

## **Internal Factors Affecting The Performance of Workers: A Case Study in MASkargo Penang**

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### **ABSTRACT**

*The objective of this article is to study about the internal that affecting the performance of MasCargo to fulfill their goal, objectives, vision and mission. The result indicates that there were several internal factors affecting the workers performance in MASkargo. First is size of organization, ISO 9001 which related to management, strategic management and Employee Recognition Programs.*

**Keywords:** MASkargo, Internal, ISO 9001, Performance of workers

### **INTRODUCTION**

As introduction, Malaysia Airlines Cargo Sdn Bhd (MASkargo), the air cargo division of Malaysia Airlines, started with a humble 2,500 square feet warehouse at Penang International Airport in 1972. In 1992, MASkargo moved to a new location located in the Free Commercial Zone (FCZ) at Penang International Airport (PIA), Bayan Lepas, covering a total land area of 14.28 acres with a total warehouse space of 80,000 square feet. With the rapid growth in the Penang economy in the 90s, the warehouse has been further expanded to 100,000 square feet in 2002, thus enabling 200,000 tonnes of cargo handling annually, compared to 160,000 tonnes previously.

Couriers are basically a service for sending money or goods at some extra cost. It involves a person or a company engaged in transporting, dispatching and distributing letters, parcels and mails. It can be said that, compared to normal mail service, a courier possesses many added features. A courier is much faster, safer and secured than ordinary mail. It is a specialized service with authenticated signatures. It has a tracking service with each service being treated as a specific individual case. Dedicated timely deliverance is its primary hallmark. These features do cost a bit extra but with so many features available, the cost gets leveraged.

As mentioned initially, courier service rates are slightly higher than the normal mail service. The rates are generally decided by the weight of the package. The heavier the parcel is, the more the charges are. To take an example, under the norm, there is a fixed charge for package weighing in the range of 500 grams. For every additional weight, the rates increase. The tariff is more for couriers which are intended for abroad. Many companies offer this service of courier to abroad. This is done through air cargos which costs more.

Nowadays the courier industry has become very important in Malaysia. It provides many facilities for any event and is necessary for other industries to function. For instance in the Formula One Racing held in Malaysia, MASkargo provides facilities to transport the racing cars in safer and faster than other methods. MASkargo also transport imported items such as micro chips and computer hardware, raw material which will process to become end product in Malaysia.

But there are certain internal which is affecting the performance of MASkargo's workers.

## **INTERNAL FACTORS**

### **Size of Organization**

In a personal interview on 9<sup>th</sup> February 2010, En. Shamsul Kamar Mohd Sharif, Cargo Operations Support Controller stated that as a middle

line and top line management which has a small number of members in an organization, even though you are specialized in a certain job scope, you must be able to exercise and adapt to the new environment in management. For instance, he specialized in maintenance but had to learn about HR and procurement when he received a promotion to the Administration (Support) department. In addition, he said that we should not waste money hire to many executives which will lead to decision making crisis and etc. But at the lower level of management (normal workers), specialization is very important for best outcomes because they are the applier and the middle and top level are planners. At the end, manager who have managerial authority can perform better because easier to lead their subordinate without redundancies of orders from other managers.

### **International Standardization For Organization (ISO 9001)**

MASkargo applies ISO 9001 in their management which is related to quality management. ISO 9001 is a “set of procedures that cover all key processes in the business, monitoring processes to ensure they are effective, keeping adequate records, checking output for defects, with appropriate and corrective action where necessary, regularly reviewing individual processes and the quality system itself for effectiveness, and facilitating continual improvement” (ISO 9000, 2010). In mid 2005, they received ISO 9001 certificate and must comply with it. For instance, for every new worker that join MASkargo, it is compulsory for the employees to enter training courses provided by the Admin Department whether at MASkargo Kuala Lumpur or Malaysia Airlines Academic. Furthermore, according to ISO 9001, all members of MASkargo, must attend training or courses at least 2 days per year. With this policy, they required to perform and give more commitment in work.

### **Strategic Management**

Strategic management is defined as what managers do to develop an organization’s strategies. It’s an important task that involves all management function such as planning, organizing, leading and controlling (Stephen P. Robbins and Mary Coulter, 2009, p. 179). One of MASkargo strategies that I want to highlight about are they practised ‘Outsource’ mechanism. Outsource is to appoint a 3<sup>rd</sup> party to do certain tasks for MASkargo and pay them for their service. For example, in

recent years, MASkargo has outsourced their lower line workers such technicians and operational workers. So, they do not need to find and hire many workers in their company. Another example is the HR department also can be outsourced. When the Admin wants to recruit new employees, they will appoint another party to conduct an interview as behalf of them. At the same time, the organization will provide them with certain terms and conditions that they the 3<sup>rd</sup> party must comply with to fulfil organization requirement for new employees, for example, experience of new employees and their job scopes. But in MASkargo they did not practise outsourcing for the HR Department, they only apply it to certain bottom line workers. With this mechanism, they are not burden with too many tasks and can focus to other more importance matter.

### **Employee Recognition Programs**

According to Stephen P. Robbins and Mary Coulter (2009, p.375), Employee Recognition Programs is consist of personal attention and expressing interest, approval and appreciation for job well done. In MASkargo, they did several things as a recognition to their organization members as encourage them to work better in future. First is M.H Juara programmes. For every employees or employers that never apply M.C for 2 years will receive RM100 as a consolation prize for their commitment in attending work daily. Next is C-Stars Card, it given because the management recognizes your outstanding work performance. The value of card worth RM10 and can be redeem to any prizes according to terms and conditions. The employee who collects the most cards at the end of the year wins the Maskargo Superstar Award + cash rewards. Anyone who claims Superstar Award will get a chance to have a dinner with CEO Malaysia Airlines and family trips to over sea arranged by MAS. Besides that, he also received RM1000 for a cash rewards. With this programme, employees and employers encourage themselves for work harder to get a recognition and the same time perform better in their work.

### **CONCLUSION**

As a conclusion, there have 4 major factors that affecting the MASkargo's workers performance. One manager in small department can ensure a leading process in now easier, ISO 9001 is policy that they must

comply for continues improvement, outsource is one way to reduce burden in work and lastly employees recognition programs for encourage them to perform better.

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