

Building Trust Among Staff Through Incentives to Promote Company Sustainability

Moving towards digitisation and the constant update in technology, the IT industry in particular has been thrust into the limelight even more so the last few years due to the pandemic. This has resulted in more attention paid to the ever-growing industry as more establishments will require its services to maintain any of its online servers.

Rania Resources Sdn Bhd is an IT-based company which started its operations in 2003 initially as a family business. The company was established to meet the demand and supply of the IT-market through its products such as hardware, software and peripherals. The company is fully run by 100% Bumiputera staff at a total of xx staff.

Rania's clients consist of 95% of its business with government clients such as the Jabatan Akauntan Negara, Jabatan Peguam Negara, Universiti Utara Malaysia (UUM), and also the Royal Malaysia Police (PDRM) where it contributes 70-80% of the company's total revenue. The company provides services such as system integrators, server maintenance for websites, and even Data Management where Jabatan Perangkaan has been using their services for at least 9 years.

The Importance of the *Feel of Belonging* Among Staff

"The staff is its own manager," is what Rania practices as a company based on the matrix organisation as opposed to a pyramid organization. This meant Rania does not have HR, Sales, or even Marketing Department in the company which only encourages the staff to take the initiative to be the salesperson to promote the wide range of the company's services such as data management and IT services.

The management and decision-making on the company's operations will be managed by the staff itself. The highest level of organization will only go up to COO level. The reason why this matrix is implemented is to create the feeling of belonging from staff within the company. By giving a degree of control to staff on project initiations and operations it will create a spirit of effective teamwork especially in delivering a project.

However, this doesn't mean staff has 100% freedom on what they can approve or not approve. The HR department is organised by the COO where the representative will oversee the staff's well-being and productivity rate while any decisions on cash flow will have the involvement of the CEO. This of course includes the salary payment where there is one person in Finance will be in charge of that is Private & Confidential.

For example, there will be a team of four and only one will be selected as a representative to manage the team. This will effectively make them the project manager giving them the ability to cross all departments to request for support if needed. The company also reduces the number of hierarchical red tapes where all staff are able to approach both the CEO and COO directly for fast decision-making especially for urgent projects.

How Should a Company Retain Relations with Its Customers?

Rania's Vision is essentially Customer for Life. Its mission in order to fulfil this vision would be its 3 main missions which touches on retain its relationship with its customers. This includes:

Operating by the highest standards in all relationships such as customers, suppliers, environment, and the community

Fosters a climate which encourages innovation and diligence among staff and rewards accordingly

Core values striving on Commitment and Excellence

These 3 missions is to ensure repeat request of service from either customers or suppliers. As they don't have any Marketing nor a Sales Department, staff relations with customers are important to ensure good image and responsibility is displayed. Usually, senior staff will take this position as newer staff may not be aware of the company culture. In some cases, they will be paired together to learn from senior staff.

The company is also open for any suggestions from staff for the company to continuously improve itself, sometimes staff will receive rewards based on the magnitude of their innovations Therefore, staff will have to be committed towards excellence as they are essentially the face of the company.

The Strategic and Enabling Pillars to ensure all missions are met, involves contribution towards growth development and using advanced technology within the market. This is to ensure that their digital technology are up-to-date with the demands of the market as well as the client, making it an attractive factor for customers to approach Rania to peruse its services.

Another pillar would be to provide all employees a challenging yet rewarding work experiences which reflects the values of the ethical business environment. This is in relation to its productivity levels and nurturing the spirit of competitiveness within the work culture to promote efficiency.



The Need of Implementing PLWS in Rania

The idea behind implementing Productivity Linked Wage System (PLWS) stemmed from the need to have business sustainability and growth. PLWS, which is a model created by the company involved, is an initiative under Malaysia Productivity Corporation (MPC) and MDEC. For Rania, PLWS was in its initial stages in 2019 and is only fully implemented in 2021.

During the implementation stages, various activities were done by the PLWS Committee such as training, consultation from an MPC representative, various improvements, presentations, and due to the pandemic, testing the model while Work From Home. As PLWS includes fixed components, the salary component to implement the system includes basic salary including EPF SOCSO and Allowance, Medical Card, Retirement Scheme and Personal Benefits.

The knowledge gotten from the various stages of continuous improvements is essentially streamlined from MPC Consultant, Management such as the CEO and Finance, Employee Representative and down to ground staff. Therefore, ensuring company sustainability by raising awareness of the implementation.

Belief in Employees to Ensure Effective Implementation of PLWS Model

Rania emphasises on placing trust within its employees to carry out the implementation and support of this model. To make it successful, the proposed model the company has narrowed down three categories such as Project Introduction, Project Team Deliverables, and Overall Company Performance.

The objective of Project Introduction is to produce a new project pipeline where staff will have the freedom to initiate a project until its completion. The quYean Chinfication criteria under this category includes 50% upon project award based on margin projection and later another 50% upon completion where there will be a final adjustment based on the actual margin.

The deliverables as a team is to ensure that projects are delivered in a timely manner and will have the objective on setting the percentage over margin. To be quYean Chinified for this however, is the distribution to the main team that was declared during project implementation. The team will also have to close earlier than scheduled for project handover after warranty.

Finally, this affects the company's overall performance is KPI-based on the Company's Next Margin starting at RM1 million. The after tax profit where calculation is based on sharing based on declared percentage, basic salary, performance review, and number of years of service.



Awards and Rewards Linked to Performance Rate

With any PLWS model that involves finances and its staff, the two main components that is usually fixed in any model is the Company Performance (Monetary) and Staff Performance (Productivity). The company will balance up both components based on categories such as performance review whereby the staff will have to attend all meetings with a passing mark of 70%. Level of Contribution which involves time investment, commitment, and suggestions, and also project deliverables. These are calculated using a set of points-system as 'weightage' under each category which will be converted into bonuses included in the staff's basic salary.

As there are no yearly increments for staff, the model implemented by Rania encourages only basic salary, incentives such as awards are given to staff as their rewards. The awards and rewards include The Best 7 Habits Presenter, Proactive Staff of the Month, Daily Plan Award to name a few. These awards are entitled to rewards such as 2 tickets to Kunming, China, profit-sharing to be determined by the Management and a Monthly Award with a minimum of RM300 per category.

Ensuring Employee Sustainability Through Incentives

Implementing awards within the system can provide a form of employee retention. This is one of the many methods Rania is able to show its appreciation towards all staff. The award produced will all follow different sets of criteria which staff will have to satisfy in order to be eligible for the award. For example, the Proactive Staff of the Month Award which entails problem solving abilities, organised, finishing work in schedule and always looking for positives from challenges presented. Another example would be an award as a Key Contributor and Volunteer whereby the staff receiving this award satisfied criteria such as the willingness to help other, sense of responsibility and even completing the extra assignments given with no complaints.

Other awards include the Most Innovative Staff given to staff who introduces new technology within the system and how these ideas will have a positive impact. This award in particular will be able to help contribute to the continuous improvement the company may need as they are working virtually.

Additional benefits for staff who performs well would be a private retirement scheme (PRS) where the company will contribute a certain amount under the staff's name without deducting from their salary. Another benefit would be aiding the 10% down payment for first-time house buyers where it is paid in full.

Benefits of PLWS Incentives to Employer and Employee

A fairly unexpected development program was implemented along with the PLWS scheme. Similar to what a book club should be, Rania encourages book reading as a method of increasing the staff's knowledge. A few of the books they're currently reading includes The Power of Self Discipline by Brian Tracy, and Stephen Covey's 7 Habits of Highly Effective People. Staff will then present their thoughts during the company's monthly meetings either on the book itself or a section of the book.

Work From Home: Building Trust is a Major Factor for PLWS

The concept of trust is prominent especially when working from home. Rania has practiced work-from-home even before the pandemic hit the nation. As work from home provides flexible hours, the objective has shifted towards results oriented as opposed to activities. As a result, the company is able to save electricity usage and also travelling claims. How this affects staff is that they are able to reduce their travelling cost and will have the freedom to handle personal matters if needed.

A few online tools they are using to accommodate the work from home situation is by perusing WhatsApp groups, staff will have to declare their work and daily plan to ensure they are managing their time well and can compare with everyone else's daily plan. This has in fact helped saved time and cost as it reduces unproductive work.

They also made use of Microsoft Teams where the computer application will be able to monitor assigned tasks, file sharing among staff, content sharing and editing, and even handling online meetings. This all-in-one tool has increased connectivity between staff despite working online.

RANIA Bulletin Board
Adira Rania, Ainmadhiah, Akram, Attiqah, Dol, Fazreen, Khairul, Rania Aidi, Rania Aiman, Rania, Rar

Ainmadhiah Rania
MONTHLY MEETING

Salam Team,
Agenda **(7/11/19)** adalah seperti berikut:
4.30 pm - 4.40 pm: Attendance & Daily Plan Report - Atiqah
4.40 pm - 5.30 pm: Review of the month and Microsoft Teams discussion - Shahadan
5.30 pm - 5.45 pm: Monthly Award - Adira
5.45 pm - 6.05 pm: Rania Dinner 2019 discussion - Madhiah
6.05 pm - 6.15 pm: Info Sharing - Syahir
6.15 pm - 6.25 pm: Info Sharing - Rafiz
6.25 pm - 6.35 pm: Info Sharing - Akram
6.35 pm - 6.45 pm: Info Sharing - Adira
6.45 pm - 6.55 pm: Info Sharing - Mariana
7.00 pm: Solat Maghrib diketuai : Zahri
7.20 pm: Bacaan Yaseen/Surah Al-Kahfi diketuai : Aidi
7.40 pm: Makan malam & Gotong-royong

** Tajuk pembentangan:
Tajuk Professional: Leader Competencies (Rafiz & Adira)
Tajuk Non-Professional: Improve Your Concentration Skills with Mind and Mental Exercises (Syahir, Akram & Mariana)

Terima kasih.

3:43 pm

Implementation Challenges and its Outcome

As with every new implementation, it comes with its own set of unique challenges. However, the challenge presented here is in fact quite common among all companies who are implementing the PLWS model. Raising awareness among staff on the benefits of the model is difficult as this model is only implemented fully this year. Therefore, the impact of the model is yet to be seen. The involvement at all levels is in the process as the committee will have to convince the benefits of PLWS, which is why the committee will have to do daily briefing on the system.

Measuring the productivity rate of staff will also be challenging as it will need a lot of documentation on performance review and staff's level of contribution. Therefore, the implementation of the program is also a financial constraint due to the current economic situation. Since PLWS emphasises on measuring productivity and linking with the wage system, the creation of a set of categories became a challenge of its own as it will have to provide a win-win situation for both parties.

Despite these challenges, Rania has outlined its own expected outcomes from implementing the system. The benefits the organisation should receive is staff retention which is linked to company sustainability. As the staff's productivity rate goes up, the quYeian Chinty of project deliverables should be satisfactory as well, therefore contributing to increased sales and reduced cost meaning an increase profitability.

The benefits employees will get highlights on the staff's development along their career path. An improvement of quality should also improve the staff's performance meaning an efficient productivity rate. The model which emphasises the pay-for-performance scheme should motivate staff to be even more productive.



IMPLEMENTATION OF PLWS AT IN RANIA RESOURCES SDN BHD

