

Case study of the ytl corporation berhad



YTL Corporation Berhad is one of the largest companies listed on the Bursa Malaysia, and together with its six listed entities has a combined Market Capitalization of about RM 34.3 billion as at 30 September 2010, the company has a total asset of over RM45 billion. The major business carried out by YTL Corporation included power generation, construction contracting, property development, hotel development and management, cement manufacturing, supply of water, treatment and disposal of waste water, and incubating and advisory services for internet businesses. [Francis Yeoh, YTL Corporation Berhad]

Products and Services

YTL Cement Berhad supplies cement products and concrete products, quarry products and provision of related services to the construction sector. YTL Cement is Malaysia's largest producer of ready-mixed concrete, through its subsidiary Buildcon Concrete Sdn Bhd & C. I Readymix Sdn Bhd. The company currently operates more than 50 batching plants throughout Peninsular Malaysia. [Mr. TG TAN, YTL Cement Berhad] YTL Cement Berhad is also the 2nd largest cement plant in Malaysia, with cement production capacity of 1.2 million tonnes per annum in Pahang; 3.4 million tonnes per annum in Perak; and a Clinker and Blast Furnace Slag Grinding Plants at Westport, Klang, and Pasir Gudang, Johor, each of 500,000 m³/t per annum capacity. [YTL Cement Berhad] YTL Corporation also has a lot of luxury hotels in different countries. Besides, YTL Corporation also carries out property development activities. YTL has built up excellent and high quality buildings such as condominiums with attractive and innovative designs.

Channels of distribution

This is defined as an intermediate chain; each chain is passed down to the next organization's product, that we finally reach the consumer or end user. This process is known as the "distribution chain" or "channel". Starting from the beginning, the YTL Company has only supplies the cement manufacturing to the entire buyer. When the YTL Company gets the profit back, they have enough capital, and then the company starts to expand their business structure. They start to supply generation, construction contracting, property development, hotel development and management, cement manufacturing, supply of water, treatment and disposal of waste water, and incubating and advisory services for internet businesses. [Francis Yeoh, YTL Corporation Berhad] They sell this product to Tenaga National Berhad(TNB), hotel, building industry, hardware store and customer. This can keep their products on the market flow and visibility.

Level of Technology Used

YTL Cement is the largest ready-mixed concrete company in Malaysia, with over 500 mixers. YTL Cement owns over 70 batching plants and a fleet of 700 cement trucks, operating throughout Malaysia. [YTL Corporation Berhad] YTL Corporation undertakes IT and e-commerce technology in their business.

Organization Structure

YTL Corporation is managed by an experienced Board with a wide and varied range of expertise. This broad full of skills and experience can ensure that the YTL Corporation is under the guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the

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strategic direction, development and control of the YTL Corp Group and have adopted the six primary responsibilities as listed in the Code, which facilitate the discharge of the Board's stewardship responsibilities. The Board currently has thirteen Directors comprising nine executive members and four non-executive members. The positions of the Executive Chairman and the Managing Director are held by separate members of the Board. The Executive Chairman is primarily responsible for the orderly conduct and working of the Board, while the Managing Director oversees the running of the business day by day, implementation of Board policies and making of operational decisions. The Managing Director and the Executive Directors are accountable to the Board for the profitable operation and development of the YTL Corporation, consistent with the primary aim of enhancing long-term shareholder value. The presence of Independent Non-Executive Directors brings an additional element of balance to the Board and these Independent Non-Executive Directors have the experience to carry sufficient weight in the Board's decisions. The differing roles of Executive and Non-Executive Directors are delineated, both having fiduciary duties towards the shareholders of the company. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgement to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are responsible for the YTL Corporation operations and for ensuring that strategies proposed by management are fully discussed and examined, and take account of the long term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL Corporation conducts its business.

Mission

YTL Company mission is to earn high returns by investing in high growth, knowledge intensive companies that leverage on new technologies and then enhance the value of these investments by using its internal and external resources. It aims to be a provider of smart capital, which includes financial capital as well as ‘real world’ knowledge capital, to eliminate many of the risks associated with new technology investments, be they technical, financial or operational. [YTL e-Solutions Berhad]

Strengths

The strengths of YTL Company are when at a limited resources period time, YTL Company can supply the amount quantity of products to customer. This is because when that time building start work come together many way and then make the resources lesser, at that time YTL Company got place to store the resources and supply to every customer.

Weaknesses

The weakness of the YTL Company is divided into many part of enterprise development, so by the controlling maybe have some small mistake. Like when a place for develop, many worker are calling to over time the work and will give extra bonus, but the way is some of the worker want to save more the money send back to their family, so that them eat less of food when the working time, and when got any over time chances them will fight of it. This problem makes them will over stress their body and not enough time for rest and this will cause of any dangerous accident.

Innovation

- The first company to introduce turnkey construction into Malaysia.
- The first Malaysian company to use non-resource local financing to finance a high-speed rail project.
- The first Asian company to issue a Zero-Coupon Euro-bond.
- First Independent Power Producer in Malaysia.
- The first non-Japanese Asian company to list on the Tokyo Exchange in year 1996.

Awards

YTL is one of Malaysia's best managed companies; YTL Corporation has won numerous awards and come out tops in numerous surveys over the years, including awards from 'The Far Eastern Economic Review', 'Asia Week', 'CIO Asia' and many others awards. YTL Corporation's most recent accolades came from 'Finance Asia' magazine, when it was highlighted under the categories 'Most Committed to Corporate Governance', 'Best Financial Management' and 'Best Managed Company'.

Planning

Planning can best be defined as looking ahead and chalking out future courses of action to be followed. It is a preparatory step. It is a systematic activity which determines when, how and who is going to perform a specific job. Planning is a detailed programme regarding future courses of action. It is rightly said "Well plan is half done". Therefore planning takes into consideration available and prospective human and physical resources of the

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organization so as to get effective coordination, contribution and perfect adjustment. It is the basic management function which includes formulation of one or more detailed plans to achieve optimum balance of needs or demands with the available resources. [Ads by Google]

Someone has said before, “ Planning is a mental predisposition to do things in orderly way, to think before acting and to act in the light of facts rather than guesses”. Planning is deciding best alternative among others to perform different managerial functions in order to achieve predetermined goals. [Ads by Google]

Planning is deciding in advance on what to do, how to do and who to do it. Planning bridge covers the gap between where we want to go. It makes possible things occur which would not otherwise occur.

In today’s highly competitive business environment, budget-oriented planning or forecast-based planning methods are insufficient for a large corporation to survive and prosper. The firm must engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, implement the strategy, evaluate the progress, and make adjustments where necessary to stay on track. [Bradford, Robert W., Duncan, Peter J., Tarcy, Brian]

YTL Corporation’s strategy of offering “ World Class Products and Services at Competitive Prices” extends across the range of its business activities, and is perhaps the single most important factor underpinning its success today in enhancing shareholder value.

That is because YTL Corporation using the right way of the strategy planning process. A simplified strategic planning process is shown by the following diagram:

This process is most applicable to strategic management at the business unit level of the organization. For large corporations, strategy at the corporate level is most concerned with managing a portfolio of business. For example, corporate level strategy involves decisions about which business units are to grow, resource allocation among the business units, taking advantage of synergies among the business units, and mergers and acquisitions. In the process outlined here, “ company” or “ firm” will be used to denote a single-business firm or a single business unit of a diversified firm. [NetMBA, Business Knowledge Center]

YTL Corporation follows the step by step then only can reach until now is one of the largest companies listed on the Bursa Malaysia. The company has many assets, for example hotel, resorts, building, and etc.

Mission- Company’s mission is to reason as a company. The delegation is often manifested in the form of mission statement, convey a sense of mission and project staff clients corporate image. In the strategy formulation process, the mission statement sets the direction of where the company should go.

YTL’s mission is to earn high returns by investing in high growth, knowledge intensive companies that leverage on new technologies and provide the affordable to become one of the world-class quality products and services. Now our company is following by the mission and almost wants to overstep <https://assignbuster.com/case-study-of-the-ytl-corporation-berhad/>

the mission already. YTL Group Managing Director Tan Sri Dato' (Dr) Francis Yeoh Sock Ping said that before.

Objectives- Objectives is a specific goal, which the organization seeks to reach, for example, a profit growth target. The goal should be challenging, but achievable. They should also be measurable, so that companies can monitor their progress and make necessary corrections.

YTL over the last 15 years already contributed directly to its success in achieving a compounded annual growth rate in Pre-tax profits of 55%. This can show that the company also did in this part very well and is not every company can do it as well, it because need to put more heart on the company and fight the target only can get it well.

Situation Analysis- Once the firm has specified its objectives, it begins with its current situation to devise a strategic plan to reach those objectives. Changes in the external environment often present new opportunities and new ways to reach the objectives. An environmental scan is performed to identify the available opportunities. The firm also must know its own capabilities and limitations in order to select the opportunities that it can pursue with a higher probability of success. The situation analysis therefore involves an analysis of both the external and internal environment.

[NetMBA, Business Knowledge Center]

A situation analysis can generate a large amount of information, much of which is not particularly relevant to strategy formulation. To make the information more manageable, it sometimes is useful to categorize the internal factors of the firm as strengths and weakness, and the external

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environmental factors as opportunities and threats. [NetMBA, Business Knowledge Center]

YTL Company aspect the analysis in the industry in which the firm operates or is considering operating. It devised the five forces framework that is use for industry analysis. The five forces include barriers to entry, customers, suppliers, substitute product, and rivalry among competing firm.

Strategy Formulation- Once a clear picture of the firm and its environment is in the hand, specific strategic alternatives can be developed. While different firms have different alternatives depending on their situation, there also exist generic strategies that can be applied across a wide range of firm. We identified the cost leadership, differentiation, and focus as the three generic strategies that may be considered when defining strategic alternatives.

[NetMBA, Business Knowledge Center]We implementing a combination of these strategies for a given product; rather, he argued that only one of the generic strategy alternatives should be pursued. So, the YTL Company got more strong power to build up faster than other company and become a big company.

Implementation- The strategy likely will be expressed in high-level conceptual terms and priorities. For effective implementation, it needs to be translated into more detailed policies that can be understood at the functional level of the organization. The expression of the strategy in terms of functional policies also serves to highlight any practical issues that might not have been visible at a higher level. [NetMBA, Business Knowledge Center] The strategy of YTL Company is translated into few specific policies

for functional areas such as: marketing, research and development, procurement, production, human resources, information systems and etc.

Control- Once implemented, the results of the strategy need to be measured and evaluated, with changes made as required to keep the plan on track.

Control systems should be developed and implemented to facilitate this monitoring. Standards of performance are set, the actual performance measured, and appropriate action taken to ensure success. [NetMBA, Business Knowledge Center]

By the way the theory and the YTL Company theory are similar same, step by step from mission until the end of the controlling step.

Organizing

Organization is one of the management functions, such as planning. It is a function of the synchronization and human, material and financial resources, the combination occurred. All three resources are very important to get results. Therefore, the organization features help to achieve results that are actually important for the operation concerned. According to Chester Barnard, “ Organizing is a function by which the concern is able to define the role positions, the jobs related and the co- ordination between authority and responsibility.” Therefore, managers always want to get organized results.

Organizing function has four following steps. First is identification of activities. All activities must be conducted in a question for the first time that. For example, the preparation of the accounts, make sales, record keeping, quality control, inventory control, etc. All these activities are grouped and classified as a unit. Second is departmentally organizing the

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activities. In this step, managers are trying to bind to the departments and units or similar groups and related activities. This is divided into separate units and department to the entire organization is called departmentation.

In the third steps is classifying the authority. Once the departments have made, Managers like the power and scope of the category managers. This gives a kind of management positions in the rank of the level of activity is called. Senior management to policy formulation, the lower the supervision and management of mid-level to the foreman's supervision and management. Clarify a problem in the introduction of the power efficiency of the help. This helps in achieving the operating efficiency of a concern. This helps to avoid the time, money, energy waste, to avoid duplication or overlapping of efforts, which helped smooth the introduction of the work concerned.

And the last step is co-ordination between authority and responsibility. Relations are based on different groups in order to achieve organizational goals toward smooth interaction. Everyone knows by his authority, he or she know they have to take orders and to whom they must report to them. A clear organizational structure is developed and all staff is made aware of this.

When it comes to business leaders, the most important aspect is the management of the organization functions. In fact, the correct implementation of the organizational functions of management can make a business success or failure. Absence of sound system, involving the

management of organizational functions, the companies can easily end up belly up and bleeding red.

Unfortunately, many business owners do not spend enough time to consider the organization's management functions. In addition, when it comes to business planning and the like, little time is spent on an overview of the organization, taking into account management features. This is crucial, a business management training and well versed in the functions of various organizations. Historically, these types of concepts taught in colleges and universities. However, to a large degree, many universities have abandoned at least to some extent, the training organization like the focus.

Management organizations function of the level of many business enterprises. First, the organization's management function addresses the way the person with the organization to interact, who reports to whom, organization charts, lines of authority. All of these are personnel management and organizational functions of management within the organization takes that fall on.

Financial planning and budgetary considerations also belong to the organization's general management topics. Managers need the plug and the company employed by them during the budget out familiar. They need to understand the business of spending and budget priorities in order to fully understand how to allocate company resources to ensure the maximum profit at the end.

Internet also does provide a number of organizations looking for more management functions, and how it is any enterprise's overall business model of an important part of the useful information for anyone interested.

Now we talk about the importance of organization. The people who organized organizations are much better than the disorganized individuals. The same is true for the organized sector or enterprise. Managers who can master this enjoyment of the organization function more smoothly in the management of the term of office location.

For example, the construction enterprise organizations must do to ensure the smooth progress of the project a lot. Subcontractors, construction managers and building materials must be received by organizations for each. Scheduling before the arrival of supplies, the development of a carpenter, is counterproductive, and showing a lack of organization. In the current situation, there is a specific order to the project, which is in any other projects the true situation. Manager who has a staff organized to follow it and the organizations and the fight. Managers who take seriously functions of the organization to consistently update their plans will therefore be successful in the workplace.

Organizing is always occurs continuously. Organization is most managers' daily, weekly, annual task. In today's fast-paced business world, things change rapidly, the change occurred. Managers must remember that it was the composition of the flow, never change. Flexible management the ability to change course and even when necessary to meet customer needs.

Change is inevitable. For the frequent changes of business experience, the

organization function is essential. Such as adding new jobs or eliminate some of the organizational change process can change the level and structure of the organization's business.

By the way, our research of YTL Company has indicates that organization itself consists of three basic building blocks. They are Job Positions, Activities, and Systems. The growth of the organization is how to organize the development and how they relate to people of each of these subunits to form an organic whole understanding.

Job Positions

The YTL Company divides the job positions into four types, which is Structure, Authority, and Distribution of tasks, Right people and Training.

Structure — The first thing consider is the structure of jobs in the company is correct for today's business and plans for the tomorrow. Therefore, it is worth doing an analysis of whether the structure and YTL Company contains the right makeup and balance of job positions on it.

Authority — Second, YTL Company examine whether each job position in the company is matched by a level of authority for the person in that job to carry out the tasks contained within the job. In addition, the person filling the job needs to clearly know whom he or she is to report to. [Roy Posner, Growth Online]

Distribution of Tasks — Third, need to check whether the work tasks are assigned to that position in all right task. Some tasks may not be included in the work, or some tasks may need to be added to the job, or some people

may only need to be assigned to another job. Therefore, the contents of each job in the company of the company is also worthy of detailed analysis.

Right People, Training — Fourth, the job positions in YTL Company are proper allocation, as well as office tasks is to maximize the efficiency of individual positions need filled with the right people, and training to the work of each person.

Activities

Jobs, activities can be continuously improved throughout the organization as well. Each improvement to an activity releases fresh energy and makes the organization more effective. [Roy Posner, Growth Online]

YTL this high-tech manufacturing companies are reviewing their product development activities in order to maximize product and service speed to market, and their efficiency and product quality and service. Therefore, thorough analysis activities, while enabling companies to more efficiently and releasing tremendous energy and prosperity.

Systems

An organization is determined by the degree of productivity and regular physical activity routine systematic, standard operating procedures for the opening.

Systemization doesn't just make activities work more efficient; it makes people more relaxed and cheerful at work because the activities almost "take care of themselves." In fact, the happiest people are often in companies

that have turned most or all activities in the company into corresponding systems. [Roy Posner, Growth Online]

There are some systems in the YTL Company as computerized bookkeeping, email, sales tracking, sales analysis, manufacturing, credit checking and etc. And then there are the existing systems. YTL Company upgraded the efficiency to the next level.

Compare to the theories of YTL, it is almost the same. YTL company manager organize the company organizing structure and the job position of the employees in the company. Besides, the manager also concern about the authority and system in the company.

Leading

Leading is the topic of motivating employees is extremely important to managers and supervisors. To motivate employees, we must start motivating ourselves first. If you are enthusiastic about your job, it is much easier for others to be too. In addition, if doing to take care of worker and their work well, will have more clearly how other people do is their point of view.

You can make their day or break their day. As a manager, you are the most powerful factor in employee's motivation and morale. Your impact on employee motivation is immeasurable. By the words, the body language and expression on face, the telegraph opinion of their value of the people employ. You must take the lead first. Use simple powerful motivational words to demonstrate that you value people by saying ' please' and ' thank you' and ' you are doing a good job' you can make their day positive employee motivation and morale.

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Start the day right. Since, walk tall and confidently. Walk around your workplace and greet people. Share the goods and expectations for the day. Let the employees know that today is going to be a great day. Of start with you, you can make their day.

For employee motivation, you must make sure people know what you expect. As a manager, you must have clearly state down the work objectives, members needed, report dear lines and the requirements so that the employees do not received a different manage. Make sure get the feedback from the employees so will know he or she understand what is the need. Share the goals and reasons for doing the task and project. Have a task or project by the middle of change, why change needs to tell people, tell them you know. They want to know when they complete a project, and when you are disappointed in their results. They need as soon as possible after the event this information. They need to work with you to make sure that they produce a positive outcome the next time. Set up a daily or weekly schedule to check and make sure the feedback happens. This is an effective tool in building employee motivation and morale.

As a manger you can continue learning and trying out new ideas for employee motivation. Use whatever access you have to education and training. Have an internal trainer or seek classes from an outside consultant, a training company or a university. Most people want to learn and grow their skill at work. No matter what their reasons are: a promotion, different work, a new position or a leadership role employee appreciates your help. Encourage experimentation and taking reasonable risk to develop employee skill. That each person's performance development plan and implementation plan to <https://assignbuster.com/case-study-of-the-ytl-corporation-berhad/>

ensure that you need to help them. Hold regular meeting to share information, gain ideas for improvement and train new policies. Hold focus groups to gather input before implementing policies that affect employees. To effectively lead a work group, department or unit, you must take responsibility for your actions, the actions of the people you lead and the accomplishment of the goals that are yours. [Susan M. Heathfield, About. Com] Show commitment by following through on your promises.

To motivate the employees, we start with good people, lay out rules communicate and reward them with good pay and bonuses to those who deserve them. Today, people must understand why they are working hard. Every individual in an organization is motivated by something different from each other. On motivating people, you are got to engage their minds and their hearts. For example, by excitement or by having productive ideas to make others feel involved. Motivation is the art of setting people to do what you want to do because they want to do it. Everybody wants to be somebody. The thing you as a manager have to do is to give them confidence as much as you can.

Whether you, you are for personal reasons, but the bottom line is that almost everyone working for the money. Whatever you can it: – compensation, salary, houses, benefit or remuneration, money pays by bills. Of provide housing, gives children clothing and food, send them to college and eventually retirement. Therefore, equity interests and pay is the cornerstone of a successful company, the commitment to recruit and retain workers. To attract the best employees, you need to pay more than your average paying counterpart in the market place.

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Show commitment by ‘ following through” on your promise. Follow up on mines and review project regularly to make sure you have done all you can keep an eye on projects so that you can head off problems.

As a manager, in order for you to motivate your employees you must have positive mental attitude. Condition your mind to reject negative attitude to channel your mental energy. A commitment to positive attitude will bring about that relaxed countenance that many successful leaders exhibit.

Show disciplined to your employee by setting a good example. Always arrive early for appointments. This shows that you are disciplined and respect other people’s time.

Strength and courage on the face of adversity is a must. Be determined to face it off when facing with any troubles or problems. People will respect you more if you show courage.

The leading challenges are to help individuals identify potential area of development and to measure the effectiveness. It is also one’s ability to deal with daily environment demands and pressure and helps predict one’s success in life including professional and personal pursuits. It also helps us to understand the connection between emotion and one’s abilities to lead. Leaders execute a vision by motivating, umpiring, listening, guiding, and persuading others.

The challenges in leading are that we can proactively build up relationship with a wide network of people. To continually articulating our vision and influencing our employees. As a leader, we can umpire ourselves and others

and also creating a culture that sustain urgency in making the vision a reality. We can also continually looking for new ideas, developing, motivating, embracing change and welcoming opportunity.

Combined with comprehensive pressures and the constant need to adapt and change the demands to strong leadership at every level of an organization one eventual to its strategic alignment, effectiveness and success.

In YTL Corporation, the manager led or motivates their employees in the company to achieve some plan or let their staff perform in certain tasks. Besides, the manager also led to the morale and behavior of the staffs. YTL Corporation aims to make the staffs having a high morale and good efficient while working in the company. So that, the company only can perform well because of the good relationship between subordinates and staff. Other than that, YTL Corporation led the company to achieve their company mission and vision. By facing any challenges and problem, the manager will find a new idea or certain ways to solve the problem or having confidence to fight with the challenges given.

Compare to the concepts and theories, YTL company manager concern more about the performance of the employees in the company. Same as the way of leading, the manager led to make the staff be in high morale and good attitude. So, the manager can led their employees to achieve certain objectives in the company.

Controlling

Finally, we come to the last management process and functions. The final activity manager perform is controlling. Manager should monitor activities to

ensure that they are accomplished as planned. After estimating the future conditions and circumstances of his company, making decisions b