

UNIVERSITI TEKNOLOGI MARA

**DEVELOPING AND
IMPLEMENTING SUSTAINABLE
FRAMEWORK FOR OIL & GAS SME
COMPANIES IN MALAYSIA**

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ABSTRACT

Problem Statement: Many companies especially SME Companies in Malaysia are having problems survive in the volatile market landscape. Most of these companies are not able to pinpoint their actual problems accurately, thus unable to formulate a plan to survive, sustain or even grow. This is due to the absence of accurate diagnostic and transformation framework for SME companies in Malaysia. **Objectives:** The purpose of this research is to develop, implement and validate a new sustainable framework, which can accurately diagnose the health/current condition and implement to a reputable Oil and Gas construction SME company in Kuala Lumpur. **Methodology:** There are three (3) phases of this research. Firstly, is the development of sustainable diagnostic framework by critically analyses previous models, through its definition, advantages, disadvantages, applications, and comparison between them in order to find suitability and gap, then addressing the recognized factors contributing to the performance of SME Oil & Gas companies through the development a new diagnostic model which is more suited to this industry. The second phase is the implementation phase, where the newly developed framework is applied to a case study company in the pillars of strategy, structure, process/technology, people, culture, and reward system. The third phase of this research is the periodic measurement and validation, also called as the measurement phase, where the profit, customer satisfaction and employee satisfaction are main indicators for effectiveness validation. **Results and Discussion:** There are nine (9) initiatives introduced and implemented. The first initiative was the Development of Sustainable Framework where new diagnostic model was introduced. The second initiative is the Development of Sustainable Transformation Masterplan where a working level masterplan was created for a case study company. The third initiative is the Preparation for the Transformation, whereby the company underwent preparation to enable transformation to take place. The fourth initiative is the Human Capital Restructuring Program to ensure organizational structure, function and manpower are in line with organization's intention. The fifth initiative is the Development and Implementation of Employee Performance Management System in order to appraise and map designation journey within the organization. The sixth initiative is the Development of KPI system to measure and reward employees on their annual targets. The seventh initiative is the Organizational Performance Monitoring Programme, where projects updates & achievements, major issues and managerial performance are to be made evident. The eighth initiative is the Development of Compliance Programme to ensure standardization of works are captured and followed by each individual within the organization. The ninth initiative is the Development and Implementation of Work Approach Programme in effort to transform the mindset, behaviour, culture and attitude within the organization. **Significance and Conclusion:** The end result of the implementation and validation of the framework to the case study company shows improvement in profit by from 3.9% in year 2012 to 7.4% in year 2014, customer satisfaction rating increased from 2.4 to 4.04 (out of 5) and employee satisfaction score elevated to 4.6 of 5. The framework introduced and validated able to create value to an organization and ensuring higher sustainability level after transformation. The outcome of this study is the solution required for companies to remain relevant and survive.

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