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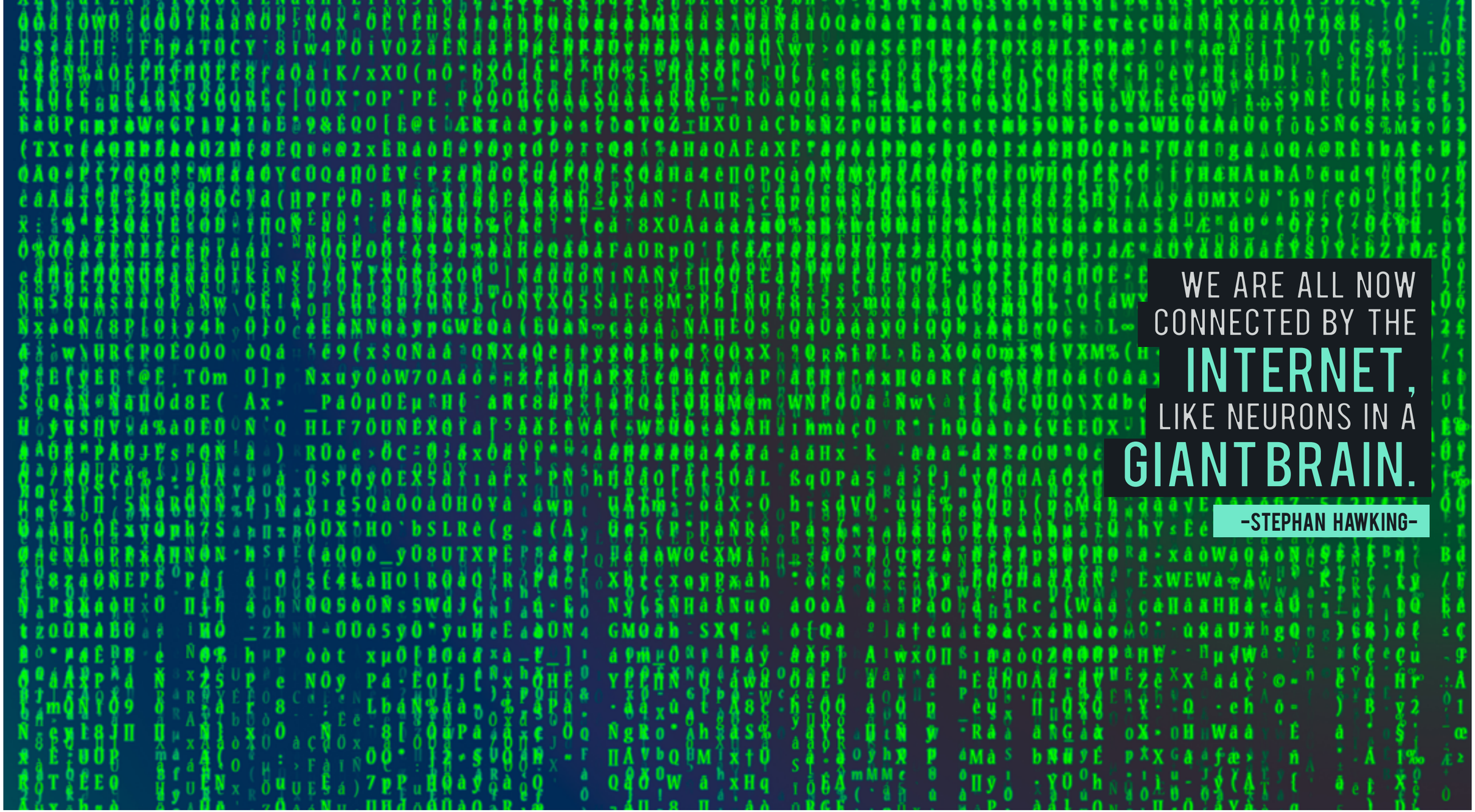

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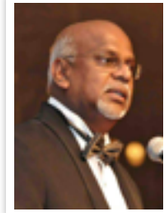

CEO's MESSAGE

Sivanganam Rajaretnan
Chief Executive Officer
Malaysian Institute of Management

Growing strong digital roots

Pando is known as the world's largest and possibly oldest living organism on earth. Termed by many as a forest of one, 47,000 or so trees within the Pando forest, located in Utah, share a common root system. Ecologists, however, say that the forest, a symbol of sustainability and interconnectedness, is now highly unbalanced as animals around the forest have begun eating its young shoots faster than it can regenerate.

We are looking at a living breathing ecosystem at the risk of dying from within and facing extinction.

Not to start 2018 on a dire note but the case of Pando is reflective of what is happening to many organisations when faced with the changes of the 4th industrial revolution or better known as Industry 4.0.

As a leader in today's digital age, how can you plant strong roots to ensure the continued growth of your company?

In addressing this question and ensuring the healthy growth of companies when faced with today's digital disruption, MIM launched our inaugural Industry 4.0 and Digital Leadership Conferences last September. The conferences featured the best minds within the industry to give leaders the right insights on how they can bridge the digital divide.

From intertwining digital education with employee engagement to the upskilling and re-skilling of talents, were among the many topics discussed during the conference. Most importantly the cornerstone of implementing all these changes is a leader with a strong vision of the digital future.

While last year's conferences helped to set the tone of this discussion, this year we intend to deep dive into this topic through our training programmes to better prepare you and your company to face challenges in digitisation. Be sure to bookmark our soon-to-be launched new website for future updates.

Digitisation is the main focus of the issue you are holding today. Find out how companies like HSBC saved over USD900,000 annually by embracing the new trend in workspaces by reading the 'Co-Working & Co-Living — The Sharing Economy Arrives in Asia's Metropolises' article on page 8.

I hope you enjoy this issue we have put together and will be inspired to strengthen the roots within your organisation to withstand any possible digital disruption.

EDITOR's NOTE

Moving with the Times

We have to get real. Individually and even collectively to face the reality of the digital era that's crept in, with the likes of digital watches and measuring devices at first, but then making a quantum leap, now recognised for what it is — digital disruption marking the so-called Fourth Industrial Revolution.

Coping with it is not an option. Rather, it's migrate to it, cope with it, master it, or else …

For those who no longer see themselves in the rat race, as it were, and are content to live in the past, it's a matter of choice. But for those who are very much in today's flywheel of existence, running with new technology that's in their face, like it or not, cope they must.

In this issue, we carry insights into big data analytics, horizontal and vertical system integration, cloud computing and 're-skill and up-skill' as part of our current reality. It's about coping with and remaining on the cutting edge of change, aptly discussed at the 'Industry 4.0 Digitalisation' conference in September and earlier, in a July gathering, 'Facing up to Digital Disruption'.

Clearly, it's no longer a matter of choice. Cope or languish is a stark reality to be faced and it's our cover story for what it's worth.

'Organisations change when people in them change', 'Managing with Head, Leading with Heart and Inspiring with Gut' are worth more than a cursory look. Law Matters zooms in on conflict of interest in the workplace and its consequences.

All this and more for a good read. Trustingly. Feedback will be nice.

P.C. Shivadas

CO-WORKING & CO-LIVING – THE SHARING ECONOMY ARRIVES IN ASIA'S METROPOLISES

By Diener Syz Real Estate
FINMA-accredited asset manager with offices in Hong Kong, Jakarta, Shanghai and Zurich.

As a younger generation enters the workforce in Asia's metropolises, various concepts catering for a trendy lifestyle, and at the same time increasing urban density, are emerging in the real estate sector. This phenomenon is further driven and supported by a long-term urbanisation trend in Asia.

One of the main reasons to live and work in a city is for the convenience and opportunity to interact with other people. Despite numerous predictions that centralised workspaces can be replaced with the arrival of the Internet, that has not materialised and workspaces in cities have grown stronger than ever before.

Many of the world's most valuable firms are no longer concentrated in a few metropolises such as New York and Tokyo, but are nowadays often headquartered in smaller cities such as Cupertino, Palo Alto and Seattle. But still, the urban creative and social interaction is more important than ever before (and more so physical rather than online).

The modern city is a knowledge hub, driven by the interaction and exchange of information that generates new ideas that would not have emerged if one were working alone at home.

The co-working approach has been popular in the US for a while, with creative office space provider WeWork at the forefront of the trend. The company started seven years ago. It enters into long-term leases with landlords, and offers working space in their simple and modern fitted-out offices at a markup. The concept emphasises creating an office space or working environment that supports collaboration, openness, knowledge sharing, innovation, and user experience. In the last two years, a boom for co-working spaces was triggered in Asia, with new office space providers appearing every few months.

On the residential side, co-living concepts have been developed more recently in high rent cities to address the need for affordable housing for young people. Community driven shared spaces to cook together, eat together and launder together are key features of co-living spaces, again to increase density and facilitate social interaction.

In this article, we look at the new concepts of how the younger generation in Asia's cities live and work in a socially interactive and affordable way.

Co-working tenants aim to increase flexibility and creative collaboration

Traditionally, shared office space has been favoured by start-ups, freelancers, and entrepreneurs as a flexible and collaborative workplace solution with minimal cost burden. However, in the past few years, the demand for flexible workspace has changed significantly, and has grown beyond the original niche market.

Increasingly, co-working has caught on by multinational corporations as an alternative to traditional office space. These firms are attracted to flexible workspace by the ability to offer something different to their staff. The flexibility offered, which in turn leads to cost savings (estimated to be around 25%) is also an attraction.

A recent prominent example is HSBC that now rents more than 300 so-called hot desks from WeWork in their new Hong Kong space. According to industry experts, HBSC will save around USD 900,000 annually by having its digital and transformation teams at WeWork's open office as opposed to renting a traditional office space, which would have required more square metres.

However, the bank says that cost saving was not the primary reason behind the move. The aim is rather to create the right environment for staff while ensuring that they are working in the same location as other like-minded teams, including Hong Kong's fintechs and other startups.

	Co-working space	Traditional serviced office
Brands	WeWork, SOHO Q3, URWork, etc	TEC, Regus, ARCC, Servecorp, etc
Typical set-up	Open spaces, exposed ceiling and few walls, multifunction areas, café and bars	Private rooms, assigned seating bookable formal meeting spaces
Culture	Open, collaborative, casual, lively, dynamic	Private, exclusive, professional, serious, quiet
Property type	Creative office, e.g. converted warehouse	Conventional Grade A or B office
Cost	Membership fee, funding for start-ups	Periodic rents, deposit required

Source: JLL Research

Figure 1: New brands drive the co-working concept

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Further, utilising co-working space allows multinationals to unlock flexibility needed to scale up or down relatively quickly. Mostly, it is the multinationals' technology and innovation teams that move into these spaces. In the medium term, other departments could also start moving to this type of workspace, thus allowing for more scaling options by combining core space and flexible space.

With multinationals entering the market, the average workspace transaction size has increased significantly globally. Transactions involving 15 desks or more have almost tripled, now comprising 35% of deals, compared to only 12% two years ago. The number of co-working tenants worldwide is expected to reach 3.8 million in 2020.

As recently as 2015, there were only a few independent co-working sites in China. In 2016, however, numerous co-working operators have opened office spaces in many of the country's Tier 1 and larger Tier 2 cities.

Co-working is currently growing exponentially in China — there are now more than 500 co-working sites in Shanghai and Beijing alone.

URWork, a Chinese co-working brand established in April 2015 by a former executive of real estate firm China Vanke, opened 11 spaces and signed more than 30 leases across 15 cities within only one year. A year later, the same entrepreneur also founded 5Lmeet, which offers round-the-clock lifestyle amenities in addition to the more conventional co-working space. WeWork entered China in September 2016, when it secured three locations in Shanghai, with plans to expand to other cities quickly. Further, players including Naked Hub and Distrii from Shanghai, or Beijing's SOHO 3Q co-working chain (also known as the 'Uber for Offices'), are all trying to capture market share as quickly as possible.

Similar to Shanghai and Beijing, co-working spaces are booming in other Asian metropolises such as Singapore, Hong Kong, Seoul, Hanoi, and Ho Chi Minh City.

Higher revenue per square metre, but cheaper than traditional office space for tenants

Although the cost per workspace is normally less than traditional offices, most providers are still targeting the higher end of the market.

As the typical co-working open office layout does not require any doors, they usually require fewer square metres per person. The cost for a workspace is hence less than in traditional offices, while the revenue per square metre is higher. The goal of this concept is to make a workstation affordable for individuals, while still targeting upper market segments that seek central locations with easy transportation access.

The traditional rental concept has also been thrown overboard. Rather than tenants renting office space for a longer period of time, the co-working 'members' can get access to 'hot desks', 'fixed desks' or larger office spaces for entire teams on a monthly or short-term basis.

Factors Driving Asia's Co-Working Boom

Rise of the millennial workforce

More and more companies in Asia are recognising the rising importance of the millennial generation, who are increasingly shaping the workplace. While older generations valued having a cubicle and prioritised job security, young workers today pursue different priorities, such as work/life balance and flexible working hours.

Shift towards sharing economy

Ride-sharing app Didi Chuxing (similar to Uber) and home-sharing website Xiaozhu.com (similar to Airbnb) are just two examples of online sharing services that have become essential for young people in China. The fundamental concept of co-working aligns with the general shift towards the sharing economy.

Technology boom

Advanced technology underlies many of co-working spaces' unique offerings, such as convenient online booking and the building of online communities for members. A good example is the popular social networking app WeChat, which has a 93% penetration rate in China's Tier 1 cities and is well-known as a pioneer in a range of mobile services, from instant messaging to online payments.

Government support

In China, the central government has made clear its support for startups. At the 2015 World Economic Forum in Davos, Chinese Premier Li Keqiang proposed 'mass entrepreneurship and innovation' for China, signaling an official encouragement for startups, which are co-working spaces' target tenants. The number of newly registered companies in China reached more than 4 million in 2015, up 21% from the year before.

In Shanghai, a desk in an open office space costs typically between RMB 2,000 to RMB 3,000 (USD 300 to USD 450), making co-working more affordable and flexible than other office options. In Hong Kong, a desk costs around HKD 7,000 (USD 920), about 10% less than a one-person private office. Further, member benefits of the co-working concept include scalability, no long-term contracts, no initial capital expenditure for fit-out, and no deposits.

For co-working members that are startup companies, operators often also offer networking opportunities, online platforms to exchange services, and even access to business angels and experienced mentors.

In some countries, governments run startup programs that offer three to 12 months of sponsored space as well as support from government offices, mentorship and the chance to participate in startup competitions and other events.

Of course, the short rental periods and the flexibility have a flip side as well. Since operators rent longterm leases from the landlord, they risk being stuck in a costly situation if demand were to sharply decrease. In this light, it remains to be seen if co-working and co-living operators are experiencing an overly optimistic hype. For example, WeWork has now a valuation of roughly USD 20 billion, in comparison to traditional office space provider Regus (now renamed IWG) worth about USD 3 billion.

As the flexible workspace market grows, traditional serviced office operators are reviewing their strategies to ensure continued growth. In an effort to adapt to the new concept of shared office space, IWG recently acquired a co-working operator, which they are now rolling out globally.

Co-living targeted at millennials

The residential and hospitality industry is competing to find ways to appeal to modern millennials (the so-called Generation Y born between 1981 and 2000), a group that will make up half of the planet's workforce by 2020 and spends around USD 200 billion on travel each year. Figure 2 illustrates the different work and communication styles of Generation Y compared to the older Generation X.

An increasing number of shared living spaces has been developed in the US and globally. WeWork launched its own WeLive brand in April 2016, betting that – as with shared offices – customers would pay a premium over the cost of sharing an apartment with friends to gain more flexible leases and housekeeping, along with amenities such as shared gyms and lounges.

	Generation X (born 1961-1980)	Generation Y (born 1981-2000)
Work style	Independent, professionalism	Teamwork, flexibility
Communication	Email, telephone	IM, wechat, blog, social networks
Use of technology	Log-on when necessary	Permanently online
Entrepreneurship	Job-security	More willing to explore

Source: JLL Research

Figure 2: Characteristics of Generation X and Generation Y (millennials)

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In Singapore, serviced apartment provider Ascott has partnered with Singapore Management University to open a 3,000 square metre residential laboratory in the historic Malaya Publishing House to explore new habitats for Generation Y. Ascott sees Singapore as an ideal ground to test innovative hospitality concepts, designed and targeted at Asian millennials.

Ascott has set up the lab to field test its LYF brand (pronounced 'life'), which it opened in November 2016 to target the growing spending power of younger residents. The lab incorporates social areas, study rooms and concept living quarters, and combines these with activities such as startup workshops, hackathons and innovation talks.

Also, other players have been quick to catch onto the co-living wave, with Deson Development and 5Lmeet starting shared accommodation projects in China, as well as Campus HK, which opened the first co-living student housing project in Hong Kong.

Implications for investors

Unlike the retail sector that has been shaken up by online shopping, office and residential real estate is unlikely to be fundamentally disrupted by digitalisation or the sharing economy. Rather, new concepts and technology will complement or replace older ones to accommodate the demand that results from a younger generation's lifestyle.

For commercial landlords, the growing popularity of flexible workspace can have both positive and negative impacts.

> ***"A building owner hence needs to be careful in selecting the right flexible workspace operator that best complements its existing tenants."***

WeWork has already become the biggest tenant in New York, and flexible workspace operators can be expected to take up large amounts of office space in Asia's metropolises as well. Also, flexible workspace operators can generate traditional tenant agreements for the landlord, if its clients or members switch to renting a longer-term traditional office space.

One of the negatives of flexible workspace operators is the landlord's loss of control over the tenant mix. A building owner hence needs to be careful in selecting the right flexible workspace operator that best complements its existing tenants.

In any case, office developers should more than ever adhere to the rule that a flexible layout is valuable (i.e. maintaining the option to have an open space or traditional offices), and potentially reconsider their standard handover conditions.

Finally, as young people place more emphasis on health and the environment, sustainability components such as air filtration, gyms, indoor climate, and energy efficiency will become increasingly important and valuable in the market.

THE 5 GREATEST EXAMPLES OF CHANGE MANAGEMENT IN BUSINESS HISTORY

The Need For Decisiveness And Communication, The Inevitable Disruption, And Why You'll Probably Need To Break Down 'The Old Ways' ... Managers Can Learn A Lot From These Classic Change Management Case Studies.

By Paul Arnold

Change can be the foundation of competitive advantage but, to be effective, a **change management** programme must identify areas of potential conflict, address the needs of everyone in the organisation and, crucially, bridge the gap between the aspirations of executives, technical project teams and the people affected by the change.

Few organisations do this well. But there are exceptions, such as these outstanding case studies of change.

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1. *Shell's Tough Love*

In 2004, Shell was facing an oil reserves crisis that hammered its share price. The situation was compounded by the abrupt departure of the oil group's chairman, Sir Philip Watts. The new group chairman, Jeroen van der Veer, believed that in order to survive, the corporation had to transform its structure and processes.

A series of global, standardised processes were identified. These, if introduced, would impact more than 80 Shell operating units. While the changes were vital to survival, they proved unpopular in the short term as some countries stood to lose market share.

The message was a tough one, and many operating units balked.

However, for a change programme of this scale to be successful, everyone had to adhere to the new systems and processes. The leadership of Shell Downstream-One, as the transformation was known, needed unflinching determination and to focus on gaining adoption from everyone involved.

Those leading the change had to ensure that the major players in all their markets knew what was required and why. They needed to be aligned with the change requirement. From the start, it was recognised that mandating the changes was the only way for them to drive the transformational growth they aimed for. This wasn't an opt-in situation.

The main message of the change team, led by van der Veer, was that simpler, standard processes across all countries and regions that benefited Shell globally trumped local, individual needs. That meant everything from common invoicing and finance systems to bigger more centralised distribution networks. By identifying and rapidly addressing the many areas of resistance that emerged — such as that some influential stakeholders stood to lose control or market share — adoption was accelerated.

The team of experts — made up of senior leaders, in-house subject matter experts, implementation consultants and external change experts — who delivered the change programme were crucial in this phase. They'd been picked because they had both technical understanding and could provide change leadership. They both modelled and drove the new behaviours needed for the change to succeed. They briefed the people who would be impacted by the change; risks and potential problem areas were discussed and mitigated — before any real change was even delivered.

In all major change programmes, there's always the danger that change management gets delegated; leaders distance themselves from the challenge of implementing the priorities they once championed. That can cause the initiatives to fail. In Shell's case, however, the change leadership started and finished with Jeroen van der Veer, who never drew back from emphasising how important full implementation of Downstream-One would be.

Shell is in a significantly healthier position than when the transformation started, and by that measure the programme has been deemed a success. And the ramifications of Downstream-One continue to result in ongoing change.

2. *Santander: Pulling Down To Build Back Up*

When in 2008, Santander wanted to establish a stronghold in the UK banking sector, its strategy was to acquire a portfolio of heritage-centric UK financial institutions — Abbey National, Bradford and Bingley, and Alliance and Leicester.

Grupo Santander chairman Emilio Botin felt, however, that the legacy in these UK financial institutions, dating as far back as 1849, had left them incapable of change and, therefore, unable to evolve and grow.

In buying these traditional UK financial institutions and unifying them under the Santander brand, Santander aimed to break down their engrained processes and turn them into a formidable retail bank.

To do this, they would need a fast-track, systems-led banking model. Only this could bring clarity, efficiency and best practice to institutions that had become totally entrenched in 'their way' of doing things. For incoming Santander UK CEO António Horta-Osório, his focus would be ensuring that all stakeholders grasped the value of shedding 'old ways' and embracing the new era in banking — a revolution, rather than evolution.

There were many opportunities during the change programme for cultural misunderstandings. Counter-intuitively, this can be particularly noticeable when national or linguistic similarities give a false illusion of commonality. In fact, the cultures of the UK acquisitions were very different, they had developed as regional building societies and their footprints, portfolios and client bases were each unique. This meant that forceful and careful management would be needed to integrate the systems, processes and people in the different organisations.

Those who were going to be impacted by the change were fully briefed; risks and issues were discussed and mitigated. In-branch teams, for example, were prepared for a variety of customer responses through the transition phase. Even those who weren't likely to be impacted by consolidations were given clear messages about the future. The aim of this process was to make sure they didn't just understand the change, but that they embrace it.

In January 2010, Santander UK was launched against ferocious economic and banking headwinds. By 2013, it had become one the country's leading retail banks and one of the largest providers of savings and mortgages. And António Horta-Osório had been moved to lead change at another, even bigger, banking institution — as CEO of Lloyds Banking Group.

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3. Direct Line: Disruption Brings Opportunity

Among leadership teams, there tends to be two views about change. One: change is risky and means disrupting repetitive processes that leaders have been rewarded for improving over time. And two: change is something that can be delegated, like other implementation-based activities such as project management and risk.

Actually, change programmes are most successful when, as a result of external factors, there's a shared sense of urgency to deliver tangible change.

Following the 2008 financial crisis, RBS Group was ordered to sell its insurance business by European Union regulators, as a condition of RBS receiving £45bn in state aid. RBS's insurance business, led by Paul Geddes, was tasked with separating its operations from RBS Group into a standalone company, in order to be ready for either a trade sale to a competitor, or listing on the stock market.

It's a testament to Geddes, and the insurance business' leadership at the time, that they turned the opportunity into a positive exercise and used the separation process to create a viable, standalone, rebranded insurance organisation, now known as Direct Line Group. It took 18 months to separate out every single strand of the business, from customer data, to independent functions and governance. This was very much a case of operating from a burning platform.

The entire approach had to be one of controlled urgency, there was no plan B and the leadership teams embraced the need to shift their people on to the next step as rapidly and as efficiently as possible. Once the separation had been effected, the focus was on creating a new brand and rapidly building the business into a viable standalone operation.

In 2012, the board went for an IPO that turned out to be the biggest and most successful London stock market listing that year. Its success heralded the start of a new, post-crisis IPO era. The Direct Line Group's share price has continued to climb since it floated.

Paul Geddes remains the CEO of the quoted business.

4. Ooredoo, And Delivering Explosive Value Through Change

The state of Qatar is the world's richest economy, per capita. In 2005, its state-owned telecom company Qtel, led by chairman Sheikh Abdullah Bin Mohammed Bin Saud Al Thani, and CEO Dr Nasser Mohammed Marafih, embarked on an ambitious acquisition spree; by 2012, Qtel owned 17 telecoms operators in the Muslim world and had become the world's fastest growing telecoms operator by revenue.

And each of the acquired telcos had been left to operate largely as they had done pre-acquisition.

In 2012, however, Qtel began to shift its strategy away from growth through acquisition, towards growth through integration. Sheikh Abdullah and Dr Nasser decided to pull all their diverse telecoms brands into one mega-brand, Ooredoo. This would give them the opportunity to focus on what they actually wanted their international telecom company to deliver — transformational change in the telecoms sector. The change management teams set out to identify what they wanted their brand to stand for. They defined a series of unique branding propositions that would, ultimately, give them standout recognition. They wanted to offer the Muslim world greater freedom of communication and choice and, in particular, they wanted to be seen as helping rural communities and women, gain a voice.

They wanted to change their world for the better.

In February 2013, the new global brand Ooredoo was launched from a standing start in a matter of weeks in Qatar, with the iconic footballer Lionel Messi introduced by Sheikh Abdullah as the global brand ambassador. It was a stunning success, gaining market share within weeks. With a customer base of more than 95 million people in 17 countries, Ooredoo rapidly became a leading international brand.

Alignment, clarity of purpose and a ruthless focus on implementation showed the world what Qatar and Qataris can do.

5. Y2K, And Making The Case For Change

In the late 1990s, industries around the world were becoming increasingly alarmed that all software would reset itself on 1 January 2000. Fear spread, and a generation of businesses was set up to address this impending crisis, known as Y2K (Year 2000).

No CEO worth his or her salt could say they wouldn't address this change. It was a classic Doomsday scenario, driven by the book *Computers in Crisis* by Jerome and Marilyn Murray. Following publication in 1984, it was picked up in USENET discussion groups and in the early days of the Internet, built momentum from there.

In the history of business, no change management programme has galvanised businesses like Y2K. The consequences of inertia were all too clear. In this instance the success of organisational change — supporting the delivery of crucial business strategies — was driven by a common and effective organisational change requirement.

Setting aside the frequent misappropriation and misunderstanding of the term, effective change management enables leadership teams and their organisations to ensure successful growth and swiftly take advantage of opportunities that present themselves. In this instance, the change programme was about avoiding a global disaster.

The emphasis had to be on rapid implementation, and leaders had to avoid the temptation to try to deliver value from change. This was all about ensuring that solutions were found and implemented in time. Organisations had to be agile enough to act at short notice.

While planes never did fall from the sky at 01/01/00, we'll never know what might have happened had the clocks stopped. Although an estimated $300bn was spent ensuring that nothing occurred, Y2K was the global mobilisation that showed the promise and value of change management.

Story first published on CMI Insights, for more leadership and management stories visit www.managers.org.uk/insights

DISRUPTIVE CHANGES & DIGITALIZATION IN THE ENERGY SECTOR

By Anand Menon, Chief Technical Officer – Eng Tech Energy Management Asean, Siemens
A member of MIM

Evolution in the Energy Chain

Long-term drivers like growth for energy demand, need for replacement of aging and outdated infrastructure and the challenge to create a sustainable energy system are laying focus on the means to systematically optimise electric power grids through an intelligent network infrastructure.

The energy chain is evolving into a multifaceted, electrically and mechanically well meshed network with many new participants. The outcome would be an efficiently automated system, which is digitally fully empowered to seamlessly serve energy transactions across borders, in open, transparent markets operating under new digitally-enabled regulatory frameworks. There is a disruptive shift from topology-based to customer-centric, transaction-based business models. Management of such an Energy Grid is becoming exceedingly more complex and challenging. Networks are expanding at a much faster pace than even a few years ago and demand a high degree of individual monitoring and control. Integration of renewable and distributed energy coupled with weak infrastructures are key aspects that are being addressed.

Utilities have since long been using several applications to support transmission and distribution planning and operations, customer support and billing, asset management, and market participation. Since more than a decade, there has been a collection of new applications such as Automated Metering Infrastructure (AMI), Feeder Automation (FA), Advanced DMS etc., which are categorized as Smart Grid applications. The challenge for utilities is when and how to deploy each of these Smart Grid applications to return the most economic benefit to the organization while minimizing the negative impact on utility operations. With limited IT/IS budgets and staff, stake-holders are forced to choose which information systems to upgrade, replace and add to obtain Smart Grid benefits as they upgrade their distribution networks.

Anand Menon

Figure 1

Drivers of transformation: Distributed Energy Systems and Digitalization

Distributed energy systems and digitalization enforce each other and are shaping future energy systems which pose new challenges as well as opportunities.

Customers seeking out two primary services, reliability and resiliency have good reason to opt for a micro grid. Distributed generation close to demand reduces transmission losses and use of renewables minimizes dependency on fossil fuel and reduces CO2 emissions. If distributed generation and consumption in a certain area are integrated into one system, reliability of supply is increased significantly.

Digitalization is fundamentally changing societies and economies. Digital twins and simulation software are helping design better and more resilient electric power grids. Transparency about generation and consumption, costs, and power quality are becoming increasingly important as a result.

The goal is to put the active customer (prosumer) at the centre of the business – with the help of systems deeply linked on different levels (Fig. 1).

In the ASEAN region, there is a growing awareness on the needs and necessities for Digital Grids with implementation of several projects, especially in Automated Metering and Infrastructure, in varied stages of progress. Digital substation pilots are being conducted to demonstrate robustness and reduced lead-times while a single platform approach is being recommended for energy management solutions. There are also plans afoot to improve SAIDI and SAIFI through feeder automation technologies. Focus areas are depicted in (Fig. 2).

Way Forward..

Planning the future energy supply means defining optimum trade-offs between reliability, sustainability, and costs. The grids of the future have to be easily adaptable to new challenges in order to manage our changing energy systems.

The Siemens integrated platform strategy combining the grid control (OT) platform and the grid applications (IT) platform offers added value to utilities through various use cases. Using smart meter information in OT platform helps grid operators to identify network problems before receiving customer calls. That enables faster outage detection and restoration time. On the other hand, the IT platform utilizes outage information from the OT platform to notify the consumers pro-actively about the outage situation, restoration activities, expected duration via e.g. webchannel or mobile app.

Furthermore, the IT platform also offers an analytics environment based on state of the art technology, and advanced analytics applications to leverage more value from the existing data.

In order to enable cross vertical use cases, new business models, and new service offerings to consumers and prosumers in a networked ecosystem with multiple infrastructure domains, Siemens has launched a cloud-based, open protocol operating system for Internet of Things termed MindSphere.

Another technology with disruptive potential is Blockchain which can be used for a variety of applications, ranging from recording transactions between business partners to peerto-peer (P2P) energy trading in and between distribution grids (cells) thus leading the transformation to a robust non-hierarchical energy system.

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Nature of New Businesses

With the increase in renewable sources in the energy mix and advent of Smart Grid, there has been substantial impact in businesses serving the electricity value chain from generation to consumption.

At a generation level, there are a host of renewable energy technologies such as wind, solar PV, solar concentrated, biomass, biogas, geothermal with their interfaces to the grid such as power electronics.

There also is a great demand for high efficiency fossil-fired plants such as combined cycle natural gas, apart from equipment to reduce CO2 emissions such as flue gas filtration.

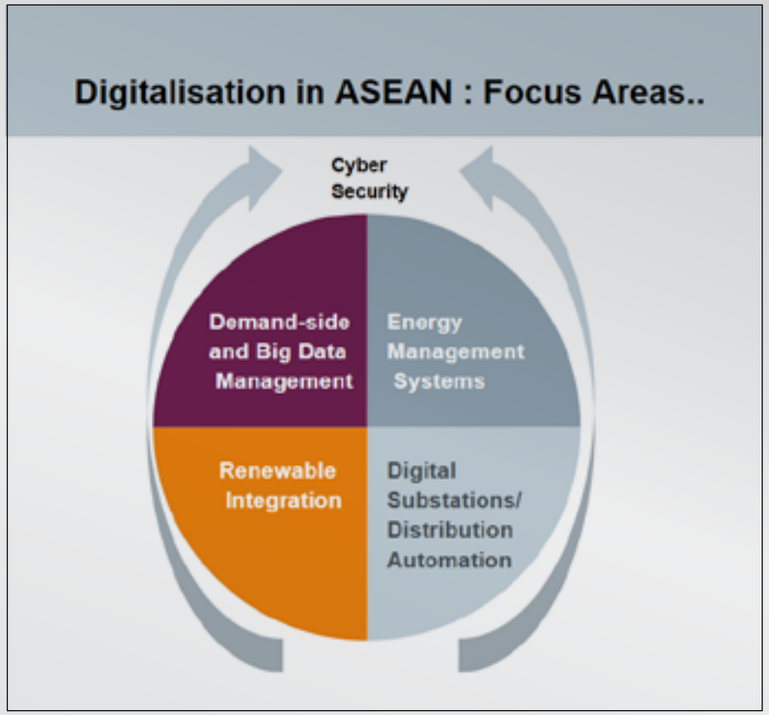


Figure 2

> ***"Digital twins and simulation software are helping design better and more resilient electric power grids"***

In transmission, HVDC and FACTS play a major role along with grid strengthening equipment such as series and shunt capacitor banks, phase shifting transformers and reactors. Off-shore platforms with switchgear and transformers also play a role in connecting the renewable production to the mainland.

In distribution, the impact is seen in the requirement of advanced distribution management systems, substation automation and feeder automation systems. To accommodate renewables, storage systems are increasingly in demand. Automated Metering Infrastructures (AMI) are being rapidly deployed along with associated communication technologies to increase transparency in the grid which also serves as the foundation for applications such as Time of Use Tariff rates, Pre-payment schemes, theft detection, remote connect/ disconnect, and Demand response applications.

Utilities are embarking on OT/ IT integration and data analytics to leverage upon the large amounts of data collected and to have a single integrated platform addressing multiple applications.

In consumption, energy efficiency has emerged as a priority to optimize energy usage especially in markets where energy government subsidies are gradually getting lifted and the electricity price passed on to the consumer. This has resulted in focus on buildings that consume upwards of 40 percent energy. Green and smart buildings need a robust building management system along with surveillance and fire security. Higher efficiency variable speed electric drives and chillers besides lighting appliances are sought to improve efficiency and reduce consumption. Residential consumer awareness is enhanced through Web Portals or Inhome displays.

Words of Caution.

With Information and Communication technologies penetrating down to the distribution networks, growing interconnections create more points for potential cyber attacks to critical infrastructure such as substations, micro grids, energy management systems, etc. It is highly recommended to implement cyber security controls from a holistic perspective encompassing people, processes and products (3 P) principles.

REFRAMING: A POWERFUL WAY TO EXPANDING MIND AND ACHIEVING FLEXIBILITY

By Winston Chew, MMIM
A member of MIM

Reframing is 'changing the conceptual and/or emotional viewpoint in relation to which a situation is experienced and placing it in a different frame that fits the "facts" of a concrete situation equally well, thereby changing its entire meaning' (*Mosby's Medical Dictionary* (8th edition, 2009).

It is 'a way of viewing and experiencing events, ideas, concepts and emotions to find more positive alternatives' (*Wikipedia*).

In other words, reframing can be employed to improve working ideas and relationships. Reframing is also a very powerful creative process leading to new solutions.

Our ability to reframe any challenging situation is crucial to our success in problem-solving and crisis management. Such ability entails a positive attitude and mindset that constantly seeks to view and comprehend situations from various angles and explore alternatives. Reframing inherently adopts an optimistic disposition with a wider perspective, constantly avoiding narrow framing which could lead to the trap of tunnel vision or blind spots.

Our ability to reframe is often limited and confined by our own frame of mind and imagination. Those limitations may be caused by our upbringing, environment, training and choices we make. When we attempt to reframe a given situation, we seek to make better sense of the situation, and that would naturally involve our perception. Perception is how we interpret the information we receive from the external world. Our past experiences play a significant bearing on how we perceive events. Reframing would require us to challenge our past experience, self-imposed assumptions, and bias.

Our ability to attribute a more positive definition to a negative event hinges on our keenness to look for new data within the same experience. These new data are often hidden from our initial perception due to our preconceived ideas, selective attention, personal bias, or emotional blind spots. In order to overcome the pitfalls of bias or to avoid being trapped with narrow framing, there is a need to re-examine the available data, revisit initial interpretation, challenge self-imposed restrictions, identify possible blind spots and reconsider other options and possibilities. This can be done through feedback solicitation, keen observation, self-discovery and shared-discovery. There is a need to cultivate new attitudes, avoid the blame game, be more open-minded, and be more solution-focused.

Our contribution depends on how we can make and remake our resources. Our resources within must be fully utilised and our best effort constitutes our maximum input and contribution to the team. We can further expand our contribution to the team by expanding our resources by building our capacity. Personal capacity building and growth must be intentional and purposeful.

Learning to reframe is a powerful way to expand our mind and achieve desirable results. The more we engage in reframing a given situation the more we expand the definition and meaning of that situation. Ultimately, the art of reframing is an essential power tool for anyone who desires to become an agile leader in the 21st century.

ORGANISATIONS CHANGE WHEN PEOPLE IN THEM CHANGE

Communication and employee participation are crucial for the successful implementation of organisational change

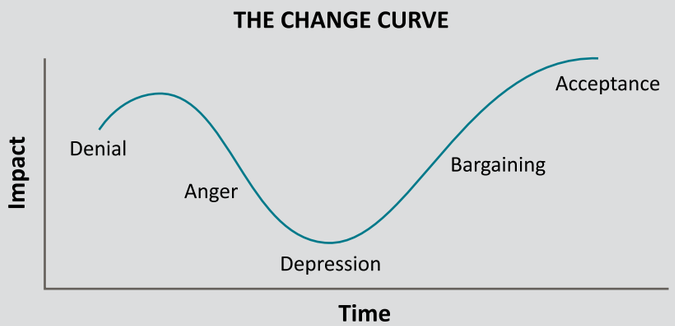
By Shantini Devi D. J. Paul, MMIM
A member of MIM

Organisations may undertake changes such as reengineering, restructuring and reorganising for the sake of survival, growth and competitive advantage. In a transformational change, an organisation's strategy, structures, operating systems, capabilities and culture may be fundamentally changed. Does the change in the new strategy, structures and operating systems mean that the change initiative is successful?

Although changes are usually initiated for positive reasons, studies have revealed that change efforts often suffer a dismal fate due to employees' resistance to change. John Kotter, *(Leading Change,* 1996*)* revealed that only 30 percent of change programmes succeed. A survey done by McKinsey on 'Creating Organisational Transformations' in 2008*;* revealed similar results, i.e. only one transformation in three succeeds (McKinsey quarterly, August 2008).

Among others, common reasons for resisting the change efforts were fear of the unknown; the inability to see the need for change; a desire not to lose something of value or their comfort zone; a misunderstanding of the change and its implications; a low tolerance for change; concerns about the new competence or skills requirement; etc.

The Kubler-Ross Change Model is a popular model used to understand the stages of personal transition in an organisational change. The model explains how employees may react and undergo a few psychological stages during a change initiative.



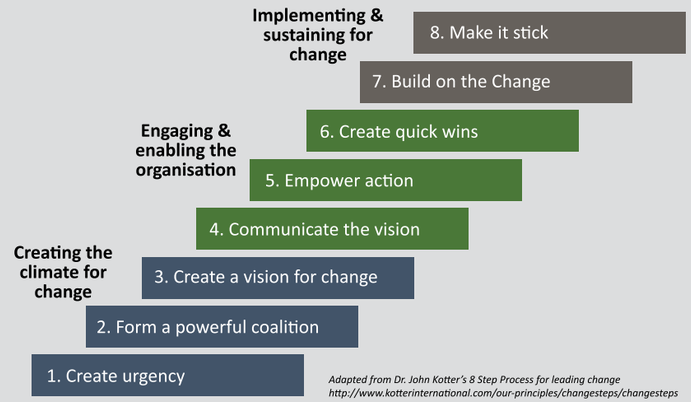
The Kubler-Ross Change Model

Firstly, employees may be in a state of 'Denial', whereby they may not want to believe the news, the reality of what is happening and may not be able to digest the fact that they may have to undergo change and adapt to something new. This stage can result in a dip in productivity and the ability to think. Here, the employees should be given plenty of information to prepare themselves especially on forthcoming changes, who will be affected, how the change will take place, where to get help, etc.

At the second stage, employees may begin to feel the fear from what lies ahead and this may turn into anger and resentment. Employees may begin to lose trust in the organisation's pursuits which may then lead to a cynical attitude towards the organisation. Cynicism involves frustration and negative feelings toward an organisation and has the potential to undermine change programmes. At this stage, change leaders ought to acknowledge employee responses and reactions to understand the issues better and make more informed decisions.

The third stage may seem to be the lowest point in life for the employees. They may dip into a state of depression in which they may show signs of sadness, low energy, low motivation, loss of trust in the management and organisation, etc. At this stage, engaging employees to bring their workplace experiences to contribute to the change process would provide an avenue for pooling resources to solve problems and reach objectives. On the other hand, employees would also have a better understanding of the complex business environment and how trust is built between the organisation and its employees *(The Stakeholder Engagement Manual,* 2005*)*.

Thereafter, the change curve starts moving upwards as employees begin to understand the change and realise how they must adapt to the new situation. They start to realise, understand and perhaps accept the importance of the change.



John Kotter's 8' Step Process for Leading Change

The Change Curve can help one understand and deal with changes and personal transitions. The model supports that communication and employee participation would play a critical role in influencing the employees' commitment towards organisational change. How many organisations out there actually employ effective communication strategies and engage employees in their change management initiatives? In the book, *Leading Change* (1996), John Kotter outlined the 8-Step Process Model for:

- creating the climate for change;
- engaging and enabling the organisation; and
- implementing and sustaining for change.

Under 'engaging and enabling the organisation', Kotter identifies communication and empowering employees for a successful change implementation. In Kotter's perception, employees engaged in the change management initiatives are likely to have increased 'buy in'.

In communicating any new vision, various communication strategies have to be employed so that communication is not only explicit, it may also be able influence effectively.

Communication strategies would include timely communication, messages that address employees' concerns, and communication that is delivered in an appropriate way. The richest and most preferred medium for delivering information would be face-to-face contact. Communications that come from top management must be consistent with their actions, i.e. leaders must walk the talk to establish trust and credibility. Communication channels should also be open and should invite debate and new ideas about ways employees can contribute to the transformation. Communication should match the behavioural stage of the given audience and persuasive communication should be used to tackle individuals at different levels who may be resisting change. In Kotter's perspective, 'Resistance can be reduced through communicating with employees to help them see the logic of a change' (John Kotter *Leading Change,* 1996).

Kotter also supports that employees should be empowered to participate in an organisational change. They should be given the opportunity to shape the change so that they feel it is their own. Utilising the strategy of employee involvement not only enhances two-way communication within the organisation, it also sends a clear message to employees that they are valued and that the organisation trusts them enough to be included in the decision-making process. Thus, change leaders need to develop strategies to engage employees effectively to gather their commitment towards the change initiative.

Organisations don't just change because of new systems, processes or structures. They change because the people within the organisation adapt to the changes. Organisations reap the benefits of change only when the employees within the organisation have made their own personal transitions.

MANAGING WITH THE HEAD LEADING WITH THE HEART & INSPIRING FROM THE GUT

Taking the management leadership journey...

By Lai Wai Lin, AMIM
A member of MIM

Many workshops, programmes and books written on the development of management and leadership qualities expound the importance of developing managerial and leadership traits for success. Whilst the programmes impart knowledge; skills and practice of management and leadership; and books provide theories and insights into developing leadership; it still leaves us with the eternal enigma — what *really* makes outstanding managers and leaders? Is it charisma? Is it intellect? Is it vision and belief? Or is it the accumulation of hard work in constantly driving to succeed and exceed expectations?

BusinessDictionary.com defines management as *'the organisation and coordination of the activities of a business in order to achieve defined objectives'*. Activities in management include planning, organising, leading and controlling of resources, be it physical or people resources. These are the day-to-day tasks and roles that are expected of managers.

Leadership is *'a process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task'*, says *Wikipedia*. Leadership is the act of leading with a compelling vision and influencing people around us to support and achieve that vision.

The definitions above clearly outline the tasks and expectations of the roles carried by someone with the title 'manager' or 'leader'. Many of us aspire to become managers and leaders. Whilst many succeed, there are others who fall by the wayside being weighed down by the expectations and responsibilities that such a title carries or they get carried away by the influence power of the title.

What then, is the key success factor that differentiates those who succeed and those who do not?

Leap of Commitment

The first step towards managership or leadership is to first acknowledge and accept the role laid upon us. This role is usually perceived as a performance related reward or perhaps recognition for certain qualities a person may possess, all of which could potentially contribute to business success.

However, a common mistake many supervisors make is that they promote a subordinate without taking the time to understand the person's aspirations. Most of us would think that it is not unusual for people to aim for the stars. Success is about taking leadership. However, more often than not, *Peter's Principle* occurs in organisations — a person is promoted to his or her level of incompetence. Individual contributors who have excelled based on their achievements, successes and merits are promoted to managerial responsibility where they struggle to perform. The skill sets and competencies that have served them technically well thus far, do not equip them to perform similarly as people managers.

There are instances in talent feedback conversations that staff are not really interested in additional responsibilities. They would prefer to be experts managing their own area of expertise than be managing or leading other people. Supervisors need to recognise this or else they lose their talents without realising it.

To transition into the role of manager or leader, we first need to ACCEPT the role — take it, not because we have to do it, but because we WANT to do it. Not because it's the natural career progression in any corporate career path (with of course a bigger pay cheque), but because more importantly, it is an aspiration.

This leap of commitment to undertake the responsibility as a manager or leader is the crucial tipping point. Unless and until we take this leap and deep inside acknowledge this aspiration and willingly undertake it, our managerial or leadership careers may not be able to take that step forward even if we carry the 'manager' or 'leader' title.

> ***"To transition into the role of manager or leader, we first need to ACCEPT the role — take it, not because we have to do it, but because we WANT to do it. Not because it's the natural career progression in any corporate career path (with of course a bigger pay cheque), but because more importantly, it is an aspiration."***

Once we have taken the leap of commitment, now it's time to use our heads, hearts and guts.

Managing With the Head

Managing is the act of planning, organising, leading and controlling people, tasks, resources, etc. Hence the 'Head' is needed in thinking through, analysing, planning and putting in performance measures for our team.

Competencies at this stage of management involves analytical and creative thinking; problem solving and decision-making; self-motivation and drive to achieve; effective enforcing; persistence and resilience, etc. — all task-oriented traits that contribute to a person's performance in managing the team like a well-oiled engine.

Leading With the Heart

To lead, we must ensure that people are willing to follow us. If there is no one following, then how can one lead? To compel followers, we must first have a vision and objective, a common goal that everyone in the team can work towards.

Achieving is no longer a self-effort, but a team effort. At this stage, we cannot use the 'Head' and force the team to follow us if they do not believe in a particular vision. Great leaders have willing followers who believe in them. To persuade people to a greater objective, we need to appeal to the 'Heart'. As Simon Sinek says, it needs to be a compelling 'Why' message, and not a 'What' message.

Competencies at this stage of leadership involves creating impact and influence with the team, leading and energising people, devoting our time to coaching and developing others.

Inspiring From the Gut

A person who 'has guts' is one who has the courage or fortitude for something. A person who uses gut feelings uses his or her personal, intuitive feeling or response. To inspire from the gut appeals to the underlying values that a person carries within himself or herself that provides the fortitude and a very personal conviction towards a cause or value that he or she carries.

To inspire people to the direction we want to move them to, we must be able to provide a compelling and appealing vision that is achievable to them, and the way to go about achieving it. In that, we need to have strong personal values and life themes in which we base our inspirations from. If this conviction does not come from within us, the inspiration will not come across as genuine to others. Our behaviours will not be consistent. Hence inspiring from the gut is the essence through which consistent influencing of the vision and direction that comes from within what the person values, is translated into an inspiring vision that others may want to follow.

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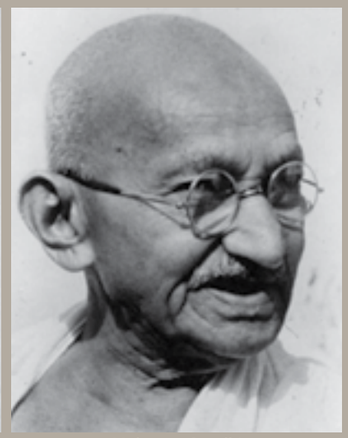
Tunku Abdul Rahman


Mahatma Gandhi


Mother Theresa

There are many examples of truly inspirational leaders who have achieved significance through the values and causes they promote: Mother Theresa — humanitarian; Mahatma Gandhi — non-violence struggle for freedom; Nelson Mandela — championing anti-apartheid; Martin Luther King — civil rights movement; and closer to home, we have, Tunku Abdul Rahman — the father of Malaysia's independence; Malaysia's past Prime Ministers; and many of Malaysia's corporate leaders.

Competencies at this stage of inspirational leadership are the values that we carry with us, our personal brand, our thinking and our beliefs.


Martin Luther King


Nelson Mandela

The Management Leadership Journey

Taking the first step into our management leadership journey takes commitment. As a manager, we are faced with heavy expectations and responsibilities. Some of us take on the challenge, and ace the managerial test; some of us struggle at first and pass many hurdles before we get there; and some of us may face a constant dilemma of, 'Is this role what I really want?'

To be committed to this direction, we will need to explore our life themes, values and wants. Supervisors will need to understand the expectations and wants of members of their team. To manage and lead, we will need to have the management and leadership competencies discussed. The full package of the commitment and management leadership competencies will help us towards success.

We will pass all these phases in our managerial career development progression. Take courage to make the first step and the leap of commitment to take these on, and then use your head, heart and gut to manage, lead and inspire.

ALL THE BEST IN YOUR MANAGEMENT LEADERSHIP JOURNEY!

MALAYSIAN INSTITUTE OF MANAGEMENT
Institut Pengurusan Malaysia

INDUSTRY 4.0 & DIGITALISATION CONFERENCE 2017

4-5 September 2017, Sunway Putra Hotel

Professor Dr. Holger Kohl, Vice Director of Corporate Management Fraunhofer, Institute for Production Systems and Design Technology (IPK), speaking about Industry 4.0 in Manufacturing and Production Sectors in Malaysia

The participants at the conference

The Industry 4.0 and Digitalisation Conference held at the Sunway Putra Hotel from the 4th to 5th September 2017 proved to be an insightful sharing session with key industry leaders sharing on the process of moving Malaysia into the fourth industrial revolution. The two day conference was officially opened by the Guest of Honour, Professor Madya Dr Ramzah Dambul, Deputy Secretary General, Science, Technology & Innovation (STI), Ministry of Science, Technology & Innovation (MOSTI).

Organised by The Malaysian Institute of Management (MIM) & Talent Development (M) Sdn Bhd, the conference looked at the urgency with which Malaysia needs to respond to the fourth industrial revolution with changes happening globally as more and more jobs move into automation.

The conference kicked off with discussions on the 9 pillars of Industry 4.0 which included autonomous robots, simulation, horizontal and vertical system integration, the industrial internet of things, cybersecurity, the cloud, additive manufacturing, augmented reality and big data analytics. Discussions on getting Malaysia's human capital Industry 4.0 ready were well underway at the conference with the apparent need for the Malaysian workforce to re-skill and up-skill themselves being an issue of top priority.

"It is an exciting time for the industry in Malaysia as we are faced with winds of change and are preparing to move ourselves into the fourth industrial revolution. Staying relevant in the face of Industry 4.0 will prove to be a challenge for Malaysian businesses and that is why a conference such as this is important as it breaks down the necessity of re-skilling and up-skilling ourselves in order to constantly remain on the cutting edge of change," said Professor Madya Dr Ramzah Dambul, while addressing the audience in his keynote speech.

Speakers included Professor Dr Kohl Holger, Vice Director of Corporate Management, Fraunhofer Institute for Production Systems and Design Technology (IPK); Dr Lutz Seidenfaden, Head of IT Competence Centre APAC, Festo AG; Dato' Dr Haji Amirudin Bin Abdul Wahab, Chief Executive Officer, Cyber Security Malaysia; Mr Adam Yee, Senior Vice President & Country Division Lead Digital Factory & Process Industries and Drives Control Products ASEAN, Siemens Malaysia Sdn Bhd; Mr Swaroop Balakrishnan, Regional Sales Director Asia Pacific; Robert Bosch (SEA) Pvt Ltd (Singapore); and Mr Lim Kah Cheng, Chief Strategy Officer, Human Resource Development Fund (HRDF).

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From left to right: R. A Thiagaraja, CEO of Talent Development (M) Sdn Bhd; Dato' Dr Haji Amirudin Bin Abdul Wahab, CEO of Cybersecurity Malaysia; and Sivanganam Rajaretnan, CEO of Malaysian Institute of Management, sharing insights on Industry 4.0 with the media.

Johan Mahmood Merican, Deputy Director General (Human Capital cum Head of TN50, Special Unit – CSDU, Economic Planning Unit), Jabatan Perdana Menteri, speaking during a panelist session.

Ong Chee Tat, National Deputy President of SME Association of Malaysia sharing insights on the challenges, threats, and opportunities of Industry 4.0 in Malaysia.

From Left to Right: Sivanganam Rajaretnan, CEO of Malaysian Institute of Management and R.A Thiagaraja, CEO of Talent Development (M) Sdn Bhd, main organisers of The Industry 4.0 & Digitalisation Conference 2017.

Guest of Honour, Professor Madya Dr Ramzah Dambul, Deputy Secretary, STI (Science, Technology & Innovation) Ministry Of Science, Technology & Innovation (Mosti), giving his address at the conference.

FACING UP TO DIGITAL DISRUPTION

MIM
MALAYSIAN INSTITUTE OF MANAGEMENT
Institut Pengurusan Malaysia

Reinventing Your Communication Strategies, A Masterclass Programme 2017

The Facing Up to Digital Disruption Reinventing Your Communication Strategies, A Masterclass Programme held at the Pullman Kuala Lumpur Hotel from the 17th to 18th July 2017; and at the Vistana Penang, Bukit Jambul from 20th to 21st July, focused on 'modernised PR' which teaches digital communications and social media with a focus on measurement, evaluation tools and best practices which will support the journey in convincing Senior Management/Business Leaders on how PR can support and contribute to achieving business goals for organisations. A two-day programme at Kuala Lumpur and Penang by the founder and board member of the UK Word Mouth Marketing Association, Mr Stuart Bruce, is the founder and principal of Stuart Bruce Associates, an independent international management consultancy.

Organised by The Malaysian Institute of Management (MIM), the programme looked at the insights on key elements of effective and social media strategies for PR professionals across different business segments and verticals; exposure and discussion on global best practices using relevant case studies; and Practical workshop exercises to help embed the new knowledge.

KL Team Group

Interactive session with Facilitator

Penang Team Group

Stuart Bruce, Facilitator

Team discussion

LEADING EFFECTIVELY IN THE DIGITAL ERA

The Digital Leadership Conference held at Shangri-La, Kuala Lumpur on 11 September 2017 proved to be an engaging powerhouse of professional expertise, experience and ideas. The one-day conference was officially opened by YABhg Tun Hj Mohammed Hanif Omar, President of the Malaysian Institute of Management. Organised by The Malaysian Institute of Management, the focus of the conference was to gain insights on building skills, adapting and overcoming challenges and discovering strategies for leading effectively in this digital era.

With an A-list of speakers and business leaders from a wide spectrum of industries, the day was packed with a range of expert insights and open dialogues on how leaders can step over the digital divide; drive digital innovation and transformation; compete and respond to the new wave of digital dynamics; explore new opportunities; and embrace a digital mindset and innovation to enable digital maturity.

The Speakers were:

- *Ir* Siva Ramanathan
  Chief Strategy Officer, MDEC
- Douglas Dean
  Global CEO, Human capital Group Asia Ltd, Hong Kong
- Imran Kunalan
  Principal Consultant, Huawei Technologies Ltd
- Joey Caisse
  General Manager, Pickles Asia
- Kiriat Argenio
  Director, Zalora Malaysia
- Jia Wen Chuah
  Industry Manager, Google Malaysia
- Karamjit Singh
  Founder & CEO, Digital News Asia
- Barbara Dosetter
  Managing Director, Advisory Services, Asia Pacific, C10 Connect
- Hari Nair
  Group Chief Strategy & Innovation Officer, Sime Darby
- Joachim Sebastian
  Founder of Everpeaks Consultancy and Ambassador for Payoneer
- Manirajah Kulanthavelu
  CEO, Webonline Dot Com sdn Bhd
- Jun Fwu
  Research Director, Datacentre Group & IDC ASEAN Research Group
- Revin Rajan
  Principal Consultant & partner, Human Capital Group Asia Ltd, Hong Kong
- Kevin Chong
  Business Chief Information Officer, Petronas

The key themes featured were:

- Lead Digital Transformation
- Explore New Opportunities
- Reimagine Value Proposition
- Become Customer Centric
- Improve Culture
- Embrace Digital Talent

Throughout the day and combining all the expert insights and discussions, the common thread and resounding theme was mainstreaming digitalisation into business organisations. Tomorrow's technology is already here and it is interfacing with humans. The digital revolution is already happening and is impacting companies, jobs, education, etc. This is the reality and we must accept disruption as the new normal, according to *Ir* Siva Ramanathan in his keynote address. Citing Malaysia as an example, internet consumption or users is above the global average — we have embraced disruption in our digital economy and we have understood the reality and relevance of the gig economy. The digital revolution in Imran Kunalan's view represents an open, inclusive approach to managing technology driven disruption and is a way for organisations to embrace constant technological change. Global megatrends seem to dictate that companies are directly impacted by three trends, ie Digitisation, Mobility and 'everything as a service'. Douglas Dean too was of the view digitisation requires business leaders to reimagine the entire journey for employees and customers where digital is not only first, it is fundamental.

So how do we unlock the digital divide? The key a digital leader needs is the ability to adopt several strategies. Siva Ramanathan advises that in the digital age, the digital leader does not micromanage and instead has to envision, empower and enable. To inculcate the digital culture, the digital leader has to be different, approachable and generally, walk the digital talk. He/she needs to enable the business to embrace digital adoption by identifying the opportunities and challenges in the digital space.

The other key would be the need to be creative and innovative. Imran Kunalan points out that innovation starts at the top. Leaders need to create the vision and live the values. They need to create an innovation culture that fits. Innovation is a team sport. Operating inside silos is deadly, they need to collaborate. Innovation is a business affair and it is the commercialisation of an idea or a process and it is about looking at people and seeing their viewpoint, not yours.

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Tun Hanif (left), President of MIM and Mr Sivanganam Rajaretnan, CEO of MIM


Dato' Ng (left), Chairman of MIM


Mr Joseph Gomez (right), Vice Chairman of MIM

Transformation is another important stage for the digital leader. For Douglas Dean, the framework for digital transformation would be business vision of the digital future; full employee engagement to make the vision a reality; strong digital governance; combine technology with business communities; and finally recognise that customer experience sits at the heart of digital initiatives. The leader also needs to give up complete control, 'let go' and become a coach. Revin Rajan's roadmap for the leader is to drive customer centricity; engage employees and commit to teams; adapt; invest in lifelong learning; and build a networked business. The leader needs to consider if he/she is leading the business or leading people. Does he/she want to lead or just manage the business? Echoing Douglas Dean, managers need to turn coaches. The future leader is a master of process, ie he/she listens, asks, explores, influences, collaborates and takes responsibility.

Next, the digital leader has to consider the most important part of the business process, ie the customer. Barbara Dossetter reminds us that we have competitors and therefore we have to find and engage with our customers. They have to trust us and we have to keep servicing them. If you are defining a digital strategy for the organisation, it is important that you understand the customer journey from beginning to end. That journey should be a good one because the customer is now in the driving seat and thanks to social media, a customer can destroy a company or brand in minutes! Any future business model must consider who our customer will be in the future, what their needs are and what they value most? Digitalisation is also mindset change. It's all about the customers and we need to research new generations, their tastes, their trends and their habits, etc. Douglas Dean very aptly advises that we have to put the customer at the heart of any project journey.

At the end of this very successful conference, attendees would have been able to come to a very clear conclusion, that the digital revolution is imminent. Many organisations may be in transition where traditional vs digitalisation, but the only way to survive and remain relevant is to provide a technological infrastructure or platform and digitally reinvent, in order to drive levels of efficiency and overall growth.


MDEC Chief Strategy Officer, Ir. Siva Ramanathan


Panel Session 1 with Pickles Asia, Zalora and Google. Moderated by Digital News Asia CEO


Panel Session 2 with Sime Darby WebOnline, Petronas and Everpeaks Consultancy. Moderated by Digital News Asia CEO

23RD TUN RAZAK YOUTH LEADERSHIP AWARD

A 6-Day Experiential Leadership Programme
19–24 August 2017

"There is more in us than we know. If we can be made to see it, perhaps for the rest of our lives we will be unwilling to settle for anything less – Kurt Hahn"

Here they are! The best of the best — The 23rd Tun Razak Youth Leadership Award Programme from the 19th–24th August 2017 organised by the Malaysian Institute of Management in collaboration with the Outward Bound Malaysia (OBML), our most popular leadership programme of the year. Judging by the common themes, our participants focused on speaking up, building confidence, maintaining a leaderly mindset, and developing new leadership strengths.

The 6-Day Experiential Leadership Programme is a transformative leadership programme targeted for Emerging leaders, Team Leaders, Executives, and high potential employees between the ages of 24 to 36. The experiential leadership programme was 'life-changing' for many participants. There were a series of vigorous outdoor activities that required team work, harmony, trust, empathy, respect and discipline to prepare the participants for enhanced performance. With basic living conditions, the 13 participants from various organisations were expected to demonstrate leadership skills. Within natural surroundings, the programme featured various tasks and activities that required participants to work together to overcome challenges and prove themselves as independent and worthy leaders.

Among the tasks were kayaking, camping in the wilderness and abseiling. It was a first time for many of the participants.

The programme serves to foster young talents in terms of leadership and teamwork where participants can nurture and bring the values learnt, back to their workplace.

Visit to Naval Base Camp

Group photo

Leadership Session at MIM Office, Jaya33

Award ceremony- TRYLAN of 23rd Tun Razak Youth Leadership Award – Joel Dass, Boustead Holdings Berhad

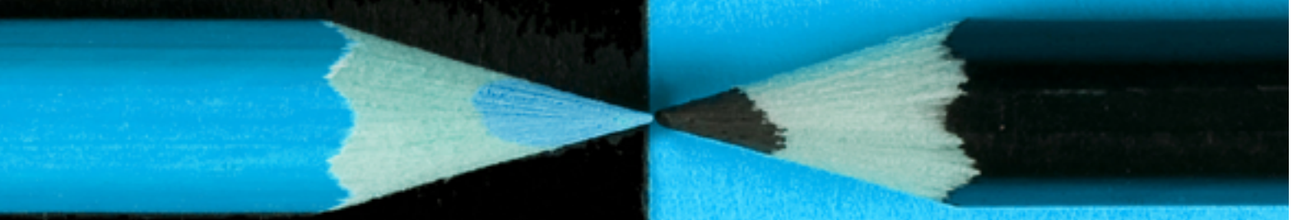
Group picture with the participants, CEO Mr Sivanganam Rajaretnan and facilitator Mr Yogalingam (4th from left)

Debriefing by OBS Personnel

Getting In and Setting Out - Building the strong foundation for kayaking

Morning Exercise

CONFLICT OF INTEREST IN THE WORKPLACE AND ITS CONSEQUENCES



By Prof. Dr. Ashgar Ali Mohamed

Ahmad Ibrahim Kulliyyah of Laws
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Introduction

The employment relationship is a fiduciary one where the core obligation is one of loyalty and integrity — the key characteristics an employee should possess, no matter what form of employment he is engaged in (see, *Kvaerner Petrominco Engineering Sdn Bhd v Virginia Jaqueline Chan* [2007] 1 ILR 494). It includes, the employee's obligation to act in good faith; not to make profit out of his trust; not to place himself in a position where his duty and his interests may conflict; not to act for his own benefit or the benefit of a third party without the informed consent of his employer; and not to misuse the employer's confidential information for his own benefit.

Further, it is an implied term that the employee will serve the employer in good faith. In turn, the employer places confidence and trust in the employee and this includes trusting the company's property in their care. The employee should not betray the trust and confidence reposed on him by the company. An employee who defrauds the company by falsifying and manipulating the company's documents and divulging the company's business information to a third party without prior approval or authorisation from the company, amongst others, would be committing acts of a grievous nature (see, *Normalina Mansor v MSU Holdings Sdn Bhd* [2017] 3 ILR 183 and *Ho Khoy Li v KS Lau & Co* [2016] 2 ILR 586). The integrity of the employee in the aforesaid circumstances would be seriously jeopardised as he would have breached the very foundation of his contract of employment. It would be difficult for any employer to repose trust and confidence in the said employee thereafter.

An essential component of the employee's duty of fidelity is the obligation to serve in the best interest of the employer. An employee should not place himself in a position where his interests conflict with his duties. As aptly noted by the Industrial Court in *Esso Production Malaysia Incorporated v Md Yusof Nordin* [1997] 2 ILR 711, 'the employee is required at all times, to act in a faithful manner and not to place himself in a position where his interests conflict with his duties.' It would be a clear violation of the duty of fidelity when an employee acts in conflict with the best interest of the employer for example, conducting private business during working hours, stealing the employer's customers, or supplying the company's business information to the company's competitor. In *Pantas Cerah Sdn Bhd v Lau Boon Seng* [1999] 3 ILR 216, the Industrial Court stated *inter alia*, that:

> … it is implied that the employee will faithfully with loyalty and honesty further the interest of the employer. There is a fiduciary relationship between the employer and the employee. An employee, under the payroll of the employer should not do any act which causes detriment to the interest of the employer.

It is noteworthy that an employee who has committed wrongdoings inconsistent with the employer-employee relationship would be deemed to have betrayed the trust and confidence reposed on him. In such circumstances, it would be unsafe to continue his employment and this would justify immediate dismissal. Having said the above, the consequences ensuing from workplace conflict of interest is discussed in this article with reference to the awards by the Industrial Court.

Conflict of Interest

Conflict of interest usually occurs where an employee has financial or personal interest in an enterprise competing with the employer. It can arise when an employee carries out business in competition with the employer; conducts private business during working hours, using the company's property, facilities, equipment or other resources for personal benefit; entices the employer's customers; and supplies the employer's business information to the competitor, etc. This includes receiving or accepting any gratuity, emolument or payment of any kind from any person having or intending to have any business with the employer.

An employee must avoid situations where their personal interests could inappropriately influence, or appear to influence, their business judgment for example, hiring a family member as a vendor or buying goods or services from a family business on their employer's behalf. In *Ang Bee Hong v HSBC Bank Malaysia Berhad* [2017] 1 ILR 537, the claimant, the Manager of Collections and Recoveries Secured and Property Sales, had abused her authority in that she had purchased property which had been the subject matter of foreclosure proceedings by the bank. The Industrial Court held *inter alia*, that the claimant by her actions, had acted in conflict with her duties and responsibilities and thus, had been disloyal to the employer.

Disclosure of Conflict of Interest to Employer

An employee is obliged to make a full and accurate disclosure of all relevant matters giving rise to conflict of interest or even possible conflict of interest to the employer. Disclosure is required when the employee or his immediate family members own, in whole or in part, a business entity with whom the company does or proposes to do business; and where the employee is in a decision-making role or otherwise is in a position to influence the company's business decisions regarding the business entity. Disclosure is also required when the employee holds or assumes an executive position in another entity engaged in business activities similar to those in which his employer engages. Again, disclosure is required when the employee participates in consultation

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activities of another entity engaged in business similar to those of the company, among others (see, Ashgar Ali Mohamed, Farheen Baig Sardar Baig *Employment Misconduct*, 2016). Disclosure is one of the mechanisms to safeguard the interests of the employer by making them aware of any possible conflict.

Whether or not a conflict of interest arises in any particular case, that will depend on the nature of the appointments, the functions required to be carried out by the employee and the manner in which the functions are to be performed, etc. Conducting any pre-business activities such as registering a partnership, having stationery and business cards printed, leasing a new office, purchasing furniture and equipment, and even hiring staff does not give rise to a conflict of interest. However, a conflict of interest begins when the employee goes into any kind of competition, advertises his newly established company's services or informs the employer's customer that he would be engaged in similar business soon, etc. Competing for customers is, by its essence, a conflict of interest.

An employee who acts against the best interest of the employer would clearly be perceived as being dishonest or deceptive. Dishonesty inevitably reflects on both the fitness of the employee to continue in office and the discipline and morale of the service. In *Nor Haizily Jalaludin v 3M Seremban (M) Sdn Bhd* [2014] 1 ILR 520, it was held that deliberately lying in the declaration that he had not had any other business, the employee had shown himself to be a dishonest person. It is noteworthy that, when an employee knowingly fails to declare that he is engaged in another business or that he is serving on the board of directors of another company, can be construed as serious misconduct (see, *Norizan Bakar v Panzana Enterprise Sdn Bhd* [2013] 9 CLJ 409). In *Palaniappan v Lafarge Cement Sdn Bhd (Formerly Known as Malayan Cement Industries Sdn Bhd)* [2012] 4 ILR 161, the claimant, a Manager of Procurement, was dismissed on the grounds that he had received a paid holiday to Australia by one of the company's suppliers and that he had provided a false declaration to the audit team by denying knowledge of a relationship with one of the company's suppliers. Dishonesty is considered gross misconduct and dismissal is the most severe penalty that an employer can impose. In *Royal Brunei Airlines Sdn Bhd v Tan Kok Ming Philip* [1995] 3 MLJ 74, Lord Nicholls of Birkenhead stated:

> In most situations, there is little difficulty in identifying how an honest person would behave. Honest people do not intentionally deceive others to their detriment. Honest people do not knowingly take others' property. Unless there is a very good and compelling reason, an honest person does not participate in a transaction if he knows it involves a misapplication of trust assets to the detriment of the beneficiaries. Nor does an honest person in such a case deliberately close his eyes and ears, or deliberately not ask questions, lest he learn something he would rather not know, and then proceed regardless.

Situations where a conflict of interest may arise is discussed below with reference to the awards by the Industrial Court:

1 Running a business in competition with the Employer.

Running a company that has concurrent business with the employer, entails clear conflict of interest which an employee should avoid at all costs (see, *Leong Peng Yoong & Ors v Venuganan Muniandy* [2007] 1 ILR 30). In *Noorazmi Omar v IBM Malaysia Sdn Bhd* [2016] 3 ILR 640, without the company's consent, the claimant had operated a company which had been in the same line of business as the company. The Industrial Court held *inter alia*, that the claimant had not only breached the company policy but had put himself in a position of conflict with the company, amounting to serious misconduct that had warranted his dismissal.

In *Panama Tractors Sdn Bhd v Lee Kui Sin* [1997] 3 ILR 917, the claimant whilst in the employment of the company, was at the same time running a business in competition with the company and had therefore acted against the interest of the company. Again, in *Shaiful Zahrein Mohd Nawawi v Light Way Electronics & Systems Sdn Bhd* [2015] 2 ILR 94, the claimant, a General Manager of Telecommunications, had allegedly co-founded a company called Artelligent, which seemed to be doing a similar kind of business as the company. In *Inti College Sarawak v Hardeep Singh Sandhu* [2000] 3 ILR 112, the claimant, a lecturer in the college, was dismissed after he was found guilty of being the director and substantial shareholder of another establishment, IPFM Sdn Bhd, which provided similar courses. The claimant had breached his employment contract by being involved with the recruitment of students in competition with the college.

In *Joseph Ten Ming Foo v Oculus (M) Sdn Bhd* [2009] 2 LNS 1179, the claimant had been operating his own business under the name C&T Eyewear Trading which was running a business that was similar in nature to that of the company and was in direct competition with the company's business. In *Cellular Communications Network (M) Sdn Bhd v Johari Tahar* [2001] 1 ILR 387, the claimant, a technical support manager, was dismissed on the grounds that he was a substantial shareholder and one of the directors of JTV Supplies & Services Sdn Bhd ('JTV'). JTV was the authorised representative of Mega TV which in turn was the corporate client of the company.

2 Non-disclosure of family members' interest.

In the performance of official duties, the employee should avoid giving preferential treatment to an individual, corporation, or organisation in which the employee, or a relative or friend of the employee, has an interest, financial or otherwise. Naturally by transacting business with a friend or family member, the employee may feel the urge to favour the interests of the family member over the interests of his employer. In *Saraswathy Ramasamy v FSL Logistics (M) Sdn Bhd* [2010] 4 ILR 137, the claimant, a business development executive, was accused of helping her son run a business in conflict with the company's business. She was subsequently dismissed from service. Again, in *Shell (M) Trading Sdn Bhd v Tuan Syed Azauddin B Syed Bahaldin Al Jumlud* [1994] 2 ILR 956, the claimant was dismissed after he was found guilty of contravening the company's standing instructions on conflict of interest. He failed to declare his mother-in-law's interest in a company which he had selected and approved as an authorised contractor.

In *Malaysia Shipyard & Engineering Sdn Bhd, Johor v Ismail Bin Wanjor* [1993] 2 ILR 258, the claimant had allegedly failed to disclose the interest of his close family members in the sub-contractor jobs with the company. The owner and partners of the above companies to which sub-contract work were given by the claimant, were the claimant's wife and son. In *Telekom Malaysia Bhd v Zainal Aripin Zakariah* [2005] 2 ILR 61, the claimant, a general manager had contravened the company's rules by allegedly failing to inform the company regarding his involvement in Syarikat Systems Resource Technology Sdn Bhd (SRT), a company which had business dealings with the employer. *Kelab Diraja Selangor v Lim Heng Keow* [1994] 2 ILR 25, was another case where the claimant, a Food and Beverage Manager, was dismissed for non-disclosure of his family members' interest in a catering company with whom the claimant had extensive official dealings. The Industrial Court held *inter alia*, that the claimant was in a fiduciary relationship with his employer and that his failure to disclose his family members' substantial interest in the catering company, amounted to serious misconduct. In *Cycle & Carriage Bintang Bhd v Suraj Prakash Jetly* [1997] 2 ILR 519, it was alleged that the employee, by transacting with a supplier, AZ Graphic, had put himself in conflict with the company's interests as the supplier was his brother-in-law. In *Yong Koeh v Warner-Lambert (MFG) Sdn Bhd* [1981] 1 ILR 1, the claimant was dismissed after he was found guilty of violating the company's conflict of interest policy. The claimant was alleged to have introduced a friend to J & J Ho (M) Sdn Bhd, a company manufacturing toothbrushes for his employer under the brand name 'Listerine'. The purpose of the introduction was for his friend to manufacture toothbrushes under the brand name 'Dr. Lister' which bore similarity in form and quality to 'Listerine' but sold at half the price. It was held that the claimant had not only violated the express terms in the employer's conflict of interest policy but also betrayed the faith and trust reposed on him by the company. He had, by his action, committed an act of misconduct for which he was justly dismissed.

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3 Conducting private business dealings on company's premises.
Conducting private business dealings on the company's premises during working hours even if the activities do not directly compete with the company's business, is plainly unacceptable and wrong and in breach of a fiduciary relationship. These include, direct selling, taking orders and delivery of goods and collection of payment, distribution of catalogues or order forms, storing or safekeeping of such goods on the company's premises, procurement, life insurance dealings and other transactions related to personal trading by or between staff.
In *Gardenia Bakeries (KL) Sdn Bhd v Wong Tuck Leong* [2006] 1 ILR 325, the claimant was dismissed as he had carried out his private business transactions within the company's premises during working hours. Again, in *Gardenia Bakeries (Kl) Sdn Bhd v Shin Chin Peng* [2007] 4 ILR 241, the claimant, a production manager, was dismissed as he had been involved in selling insurance policies and direct selling products to the personnel and families of the company's main raw material suppliers.
It is equally important to note that an employee should not use the employer's business equipment or office facilities for his personal gains. In *Indah Water Konsortium Sdn Bhd v Jasuaih Bobby & Anor* [2005] 1 ILR 84, the first claimant, an operator, and the second claimant, a tanker driver, were dismissed after they were found guilty of doing unauthorised/private desludging work using the company's equipment at a house in Kepong. Again, in *Safeguards Corporation Bhd v Mohamad Ali Hj Abdullah* [2003] 1 ILR 14, the claimant held the position of recruitment officer and his primary duty was to recruit personnel. He was found guilty of diverting security guards who were recruited to work for the company, to work in another company. It was held *inter alia*, that misusing company's property for personal gains as above inevitably reflects their fitness to continue in office as their conduct would have destroyed the ingredient of mutual trust and confidence that is essential in a fiduciary relationship. In *Federal Auto Cars Sdn Bhd v Roslan Zahari Effendi* [2000] 1 ILR 636, the claimant was alleged to have set up a business without informing or obtaining prior approval from the company, and that he had taken advantage by using the office facilities and had actually conducted his private business during office hours. In *Mohamad Muda v M3nergy Berhad* [2015] 2 ILR 64, the claimant, a General Manager, was dismissed after the inquiry panel found him guilty of allowing the unauthorised use of his company car and petrol card by members of his family.

4 Removing and/or transmitting Employer's confidential information without authority.
Removing and/or transmitting sensitive and confidential information relating to the company's business strategies, market research data and list of clients and their contact details, among others, to an unauthorised third party is considered gross misconduct. In *Poon Siew Lai v Axis Identity Group (Management) Sdn Bhd* [2015] 2 ILR 131, the claimant was dismissed for removing sensitive and confidential information relating to the Group's business, clients and company projects from the company's system. Again, in *Tee Lay Hoon v Pertanian Pertiwi Sdn Bhd* [2013] 4 ILR 289, the claimant, a company's sales representative, who knew everything about the product, price and marketing strategies of the company, was alleged to have disclosed the confidential information to an unauthorised third party. In *Kadambeswaran Balasubramaniam v Malaysian Bio-Diagnostics Research Sdn Bhd & Anor* [2012] 2 LNS 1636, the claimant was alleged to have given confidential information on the list and details of suppliers and their contracts to an unauthorised third party. Again, in *Chuk Chin Leong v Milimewa Superstore Sdn Bhd* [2009] 2 LNS 1178, the claimant was suspected to have divulged the company's confidential accounting data to the company's suppliers. As a safeguard, it is common for a contract of employment or the collective agreement to incorporate a non-disclosure of confidential information clause such as:

> 'No employee shall disclose or otherwise make use of any confidential, technical, commercial and financial information concerning the business and affairs of the Company unless authorised by the Company. Any violation thereto can result in immediate dismissal after due inquiry.'

> ***"An employee who finds himself in a conflict of interest situation must disclose the matter to his superior or the designated officer in the organisation."***

Principle of Proportionality of Punishment

It is noteworthy that the punishment to be imposed on the employee, must be in proportion to the severity of the wrong he committed. The company must act reasonably in deciding whether the misconduct warrants dismissal. In determining the appropriate punishment, the inquiry panel is entitled to consider the aggravating circumstances that count against the employee, such as the seriousness of the offence, his position in the company, to what degree any element of trust exists in this employment relationship, etc. The mitigating circumstances in favour of the employee that should also be considered include, the employee's length of service, his position in the company and his previous work and disciplinary record.

The Industrial Court has the power to decide on the basis of the doctrine of proportionality of punishment whether the dismissal punishment meted out by the employer was too harsh or excessive in the circumstances. In other words, there must be proportionality between the severity of the misconduct and discipline or dismissal imposed on the employee. In *Norizan bin Bakar v Panzana Enterprise Sdn Bhd* [2013] 9 CLJ 409, the Federal Court held *inter alia*, that the doctrine of proportionality of punishment was built into the Industrial Relations Act 1967 through item 5 of the Second Schedule. In delivering the judgment of the Federal Court, Raus Sharif PCA (as His Lordship then was) stated:

> [T]he Industrial Court has the jurisdiction to decide that the dismissal of the Appellant was without just cause or excuse by using the doctrine of proportionality of punishment and also to decide whether the punishment of dismissal was too harsh in the circumstances when ascertaining the Award under s 20(3) of the IRA. We are further of the view that the Industrial Court in exercising the aforesaid functions can rely to its powers under s 30(5) of the IRA based on the principle of equity, good conscience and substantial merit of the case.

Again, in the *Sun Media Corporation Sdn Bhd v Nadarajah Muniandy* [2011] 2 ILR 112 case, the Industrial Court stated *inter alia*, that:

> In deciding on the appropriate punishment for misconduct the company ought to be bound by the notion of fair dealing, conscientiously applied, whereby justice is tempered with mercy, and seen to be so. To do this the company must demonstrate that it had fully, or at least substantially, appraised itself of the manifest breach or misconduct perpetrated by the claimant — as against his antecedents with the company. In other words, did he have a record of past employment-related infringements? What was the nature, the magnitude or seriousness of those infringements? Was he adequately warned, advised or counselled over these infringements? In short, was he justifiably an employee that had to be made example of?

Conclusion

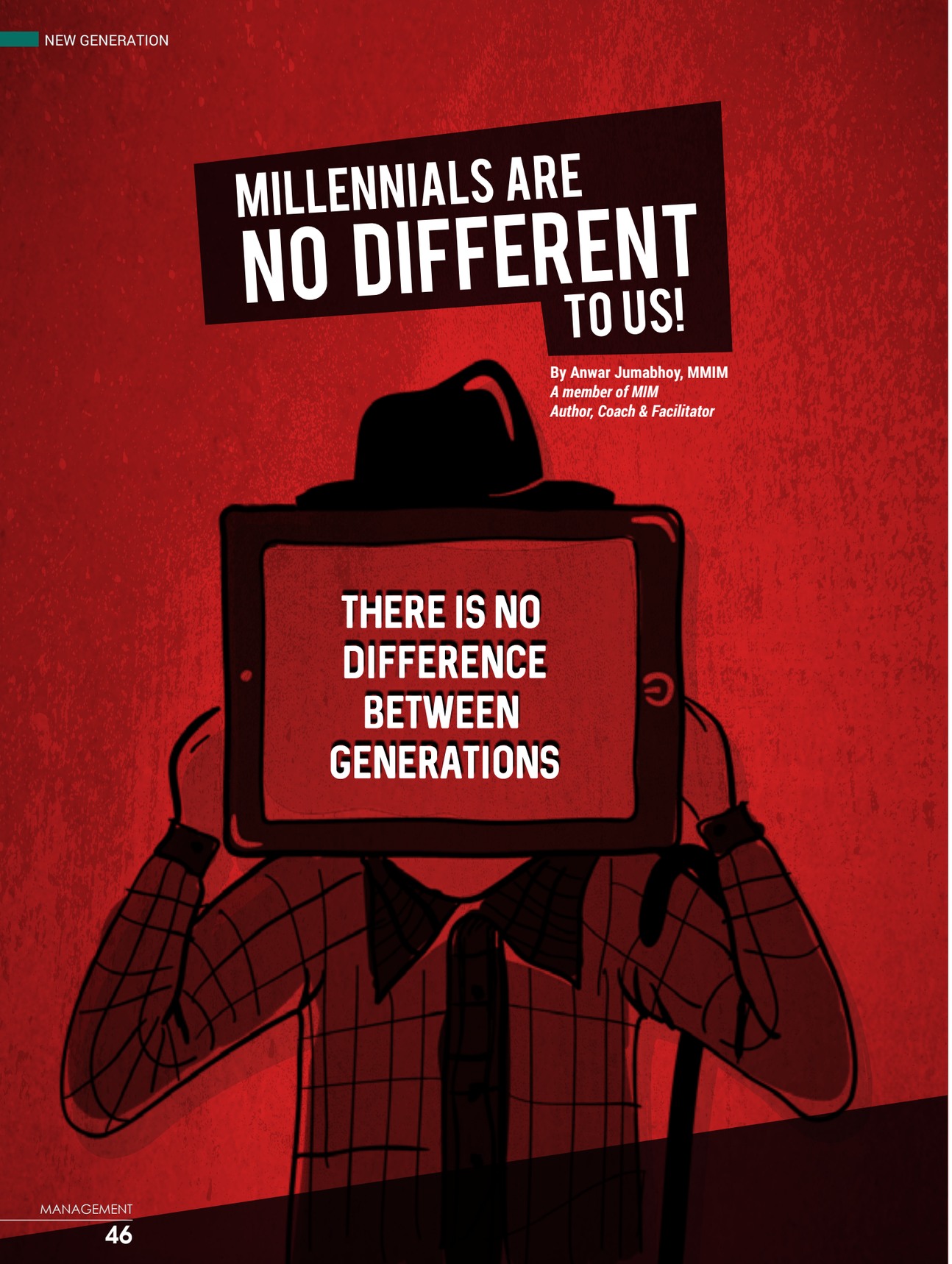
An employee has a duty of fidelity and good faith as well as the fiduciary duty to the employer. He must avoid any possible conflict of interest or even potential conflict of interest where his personal interests could inappropriately influence, or appear to influence, the business judgment for example, hiring a family member as a vendor or buying goods or services from a family business on their employer's behalf, among others things. He should also avoid using the company's property, facilities, equipment or other resources to pursue his personal interests or the interests of another organisation (see, Ashgar Ali Mohamed, Farheen Baig Sardar Baig *Employment Misconduct*, 2016).

An employee who finds himself in a conflict of interest situation must disclose the matter to his superior or the designated officer in the organisation. The disclosure must be made as soon as the employee knows of the conflict, and then annually thereafter for as long as the conflict continues to exist. Disclosure of conflict of interest is one of the ways to safeguard the interests of the employer. Any non-disclosure of a conflict of interest or even a potential conflict of interest is viewed seriously and may warrant dismissal from employment. The doctrine of proportionality of punishment dictates that the punishment meted out by the employer has to be proportionate with the severity of the wrong committed in the circumstances. As a final remark, it is worthwhile reproducing the observation by the learned Chairman of the Industrial Court in *Jebsen & Jessen Eng (M) Sdn Bhd v Lian Man Hoong* [2001]1 ILR 771 that:

> Employees acting on behalf of the Company have the obligation to make full disclosure from the very beginning to ensure that the employer and its top management are fully aware of such transaction so as to avoid the incidence of a conflict of interest. Actual losses need not be proved conclusively by way of evidence in conflict of interest situation, but possible detriment or loss to the employer is sufficient. Conflict of interest or even possible conflict of interest, and the duty to disclose is one of the mechanism of safeguards of the interest of the employer.

MILLENNIALS ARE NO DIFFERENT TO US!

By Anwar Jumabhoy, MMIM
A member of MIM
Author, Coach & Facilitator



When I speak with older senior executives and Human Resource practitioners, they often lament the 'problems' of dealing with Millennials at work. They cite two issues: addiction to social media and the reluctance to make a long-term commitment, as being the major difference between their generation and the new one.

Well, let me tell you that is nonsense. There is no difference between generations. Let me explain. Anyone who is 20+ years of age will have seen the newspaper generation — when almost everyone would have bought or subscribed to papers and magazines, diligently consuming the news first thing in the morning. You didn't hear comments like, "come on, put down the papers"; in fact, at breakfast in many homes, it was the norm for the father to read while having breakfast. Children did not say to their parents, "you are addicted to the papers" or "you are watching the daily news on television", which for many families was a nightly affair. That was because the content was limited, so it wasn't possible to spend hours reading the news, or watching television. Not only was content limited, you had to pay for each paper or magazine.

Facebook, founded in 2004, changed that paradigm. Some would argue that Yahoo!, founded in 1995 created the concept of free digital news available anytime-anywhere. Either way, news suddenly became abundant and free. Unlike the newspaper, you could keep reading and reading and reading. Unfortunately, the new sources of news did and do have a major handicap. With the papers, we all know of writers' and editors' bias, as they were limited in number and papers used to be public about their editorial position. Internet news portals, focused on speed and often lacking in resources tend to be less rigorous about 'verify first, then publish'. All of us would have received pieces on news (URL, article, or video) often coming several times in the day from chat groups, only to find the news was 'false'.

The scale at which internet platform companies have grown is staggering. Facebook recently celebrated 2 billion users. It took just 10 months to reach 1 million users and hit 1 billion in October 2012. Isn't it amazing? They are adding daily, more users than the newspaper circulation. So, millennials are consuming news, just as their parents did. The only difference is that news today is free and abundant, hence they invest more time in this activity.

The other issue — job hopping and unwillingness to make a long-term commitment. Were people now in their 50s and 60s, more loyal? I honestly don't think so. For the most part, I think they lacked market knowledge and this made them risk-averse. This meant that employers could get away with paying them below market rates with the expectation that with experience, their salaries would grow and they could look forward to a lifetime of employment. This was conditioning, only possible when there is lack of market information. Employers got away with this for years.

That is until the advent of the internet era and development of social media. This phenomenon created opportunities for motivated and ambitious entrepreneurs to work for themselves. And why not? Why would anyone work 5 days when they could work 3 days for the same money, or 7 days for double the money? The new economy makes this possible. Mobility has meant this generation has more information and more choices. The bright ones are taking advantage of the situation, in the same way, that employers of old got away with paying below market rates. This is especially true of many family owned (and managed) companies that I have interacted with. They often talk about the importance of their people, but this is seldom reflected in the salary distribution of employees. When I look at their company salary profiles, there aren't any employees drawing the same salary as the owner and in fact, very few senior executives even come close.

If the generation before had the information and opportunities of today, would they have accepted lifetime employment? Definitely not. So, before we cast stones at the Millennials, we should actually reflect on the very similar intentions of the generation before.

> ***"Why would anyone work 5 days when they could work 3 days for the same money, or 7 days for double the money? The new economy makes this possible."***

HANDLING WORKPLACE CONFLICT

By Myron Curry
President and Founder of Business Training Media

Workplace conflict is much more common than you probably think. Yet, it is nothing to be ashamed of or swept under a rug. To truly understand workplace conflict, you need to understand some basic facts about the myths and reality of workplace conflict.

The myths about workplace conflict are:

1. It is not nice to have conflict

This idea is ingrained in our psyche. From childhood, you are taught that it is not nice to have conflict and you should always put a smiling face on it. Therefore, it is simply wrong to have conflict.

2. Conflicts will resolve themselves over time

So, there is no need for me to get involved. This is one of the more common approaches taken by managers. It's a hands-off approach to dealing with conflict.

3. A true team would never have any conflict

When true team spirit prevails, there would be no conflict or even a chance for it. All is sweetness and light in a good team.

And now for the reality:

1. It is not nice to have conflict

If it is not nice to have conflict, is it better to grind your teeth and suffer in silence? You get to be the nice guy, but you are probably heading towards a major meltdown.

2. Conflicts will resolve themselves over time

So, there is no need for me to get involved. This is probably one of the most common myths about conflict and one that produces disastrous results. If managers fail to address workplace conflict head-on, they will find themselves dealing with a much bigger problem in the future. Most conflicts that involve minor disagreements or matters that are trivial, tend to resolve and work themselves out over time. Larger disagreements or conflicts tend not to go away without some type of intervention.

3. A true team would never have any conflict

A team without conflict is one where the team members have nothing of value to contribute and no passion for their job. It is a group working according to the direction of the leader without scope for any creative ideas to emerge.

You should realise that conflict is inevitable and working out a solution is the major task of the manager. One of the main keys to handling workplace conflict is to stay focused on the problems and not the personalities of the individuals involved in the conflict. A good way to avoid dealing with larger conflicts later is to confront them in the early stages.

Business Training Media is a leading provider of business management training material for corporate training and development, workplace safety, human resources and professional development.

HOW TO FIND STORIES FOR WORK

Extract from Stories for Work: The Essential Guide to Business Storytelling

By Gabrielle Dolan
An Australian and New Zealand Partner of Thought Leaders Global

At the start of my workshops I usually hear something like, 'I don't have any stories because I'm just normal'. This is quickly followed by, 'Where do you find your stories?'.

Everyone has stories, regardless of what you do, who you are or how 'normal' you think you are. In fact, the 'normal' stories can often be the most effective. Once you learn how to uncover your stories, you will also discover that you have lots of them — way more than you ever thought possible.

Have you ever been at the beach and seen someone with a metal detector? They walk along, waving the detector over the sand to uncover what is hidden just below the surface. Finding stories you can share is very similar. Most of your stories may not be visible at first but are waiting just below the surface of your memory.

What's Your STORY?

> *"Everyone has stories, regardless of what you do, who you are or how 'normal' you think you are."*

One way to find your stories is to literally do a brain dump of all the significant things that have happened in your life. When I say 'significant', I don't mean they have to be major, life-changing events or sliding-door moments. You certainly want to capture these major stories but don't ignore the simple or ordinary life experiences that you have collected across your lifetime. These can be significant too.

The key to good stories is having a variety of them, which includes a combination of work- and non-work-related memories and events. You also want your stories to encompass the four story types:

1. **triumph**
2. **tragedy**
3. **tension**
4. **transition**

TWO WAYS OF FINDING STORIES

Over my years of working in this industry, I have found you can use two effective approaches to finding your stories.

APPROACH 1:

Finding work-related stories

The first step in finding the four types of stories you have that are related to a work situation is to grab a piece of paper and divide it into five rows. Label each row (top to bottom) as follows:

1. **job**
2. **triumph**
3. **tragedy**
4. **tension**
5. **transition**

List all the jobs you've ever had in the first column, starting with your very first job and moving through to your current role. Don't leave out any job, no matter how small or insignificant it feels now, and include any work experience or a casual job you had for a short time when you were young. I had a casual job working in Woolworths for two weeks when I was 17, and I have so many stories from that short experience.

> *"Don't dismiss it too quickly by thinking something like, that was boring, nothing happened there or I was only in that job for three months."*

For each role, now think carefully about specific events that stand out for you in relation to the four types of stories. The key to this approach is to sit with one job experience for a while. Don't dismiss it too quickly by thinking something like, *that was boring, nothing happened there or I was only in that job for three months.* Remember, you are a metal story detector and the stories will be just below the surface so you need to be patient and thorough when investigating.

Also think about how you came to take on the role and then leave the role. Was there anything significant in that process? Did the role involve moving locations? Was taking the role or leaving it a big decision at the time? Why did you leave? These questions could end up providing good transition or tension stories.

What success did you have in that role? What achievements did you or your team enjoy that you are particularly proud of? Did you win any awards? Did you struggle with one aspect of the role or one person in your team that you worked through? Asking yourself these questions can bring up potential triumph stories you could use.

Do you have any regrets from that job that could form tragedy stories? Did you take a course of action or make a decision that ended up being the wrong call and something you regret? Was a strong relationship with one of your peers or clients destroyed that you wish hadn't been?

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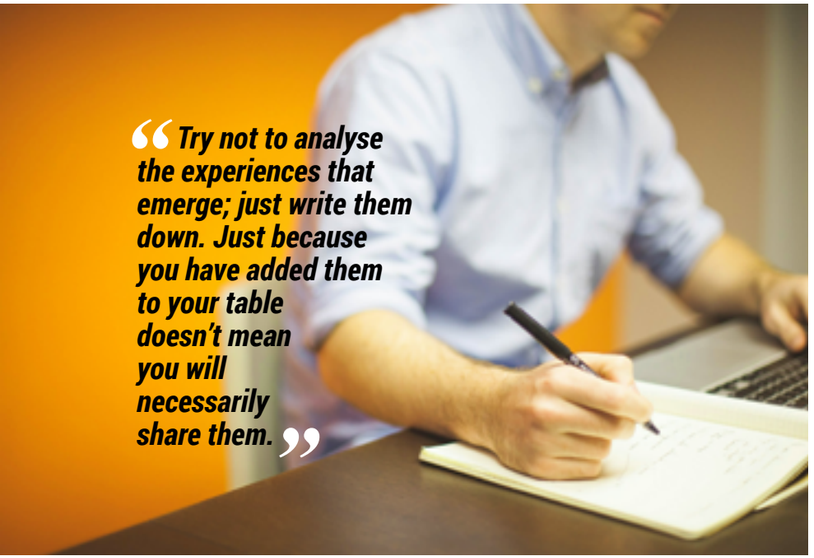


Did something happen to one of your colleagues that had a devastating impact on you, which you still think about today? Did you learn a valuable lesson from a mistake? Remember, tragedy stories don’t always have to be about significant loss; they can be about regret and the lessons you learned.

APPROACH 2:

Finding non-work-related stories

Now it’s time to find some personal stories you could use. Use a fresh sheet of paper and again divide it into five columns, this time with the following labels:

1. **experience**
2. **triumph**
3. **tragedy**
4. **tension**
5. **transition**

Next, think through your past — from your earliest memories to your most recent — and write down the significant events that have happened in your life. Remember, you can determine what is ‘significant’. The fact that you remember these experiences probably indicates that they are significant to you, even at an unconscious level.

Try not to analyse the experiences that emerge; just write them down. Just because you have added them to your table doesn’t mean you will necessarily share them.

Once you have lots of different events and memories, put a tick in one of the four columns to indicate what type of story it may be: triumph, tragedy, tension and/or transition. You’ll likely find one story could be two of the four types of stories.

Reviewing your tables

Once you have completed approaches 1 and 2, count up the number of work- and non-work-related stories you have for each of the four different story types. You don’t need an even number of work- or non-work-related stories, and you don’t need a perfectly even spread across the four types. Rather, this step will help you to see if you have any major gaps — if you have too many of one type of story or not enough of another.

For example, you would not want all your stories to be about tension because this could indicate you are indecisive or overly stressed. Likewise, you wouldn’t want to have only triumph stories or your listeners will think you’re bragging — real life is a mixture of positive memories and challenging ones.

Revisit your tables if you have any gaps, and add some more memories if you need to.

At the end of this process, you will have a valuable collection of story ‘gems’ that you can potentially share in business — but don’t just stop here. I encourage you to keep adding to this collection as time goes on. Other significant events will happen and you’ll have even more great stories to choose from.

Gabrielle Dolan *is a global thought leader on authentic leadership and business storytelling. She’s worked with thousands of high-profile leaders from around the world, helping them to become better leaders and communicators using the art of business storytelling. Gabrielle is a highly sought-after international keynote speaker, and works with some of Australia’s top 50 ASX companies. Gabrielle is also the bestselling author of Ignite: Real Leadership, Real Talk, Real Results, which was published in 2015 and reached the top 5 on Australia’s bestselling business books. Her other published books include Storytelling for Job Interviews, published in 2016, and Hooked: How Leaders Connect, Engage and Inspire with Storytelling, published in 2013. Her latest book, Stories for Work: The EssenCal Guide to Business Storytelling was published by Wiley in March,2017. She is also passionate about changing the way we communicate in business and is the founder of the Jargon Free Fridays global revolution #jargonfreefridays (jargonfreefridays.com).*

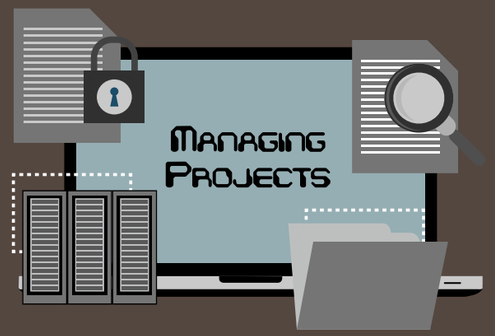
WHAT ARE THE MOST USEFUL CLOUD BASED TOOLS USED IN AGILE BASED PROJECT MANAGEMENT?

By OTS Solutions

A project is an attempt to achieve a unique goal by temporarily focusing people and resources on creating a result. That result can be a product, service, organisational change, software application or any other result that brings value to the project's sponsor.

Project managers apply skills, tools, knowledge, and methods to the activities performed on behalf of the project in order to meet its requirements. Only by effectively applying all of this can a project succeed. It starts with a strategy on how best to bring into reality the project manager's vision, ideas, and goals. The decision on method and tools is critical to the project's success. The increasing availability and lower cost of digital solutions allow powerful tools and methods to be used in even the smaller projects. There is no longer a need to manage a project exclusively with tools such as sticky notes, paper, and whiteboards. The increasing understanding of collaboration to achieve results and the use of virtual teams demand new tools and methods for managing projects.

Today, if your project result is a software application, the methodology of choice is Agile, a widely adopted method used for many years now. It applies incremental iterations in a flexible and interactive manner with the end customer to deliver over several releases a solution or application that meets customer requirements. Agile development emphasises collaboration and a non-hierarchical management structure between developers, product managers, and customers.



Until a few years ago, small businesses and organisations would not have the budget or inclination to purchase information technology systems and tools for exclusive use in managing projects. The capital costs, investment in training and maintenance costs were factors that prevented their widespread use.

> *"There is no longer a need to manage a project exclusively with tools such as sticky notes, paper, and whiteboards."*

But things began to change when cloud-based solutions and tools for project management lowered the entry costs and training requirements, providing anywhere, anytime access with zero maintenance costs. You don't have to develop and purchase IT infrastructure. The user interface and procedures are designed to be easy to learn and intuitive for any individual with a basic understanding of personal computers. Those are the prime reasons why more and more businesses and organisations are opting for solutions based in the cloud.

If you are tasked with developing and managing software application projects, here are six examples of cloud-based tools for managing projects:

1 *Jira*

Developed by Atlassian, it was initially created and marketed as an issue tracking tool. Today it goes beyond that and it's one of the most popular tools for managing agile software development projects and encouraging collaboration between teams and individuals. It can be customised to a particular project or work culture and has over 25,000 customers around the world including some of the largest corporations such as Walmart. It provides functions for managing projects and tracking bugs, issues, and tasks throughout the full agile development life-cycle.

2 *Asana*

Asana is advertised as a work tracking tool with agile project management features. Used mostly for web and mobile applications development, it started as an internal tool developed at Facebook for improving the productivity of its employees. It has functions that allow users to manage tasks and projects online without the need of external communications such as e-mail. Teams create workspaces and those workspaces can have projects and projects can have tasks. To each task, users can add comments, notes, and tags that allow all team members and managers to instantly know task status and issues. Followers of a task can get updates on their workspace inbox.

3 *Basecamp*

This is the calmer, saner and better-organised way to communicate and manage projects enterprise-wide according to Basecamp marketing. It has a reputation as a user-friendly tool requiring little training on how to use most of its features such as sharing ideas, getting status reports on your e-mail account, finding and recovering files easily and managing user access. It's lacking in time management and analytical tools.

4 *Trello*

By now you have realised that collaboration is at the heart of the agile way of doing things. Trello is for many the tool of choice in this regard. Managers can organise projects into boards and in a glance, know what's being worked on and who is doing it. It also shows where a task is in the process workflow. It has a beautiful graphical interface for creating and organising the boards, lists, and cards that are at the heart of Trello's organisational capabilities.

5 *Pivotal*

Pivotal Tracker breaks your project into manageable chunks that you can prioritise, organise, and collaborate. Agile tools such as backlogs and user stories are explicitly supported. Project managers and team members can quickly find out on status, task responsibilities and what's next.

6 *Wrike*

Another online tool for enabling users to manage workflows and schedules while collaborating with one another. Multilingual project teams will be pleased to know that it supports Japanese, English, Spanish, French, Portuguese, German, Russian and Italian. A free version with limited features is available with task creation, task assignment and task status markings for a basic but still powerful workflow management tool.