



UNIVERSITI TEKNOLOGI MARA

**SRIBIMA(M) SHIPPING SDN BHD:
IMPLEMENTATION OF HEALTH,
SAFETY AND ENVIRONMENT
SYSTEM**

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SRIBIMA (M) SHIPPING SDN BHD: Implementation of HSE MS

EXECUTIVE SUMMARY

Sribima (M) Shipping Sdn Bhd (SMS) has embarked on Health, Safety and Environment Management System (HSE MS) initiative as a pre-requisite condition to operate in the competitive oil and gas industry. Traditional concept in implementing similar strategies overemphasized the structural aspects, and thus reducing the whole exercise to organizational initiatives. One of the major reasons, an exercise failed was that, the people were noticeably absent from planning the initiative. It is important to note that, in any strategic initiative the human elements and cultural characteristics receive the same attention as organizational aspects.

This study was done on the company's initiatives towards attaining HSE MS. HSE MS is a pre-requisite fulfillment for the company to participate in tendering for project offered by Production Sharing Company (PSC) such as Petronas Carigali Sdn Bhd, Sarawak Shell Berhad/Sabah Shell Petroleum, Nippon Oil Exploration Ltd, Exxon Mobil and Murphy Oil. The research involves requesting SMS's staff to respond to questionnaires/surveys forms, interviews with and observations of SMS's staff and an analysis of secondary data available from management of SMS.

The analysis of research reveals that there are forces affecting SMS's speedy journey towards attainment of HSE MS. The driving and restraining forces stem from management's and staffs' perception and attitude toward HSE initiatives and issues. Generally the group concluded that cultural characteristics and organizational aspects are vital parts of initiatives implementation that the former complement the later in facilitating the implementation processes.

SRIBIMA (M) SHIPPING SDN BHD: Implementation of HSE MS

1. INTRODUCTION TO THE RESEARCH

Petronas being one of the leading conglomerate and the guardian of oil and gas Production Sharing Companies (PSCs), among others include Petronas Carigali Sdn Bhd, Sarawak Shell Berhad/ Sabah Shell Petroleum Company, Exxon-Mobil, Nippon Oil Exploration Ltd, Murphy Oil, Talisman Malaysia Ltd and Hess Oil and Gas Sdn Bhd, has not stopped its effort to improve Health, Safety and Environment Management System (HSE MS) to become a recognized world class player in the industry and to compete regionally and globally. This effort requires Petronas and the PSCs to ensure that all of their contractors satisfy certain standards in their HSE MS. Contractors that cannot comply with the required standard of HSE MS will be considered as technically unqualified in managing their contracts; and, these contractors will eventually be removed from the system. The importance of HSE MS has increasingly become an issue for survival, especially for service providers such as Sribima (M) Shipping Sdn. Bhd.

Sribima (M) Shipping Sdn Bhd (herein referred to as "SMS") is one of the many players serving the oil and gas industries. While Petronas and the PSCs are geared to become a respected global conglomerate, their service providers such as SMS not only have to comply with Petronas policies, but must also steer its organization properly to be successful in this industry. Therefore, SMS is left with no choice but to implement and manage its HSE MS according to policies of Petronas and the PSCs in order to maintain its status as a preferred player.

A. Statement of Research Problem

As a company that had been incorporated for the purpose of supplying marine services to the oil and gas industries, SMS would like to improve the safety culture in the company by meeting and satisfying the standard requirements of the HSE management system (HSE MS) imposed by the oil and gas Production Sharing Companies, namely Sarawak Shell Berhad/Sabah Shell Petroleum Company and Petronas Carigali Sdn Bhd in order to qualify and continue to provide its services to them. SMS currently has a set of HSE MS documentation, but the company is having problems in getting the system implemented

2. LITERATURE REVIEW

Introduction

In order for the group to enforce the substantive credibility of this study, references were made to legal documents, previous works of academicians, reputable corporate figures and other high profile personalities. References were also made to International Maritime Organization Convention, Health and Safety at Work etc Act 1974, Occupational and Safety Act 1994. Previous related works and researches were also referred to cover the aspects of HSE management culture, HSE organizational and operation, resistance to change and managing change.

A. Development of HSE Regulations

(i). The Health and Safety at Work etc Act 1974

The Health and Safety at Work etc Act 1974 that was introduced in the UK was a significant milestone in the history of safety management in work place. The act, referred to as “goal-setting” legislation, requires employers to adopt a reasonably practicable approach to management of health and safety. It requires employers to produce a health and safety policy that sets out a statement of intent for health and safety and established the organizational roles and responsibilities necessary to fulfill the intentions to implement the arrangements for putting policy into practice which help to lead to a gradual reduction of workplace injuries during the 1970’s and 80’s.

In 1991, another significant milestone was created when a document entitled “Successful Health and Safety Management” was published, outlining best practice for employers to adopt in order to manage health and safety to the same standards as the other core business activities (Rider, Colin). This document outlines a structure for organizations to adopt in managing health and safety, comprising of six elements- policy, organization, planning and implementation, monitoring, review, and finally, audit. In Shell, two more elements are added to the management structure, those of leadership and hazard effect management procedures.