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# Health, Safety & Environment



## **PUTTING HEART AND MIND INTO HEALTH, SAFETY AND ENVIRONMENT**

The Company is committed to establishing a culture where Health, Safety and Environment is given top priority. The management believes that this mindset will make the Company a world class performer in HSE by 2006/07. Essential for success in achieving HSE excellence is the commitment of leadership at all levels. Towards this end the MD/CEO and senior management have attended a series of workshops to ensure that all HSE requirements are met and improved continuously. In the year under review, the Department of Environment (DOE) and Department of Occupational Safety and Health (DOSH) were invited to advise and update management on the HSE regulatory framework. Information on new laws and regulations as well as key messages on HSE were disseminated to all staff and contractors by the MD/CEO and senior management. To sustain the HSE first mindset, HSE remains as the first item for discussion at all management meetings.

The Company is embarking on a computer based interactive programme, E-learning, to further enhance the understanding and importance of Health, Safety and Environment. When completed it will be made a prerequisite for all employees, contractors and visitors before entering any plant area. This interactive computer software that was jointly developed with PETRONAS Education Division, also evaluates their understanding of procedures and practices required by the Company.



The safety of the public, especially those living in the vicinity of the gas pipelines, has been the Company's priority since the start of its Peninsular Gas Utilisation (PGU) operations. HSE public awareness programmes are conducted annually by the Transmission Operations Division (TOD) in collaboration with the local authorities. This effort has been beneficial with TOD getting alerts from members of the public about HSE concerns around the vicinity of the gas pipelines and facilities. TOD's "Knowing TOD" programme initiated in September 2003, also helps gauge the public's level of awareness about the safety of the pipelines through one-on-one communication with an assigned employee.

The Company has continued efforts to encourage a healthy lifestyle among its employees through its Personal Health Management Programme. Staff learn the basics of physical fitness, nutrition and stress management. The various divisions are also encouraged to organise physical activities, such as jogging, on a regular basis.

In recognition of HSE performance, TOD was awarded the Gold Medal Award and CUF was awarded the Gold Award for Occupational Safety from the UK-based Royal Society for the Prevention of Accidents (ROSPA). Both CUF and TOD also received the Gold Merit Award from the Malaysian Society of Occupational Safety and Health (MSOSH) for good HSE practices. Health, Safety & Environment Department also won the Gold Award for the category of Petroleum and Allied Industries from MSOSH.

# Organisational Improvement



## A FOCUS ON CONTINUOUS IMPROVEMENT

In line with its 5 Quality Principles (5QPs), the Company gives high priority to ensuring that its performance is consistently managed, measured and improved. Its Continuous Improvement Propels Total Achievement (CIPTA) and Organisational Learning (OL) programmes made good progress and impacted positively on service quality levels throughout the year.

The Performance Breakthrough Lab project, aimed at aligning PGB resources to solve critical business issues and processes, commenced in July 2003 at Plant Operations Division. During the sessions participants worked on gaining management consensus and team resolution on pivotal issues such as leadership and ownership, mind-mapping, key abilities needed for increasing 'soft' as well as technical skills. The project will be showcased in September 2004. More than 40% of Management and Executives of the Company have gone through the OL programmes so far. A total of 261 executives have attended the OL training organised by PETRONAS Management Training Sdn. Bhd. (PMTSB). The goal is for all Management and selected key personnel to attend the OL programme.

During the year, the company reviewed its service quality and efficiency. This led to a realignment of the organization structure on 1 January 2004. Operating Divisions are now better able to focus on its core Operations and Maintenance functions. To ensure the integrity of this structure, the Company also introduced new communication tools. The Service Level Arrangement (SLA), as the major tool, has been established and documented to support the objectives of the realignment exercise. Enabling Service providers and the Operating Divisions will work in a strategic partnership to establish a mutually self-sustaining relationship. Together, they are set to achieve the Company's vision: "To be a Leading Gas Processing and Transmission Company of Choice".

Currently, the review process of the Company's Limit of Authority (LOA) is in progress taking into account the realignment of the Company's Organisation Structure and the newly formalised SLA.



The Company's approach to quality management embraces ISO 9001:2000 principles and is designed to foster continuous improvement and customer satisfaction. The SIRIM Compliance Audit conducted in March 2003 has confirmed that the Business Operations System (BOS) was effectively implemented, the majority of the elements in the on-line electronic documentation system (e-BOS) are satisfactorily maintained and fulfilled the requirements of the MS ISO 9001:2000 standard, and that continuous improvement processes are actively implemented.

With clear evidence of top management accountability and involvement in all aspects of the quality management, the Company was awarded the MS ISO 9001:2000 certification on 28 May 2003. The e-BOS offers efficient and effective access to documentation through its on-line Corrective & Preventive Action Management System (e-CPAMS). The e-CPAMS, which is needed for compliance with the MS ISO 9001:2000 Standard requirements, was made available in November 2003. It also serves as a mechanism to enhance the tracking of all audit findings.

About 1700 (95%) staff, including both executives and non-executives, have attended the Quality Education System (QES) and Quality Work Group (QWG) respectively. Continuous QCP education is also extended to all new staff joining PGB.

Our tailored approach to quality management uses Quality Improvement Teams (QIT) and Corrective Action teams (CAT) to undertake specific problem solving or improvement initiatives, evaluate the root causes and identify corrective action plans for quality issues.

CIPTA is about sharing and learning from the achievements of teams who have successfully completed their problem solving or improvement projects. For FY 2003/2004, the Company had 19 Quality Improvement and Corrective Action Teams (QIT/CAT) throughout the company of which 18 completed their projects and subsequently participated in the various CIPTA conventions. The most outstanding QIT was 'ARROW' team from POD – Export Terminal (ET), Kemaman, Terengganu. The team represented Malaysia at the QC Cycle 2003 International Convention in Tokyo, Japan in October 2003. Best Application of 5QPs was awarded to 'DROP' team from POD while Most Creative Delivery to 'ARROW' team from POD. Consolation prizes went to 'FUND RAIDERS' team from Head Office (Finance) and 'G.O.T.' team from CUF Gebeng, (Operation Department).

The Company's ongoing electronic Employee Suggestion Scheme (e-ESS) programme is also part of its overall strategy to promote continuous improvement. About 1,060 ESS were received from staff throughout the Company in FY 2003/2004.

# Human Resource Development



## **STRENGTHENING COMPETENCIES AND CAPABILITIES**

Human Resource Management (HRM) takes the lead in aligning the Company's workforce with its business strategies. A competency-based management system drives all its people development programmes in order to improve capabilities at all levels. The department has addressed the need for recruiting and maintaining a competent and effective workforce through development initiatives and structured training.

During the year, the Company migrated to PETRONAS' New Grading System. This involved an Organisation Review and Grade Reconciliation. This realignment of the organisation structure further improved the effective matching of Executive staff to job grades. All staff who are placed in higher graded positions which are not matched to their salary grades were required to go through appropriate training and further assessment and development.

The third cycle of Mentoring Programme which started in July 2003 will assist young executive staff in their personal and career development through structured relationships with experienced staff for a period of two years. This programme is being further enhanced through a website which monitors regular contacts between Mentors and Mentees. In addition, the mentoring programme is one of the Key Performance Indicators for all Mentors.

Competency Based Assessment (CBA) has also been established for Non Executive Technical staff. This will assist them in their career progression, by building capabilities and competencies and exposing them to the work experience opportunities in line with the Company's operational needs.



Competency Baseline Assessment is also in place. Based on the assessment results, competency gaps are identified and bridged by training. A total of 30 utilities operators from Plant Operations Division (POD) have been assessed by Institute Technology PETRONAS (INSTEP) under the pilot project. The remaining non executive technical staff will be assessed by the next financial year. To support this initiative, 120 staff have been trained as Assessors.

After successful completion and migration to a Multitasking structure at POD, the Company is now conducting Multitasking Training for non-executive technical staff at Transmission and Operations Division (TOD). This programme will be completed by March 2005. It aims to equip staff with additional skills and knowledge for better job performance as and when required.

Regular dialogue sessions for effective internal communications continued throughout the year across the organisation. These were led by the Managing Director/ Chief Executive Officer and the Management Committee. The sessions are designed to update staff on the Company's performance and initiatives and clarify any queries and questions.

Social and recreational events such as sports events, family days and festive gatherings were held throughout the year in line with the Company's "Together as One" motto.