



**A STUDY ON PRODUCTIVITY IN OPERATION DEPARTMENT  
OF SHELL MDS BINTULU PLANT**

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## **Executive Summary**

The study of productivity in operation department of Shell MDS Bintulu is timely as the company is expanding further in sustainable gas to liquid business. Operation Department is the main functions in Shell MDS Bintulu organization that involves in manufacturing of raw natural gas through different processes in the plant unit until producing finish product rundown to storage tank. Briefly, productivity is expressed as a ratio of output to input. The study is focusing on possible factors that can affect productivity such as plant layout, human resource, machines and technology. The purpose of the study is to determine the level of productivity and to propose ways to improve it. The study is significant to provide guidelines to company in oil and gas industries. In compiling data, there are 135 questionnaires being distributed and 103 respondents being analyzed. From the findings, the level of productivity is below target. There are few areas discovered that contribute to the low productivity. The strong reasons being human resource policy that contribute to attitude of operation personnel and also partly due to plant design and equipment faulty. Thus, recommendations were highlighted to improve these areas.

## **CHAPTER 1**

### **1.1 INTRODUCTION**

Oil and Gas industry is one of the most important sectors contributing to energy demand to the world. Middle East region is the oil richest region in the world. The attack on Iraq by American and its Alliances is part and partial of political motive on oil interest in the region.

In the Asian Pacific region, a tiny Brunei is the richest country in oil and gas industry. Apart from that, Singapore is famous for its role as manufacturing and processing crude and redistributing to whole world.

In Malaysia, oil and gas industry has started more than hundred years ago, by Shell in the history of first discovery of oil in Lutong Miri Sarawak. Now the industry has expanded rapidly with the involvement of Petronas joint venture with Shell Malaysia. Malaysia's gas reserves as at 1.01.1996 totaled about 80.2 trillion cubic feet (tcf), which ranked the country 12<sup>th</sup> among the world's gas producers on gas reserves basis. These offshore reserves are located in South China Sea, offshore of peninsular Malaysia, Sarawak and Sabah. Close to 60% of the reserves are found offshore Sarawak and Sabah with the balance 40% offshore Trengganu.

The oil and gas industry is the catalyst of development in Malaysia. The oil and gas sector is a major earning revenue to the nation.