the road accidents could raise the risk of collision (mean=1.48, SD=0.91). Traffic light ticket (mean=0.03, SD=0.16) rates were low in the ‘Complex’ scenario, perhaps because of their experience from the previous simulated driving test.

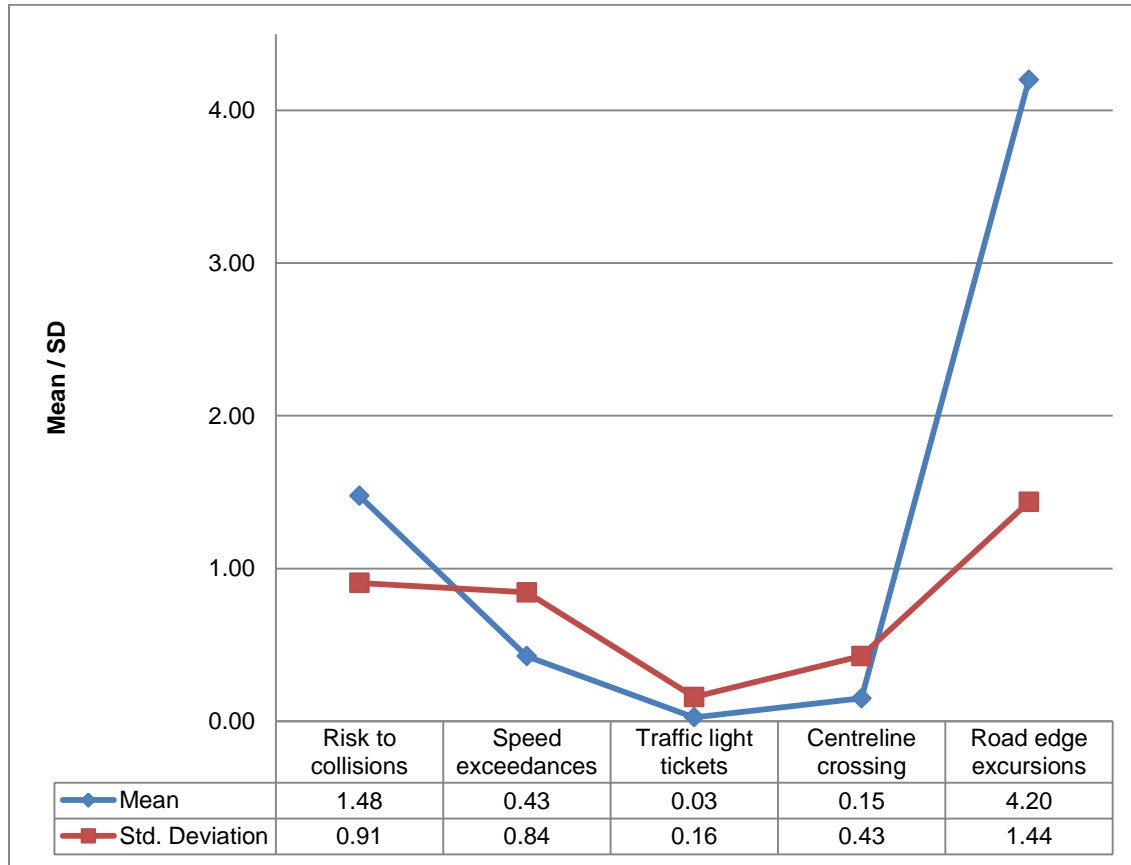


Figure 4 Mean and SD of drivers’ age based on ‘More Complex’ Scenario

Drivers made more errors in the ‘More Complex’ wayfinding design (Figure 4); road edge excursions (mean=4.85, SD=1.12), risk to collisions (mean=1.63, SD=0.70), speeding (mean=0.60, SD=1.08), crossing the centreline (mean=0.35, SD=1.48), and less aware of red traffic lights (mean=0.13, SD=0.33) while performing navigation in this scenario. These five mistakes are the major factors influencing senior driving behaviour and safety on airport roads.

To summarise, there are contributory factors that may influence safe driving behaviour. In order to emphasize the driving simulation results, the preferred

key factors leading to road accidents have been considered as shown in Table 1.

Table 1 Mapping of contributory factors to drivers' mistakes

Contributory Factors ¹	Risk to collisions	Speed exceedances	Traffic light tickets	Centreline crossings	Road edge excursions
Failed to look properly	X	X	X	X	X
Poor turn or manoeuvre	X			X	X
Failed to judge other drivers' path or speed	X	X			
Following too close	X				
Disobeyed 'Give Way' or 'Stop' sign or markings	X	X	X	X	X
Loss of control	X			X	X
Travelling too fast	X	X	X	X	X
Swerved	X			X	X
Exceeding speed limit	X	X	X		
Aggressive driving	X	X	X	X	X

DfT (2015) reported that road accidents involving fatalities of senior drivers have only fallen by 15 per cent from the years 2005 to 2009. However, road accidents that involved serious injuries rose 10 per cent over the same period. The higher road accident statistics recorded every year were related to senior driving behaviour. As people get older their health condition becomes more infirm (Cuenen et al., 2016; National Institute on Aging, National Institutes of Health, & U.S. Department of Health and Human Service, 2011). Thus, it could lead to problems such as poorer depth perception and an increase in mistakes in both cognitive and physical behaviour (Department for Transport, 2015; Marin-Lamellet & Haustein, 2015; National Institute on Aging et al., 2011;

¹ Contributory factors as reported by DfT (2015).

Oxley, Fildes, Corben, & Langford, 2006; RoSPA, 2010). These factors affected drivers' ability to focus on the road while driving to the airport.

6.0 CONCLUSION

The research outcomes indicate the significant implication of complexity of airport road access design for senior drivers. Greater complexity in road design clearly raises the risk of accidents for drivers. For example, the results confirmed that the drivers required great awareness of the speed limit (i.e. bigger font than conventional signs) as they drove faster in lower speed limit areas. The number of signs can have a large impact on airport road surface access. Good positioning is more important than quantity. Having many signs in one place can be ineffective, creating ambiguity and confusion for airport drivers and being visually intrusive (Charles & Haddad, 2007). Many airport complexes have been developed in a manner that has resulted in unusual roadway layout and design when compared to typical roadway systems (J. R. Harding et al., 2011). Airport roadway users (e.g. senior drivers) often have unique characteristics due to their unfamiliarity with the roadway system and integrated facilities, coupled with potentially high levels of driver stress (Matthews et al., 1998; Taylor & Dorn, 2006) caused by tight flight schedules, security warnings, and other factors (J. Harding, 2012; J. R. Harding et al., 2011).

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**PREFERENCES OF PEDESTRIAN FACILITIES BY BUSINESS AND
LEISURE USERS ON AIRPORT COMMERCIAL ROAD ACCESS
DESIGN**

ROHAFIZ SABAR
NUR KHAIRIEL ANUAR
HARTINI AHMAD
rohafiz@uum.edu.my; nurkhairiel@uum.edu.my

Abstract

The preferred facilities of pedestrians area in Malaysia is highly recommended as the country is developed with high volume of vehicles on the road daily. Based on Malaysia experiences, the transport system was rapidly developed especially in land transport along with developing of highway system, increasing of car users, type of vehicles, diversity of driver's age, and road technology. The airport planner should taking consideration the differences of user levels which include normal, disabilities, children and group of age. Sisiopiku and Akin (2003) stated that the airport planners and traffic engineers should consider the importance of pedestrian preferences and perceptions when designing efficient and pedestrian friendly facilities. In addition, initiative should be taken to promote pedestrian travel (e.g. appropriate pedestrian facilities) which offers potential users an assured level of convenience, efficiency, comfort, and security for successful applications.

There are continuing pressures on improvement of surface access facilities to the airports by airlines and parties involved. The arguments for this follow the line that reduced airport charges will lead to reduced air fares. This is turn will generate additional passenger growth with consequent benefits in terms of

direct or indirect employment, inbound tourism and stimulation of local economies. These arguments should be understood in the overall context of airline and airport charges, costs and revenues.

1.0 Setting a Scene

Pedestrian defines as people who walk, sit, stand, or use a wheelchair in public spaces. The examples of pedestrian are children, teens, adults, elderly, and people with disabilities. In addition, pedestrian facilities could be identified as walkways such as sidewalks, walking and hiking trails, shared-use paths, pedestrian grade separations, crosswalks, and other improvements provided for the benefit of pedestrian travel (FHWA in Kar, 2009). Even though to have a proper or better pedestrian facilities is been an important aspect, the safety of pedestrian much more important in the transportation field (Sisiopiku and Akin, 2003).

Based on Malaysia scenario, Malaysian authorities (i.e. MIROS, MOT and Royal Malaysian Police) are responsible to provide funds, system, planners, installing, retrofitting sidewalks, and other tools in order to ensure people who walk receive adequate facilities for their comfort and safety. The Malaysian authorities are aggressively promoted the safety campaign and awareness at Malaysia (i.e. safety education and speeding limit). However, based on MIROS statistics in 2009, pedestrian fatalities by mode of transport has contributes 589 cases or 9% of total road accidents and the highest rate of accident are in Johor which contributed 1,060 cases.

The preferred facilities of pedestrians area in Malaysia is highly recommended as the country is developed with high volume of vehicles on the road daily. Based on Malaysia experiences, the transport system was rapidly developed especially in land transport along with developing of highway system, increasing of car users, type of vehicles, diversity of driver's age, and road technology. The airport planner should taking consideration the differences of user levels which include normal, disabilities, children and group of age. Sisiopiku and Akin (2003) stated that the airport planners and traffic engineers should consider the importance of pedestrian preferences and perceptions when designing efficient and pedestrian friendly facilities. In addition, initiative should be taken to promote pedestrian travel (e.g. appropriate pedestrian facilities) which offers potential users an assured level of convenience, efficiency, comfort, and security for successful applications.

2.0 Pedestrian Safety Plan by Road Safety Department, Malaysia

Table 1 and Figure 1 show that the pedestrian contributes to the top three higher in road accident for year 2017 (9.16%) and 2009 (8.73%) after motorcycle (59.72%) in 2008 and (60.30)% in 2009 while car (20.45%) in 2008 and (20.83)% in 2009. Eventhough pedestrian contribution to road accident decreased to 2.3% from year 2002 (11.03%) to 2009 (8.73%), it contributes to higher fatalities accidents which need attention to zero fatalities accidents. Thus, all related aspects such as pedestrian design, facilities, human error and external threat (i.e. motor vehicles on road, nature accidents) need to consider as continuous improvement on road safety. Integrated programs and

campaigns attended by government and authorities as an education tools to alert all road users and reduce fatalities accidents.

Table 1 Road Accidents by mode of Transport in Kedah (PDRM, 2017)

Road Users	2012	%	2013	%	2014	%	2015	%	2016	%
4Wheel	135	0.83%	221	1.43%	250	1.66%	226	1.38%	236	1.36%
Lorry	656	4.05%	608	3.93%	478	3.17%	485	2.95%	528	3.04%
Bus	106	0.65%	100	0.65%	117	0.78%	86	0.52%	79	0.45%
Car	11993	73.96%	11222	72.58%	10798	71.64%	12026	73.21%	12724	73.15%
Motorcycle	3208	19.78%	3190	20.63%	3334	22.12%	3504	21.33%	3731	21.45%
Bicycle	41	0.25%	49	0.32%	32	0.21%	34	0.21%	34	0.20%
Pedestrian	76	0.47%	71	0.46%	64	0.42%	65	0.40%	63	0.36%
TOTAL	16215	100%	15461	100%	15073	100%	16426	100%	17395	100%



Figure 1 Pedestrian Accidents on Road in Malaysia (PDRM, 2017)

In south region of Malaysia, higher road accident cases were reported in Johor. Table 2 shows that in comparison between 2008 and 2009, Johor cases were increased from 48,667 in 2008 to 51,747 cases which is more higher than Negeri Sembilan and Melaka. This case study focuses on provision of pedestrian facilities that contributes to comfort and safety to the users. Benefit from this research even though covered in Johor Bahru area, may apply to other pedestrian areas.

Table 2 State Road Accident between 2013 to 2017 (PDRM, 2017)

State	2013	2014	2015	2016	2017
PERLIS	1,895	1,888	1,861	2,062	1,925
KEDAH	20,228	20,159	22,016	23,200	23,262
PULAU PINANG	39,361	38,747	39,856	42,244	43,007
PERAK	35,408	35,131	36,736	38,531	38,587
SELANGOR	135,024	137,809	140,957	151,253	154,958
W.P. KUALA LUMPUR	64,527	63,535	64,664	68,866	72,940
NEGERI SEMBILAN	23,066	23,748	22,939	24,428	24,941
MELAKA	16,083	16,375	17,069	18,601	18,771
JOHOR	64,600	64,473	67,112	73,116	76,121
PAHANG	20,130	19,071	19,635	20,465	20,813
KELANTAN	9,748	10,326	9,960	10,544	10,786
TERENGGANU	10,996	9,383	10,381	10,793	10,713
SABAH	17,438	17,858	17,290	17,298	17,244
SARAWAK	18,700	17,693	19,130	20,065	19,807
TOTAL	477,204	476,196	489,606	521,466	533,875

3.0 Kuala Lumpur International Airport (KLIA)

Kuala Lumpur International Airport (KLIA), Malaysia, is situated at Sepang, which is 30 miles from the main city, Kuala Lumpur. The construction cost of KLIA was about \$3.5 billion. Planning and development of the new airport began in 1990 when it became evident that the existing airport, Sultan Abdul Aziz Shah International Airport or Subang International Airport, faced capacity constraints and was incapable of meeting long-term increases in passenger traffic and cargo demand. In addition, KLIA was interested in becoming one of Asia’s major aviation hubs along with neighbouring airports, Bangkok Suvarnabhumi Airport and Singapore Changi Airport.

In 2017, the airport handled 58 million passengers' movements, 387,234 aircraft movements and 710, 186 metric tonnes of cargo. The airport is operated by Malaysia Airport Holding Berhad (MAHB), Sepang Berhad, and serves as the base for Malaysia Airlines, MASkargo, Air Asia and Air Asia X. Malaysia Airlines (MAS) is a traditional airline with comprehensive hub-and-spoke networks comprised of regional, domestic and international services. In contrast, Air Asia and Air Asia X are airlines with point-to-point services, low fares and lower overall cost structures.

4.0 Current Transport Issues of KLIA

4.1 Rapid Growth of Low Cost Carriers (LCCs)

The worldwide growth of Low Cost Carriers (LCCs) is having a significant influence on traffic forecasts for potential air travellers with increased pressure from passengers for reduced air fares, while at the same time, the airports are faced with the need to increase efficiency levels in their operations to cater for the anticipated traffic growth that LCCs have generated.

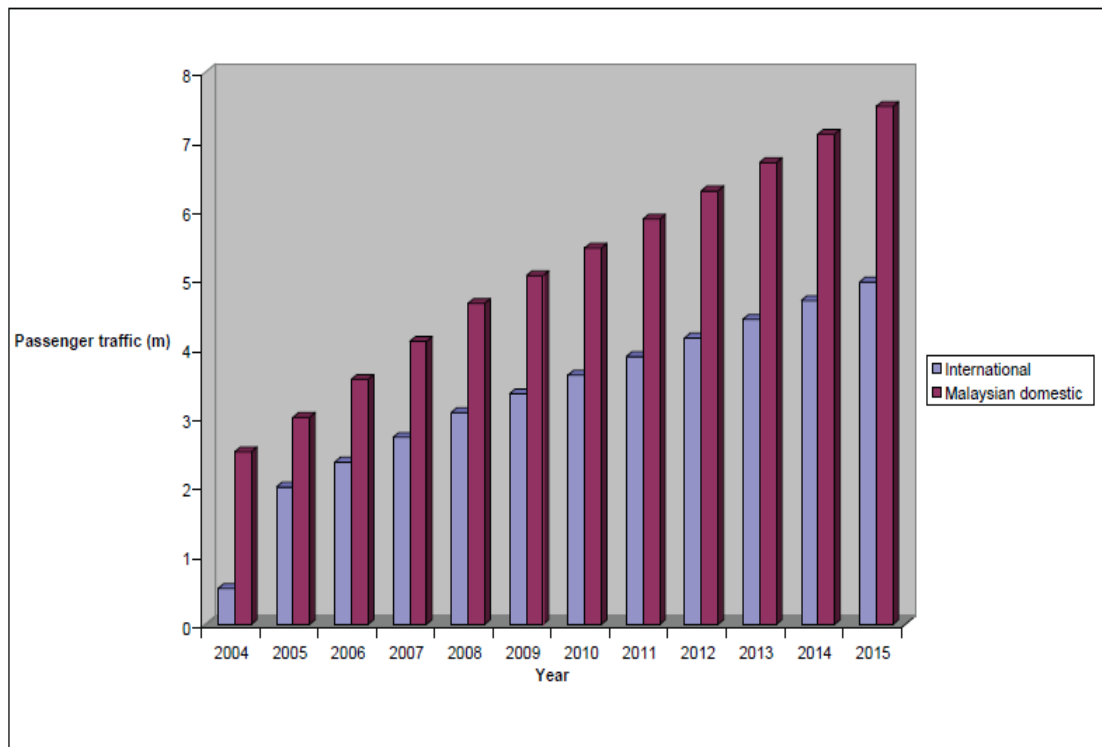


Figure 2 Air Asia Passenger 2004-2015¹

Figure 2 shows the actual and forecasted growth drawn up by Air Asia for the period 2004 to 2015. It also shows a steady high growth in both domestic and non-domestic (international) passenger traffic for Air Asia. Except for the traffic forecast in 2007, the passenger traffic forecasts to date was higher from the actual passenger traffic level. For example, 2.8 million (2004), 4.4 million (2005), 5.7 million (2006) and 8.7 million (2007), for international and domestic movements, were recorded. The establishment of new routes by Air Asia contributed about 30% growth of the Malaysian domestic aviation market (O’Connell, 2007) and generated in 2007, for Air Asia, a total of 8.7 million

¹ Source: Strategy and Commercial Planning Division, Air Asia Berhad (2004).

international and domestic passengers. This, in turn, increased passenger traffic at KLIA. The major factors contributing to the high level of passenger traffic in the domestic sector have arisen from pre-planned rationalisation, as Malaysia Airline System (MAS), the prominent legacy carrier, separately operates 19 domestic trunk² routes while Air Asia operates 99 non-trunk routes³.

4.2 Transition of Secondary Airports to Low Cost Airports

A secondary airport is defined as an under-utilised and reliever airport that complements the main or primary airport of a city. A secondary airport may be situated far away from a city centre (e.g. Langkawi serving Alor Setar) or sometimes it is close. A secondary airport complements the primary airport in a metropolitan multi-airport system. Normally, the secondary airport is situated within an attractive catchment area in terms of traffic generation, has an important feeder function for the large hub airports, offers a reasonable number of direct scheduled connections, and has normally more than 9 network carriers operating at the airport. Secondary airports do not have a hub function and concentrate more on point-to-point city pair connections.

The development of secondary airports has been highly successful leading to a significant increase in passenger numbers as well as a growth in the number of point to point routes served by the airlines, particularly by Low Cost Carriers

² Most profitable routes

³ Air Transport News: www.rati.com.

(LCCs)⁴. The partnership of LCCs and secondary (low cost) airports has been significant, both in terms of gaining market share and in expanding the size of the overall aviation market (Barrett, 2004).

To attract the LCCs, the ideal attributes of a secondary airport should include competitive airport charges (i.e. lower charges) and a lack of congestion in order to allow the aircraft to have a rapid turnaround time. The secondary airport should also be under-served by network (flag) carriers and therefore currently offer a limited choice of routes for business travellers. The potential advantages of secondary airports include growth opportunities for new markets such as business and leisure travellers (students and the elderly), plus enhanced opportunities for existing markets which may, in turn, contribute to increased economic benefits for the region served by the secondary airport, such as direct and indirect employment, and inbound tourism.

There are number of reasons why these attributes are important. Firstly, there are no problems with the availability of slots, allowing the LCCs to design schedules to make the best use of their fleet in terms of aircraft utilisation. Secondly, the lack of congestion should allow airline schedules to be maintained and therefore the costs of delays are minimised. Thirdly, the marginal costs of secondary airports are very low, or almost zero, so that the aeronautical charges are also often low. Lastly, there is a reduced dependency on complex infrastructure such as air-bridges and complex baggage handling systems, making it possible to design passenger terminals simple enough to meet LCC needs for quick and cost-effective services (Barbot, 2006).

⁴ Referred to as 'no-frills' or 'low fare', these airlines introduce the concept of 'low cost' into their organisational culture and offer low fares in exchange for cutting out many of the traditional passenger services.

4.3 The demand for surface access facilities

The debate concerning development of low cost terminals surface access has led to considerable discussion by airport practitioners. Airports have to retain the airlines as business partners and customers and have to decide to build new facilities to ensure airlines use the airport as hub in their operations. Apart from that, airports must be flexible to change to fulfill the demands and needs of passenger. Figure 3 shows the schematic diagram of pedestrian surface access.

However, the development criteria for low cost terminals surface access facilities are still an unknown area and there is a strong demand for guidance on airport user perception and expectation towards airport investment, operational costs and revenues, and airport charges and air fares. Bearing in mind these reasons, the case study discusses alternative models of low cost airport passenger terminals and its applications for Kuala Lumpur International Airport (KLIA), Malaysia that constitute approximately 48.9 million passengers and a successful low cost airline based in Malaysia, Air Asia which make it a suitable focus for conducting such study.

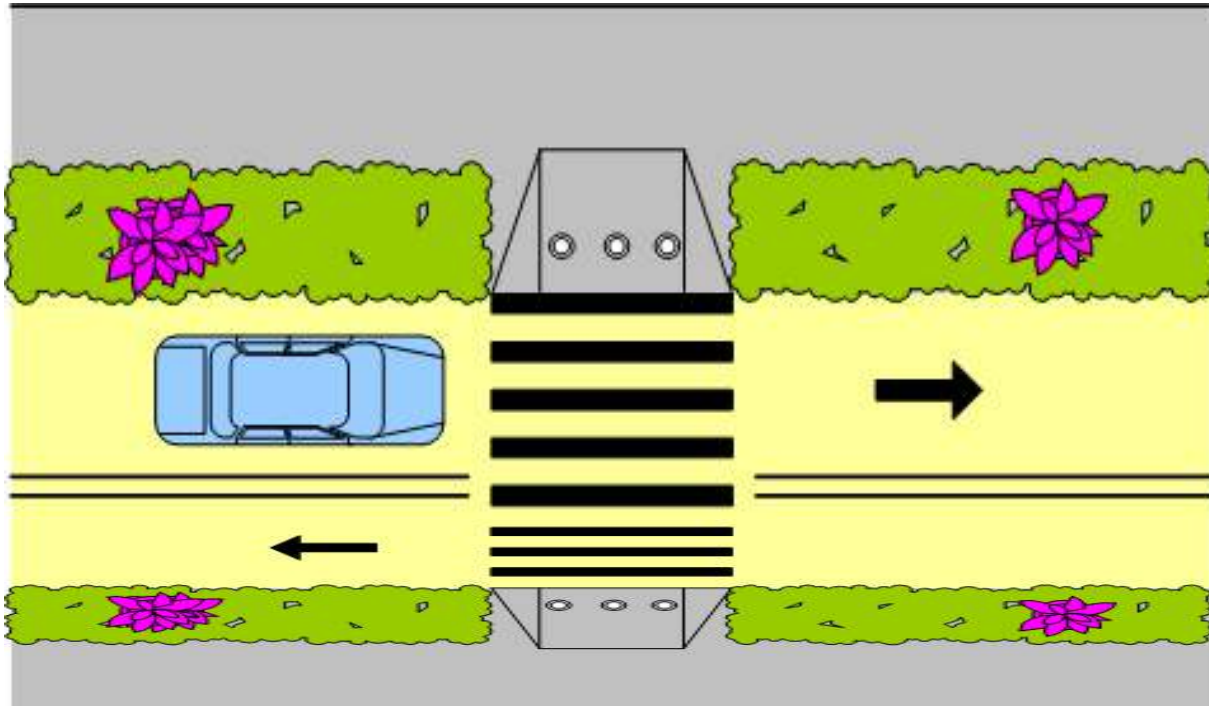


Figure 3 An example of ideal pedestrian facilities with bollards at both ends, ramps at both ends and zebra crossing or other traffic calming devices (e.g. flat-top humps)

4.4 The Need for Basic Terminal Facilities

The LCT design concept is based on a reduction in costs as well as an emphasis on terminal operational efficiency. The concept also focuses on space reduction and terminal size, the basic provision of terminal services and an appropriate level of service to cater for the requirements of airlines and passengers. The provision of basic terminal facilities depends on the type of airport operations, aircraft mix and the volume of passenger traffic. The terminal design also needs to take into account airside / landside (terminal) links, walking distances, the check-in process, aeronautical and non-aeronautical services, administration space and support services (Kadza and

Caves, 2000). As stated by Odoni and De Neufville (1992), the terminal design should include the following facilities:

1. Processing facilities (ticket counters, check-in counters, security controls, passport controls, baggage carousels, customs counters, etc.),
2. Holding areas (lobbies, gate lounges, etc.), and
3. Passageways (corridors, escalators, moving sidewalks, etc.).

The basic terminal facilities are currently more adaptable to small airport terminal models that require fewer facilities in the LCT design. Service standards will greatly influence terminal design and capacity, as well as costs. This may lead to efforts to balance economic resources and LCT terminal efficiency.

4.5 Battles of commercial space on the LCT design

Recent LCT designs (KLIA LCT) have taken into account the need to generate additional income contributing towards total airport revenues as well as the availability, size limitation and dimensions of the terminal building. An increase in dimensions will require more land and additional floors and this will increase the cost of construction (Venegas, 2005). The charging structure for lounges and offices has no direct influence on passenger numbers. It could be argued that the cost of lounges and offices is (partly) subsidised by the passengers or airlines hence a reason for not having them in the LCT. Commercial activities often provide the main part of an airport's revenues, for

examples, by generating up to 80% of all revenues in 50 major world airports (Oum, Yu et al. 2001).

The design of food and beverage (F&B) facilities at LCTs should take into account passenger lifestyles (business travellers and holiday makers). In order to match market preferences, KLIA LCT is currently offering simple and convenient services in the F&B outlets. Thus, the establishment of fast food and kiosks were advised in order to meet passenger needs. As an example, the footprint of the fast food restaurant is about 375m² that is smaller when compared with that in the main KLIA terminal building. Table 3 shows the relative proportions of commercial areas in KLIA LCT.

Table 3 Retail outlets KLIA LCT⁵

BUSINESS	LOCATION	FLOOR AREA (m²)
LCCT Emporium	Public Concourse	125.0
Airport Emporium	Domestic Departure	125.0
Pharmacy	Domestic Departure	71.25
Carlo Rino	Domestic Departure	62.5
Eraman Duty Free	International Departure	141.3
Pusrawi Pharmacy	International Departure	67.44
Eraman Duty Free	International Arrival	108.2
Total		700.69

The restriction of space encourages airport commercial planners to make more efficient use of available free space (i.e. corners of the building and wasted

⁵ KLIA Commercial Department Internal Presentation, 2006

space in the public concourse) by to being converted for commercial use. In the recent development of LCTs, the efforts of KLIA LCT to create additional revenue through exploitation of free spaces seems an interesting idea.

5.0 Discussion on Pedestrian Facilities Findings

5.1 Overview of Research Methodology

The discussion about the success factors of the proposed methodology is necessary in order to achieve the aims and objectives of the research. The primary source of data consisted of feedback from 180 respondents of pedestrian users. A questionnaire was developed to collect and support research frameworks were completed by them to determine their viewpoints on the provision of pedestrian facilities to be included in pedestrian design. The survey was conducted at Kuala Lumpur International Airport, Malaysia. The results were processed by SPSS (Statistical Package for Social Sciences) and the data was coded, counted and presented. Quantitative data was also used in order to evaluate the relationship of the current, future and business and leisure travelers' expectation and pedestrian facilities and used as a supporting study.

In order to increase the validity of the case study, the ANOVA (Analyses of Variance) Test to compare the mean of variances or differences between the factors. The Test is to measure the provision of pedestrian facilities linked to user' current provision of pedestrian facilities and ideal facilities as a result of

the importance of users' needs and safety, and a significant relationship between the importance of future provision of pedestrian facilities.

5.2 Perception of pedestrians on the usage of pedestrian facilities

Table 4 shows the differences in significant values for purpose of travel (business and leisure) in pedestrian users' preferences for pedestrian facilities in pedestrian pathway, in significant order: Lighting (0.012), hump (0.016), air conditioning (0.019), bollard (0.024), and disabled facilities (0.025). Therefore, the alternative hypothesis is accepted as these facilities have been highly significance to the business and leisure users. Table 4 also shows that specific pedestrian facilities are rated as not being significance to the purpose of travel, as shown by high ρ values (0.05), by both business and leisure pedestrian users [for example, children facilities (0.882), median (0.546), internal use of plants and trees (0.453), information board (0.306), and bicycle lane (0.093).

Table 4 Perception on the usage of pedestrian facilities

Pedestrian Facilities	F Value	Significant Value (ρ)
Air Conditioning	3.045	.019
Bicycle Lane	2.022	.093
Bollard	2.893	.024
Children Facilities	.293	.882
Disabled Facilities	2.864	.025
Hump	3.133	.016
Internal Use of Plants and Trees	.922	.453

Information Board	1.208	.309
Lighting	3.328	.012
Median	.771	.546
Advertising Board	1.655	.163
Pavement	3.869	.005
Physically Separated Walkway	3.132	.016
Public Phone	.277	.893
The View of Outside	1.829	.125
Seating Availability	1.374	.245
Self-service Vending Machine	3.862	.005
Spatially Separated Walkway	3.970	.004
Speed Breaker	.266	.900
Stroller Ramp	.774	.543
Way Finding	2.286	.062
Zebra Crossing	1.064	.376
CCTV	1.297	.273

The differences in significant values for purpose of travel in pedestrian users' preferences for pedestrian facilities in pedestrian pathway, has shown in significant order: Spatially separated walkway (0.004), pavement (0.005), self-service vending machine (0.005), and physically separated walkway (0.016). Specific pedestrian facilities are rated as not being significant to the purpose of travel, as shown by higher ρ values (0.05), by both business and leisure pedestrian users [for example, speed breaker (0.900), stroller ramp (0.543), zebra crossing (0.376), CCTV (0.273), seating availability (0.245), the view of outside (0.125), advertising board (0.163), public telephone (0.093), and way finding (0.062)].

The significant test values (ρ) representing the ranking of pedestrian facilities by purpose of travel; business and leisure. The Table 4 also shows the statistical significant test of the pedestrian users' type of travel at 5% sensitivity level. There is strong significance between the rankings of the pedestrian facilities, regardless of the purpose of travel. From the Table 4, all facilities are significant to the type of travel, as important as an ideal pedestrian facilities; bollard (0.024), hump (0.016), pavement (0.005), physical separated walkway (0.016), and spatial separated walkway (0.004). These pedestrian facilities are needed and applied to the safety of pedestrian users. However, although, median (0.546), speed breaker (0.900), and stroller ramp (0.543) not significant to the purpose of travels, users were strongly agreed these facilities are more important.

5.3 Perception on the comfort levels of pedestrian facilities

Table 5 shows the differences in significant values for purpose of travel on the comfort levels in pedestrian users' preferences for pedestrian facilities in pedestrian pathway. By ANOVA test to compare with ρ values, it is more significant to walk on the pathway less than 5 minutes (0.024). Walking with bags to 1.8sq.m space is more significant for only one person (0.044) compare to two persons (0.057) and more than 2 persons (0.187). While without bags to 1.4sq.m is comfort to walk for more than 2 persons (0.035). For elderly or disabled person, facilities such separated pathway especially for them was highly important as significant by 0.003. From analysis also shows there is significant to reduce in access to natural environment (0.026) such as restriction to step on grass (as spatially separated walkway) or to access to

trees (physically separated walkway). More likely, CCTV or security booth nearest to pedestrian pathway is compulsory as analysis is significant by 0.016 to increase the safety aspect.

Table 5 Perception of pedestrian users on the comfort levels of pedestrian facilities

Pedestrian Facilities	F Value	Significant Value (p)
Walking Distance Less Than 5 mins	2.893	.024
Walking Distance 5-10 mins	.771	.546
Walking Distance More Than 10 mins	1.374	.245
Standing Space With Bags to 1.8 sqm for 1 person	2.508	.044
Standing Space With Bags to 1.8 sqm for 2 persons	2.335	.057
Standing Space With Bags to 1.8 sqm for more than 2 persons	1.582	.181
Standing Space Without Bags to 1.4 sqm for 1 person	1.103	.357
Standing Space Without Bags to 1.4 sqm for 2 persons	1.265	.286
Standing Space Without Bags to 1.4 sqm for more than 2 persons	2.655	.035
Separated Queuing Lines Between Users With Family/Elderly/Disable People	4.194	.003
Separated Queuing Lines Between Users Without Family/Elderly/Disabled People	1.057	.380
Reduced in Access to Natural Environment	2.830	.026
Increased of Safety Concern	3.132	.016

6.0 CONCLUSION

There are continuing pressures on increasing of surface access facilities to the airports by the airlines and parties involved. This in turn will generate additional passenger growth with consequent benefits in terms of direct or indirect employment, inbound tourism and stimulation of local economies. These arguments should be understood in the overall context of airline and airport charges, costs and revenues.

The research shows that the negative responses of pedestrian users which many pedestrian facilities have been designed are not provided in airport commercial areas. Examples include pedestrian facilities where access to destinations is difficult, and strip development along high-speed roads where no sidewalks or pedestrian crossings exist. When streets and roads are evaluated for improvements, it is helpful to consider whether the design effectively meets all the desired functions of the roadway. This may help the agency and party involved proactively identify locations for pedestrian safety improvements in the process of improving safety and mobility in the airport commercial area.

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Linking Competency with Internal Audit Performance in Tax Administration: A Case Study in Nigeria

Zakariya'u Gurama^a and Muzainah Mansor^b

^aDepartment of Accounting, Faculty of Arts and Social Sciences, Gombe State University, Nigeria.

^bTunku Puteri Intan Safinaz School of Accountancy (TISSA-UUM), Universiti Utara Malaysia, Malaysia.

Abstract

The aim of this study is to identify and analyse the internal audit competency required for effective auditing performance in tax administration. To achieve this, a case study methodology was employed to collect face-to-face interview data on the staffs of Federal Inland Revenue Service (FIRS) Nigeria. The data were collected from 9 internal auditors of the FIRS. The collected data was analysed using Nvivo₁₀ qualitative software. The findings of the study show that qualification, knowledge and skills are the three major indicators of the internal auditors' competency in performing effective auditing functions in tax administration. The implication of the study is that, to achieve a successful performance of internal auditing in the FIRS, competent auditing staffs are highly needed for effective auditing performance.

Key Words: internal audit, competency, tax administration

INTRODUCTION

Effective performance is the aim of any organization in order to achieve its objectives. Internal audit in an organization is one of the management tools and mechanisms for achieving effective operational performance in an organization. Accordingly, internal audit is an independent objective assertion and consulting activity structured to add value and enhance an organizational operation (Pitt, 2014). In addition, internal auditing is used as a discipline approach to systematically identify, assess and analyse operational activities of an organization with a sole objective to improve its productivity (Gurama & Mansor, 2018a). Similarly, internal audit is a catalyst for achieving visionary objective of an organization. To achieve this, competent auditors are required to take care of the responsibility of auditing functions that can yield the anticipated result.

In tax administration, performance of the tax officials in assessing taxpayers and collecting tax revenues is determined by the efficiency and effectiveness of the operational activities of the tax administration (Abdurrahman & Mansor, 2017). In this regard, competent internal audit staffs, play a significant role in improving tax administration efficiency and effectiveness through identifying and analysing the tax administration strategies and highlighting defects in the operational system for improvement. Scholars argued that competent auditing staff in public organization is one of the required key elements for effective internal audit performance (MacRea & Gils, 2014).

In Nigeria, Federal Inland Revenue Service (FIRS) is the apex tax revenue body responsible for collecting and administering taxes in the country (Abata, 2014). The body collects different taxes on behalf of the government. These taxes include personal income tax, capital gain tax, value added tax, petroleum profit tax, educational tax etc. (Okauru, 2012). However, the collections of the taxes get set back in recent years as a result of inefficient and ineffective internal audit performance (Gurama & Mansor, 2018b). As a result, the tax collection in 2015, 2016, and 2017 failed to achieve its annual target (Planning, Research & Statistics Department, 2018) due to poor performance of the tax administration. Therefore, this study looked into competency capabilities of the FIRS internal audit to determine its abilities for improving tax administration performance.

Competency can be defined as a set of cognitive and behavioural skills that provide structured guide capable for identifying, developing and evaluating individual employee's behaviour (Robinson, Sparrow, Clegg & Birdi, 2007). Competency is an ability of individual employee to properly do a job in a predetermined process using cognitive and behavioural skill proficiently. Furthermore, competency is also viewed as a combination of theoretical, practical and cognitive behaviours, skills, knowledge and values employed to enhance performance (Eraut, 1994; Mulder, 2001; Beck, 2003).

This study viewed competency as cognitive and behavioural skills of internal auditors in terms of knowledge attained, qualification hold and skills treasured with in performing auditing activities. Therefore, having a competent audit staffs that can perform skilfully is required in tax administration due to their substantial role in determining and guiding employee's ability to perform a function and their impact in improving operational performance of the tax authority. This study is aimed to examine the role of competent auditing staffs and what is required to be competent internal auditors who are capable of improving tax administration performance in Nigeria.

LITERATURE REVIEW

The related literature reviewed in this study discusses the concepts of internal audit, internal audit performance and internal audit competency. These concepts are important in understanding the competency of internal audit performance in a tax administration.

Concept of Internal Audit

The concept of internal audit is very wide and broad in nature. This is because it is viewed as an area with a complex jurisdiction that covers internal controls, risk management, operational management, and organizational governance in the capacity of efficiency and effectiveness of an organization (Ramamoorti, 2003). It is also viewed as an approach involved in performing proactive services such as identifying potential fraudulent activities, defect detection, internal control

weaknesses, compliance with laws, statutes and regulations as well as resources acquisition, allocation, utilization and management within an organization (Ramamoorti, 2003; Sawyer, 2003). This diverse nature of internal audit activities in an organization makes it a multifaceted concept and critical to organizational performance. Commitment, accountability, and integrity of internal auditing services would provide value added to organizational management as an independent and objective source of advice for improving operational performance (Gurama & Mansor, 2018a).

Being a catalyst for organizational improvement and systematic analyses, internal audit activities are very significant to public and private organization. Odia (2014) indicates that the objective of internal audit in public organization is to ensure employees compliance with laws, statutes, rules and regulations. In addition, they also assured that organizational processes and resources utilization are efficiently and effectively utilized and managed (Eze, 2016; Goodwin, 2004). This implied that effective internal audit activities would safeguard and evaluate the performance of tangible and intangible organizational resources for the successful operational performance.

Furthermore, public sector organization are service oriented, therefore, compliance with laws, rules and regulations is to be assured by internal auditors. Conversely, objective of internal audit in private sector organization is to facilitate the management efforts towards maximizing shareholders wealth by ensuring financial and production process is efficiently coordinated (Soltani, 2014; Arel, Beaudoin, & Cianci, 2012). Goodwin (2004) further argues that private organization are profit oriented, therefore, they are more concern with the shareholders wealth maximization.

The concept of internal audit is very wide with different objectives among the organization. This is due to the fact that, normally, organization required the activities of the internal audit based on their visionary objectives. However, it is widely accepted that, internal audit activities are very important to the organizational productivity both in public and private sector organizations.

Internal Audit Performance

Performance is a concept that is revolving around economy, efficiency, and effectiveness i.e. 3Es. Odia (2014) and the OECD (2008) indicate that performance is referring to as an interaction between the economy resources, efficiency processes and effectiveness of result within an organization. Economy means scarce organizational resources that include human and materials; efficiency is how the economy resources are proficiently transformed to have a results or output, while effectiveness is the impact of the result toward the success of the organization (Eze, 2016; OECD, 2008; Schacter, 1999). The interaction between organizational resources i.e. economy to produce anticipated result in an efficient manner and the effects of the result to the organizational objectives are the triplet determinants of performance in an organization.

Nonetheless, internal audit performance is referring to as how the auditing activities in an organization are facilitated with adequate resources and infrastructure to deliver its duties and carryout responsibilities by transforming the scarce resources skilfully to achieve the set objectives of an organization (Sawyer, 2003). In this regard, internal audit performance would be determined by the economy, efficiency, and effectiveness of the auditing activities in an organization. Pitt (2014) as well as Ridley and Chambers (1998) have argued that performance of internal audit capable for improving organization can be measured by its availability of required human and materials resources that can be used to perform auditing function efficiently to produce anticipated result and the impact of the result will be traceable in accomplishing organizational objectives.

Individual auditors as well as the auditing department capability in an organization depend on how the auditors are competent enough to observe the functions of auditing proficiently to improve the organizational performance in wider perspectives. Therefore, to ascertain the performance of internal audit in an organization, one has to reconsider the competency of the auditors in achieving the auditing function efficiently and effectively (Gramling & Hermanson, 2009). Competent internal auditors would better perform the auditing activities in an

organization using their cognitive and behavioural skills that would have long impact on the organizational performance.

Internal Audit Competency

Competency is a general description of characteristics and attributes of a person or group of individuals that are expected to perform a particular function individually or collectively in an organization. Internal audit competency is the ability of an auditor to perform auditing activities using cognitive and behavioural skills that would guide the auditor's functions in identifying, developing and evaluating organizational activities for improvement purposes (William, Kenneth, Simon & Wood, 2011; Zain, Subramanian & Stewart, 2006). For an internal auditor to be competent, he is required to understand and interpret the organizational objectives using cognitive and behavioural skills to identify, analyzed and evaluate organization performance and suggest ways to improve the performance (Gurama & Mansor, 2018a; Gramling & Hermanson, 2009).

Behavioural skills are moral characteristics and attributes attached to a person that could guide him to perform a predetermined function in an organization (Miron, Erez, & Naveh, 2004). It is a skill that makes an individual to be regarded as a qualified and competent in discharging responsibility using moral characteristics competently. Effective behavioural skills can assist a person to manage risk, solve problem, and provide solution for enhancing activities and performance in an organization. According to Seol and Sarkis (2005), behavioural skills competency of internal audit is a moral attitudes or characteristics of an internal auditor in an organization that make him qualified to perform auditing functions efficiently and effectively. In addition, good internal personal skills and behaviours are essential behavioural competency skills needed at this stage.

Cognitive skills refer to ability of an individual to perform different mental activity that is closely related to learning capabilities as well as problem solving in an organization (Robinson et al., 2007). In reality, cognitive skills normally entail human memory and ability to learn and understand information that is in writing form or otherwise which can guide in performing an event proficiently.

Internal auditor cognitive skills are his ability to learn and understand activities that can increase his efficiency in performing auditing function effectively in an organization. Therefore, cognitive skills competency is all about auditors' qualification as well as knowledge acquired through learning and used for effective performance of the internal auditor (Seol & Sarkis, 2005; Vijayakumar & Nagaraja, 2012).

Qualification is a credential attestation that a particular individual is qualified to and capacitate him in achieving a giving mandate that require definite competency in performing a task (Hyland & Milton, 1997). That is qualification refer to a process of attaining academic achievement that qualifying a person to perform a function competently. According to Kida (1980), qualification is a vocational skills training associated with educational achievements of different academic levels by an individual that can enable him to perform a task skilfully. This academic qualification is awarded to a successful completion of pre-requisite factors established by the awarding institution. Qualification could be in a form of degree, professional evidence, technical affirmation as well as training certificates. Internal auditor is therefore required to qualify competently by acquiring required academic attestation established by his organization to perform auditing functions successfully.

Knowledge refers to awareness, understanding and/or familiarity of something or someone such as skills, information and description which was acquired by educational or experience to guide a person in a process of performing a function (Boghossian, 2007). Knowledge could be implicit i.e. practical expertise or skills and could be explicit i.e. theoretical understanding of a particular subject. Internal auditor to achieve knowledge competency should possess both implicit (practical) and explicit (theoretical) knowledge for efficient and effective auditing function in tax administration.

Skills are about ability of a person to perform a function with a predetermine outcome within a given amount of energy or time or both. According to Ryu (2017), skills could be divided into general domain skills and specific domain

skills. General domain skills refer to skills exhibited to perform a task that could include team work skills, self-motivation skills as well as time management skills. Specific domain skills on the other hand are skills needed to perform a specific job that required specific skills designated to a job performer. Generally, skills normally required definite environmental considerations and stimulus to evaluate the level of skills being exhibited by the job performer (Robles, 2012). This kind of competency (qualification, knowledge, skills) of an auditor is required to make him exhibits technical, analytical, and appreciative skills in carrying out auditing responsibilities towards achieving organizational goals and objectives.

In addition, Picket (2004) emphasizes on the cognitive skills for internal auditors competency that should include being focused, helpful, decisive and balanced in adding value to an organizational performance. Harrington (2004) adds that competency of internal auditors is related to auditors' paper qualification, working experience and skills about information technology (IT). These components are very essential for an internal auditor to become a competent person in discharging auditing functions in an organization. Despite training as a way for measuring competency, competency can grow by the extent of a person to adapt or learn through experience. However, it is not easy to evaluate competencies of a person or/and his competency development (Robinson et al., 2007).

Therefore, cognitive and behavioural skills that include moral, educational, and working experience of an internal auditor are the major determinants of his ability and readiness to perform the auditing functions that would add value and improve performance of an organization. Equally, these attributes and characteristics are required in internal auditor of a tax administration for efficient and effective deliverance in operational activities of collecting and administering tax revenue substantially.

RESEARCH METHODOLOGY

Case study was used in this study to find out the internal audit competency requirement for effective performance in tax administration. Ghauri and Gronhaug (2005) states that a case study is use to explore a phenomenon, with an aim to understand in-depth the real practice of a phenomenon under study in an organization. For that reason, the Federal Inland Revenue Service (FIRS) was selected as a single case study to understand the required internal audit competency in tax administration in Nigeria.

Face-to-face interview was used to collect the data from nine (9) internal auditors of the FIRS. According to Guest, Bunce and Johnson (2006), a minimum of six and a maximum of twelve interviewees are enough for a sample size in an organizational case study research. Face-to-face interview was selected in this study for data collection by the fact that interview techniques is more concise and precise to accumulate and gather direct or first-hand information on a subject or phenomenon under examination which couldn't be obtained objectively using survey approach (Uma & Roger, 2003). Semi-structured interview was used on the FIRS internal auditors for the face-to-face interview purposes.

According to Yin (2014) and Merriam (2009), validity and reliability of qualitative study can be established using four test process namely internal validity, external validity, construct validity, and reliability. Internal validity entails identifying cause and impact association between something that occur and the outcome realized. External validity refers to a link for instituting bases on which a result of a particular study can be used for generalization beyond direct or particular case examine. Construct validity is a logical plan of suitable operational measures for a concept under study whereas, reliability is exhibiting proof that a findings of a study could be attain when another researcher replicate the same approach in gathering and analysing data on the same study as was done before. The processes for confirming the validity and reliability in qualitative study were performed accordingly in this study.

Nvivo₁₀ qualitative software was used to analyse the collected data and for thematic analysis. The analysis of the collected data was conducted by listening

to the recorded information's and was further transcribed verbatim. The transcription of each participant was read and reread to assure the precision of the transcription process was achieved. Then, the coding process follows immediately. The data was coded into three stages that include open, axial, and selective coding. According to Strauss and Corbin (1990), open coding process can assist researcher in reducing bias of fractured data and information. Based on this methodology, this study classified the data collected on competency of internal auditors into three themes namely qualification, knowledge and skills.

RESULT OF THE STUDY

The finding of study indicated that the demographic profile of the nine respondents in this study shows that two internal auditors are female while the remaining seven are male. Four of the internal auditors are in the position of internal audit supervisory level in FIRS and the remaining five are internal auditors with different positions. The entire nine internal auditors are permanent staffs of auditing department in FIRS and they are graduates with working experiences of more than six years. They are all in the category of more than twenty five years of age.

From the perspective of the participants' responses in respect of competency, they argued that competency of an internal auditor is regarded as an important factor in determining the failure or success of auditing functions in tax administration. Therefore, competency is a major indicator to measure the efficient and effective performance of internal auditing activities that can assist in improving and adding value to the tax administration. Determining and analysing the required competency for auditing performance in a tax administration is very crucial to the success of the internal auditors' functions. In essence, the study participants indicated that competency required for efficient and effective auditing performance in tax administration is to be categorized into three areas namely qualification, knowledge and skills. These are the major indicators for auditing competency that can lead to effective tax administration. The elaborations of the participants' responses are further discussed in the following sections.

Qualification

Qualification is related to occupational profession that a person has to make him perform a particular function on his job proficiently. Internal audit qualification competency refers to a certain level of professional expertise that an auditor achieved to discharge his auditing activities in an efficient and effective manner (Harrington, 2004). Internal auditors in the Nigerian tax administration are required to have qualification competency in terms of qualification in professional exams that acquaint auditor with adequate experience and expertise to perform auditing function diligently as was mentioned by the participants. The responses of the study participants reveal that, to be competent internal auditor one has to possess a professional qualification (certificate) offered by professional bodies of accounting, auditing and other related areas.

Based on this, Participant 4 expressed about the required qualification as follows “In FIRS, for qualification, we are highly encouraged and must acquire a professional qualification such as Chartered Accountant (ACA), Chartered Information System Auditor (CISA) and other accounting related professionalism. This would enable us to work as professionals and achieve our goals through the expertise we have treasured with. Also to enable us perform our auditing activities efficiently and improve tax administration performance” (Participant 4, Senior Supervisor Internal Auditor). In his own words, Participant 5 added that “Professional qualification required by internal audit is the auditor should be a chartered accountant (ACA) as a great priority in FIRS... as you all know that our primary objective in this organization is revenue collection, therefore being chartered accountants are highly appreciated by the staffs including internal auditors” (Participant 5, Senior Supervisor Internal Auditor).

These expressions of the participants show that they are really required to be professionals by tax administration and should acquire the professional certificates of accounting body that would facilitate their activities in delivering the auditing duties effectively. Another respondent stated that “Internal auditors in FIRS are employees of a tax authority; you would not be relevant if you are not exhibiting professionalism in your services. Professionalism wouldn't be exhibited without professional qualification and the most needed are auditors who

have qualifications such as Chartered Internal Auditor (CIA), Chartered Accountant (ACA) and other professional qualification of accounting bodies that is relevant to tax administration as well” (Participant 9, Internal Auditor).

On the other hand, Participant 2 expressed his view by describing the role of professional qualification in tax administration by saying “FIRS is a professional organization specializes for revenue generation in Nigeria. Therefore, it is a must for all staff in the organization to serve diligently and effectively and should exhibit professional practice and have either one or more professional qualifications or certificates to be regarded as qualified tax employees” (Participant 2, Internal Auditor). This shows the esteem perception that FIRS has given priority to professional qualifications of the auditors as part of competency requirement in performing tax administration functions. It is becoming apparent that the FIRS staff without professional qualification seemed to be less important to the services of the tax authority. They were strongly urged to acquire the professional certification for efficient and effective discharge of auditing functions.

In addition, Participant 1 concluded that “Qualification is very important and core operational success in terms of internal audit competency in this organization especially accounting related qualification such as chartered accountant and other accounting related profession” (Participant 1, Senior Supervisor Internal Auditor). In summary, professional qualification is one of the key determinants of internal audit competency in tax administration. An auditor with professional qualification tends to be more relevant with regard to tax administration. Other qualification required for internal audit competency include being a member of other auditing professional bodies such as Nigerian Institute of Internal Auditors (NIIA), Association of National Accountant of Nigeria (ANAN), and Chartered Institute of Taxation (CIT). These associations and institutes are very important in providing professional services and training ground for auditors. In addition to qualification competency, knowledge competency was discussed below.

Knowledge

Knowledge refers to theoretical and practical apprehension of a subject. In a broader perspective, knowledge means acquiring complex cognitive processes of reasoning, communicating, and perception in relation to the capacity of a human being in acknowledging his surrounding in a formal or systematic approach (Eddy, 2013). In essence, knowledge competency is an ability of an internal auditor to become acquainted, understand, or aware of things such as information, facts and descriptions which were acquired through education by way of learning, discovering or formal perceiving (Ridley, 2008). In this case, participants in this study have expressed the minimum requirement of knowledge for internal auditors to perform proficiently in FIRS. Their responses show how knowledge is aiding their competency and facilitating their efficiency and effectiveness.

On this note, Participant 1 opined that “The minimum required knowledge for internal auditor in the FIRS is a graduate from university or its equivalent higher institution i.e. to have a Bachelor Degree or Higher National Diploma. You won’t be employed as an internal auditor without having any of the two or higher than that” (Participant 1, Senior Supervisor Internal Auditor). In addition, Participant 5 disclosed that “...in terms of knowledge, all internal auditors in FIRS are university graduates and have accounting knowledge and other accounting fields or related background. In fact, an internal auditor without accounting background and knowledge is like a manufacturing company without raw materials. So, the most important knowledge required here is graduates with accounting knowledge” (Participant 5, Senior Supervisor Internal Auditor).

Based on these two responses, it is clear that FIRS management have set the minimum knowledge requirement for its internal audit staffs as university graduates or equivalent. This is because it is anticipated that graduates are well educated, formally trained and learn theoretical concepts of auditing and accounting that would make them efficient and effective to deliver satisfactorily. Other respondents expressed the high needs of internal auditor to be knowledgeable in accounting area in case where he is not from the accounting background discipline. In this regard, Participant 6 disclosed that “For an internal auditor to perform competently, he should first of all and most importantly, have

accounting knowledge. As we are servicing the tax authority as internal assessors, an auditor must be acquainted with accounting terms, concepts and words to avoid disseminating misleading information and reporting inappropriately” (Participant 6, Internal Auditor).

Additionally, Participant 8 affirmed that “To perform efficiently as an internal auditor in tax administration (FIRS); one should have the accounting knowledge i.e. sufficient accounting background. If an internal auditor lacks accounting knowledge, definitely it is impossible for the person to perform his function efficiently and competently, this will render his services ineffective and performing below expectation” (Participant 8, Senior Supervisor Internal Auditor).

In summary, accounting background knowledge and attaining graduates level is the minimum requirement of knowledge for internal audit competency in FIRS. The two attributes related to knowledge are part of competency requirement for effective auditing performance. In essence, internal auditors in FIRS have attained this competency benchmark by being university graduates and having accounting knowledge although not all of the auditing staffs are from accounting background. They are therefore, required to go for training and retraining to keep them familiar with their responsibilities. Skill is discussed next as a competency determinant of internal auditor in the FIRS.

Skills

Skill is a combination of social, interpersonal, communicating, attitude, and character traits that can be performed by a person in carrying out a function (Ryu, 2017). Skill is an ability of a person to carry out a function with predetermined result within a given period of time and energy or both. In internal auditing, skills are significant attributes required in determining that competent internal auditors can perform auditing functions proficiently (Pitt, 2014). However, from the responses of the participants in this study, it is understood that internal auditors in FIRS are basically required to have managerial skills as well as training on

different skills. These skills are significantly important in guiding auditors and keeping them in good performance.

Regarding the skills, Participant 7 disclosed that “The core required skills in terms of competency are managerial skills. An internal auditor must be versatile in management knowledge, i.e. accounting, business administration, economics and others. This will widen his knowledge and increase his skills and ability to work hard. If you are an information system auditor, for instance, or any auditor within the auditing department, you need to have this skill. Managerial skills are therefore part of internal auditors’ competency which must be required to perform auditing activities effectively” (Participant 7, Internal Auditor).

This shows how internal auditors in FIRS regarded managerial abilities in performing effectively. In addition, Participant 9 explained that “Internal auditors in FIRS must be skilful in managerial activities. This is because they are intermediaries between the management at the top and employees/system at the bottom. With managerial skills, they would better enquire, identify, and analyse the tax administration needs efficiently and effectively” (Participant 9, Internal Auditor). Furthermore, “Communicating and writing skills as well as other managerial skills are what makes internal auditors in the FIRS to perform wonderfully and achieve competency requirement” (Participant 8, Senior Supervisor Internal Auditor).

The above assertions further explained the influence of internal auditing skills that is termed as competency capability. To be competent enough, an auditor must be skilful in communicating to his auditees and writing good report to the management. Participant 5 viewed skill competency as a periodic training that can facilitate auditors capabilities. He further said “Through training, we learn new skills and deliberate on evolving issues which at the end would enable us to improve our auditing efficiency and effectiveness in FIRS” (Participant 5, Senior Supervisor Internal Auditor).

In summary, for internal auditors in FIRS to perform competently, they need to have managerial, communicating and writing skills to improve their capability. This would be achieved by training and retraining them so that they would be able to acquire new skills and strategies for achieving competent performance in tax administration. Based on the result in this study, the three elements namely qualification, knowledge, and skills are what matters in determining internal audit competency in tax administration. Therefore, competency in internal audit in tax administration is determined using tripod components as discussed above.

DISCUSSION

Internal audit competency is significant in determining the auditing performance in an organization. From the result of this study, it shows that qualification is very fundamental and crucial in evaluating the competency capabilities of auditors in FIRS. Auditors with required qualifications tend to be performing better, and this would lead to adding value and improving operational performance of tax administration. The findings of this study compliment the findings of Van Gansberghe (2005) who found that qualified internal auditors with affiliations to professional bodies perform efficiently and effectively when compared with auditors that are not qualified or affiliated with professional bodies. Therefore, FIRS should ensure all its internal auditors are fully affiliated with professional bodies for better internal auditing activities. In addition, FIRS should also provide the enabling environment for practicing the professionalism of the auditing functions.

Knowledge is another determinant of internal auditor competency. The result of this study indicates that internal auditor who is a university graduate is required in FIRS auditing activities. This implied that, university graduates are formally trained and learned the auditing theories that can make them capable of understanding the functions and activities of auditing in a logical manner. It is also indicated that they are able to identify, analyse and systematically perform the auditing tasks in a proficient way. Additionally, through the acquired knowledge, a graduate will easily understand the management needs and what is

expected from him while performing auditing activities so that he can perform accordingly.

In a nutshell, the findings of this study is in line with Ridley (2008) who argued that setting certain level of knowledge for internal auditing would definitely determine the capability and competency of an auditor. Furthermore, competency of internal auditors is related to the knowledge of an auditor in performing the auditing functions effectively (Gurama & Mansor, 2018a). Therefore, FIRS should provide a good atmosphere to its internal auditors where they would discharge their knowledge capabilities to improve tax administration performance. This would be accomplished through periodic trainings and workshops that would facilitate their knowledge in actualizing theoretical aspects into real practices that can benefit FIRS more than anticipated.

Skills of an internal auditor are also indicators of his ability to perform the auditing functions diligently. The findings of this study show that managerial skills are the most important skills required in the FIRS for efficient and effective auditing functions. To determine the performance of an auditor, one has to consider the auditors' skills from managerial perspective. The finding of this study is in line with Ighelogbo (2016) who described managerial skills as a basic organizational skills required for determining subordinates ability to perform effectively in an organization. In this case, internal auditors are subordinates to top management and they are expected to have managerial skills as basis for performing auditing functions in tax administration.

Internal auditors are part of management that can oversee and assess the resources, system and employees of tax authority and report to the management for decision making (Ridley & Chambers, 1998). Furthermore, the roles of auditors are very significant and to achieve their effectiveness they must have this basic skill of management functions. Therefore, to achieve this, the FIRS should make sure that their internal auditors are practicing these skills and also provided the modules and other training packages that can increase their skills from time to time. This would keep the auditing function more active and facilitates auditors'

capabilities to strictly focusing on improving performance and adding value to the tax administration's effectiveness.

Effective performance of internal audit in FIRS depends on how these factors are co-ordinately provided and perfectly utilized by internal auditors to strengthen their competency in performing auditing responsibilities. Accumulating qualification, knowledge, and skills would make the auditing performance so important in achieving tax administration objectives. This will also increase the efficiency of auditing process and finally yielded the anticipated impact in promoting good governance, effective internal control and improving tax collection performance in FIRS.

CONCLUSION

The findings of this study has provided new dimension in understanding the requirements and roles of competency of internal auditors performance in tax administration. The study contributed to the literature of internal audit in tax administration by identifying and analysing the influence of competency in achieving successful auditing performance. Qualification, knowledge and skills are the major indicators that can define the capabilities of internal auditors' performances in FIRS. The study participants highlighted these factors as the major indicators in determining competency of internal auditing performance in improving tax administration. However, it is important to urge FIRS management to ensure the accomplishment of these indicators by maintaining competent internal auditing activities that can facilitate and compliment the efforts of all the employees to achieved tax administration effectiveness. Additionally, enabling a good internal auditing environment is very crucial in determining the achievement of auditors' performance in tax administration (Gurama & Mansor, 2018b). Future studies may consider other factors that can determine internal auditing performance such as strategy approach of the internal auditors. This will complement the findings of this study from another perspective.

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**MANAGING STAKEHOLDER EXPECTATIONS:
THE CASE OF PERLIS SNAKE AND REPTILE FARM**

J. Z. R. R., Rashid-Radha, A., Kasim and S. A., Hasbullah
School of Tourism, Hospitality and Event Management,
Universiti Utara Malaysia, 06010 Sintok, Kedah, Malaysia.

Email: jasmine@uum.edu.my; azilah@uum.edu.my; h.aminah@uum.edu.my

ABSTRACT

Previous studies highlight that inter-organisational collaboration is important when planning and managing tourism products. The involvement of all the different stakeholders in planning and managing tourism products brings benefits such as protection of the environment, educating the public and maintaining the sustainability of these products. This paper discusses the challenges and constraints faced by Perlis Snake and Reptile Farm in meeting their goals to provide the public with opportunities to learn more about nature, while at the same time safeguarding the welfare of its animals. The main objective of this paper is to highlight the importance of engaging all stakeholders in the decision-making process. In order to carry out this research, a qualitative approach was adopted. Semi-structured interviews were conducted among Perlis Snake and Reptile Farm staff to understand the different expectations of stakeholders who are directly and indirectly involved in managing the farm.

KEYWORDS: Animal-based attractions, Facilities management, Stakeholder collaboration, Sustainable development

1.0 INTRODUCTION

Animal-based attractions, such as zoos, aquariums and wildlife parks, have been typically associated with entertainment, amusement and recreational functions. Additionally, animal-based attractions also contribute towards ecological causes such as wildlife conservation and environmental education (Shani & Pizam, 2010). The operations of such attractions should take into consideration several important factors in order for it to be sustainable and successful. One

of the most important considerations is the welfare of the animals. Most animals-based attractions operate as captive-setting sites where animals are being held in specific enclosures. On one hand, animal-rights activist view the practice of holding wildlife in captivity as something that denies animals the right to roam freely. On the other hand, holding them in captivity provides the opportunity for the visitor attraction to demonstrate their support for ecological stability (Shani & Pizam, 2010).

In the context of Perlis Snake and Reptile Farm, the issue of poor animal welfare has been cited as the main reason behind the decreasing popularity of this tourist attraction. Visitors have been complaining that animals are not treated well as some of their enclosures are too small and not well-maintained. Having realized this problem, great attention has been given to improving the infrastructure of the farm. Although several initiatives were taken to increase the attractiveness of the farm, many aspects of animal welfare were put aside as renovation plans were not based on consultation with all relevant stakeholders. Conflicting demands were presented by different stakeholders in terms of how the farm should be managed and operated. The purpose of this research is to ascertain the presence and effectiveness of stakeholder collaboration within Perlis Snake and Reptile Farm.

2.0 LITERATURE REVIEW

Facility Management of Animal-based Attractions

Animal-based attractions are commonly presented to the public in the form of three main settings; (1) captive conditions such as zoos and aquariums, (2) semi-captive conditions such as wildlife parks and lastly, (3) totally in the wild (Shani & Pizam, 2008). As a tourist destination, animal-based attractions are set up primarily for public exhibition, education and scientific purposes (Catibog-Sinha, 2008). The motivations for visiting such attractions include experiencing family togetherness, novelty seeking, education and relaxation (Catibog-Sinha, 2008).

Managing animal-based attractions, such as zoos, wildlife parks and aquariums, is often a challenging task as it involves fulfilling animal rights and needs, as well as ensuring the

attraction provides visitors with a memorable experience. Watching wildlife in captive settings is one of the most popular leisure activities all over the world (Shani & Pizam, 2010). Historically, animal-based attractions (also known as zoos) were introduced back in the nineteenth century with the purpose of maintaining a collection of wild animals for study, conservation or display to the public (Smit & Wood, 2015; Shani & Pizam, 2010). However, as more and more animals were being imported to increase visitor numbers, zoos began to realize that endlessly importing animals was unsustainable and driving certain species to extinction. The costs of importing animals were also getting very expensive and zoos began to depend on visitor revenues rather than government subsidies and philanthropy efforts (Smit & Wood, 2015).

Additionally, as the public became more aware of animal rights issue, they have higher expectations in terms of animal display and welfare. The increased emphasis on conservation and animal welfare by the public has also lead to modern animal-based attractions to be known as organisations dedicated to education and conservation of animals (Shani & Pizam, 2010). Animal-based attractions are now expected to emphasize more on animal welfare, especially in terms of providing facilities that assure animals are getting the right kind of space, behavioural enrichment, opportunities and food to keep them healthy and breeding (Smit & Wood, 2014). While many animal-based attractions have adopted initiatives to protect animal welfare, there are still those that are unethical in terms of exhibiting animals in crowded and undersized cages, riding on animals and conducting shows that are distressing to the animals (Shani & Pizam, 2008).

Stakeholder Involvement and Collaboration

Stakeholder collaboration is crucial for effective management and operations of tourist attractions because it has the potential to achieve common goals among all stakeholders. A stakeholder is defined as “any person, group or organization that is affected by the causes or consequences of an issue” (Araujo & Bramwell, 1999, p.356). Internal stakeholders are individuals/groups who are directly involved in the different parts of the organisation’s activities such as investors and employees. On the other hand, external stakeholders are those individuals/groups outside the organisation such as customers, suppliers and local community. By exploring multiple stakeholder perspectives, specific issues relevant to sustaining tourist

attractions in the long run could be addressed.

The stakeholder theory was popularized by Freedman (1984) and has been adopted by many disciplines over the years (McComb et al., 2017). The fragmented nature of the tourism industry often involves the intervention of many different stakeholders who may be in the public, private or voluntary sectors (Kasim et al., 2009). Stakeholder involvement in the tourism industry has been given due attention largely because it has a role in promoting sustainable tourism. Jamal and Getz (1995, p.188) define stakeholder collaboration as a “process of joint decision-making among autonomous, key stakeholders of an inter-organisational, community tourism domain to resolve planning problems/issues related to the domain”. The collaboration of different stakeholders brings together the knowledge, expertise, capital and other resources needed to develop tourist destinations and attractions.

In the case of animal-based attractions, the relationship between stakeholders is frequently characterized by contradictions and conflicts whereby conservationists and animal rights activists perceive animal captivity as compromising the interests of the animals with those of human beings. The conflict is further exacerbated when decisions are made from top-down, which means that stakeholder interests and opinions are not represented. In addition to traditional stakeholders such as employees, investors, customers, it is argued that for animal-based attractions, the animals are the key stakeholders (Smit & Wood, 2015). Therefore, containment and display of animals should prioritize the welfare of the animals over everything else. Inappropriate visitor/employer behaviours that harm or distress animals should also be prevented. Generally, animal-based attractions should adopt an approach that combines entertainment, education and welfare concerns (Shani & Pizam, 2008).

It is important to balance the interest of various stakeholders as different stakeholders have different priorities. For example, investors would expect the organisation to make a profit whereas for employees, they would want good working conditions. Customers also have their own expectations, such as being provided with good quality products/services which are value for money. Conflicts commonly occur when some decisions do not give immediate financial returns but can help sustain the organisation for longer. All operational and management

decisions should therefore be communicated and explained to all stakeholders in order for them to understand the long-term effect of the decisions.

The Case of Perlis Snake and Reptile Farm

Perlis Snake and Reptile Farm is the only reptile farm in Malaysia and is located to the North of Malaysia. Its direct competitor is Pattaya Snake Farm in Thailand whereas other tourist attractions nearby include herb gardens, agriculture farms and vineyards. Currently the farm exhibits more than 300 snakes of 34 different species. The farm is categorised as a permanent exhibition show instead of a zoological facility. Therefore, the animals are not cared for by a permanent veterinarian. The veterinarians only act as advisors and make health visits when needed. At present, the 10 full-time employees working at the farm are not formally trained to look after the animals. Most employees have been working at the farm for more than 5 years and have received on-the-job training. Before operating as a commercialised tourist attraction in 1995, the farm was a part of Malaysia's Institute of Medical Research (IMR), focusing on the production of anti-venom for local use.

3.0 METHODOLOGY

An exploratory approach was adopted with the purpose of obtaining insights into how Perlis Snake and Reptile Farm was managed as a tourism product. In-depth interviews were conducted with staff members of the farm. Each interview lasted between 20-45 minutes. All the interviews were audio-recorded and transcribed verbatim before coding and analysis began. Content analysis was adopted to uncover the challenges and constraints faced by the farm in maintaining its sustainability. Non-participant observations were also conducted to verify the data provided during the interviews.

4.0 RESULTS AND DISCUSSION

Based on the interviews being carried out, stakeholder conflict and miscommunication could be the main reason behind the poor operations and maintenance of Perlis Snake and Reptile Farm. The Department of Wildlife and National Parks Peninsular Malaysia (DWNP), or most commonly known as PERHILITAN, is one of the major stakeholders within Perlis Snake and

Reptile Farm. Their role is to ensure the continued existence of the nation's wildlife species. At the state level, Perlis Department of Wildlife has the authority to award licences, provide training, record observations of wildlife centres and conduct audit inspections. Hence, it is their responsibility to make sure animals at Perlis Snake and Reptile Farm are well-taken care of.

Another main stakeholder within the farm is Perbadanan Kemajuan Ekonomi Negeri Perlis (PKENPs), which is a state-level government agency. PKENPs manages the farm and provides funding towards the operations of the farm. The employment of staff working at the farm is also under the control of PKENPs. PKENPs was responsible for acquiring the farm from Malaysia Institute of Medical Research and turning it into a tourist attraction. Recognising the need to upgrade the facilities and amenities at the farm, PKENPs has allocated funds to improve the physical aspects of the farm. However, the new structures and designs being introduced to increase visitor satisfaction were at the expense of animal welfare. Decisions regarding renovations were made without consulting other stakeholders.

Another important stakeholder are the visitors to the farm. Over the past 10 years, the farm was very successful in attracting visitors. Visitor numbers were especially encouraging during school holidays and long public holidays. Between 2011 to 2014, visitor numbers have always exceeded 100,000 but in 2015, this amount declined to 60,000. Among the main reason behind this decline is the upgrading and renovation work being carried out at the farm. During the renovation, animals were being locked up elsewhere and not exhibited to the public. These animals were quarantined in undersized cages and their welfare was being neglected. Furthermore, most of the renovation focused on landscaping and beautifying the farm. Less attention was given to ensuring the animal enclosures were appropriate and suitable. An audit inspection carried out by the assistant director of Perlis Department of Wildlife revealed that the animals were quarantined for far too long during the renovation project, leading to distressing conditions. Animals need spacious roaming areas and must be provided with nutrition and sanitation. The improvement in animal welfare could positively affect visitor satisfaction.

Efforts to inform PKENPs about the situation of the animals at the farm have met with several challenges. Firstly, when the auditor was at the farm, no one from PKENPs was present to

attend to and immediately take note of the recommendations being made. Secondly, the farm's manager is mostly concerned with upgrading the farm's physical landscape as landscaping is his expertise, not animal care. Thirdly, it is the farm's manager, not the auditor, who has the authority to inform PKENPs regarding the need to upgrade animal enclosures but this has not been carried out. In conclusion, all the stakeholders within Perlis Snake and Reptile Farm have not been communicating and collaborating with one another to make sure renovation works fully benefits the farm.

5.0 CONCLUSION

Animal-based attractions have the potential to educate the public about biodiversity conservation, education and research. Their recreational and educational roles must be balanced in order to appeal to the public who are demanding more ethically-driven animal exhibits. Given the high costs of operating and maintaining animal-based attractions, the challenge is to manage the attraction in a way that is economically viable, while at the same time protecting animal welfare and providing quality visitor experience to the public. In the case of Perlis Snake and Reptile Farm, stakeholder collaboration could assist in sustaining the operations of the farm, thus turning it into a major tourist attraction in Perlis.

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ECONOMIC VALUATION FOR PULAU SEMBILAN AS A POTENTIAL MPA

Nor Hasni Osman¹, Hasimah Sapiri² and Jafni Azhan Ibrahim³

^{1,2,3} School of Technology Management and Logistics

College of Business

Universiti Utara Malaysia

This study presents the feasibility study of Pulau Sembilan archipelagos (consists of nine islands) to be a new marine protected area (MPA) in Malaysia through the economic perspective evaluation. This evaluation employed two quantitative models, which are Total Economic Value (TEV) and Total Economic Impact (TEI). TEV utilized a concept of cost benefit analysis that quantifies two major components which are use value and non-use value, relating the ecosystem services to human well-being. Whereas the TEI used system dynamic in analysing the economic impact generating by tourism activities occurred the nearby coastal line of the study site. The result shows that TEV of Pulau Sembilan archipelagos is amounted to RM447 million and for one of the likely potential individual island as MPA, Pulau Lalang is valued at RM89.43million. The spillover effect from conserving the islands is estimated through Total Economic Impact (TEI). TEI by year 2030 for income generation is expected to be RM25.30 million and numbers of job creation is extrapolated around 53,742 jobs. Therefore, from these two paths, it could be concluded that there is a positive indication towards Pulau Sembilan becoming an MPA and will vastly contribute to the sustainable livelihood of the local people, and the nation at large.

Keywords: Economic valuation, Total Economic Value, Total Economic Impact

EMPLOYEES'S SATISFACTION OF A GLC IN KEDAH DARULAMAN

Azhar Ahmad

School of Technology Management and Logistics
College of Business
Universiti Utara Malaysia

This paper present the employee satisfaction assessment in one of government link company (GLC) in Kedah. The assessment will reflect an employee's affection toward their job that includes employees' feelings about a variety of both intrinsic and extrinsic organizational offerings. A framework of the Employee Satisfaction Survey that is accredited by the United Nations Economic Commission for Europe (UNECE)) is employed. This framework consists of eleven dimensions of critical employee satisfaction which are Management, Competence, Training Opportunity, Remuneration, Employee Relationship, Workload, Influence, Responsibility, Trust, Image, and Premise and Working Conditions. The result shows that the employees' satisfaction levels ranging from the highest score of 3.74 (54.60%) for Image to the lowest score of 2.73 (74.80%) for Remuneration. Nine (9) of the eleven (11) dimensions under study are conformed to the homogeneity of variance (comparable), while the other two (2) are special issues confined to each subsidiary's perimeters. Besides Image, the other top three most satisfied practices in this GLC are Employee Relationships and Responsibility. On the other hand, in addition to the Remuneration packages, the least satisfied practices are Influence and Training Opportunity. This finding reflects that the effort by this GLC's conglomerate to satisfy the employees is seen to be at a modest level.

Keywords: Employee satisfaction, intrinsic, extrinsic organizational offerings

**CONSERVATION AWARENESS: A STUDY ON COMMUNITY OF FOUR MALAYSIA
MARINE PARK ISLANDS**

Rahimi Abidin

Pusat Pengajian Pengurusan Teknologi dan Logistik, Kolej Perniagaan,
Universiti Utara Malaysia, Sintok, Kedah

Abstract

The rapidly growing tourism, increasing pollution and warming seas was steadily decimating marine biodiversity. Consequently local fishing communities saw their catch dwindle; tourism would falter if the island's natural beauty was lost. Therefore, it is crucial to create awareness among the public especially the communities who live in the areas regarding the importance to preserve and maintain all those marine park resources. The objectives of this study are to identify the level of community awareness towards conservation and their readiness in co-management of Marine Park. Information was gathered through quantitative method by using structured questionnaire survey. It can be concluded that, the awareness of the communities in the four islands are varied depends on the locations, ages and their engagement with JTLM. The most positive perception on the conservation awareness comes from the community of Pulau Redang while the less favorable perception comes from community of Pulau Tioman.

Keywords: sustainability, conservation, awareness, perception, management

**ISSUES AND CHALLENGES FOR A NEW MPA:
A CASE STUDY OF PULAU SEMBILAN, PERAK**

Fadhilah Mohd Zahari

School of Technology Management and Logistics, College of Business
Universiti Utara Malaysia

Abstract

This study explores the issues and challenges for Pulau Sembilan, Perak to be a new Marine Protected Areas (MPA) in Malaysia. MPA designation plays an important role to sustain the marine biodiversity and ecology of the country, nevertheless proposal to establish a new MPA often evokes various responses from the stakeholders. Using a qualitative approach, selected representatives from primary stakeholder groups were interviewed to explore the issues and challenges pertinent to establishing a new MPA at Pulau Sembilan. Accordingly, the findings from six respondents suggest that communication, enforcement and education are the three key issues that require substantial attention. The study deliberates some strategies corresponding to the issues and challenges as to gain more support from the stakeholders, and eventually enhances the acceptance towards establishment of a new MPA at Pulau Sembilan.

Key words: Issues, new Marine Protected Areas, qualitative, stakeholders, Pulau Sembilan