



**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**

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**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  
**3<sup>rd</sup> JANUARY, 1998.**

### **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 **Gonisha 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.**

**3<sup>rd</sup> JANUARY, 1998.**

**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 YAKOB BIN IBRAHIM)**  
**SUPERVISOR.**

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(  
**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.

## **CONTENT**

	<b>Page</b>
Dedication	ii
Acknowledgement	iii
Pengesahan Keaslian (Declaration)	iv
Certification	v
Abstract	vi

### **Part A : CASE STUDY**

1. Executive Summary	1
2. Introduction	2
3. HBSB's Profile	3
4. HEVEAWOOD INDUSTRIES SDN BHD	4-6
5. HBSB's Mission Statement	7-8
6. HBSB's Objective and Policy	9-10
7. HBSB's Vision and Philosophy	11
8. HBSB's Operation	12
9. HBSB's Infrastructure	13
10. HBSB's Organization	14-16

11. Heveaboard Sdn Bhd - (HBSB)	17
12. The Product	18-19
13. The Product Process	20-23
14. Safety Administration of HBSB	24-25
15. HBSB's Safety Situation	26

## **PART B : CASE ANALYSIS :**

1. What is Occupational Safety?	27
2. Why Occupational Safety and Health Management?	28
3. Occupational Safety and Health Administration in Malaysia.	29-30
4. Identifying the main issues (problems) of HBSB	31-32
5. Analysis of the problem	33-35
6. 10 Common Failures in Managing Safety in HBSB	36
7. Recommendations for HBSB's Safety and Health	37-40
8. Guidelines for HBSB's OSH Committee	41
9. HBSB Outline of the four stage approach to the control programmes	42
10. Conclusion	43-44
11. Bibliography	45-46



## **APPENDIXES :**

1. Appendix 1 - Laporan Kemalangan Borang 21 (Suresh Rao)
2. Appendix 2 - Laporan Kemalangan Borang 21 (Rosli B.Deraman)
3. Appendix 3 - Laporan Kemalangan Borang 21 (Raman A/l Munusamy)
4. Appendix 4 - Salinan Report (Zamadi Bin Ahmad)
5. Appendix 5 - List of Directors
6. Appendix 6 - List of Managing Directors
7. Appendix 7 - List of Secretaries
8. Appendix 8 - List of Shareholders
9. Appendix 9 - Heveaboard - T.Q.M.

## **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
13. Safeness
14. Occupational Safety and Health Management : Dosh, Niosh and Socso
15. Systematic approach to Safety and Health Management
16. Causal and Impact of Accident to many Organisations.
17. Many accidents may signal
18. Composition and size of the committee
19. Types of safety committee for HBSB
20. HBSB's provision of relevant information and documents
21. Communication
22. HBSB's meetings of safety and Health Committee
23. Functions of the Safety and Health Committee
24. Essential Features Of Successful Safety and Health Committees
25. Education
26. General Duties of Employees Section 24 OSHA 1994

## **MASS-MEDIA CLIPPINGS :**

1. Official Launching of Heveawood Industries Sdn Bhd.
2. Kata-kata Aluan by Dato' Seri Utama Tan Sri'Hj.Mohd.Isa Bin Dato'Hj Abdul Samad.
3. Kata-kata Aluan by Encik Nordin Bin Awal.
4. "Wood" from oil palm fronds.
5. Wood-based business to be core activity.
6. Heveawood dijangka tarik pelaburan 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.
13. Fostering creativity at the workplace. (NST-29/07/1995).
14. Doing more for injured workers (NST-05/04/1994).
15. Industries urged to achieve zero occupational accidents. (NST-17/11/1995).
16. Campaign to get employers set up safety committees. (NST-13/10/1995).
17. Crucial issue which needs urgent attention.
18. Making it easier for compensation (NST-26/02/1996).
19. Socso Act : Higher penalties for offenders from May 1. (NST- 12/03/1997).

- Socsp : Probe payment if all papers are in. (NST- 25/02/1997).
20. Scholarships, loan under SOCSO amendments (NST-29/10/1996).
- Socso : Accidents involving workers cost RM 1.2 billion loss.
21. Meningkatkan Keselamatan Pekerja (UM-06/06/1995).
22. Hak Keselamatan Pekerja (UM-28/09/1994).
23. Meningkatkan tahap kesedaran keselamatan pekerja (MM-10/09/1995).
24. Kajian Kes - Buletin JKKP (DOSH) Bil. 1/95.

# PART A:

## CASE STUDY

## **1. EXECUTIVE SUMMARY :**

The objective of this study is to mainly to indentify Occupational Safety and Health Management problems, analyse them and to make suggestions or recommendations to solutions on Low HeveaBoard Industries Sdn Bhd could safegrard 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 Finnish 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  
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  
Company Number - 177.318  
Date of Incorporation - 3<sup>rd</sup> January, 1989.  
Principal Place of Business - Lot 1942, 3<sup>rd</sup> 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, 5<sup>th</sup> Mile,  
Kuala Pilah Road,  
70400 Seremban,  
Negeri Sembilan Darul Khusus.  
Tel: 06-6777167 (Fax)  
06-6777393  
06-6777399  
06-6782829

**Factory Site :** LOT 1942, 3<sup>rd</sup> Mile,  
Jalan Tampin,  
73400 Gemas  
Negeri sembilan Darul Khusus.  
Malaysia.  
Tel: 07-984  
Fax : 07-984 3390

**Date of Form 44 :** 30<sup>th</sup> 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 :**

**Please Refer To Appendix 1**

Full Name  
NRIC Number/Passport Number  
Residential Address  
Date Of Birth  
Occupation

#### **List of Managers :**

**Please Refer To Appendix 2**

Full Name  
NRIC Number/Passport Number  
Residential Address  
Date Of Birth  
Occupation

#### **List of Secretaries :**

**Please Refer To Appendix 3**

Full Name  
NRIC Number/Passport Number  
Residential Address  
Date Of Birth  
Occupation

**SECTION F : LIST OF SHAREHOLDERS**

Full Name

NRIC Number/Passport Number

**Please Refer To Appendix 4**

Residential Address

Date Of Birth

Occupation

Number Of Ordinary RM1.00 Shares.

**HBISB' MISSION STATEMENT :**

Heveaboard 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 Heveaboard 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 good 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.

**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 !!!!!!!!!!!!!*