UNIVERSITI PUTRA MALAYSIA

A CASE STUDY ON OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT IN HEVEABOARD SDN BHD, A SUBSIDIARY OF HEVEAWOOD INDUSTRIES SDN BHD, GEMAS, NEGERI SEMBILAN DARUL KHUSUS - EMPLOYERS' AND EMPLOYEES' INTERPERSONAL.

ONG KAU LIONG

GSM 1998 11
A CASE STUDY ON OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT IN HEVEABOARD SDN BHD, A SUBSIDIARY OF HEVEAWOOD INDUSTRIES SDN BHD, GEMAS, NEGERI SEMBILAN DARUL KHUSUS - EMPLOYERS' AND EMPLOYEES' INTERPERSONAL.

ONG KAU LIONG

PROJECT PAPER SUBMITTED IN PARTIAL FULFILLMENT FOR THE DEGREE OF MASTER IN BUSINESS ADMINISTRATION (M.B.A.)

FACULTY OF ECONOMICS AND MANAGEMENT
UNIVERSITY PUTRA MALAYSIA
SERDANG, SELANGOR
1997/1998
DEDICATION:

This "Project Paper" is
dedicated to

my wife, (P.Vasanthi A/P Perumal)
and

my two children:

Dinesh Ong Beng Keong

and

Gonisha Ong Mei Ling,

with love.

ONG KAU LIONG
45162
ACKNOWLEDGEMENT:

First and foremost, I wish to record my indebtedness to the Almighty God for giving me the strength to complete this TERM PAPER with dedication and determination.

The completion of this study would not have been possible without the help and guidance given by my supervisor, Tuan Haji Yaakob Bin Ibrahim. To him, I owe my thanks. I am indebted to Tuan Haji Yaakob Bin Ibrahim for his invaluable advice, comments, suggestions and encouragement towards my writing of the TERM PAPER.

My special thanks and appreciation to the Managing Director, Mr. Tenson Yoong, for giving me the permission to conduct this study and analysis on Occupational Safety and Health Management at his organization, and also not forgetting, Encik Zulkarnain Bin Haji Ujang, the Planning and Development Officer, who had spent some time with me discussing many issues on the subject (OSH).

To my dearest wife, P. Vasanthi A/P Perumal and children, Dinesh Ong Beng Keong and Gomisha Ong Mei Ling, who deserve a special note of thanks for their superb support and understanding.

Finally, my deep appreciation to my friends, especially Andrew Woo Pak Yuan, V. Mageswary, Teh Tiong Loke and Zalifah Bte Zambrose, who have extended their helping hands and support throughout the project period. Thanks, I am truly grateful.

ONG KAU LIONG
45162.
PENGESAHAN KEASLIAN

Dengan ini, saya, ONG KAU LIONG,
Nomber Matrik 45162, UNIVERSITI PUTRA MALAYSIA (UPM), pelajar Program MASTER'S OF BUSINESS ADMINISTRATION (MBA),
mengesahkan bahawa kajian kursus ini adalah hasil kerja asal saya sendiri.

3/1/1998
Tatikh

[Signature]
Tandatangan
CERTIFICATION:

I hereby certified that I have read this case study entitled "Occupational Safety and Health Management in HeveaBoard Sdn Bhd, a subsidiary of Heveawood industries Sdn Bhd, Gemas, Negeri Sembilan - Employers and Employees Interpersonal" by Ong Kau Liong, Matric Number 45162.

In my opinion, it is satisfactory in terms of the scope, quality and presentation as partial fulfillment of the requirement for the degree of Master's of Business Administration (M.B.A.).

(TUAN HAJI YA KOB BIN IBRAHIM)
SUPERVISOR.

(SUPERVISOR -2ND READER.)
ABSTRACT:

A three months research was conducted on Occupational Management in Heveaboard Sdn Bhd, a subsidiary of Heveawood in Gemas, Negeri Sembilan Darul Khusus.

Interviews were conducted and some valuable information received. The subject matter includes the identification of the product, the product process, safety administration of HBSB, HBSB’s safety situation, identifying the main issues of the company, analysis of the problem, and finally, recommendations for HBSB’s safety and health.
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GLOSSARY:

1. Adverse Health Effect
2. Biological Monitoring
3. Exposure
4. Hazards
5. Hazardous Chemicals
6. Health Surveillance
7. Lethal Concentration 50% and Lethal Dose 50%
8. Material Safety Data Sheet
9. Risks
10. Significance Risk

11. Hazards
12. Risks
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19. Types of safety committee for HBSB
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MASS-MEDIA CLIPPINGS:


4. "Wood" from oil palm fronds.

5. Wood-based business to be core activity.

6. Heveawood dijangka tarik p³laburan RM 300 juta.

7. Rubberwood furniture exports to hit RM 4.5 billion.

8. Heveawood set to launch industrial park.

9. Hume tumpu industri kayu/kayu getah boleh kuasai pasaran AS.

10. Chinese Newspaper Clippings (Articles 1-6).

11. The prevention of industrial accidents.

12. The New Straits Times (22-12-1997)
    Call for CEOs to improve work safety conditions.


17. Crucial issue which needs urgent attention.


Socsp: Probe payment if all papers are in. (NST-25/02/1997).


Socso: Accidents involving workers cost RM 1.2 billion loss.


PART A:

CASE STUDY
1. **EXECUTIVE SUMMARY**:

The objective of this study is to mainly identify Occupational Safety and Health Management problems, analyse them and to make suggestions or recommendations to solutions on how HeveaBoard Industries Sdn Bhd could safeguard the welfare of the employers and employees. It also aims to safeguard the market share, to upgrade and improve the turnover.

The study begins with the introduction of the company, the company's profile, mission statement, objectives, policy, vision, philosophy, operations, infrastructure, subsidiaries, company's organization and finally, the organization's chart.

Readers will also get a better understanding when they read about the decision analysis and the reasons why Occupational Safety and Health Management is vital to organizations. These will eventually lead the company to the right position and directions.

Finally, it is hoped that this study also attempts to construct a few conclusions and recommendations so as to improve the performance of the company and increase the market shares.
INTRODUCTION:

Heveawood Industries Sdn Bhd is an investment holding company and was established with a business plan to set up the Heveawood Industrial Park in Gemas, Negeri Sembilan Darul Khusus, Malaysia. It is the developer of the 20 hectares industrial land in which the Integrated Rubberwood Processing Complex is located. Apart from the complex, it has also another 36 hectares reserved for future expansion in related downstream activities.

Heveawood derived its name from Hevea Brasiliensis, the botanical name for a rubber tree. A feasibility study and technical plan has been prepared by a Finish Consultant to ascertain the technical and economical viability of the project.

The business idea is to maximise the utilization of the existing non-productive renewable rubberwood supply within the vicinity.
HBSB'S PROFILE:

Heveaboard was founded by a group of investors with a strong background and experience in the related industry. They comprised of Malaysian sawmillers, timber exporters, property developers and a particleboard manufacturer.

With their vast experience in the timber industry, they have the worldwide contact particularly in the Middle-East, Korea, Hong Kong and China.
HEVEAWOOD INDUSTRIES SDN BHD.

SECTION A : GENERAL

Name of the company  -  HeveaWood Industries Sdn Bhd
Comapny Number  -  177.318
Date of Incorporation  -  3rd January, 1989.
Principal Place of Business  -  Lot 1942, 3rd Mile,
Jalan Tampin,  
73400 Gemas,  
Negeri Sembilan Darul Khusus.
Principal Activity(ies)  -  Investment holding and development of
Industrial land.
Date of last Annual Return filed at the Registrar of Companies : 22 May, 1997.

SECTION B : REGISTERED OFFICE

Seremban Address  
Lot 683, 5th Mile,  
Kuala Pilah Road,  
70400 Seremban,  
Negeri Sembilan Darul Khusus.
Tel:  06-6777167 (Fax)  
06-6777393  
06-6777399  
06-6782829

Factory Site:  
LOT 1942, 3rd Mile,  
Jalan Tampin,  
73400 Gemas  
Negeri Sembilan Darul Khusus.
Malaysia.
Tel:  07-984  
Fax: 07-984 3390

Date of Form 44 :  30th April, 1990
SECTION C: SHARE CAPITAL

Authorised: RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00
Issued: 3,000,000 ordinary shares of RM1.00
Paid Up: 3,000,000 ordinary shares of RM1.00

SECTION D: AUDITORS

Name: Arthur Anderson & Company
Address: Level 1, Block C,
South Damansara Town Centre,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia.

SECTION E: RETURN GIVING PARTICULARS IN REGISTRAR OF DIRECTORS, MANAGERS AND SECRETARIES.

List of Directors:
Full Name
NRIC Number/Passport Number
Residential Address
Date Of Birth
Occupation

Please Refer To Appendix 1

List of Managers:
Full Name
NRIC Number/Passport Number
Residential Address
Date Of Birth
Occupation

Please Refer To Appendix 2

List of Secretaries:
Full Name
NRIC Number/Passport Number
Residential Address
Date Of Birth
Occupation

Please Refer To Appendix 3
### SECTION F: LIST OF SHAREHOLDERS

<table>
<thead>
<tr>
<th>Full Name</th>
<th>NRIC Number/Passport Number</th>
<th>Residential Address</th>
<th>Date Of Birth</th>
<th>Occupation</th>
<th>Number Of Ordinary RM1.00 Shares</th>
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HBISB’S MISSION STATEMENT:

Hevea-board Industries Sdn Bhd has the following missions to accomplish:

1. Respect for the Individual. Respect for the dignity and the rights of each person in the organization.

2. Customer Service. To give the best customer service of any company in the world.

3. Excellence. The conviction that an organization should pursue all tasks with the objective of accomplishing them in a superior way.

In addition to these beliefs, there is a set of fundamental principles which guide Hevea-board Industries Sdn Bhd’s management in the conduct of the business. They are:

i. To give intelligent, responsible and capable direction to the business, especially particleboards.

ii. To deal fairly and impartially with suppliers of goods and services.
iii. To advance our technology, improve our products and develop new ones.

iv. To enlarge the capabilities of our people through job development and give them the opportunity to find satisfaction in their tasks.

v. To provide equal opportunity to all our people.

vi. To recognise our obligation to stakeholders by providing adequate return on their investment.

vii. To do our part in furthering the well-being of those communities in which our facilities are located.

viii. To accept our responsibilities as a corporate citizen of Malaysia and in all the countries which we sell our products.
**HBSB'S OBJECTIVE:**

Heveawood aims to promote the maximum utilization of rubberwood in the vicinity surrounding Gemas on non-waste basis. It strives to grow into an integrated rubberwood processing conglomerate by inviting joint venture investors from local and abroad teaming together to realize its objective.

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**HBSB'S POLICY:**

Heveaboard believes in motivating the staff to contribute their best services to the company through regular training. They will understand their assigned duties and be encouraged to contribute improvement suggestions. Regular reviews will be conducted to promote leaders beside normal increment plans.

1. Heveawood believes in Total Quality management and holds on to the 5 elements of the TQM, namely:

   a) Know the products.
   b) Understand the process.
   c) Form the right organization.
   d) Develop team leadership.
   e) Get peoples' commitment.
2. Heveawood adopts safety, efficiency, cleanliness & quality as its Golden Rules To Success.

3. Heveawood intends to distribute yearly dividends to its shareholders.

4. Heveawood will conduct business development for rubberwood processing and invest in feasible projects.

5. Heveawood will train and promote its staff contributing to the successful operations of the company beside the normal increment scheme.
**HBSB'S VISION:**

Heveawood strives to achieve the maximum utilization of rubberwood and with her rubberwood afforestation programme, she aims to grow into one large vibrant and environmentally friendly rubberwood processing conglomerate.

**HBSB'S PHILOSOPHY:**

SAFETY, EFFICIENCY, CLEANLINESS & QUALITY

................. *Her Golden Rules to Success*

*and she believes that* ...

*“Lone-Dreamers are Drifters...* ...

*Team Dreamers are Achievers !!!!!!!!!!!!!!!*