

**Practice of Management by Exception by Housing Developer
during Covid19 In Malaysia**

By

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for the Degree of Master of Business Administration**

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DECLARATION

I hereby declare that the case study is based on my original work except for quotations and citations that have been duly acknowledged. I also declare it has not been previously or concurrently submitted for any other degree at Universiti Tun Abdul Razak (UNIRAZAK) or other institution.

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Date: 18th October 2021

PREFACE

Praise to Allah, the Almighty and Merciful, for His guidance and stewardship in enabling me with the light of the fact and capability to fulfil and having completed this case study. Furthermore, this case study was completed with the help, direction, and support of a number of persons to whom I would like to express my heartfelt gratitude in this part.

First and foremost, I owe a respect and sincere gratitude to Prof. Dr. Farhana Tahmida Newaz, my sole supervisor, for her essential guidance, support, and support throughout the process of this case study. Her input, in terms of knowledge and wisdom, had facilitated the process flow - from deciding on the case's theme until conducting the assignment in the form of a project paper.

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Also, I owed the MJB Group and MBSB management team a heartfelt thanks for their time, energy, cooperation, and commitment in allowing me to conduct a truthful case study on the organization. Last but not least, I'd like to convey my heartfelt gratitude and thankfulness to my family for their unwavering and unfailing support. I gained the fortitude to successfully complete not just this case study, but also the entire master's degree programme and courses, thanks to my parents' blessings, encouragement, and faith in me.

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LIST OF ABBREVIATIONS

BOD	:	Board of Directors
CIDB	:	Construction Industry Development Berhad
JPPH	:	Jabatan Penilaian Harta Tanah
KPKT	:	Kementerian Kesejahteraan Bandar, Perumahan, dan Kerajaan Tempatan (Ministry of Urban Wellbeing, Housing and Local Government, Malaysia)
LRT	:	Line Railway Train
LTAT	:	Lembaga Tabung Angkatan Tentera
MBSB	:	Maju Bina Sdn Bhd
MERS-CoV	:	Respiratory Syndrome
MBE	:	Management by Exception
MM2H	:	Malaysia My Second Home
MCO	:	Movement Control Order
NAPIC	:	National Property Information Centre
nCoV	:	A novel coronavirus
NHC	:	National Housing Council
OECD	:	Firm for Economic Co-operation and Development
PR1MA	:	1Malaysia People's Housing (PR1MA)
psf	:	per square foot
PPSPSA	:	Pengurusan Sisa Pepejal dan Pembersihan Awam
ROE	:	Return on Equity
ROA	:	Return on Asset
RMM	:	Rumah Mampu Milik (Affordable Homes)
SARS-CoV	:	Severe Acute Respiratory Syndrome
SIRIM	:	Scientific and Industrial Research Institute of Malaysia
sqft	:	Square feet
Sdn. Bhd.	:	Sendirian Berhad
SBSB	:	Suasa Bina Sdn Bhd
TGSB	:	Tunas Gading Sdn Bhd
WHO	:	The World Health Organization

EXECUTIVE SUMMARY

This case study is based on primary research built on the interview with the Managing Director of Maju Bina Sdn Bhd (MBSB), Encik Iqbaal and the Senior Human Resource Manager of MBSB, Puan Rosnah. Secondary data was also sourced by desktop research – articles, reports, journals and publications.

MBSB was incorporated on 6th November 2006 which wholly owned by a Bumiputera. It is a subsidiary of the thirty (30) years experienced contractor who becomes a developer. MBSB is a subsidiary to the MJB Group of Companies. The ownership of this organization is held by three (3) directors which is also the Board of Directors for the Group. MBSB consist of 20-50 employees which is also the employees of the group. And amongst them, there are only nine (9) employees who are directly handling and managing the technical operation of the property development of MBSB i.e., marketing, credit, development, liaison, and technical.

MBSB has a few big projects with the Government and even have a few private projects around Malaysia. One of the current ongoing projects of MBSB is called The Utopia, a three (3) phases project consist of a shop office, an affordable homes apartment and a high-rise condominium which situated in a very strategic location in Klang Valley and worth half a billion. The project is targeted to be completed in the year 2021. Due to the big portfolios, the organization requires a high investment with a volatile returns to ensure that they are not jeopardise the property market and their reputation as a property developer in the country.

This case study was to comprehensively explore the introduction, growth, progress, and achievements of MBSB as well as the financial performance of the organization during the pandemic crisis. It also identifies the impact of the management by exception adaption whether the strategies or methods in handling the management during the pandemic to survive in recent times while facing changing and complex environmental conditions. The most important of it is whereby the principle of the management by exception through the authorities and responsibilities are determined, the utilization of time, and the employee's performance achieved between the planned achievements. With the analysis's outcomes, alternatives will be derived, and recommendations will be proposed – objectively to enhance the legacy and sustainability building and development.

PART 1: CASE DESCRIPTION

1.0 PROLOGUE / THE OPENING GRAPH

Until recently, few substantial research contributions have been made that investigate the specific influence of Management by Exception (MBE) practice on control system development. Part One (1) of this case study provides the historical background of the organization, the situational context of the organization, issues, proposing that this process involves considerable formalization of structures, procedures and systems which reflects the natural world and might be the rationale for details of specific business situation. It looks at how business is being conceptualized philosophically and how it is perceived from an emic standpoint.

This case study looks into MBE practices at a developing firm afflicted by the Covid19 pandemic to fill the knowledge gap. The empirical data were gathered through interviews, internal papers, and inspections of the organization's operations. The study also looked at how some mechanisms were employed over the period under consideration. Special attention was paid to participants' objectives for these changes to assess the impact of growth, financial performance, and behaviour. The idea that participants' responses to their subjective perceptions of events are crucial for forming visible organizational practices focuses on intentions. In addition, the precise area of interest and difficulty were highlighted and the importance of this study.

Part Two (2) of this case study will demonstrate how several growth metrics, such as organizational growth (number of employees), and organization growth (sales and profit), affected the trends seen in this instance. Furthermore, the aims of the researched modifications include both the attainment of goals and the management of the two types of growth's effects. More precisely, the adoption of diagnostic control systems and the formalization of labour processes are linked to corporate development. High-level executives spearheaded these reforms in order to improve the firm's performance and decrease risks. Organization all expansion, on the other hand, was linked to integration systems that employees essentially launched.

This chapter also examines the organizational approaches that might be used, focusing on the managers' perspective. It also discusses the consequences for practice and highlights several potential topics for further study. Some findings point to shortcomings in the theoretical control framework and recommend that the levers-of-control paradigm be improved. This case study shows how controls could be utilized constructively to spur innovation and strategic manoeuvring and for other goals relevant to business organizations in more stable environments adopting plans with a defined business scope.

1.1.1 MJB Group

MJB Group (MJB) is a construction firm that has evolved into a home developer. The firm develops property and offers project and construction management in the sector through its subsidiaries. Townships, luxury houses, landed and high-rise apartments, offices and commercial properties in key districts of Greater Kuala Lumpur, Selangor, Terengganu, Malacca, Pahang, and even the Maldives are among the Group's diverse portfolio. They have established a new standard for building harmonious communities in luxury living and are an excellent long-term investment.

It all began when Datuk Khusairi and his friend, Encik Ridzuan Mohamad, successfully partnered to establish the MJB Group of Companies. Prior to graduating in Civil Engineering from Institut Teknologi MARA (ITM, which is now known as Universiti Teknologi MARA – UiTM), Datuk Khusairi started his career with MARA for five years before he moved on to Island & Peninsular Berhad (I&P Berhad), a reputable developer from the year 1991 to 1999, where he met the Managing Director, Encik Iqbaal. Armed with 28 years of experience in construction and broad exposure, culminating his passion in realizing his dream to start his construction organization, MJB was established in 2004. Encik Ridzuan, who obtained a Bachelor of Accountancy from the International Islamic University, gained extensive experience in auditing, public floatation, investigative review, and new business development. He also subsequently initiated Ridzuan & Co., a firm of which he successfully runs today. His experience is widely recognized, leading to his current successful partnership with Datuk Khusairi.

MJB is working to position itself as a lifestyle developer in both residential and commercial construction. The firm develops property, offers project and construction management, and advisory services to the property development sector through its subsidiaries. Townships, luxury houses, landed and high-rise apartments, offices, and commercial properties in key districts of Greater Kuala Lumpur, Terengganu, Perak, Malacca, and the Maldives are among the Group's diverse portfolio. They have established a new standard for building a peaceful community in luxury living and are an excellent long-term investment. MJB is a reputable Class A Bumiputera contractor registered with Pusat Khidmat Kontraktor, a privileged CIDB Grade 7 Licensee with the Lembaga Pembangunan Industri Pembinaan Malaysia, a C1 permit holder with Jabatan Perkhidmatan Pembetungan, a registered solid waste disposal contract with PPSPPA, and a registered solid waste disposal contract with PPSPPA and a registered contractor with the Ministry of Finance, Malaysia.

1.1.2 Maju Bina Sdn Bhd

Maju Bina Sdn Bhd (MBSB), which specialises in property development, has a strong presence in the Malaysian market, having completed and continuing more than RM1 billion in projects. It continues to have a high take-up rate for its development initiatives, based on its track record. MBSB has continually evaluated and strategized its property launches to achieve the greatest match of its goods to satisfy customers' requirements and affordability levels in different regions while balancing profit and prudent risk management to generate better value for its stakeholders. They also increased sales and marketing efforts by implementing new marketing tactics across all of their enterprises.

After a few years building up a career, reputation, and experience with the organization passed by, Datuk Khusairi was teamed up with Encik Iqbaal who is the opportunist and was instrumental in Acquisition, Planning, and Developing new townships worth billions of Ringgit to develop a project under MBSB as a Property Developer. Encik Iqbaal graduated from CIM (United Kingdom) and has 27 years of experience in Property Development brought vast experience and contacts with the MJB management team since joining in 2012. He is currently one of the MJB Board Directors and the Managing Director of Maju Bina Sdn Bhd.

The idea of becoming a property developer became when MJB Group, under their subsidiary Tunas Gading Sdn Bhd (TGSB) and Suasa Bina Sdn Bhd (SBSB) together, had successfully secured a government project and developed an affordable housing development project comprising 2,170 apartment units in Cheras. The high-rise apartments, located in Alam Damai, are a part of the federal government's plan to build 50,000 affordable homes in the Klang Valley under the 1Malaysia People's Housing (PR1MA) scheme. Located near Plaza Phoenix and the Middle Ring Road 2, the project offers four apartments ranging from 670 square feet one-bedroom units to 1,055 square feet three-bedroom units. PR1MA Alam Damai was completed in 2016.

Driven by his passion, blood, and sweat in the property industry, Encik Iqbaal was within a year of his appointment, knew that he had identified the loopholes in the current development and its technology, and had ideas on how to make it better. With years of reputation and network building in the industry, he managed to secure a government project for the organization's land in Bukit Jalil. Thus, in 2013, the land which initially to build a semi-detached house changed to a condominium and a shop unit, which are more profitable and accommodate the area.

1.1.3 Corporate Structure

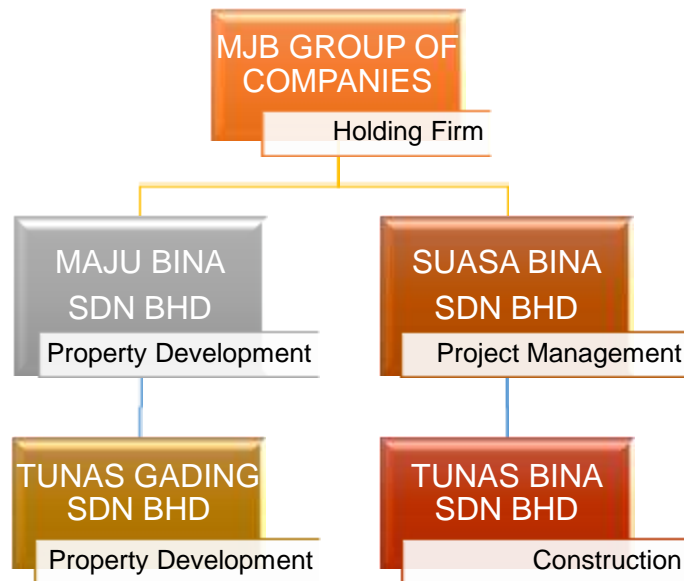


Figure 1 Corporate Structure of MJB Group of Companies

Maju Bina Sdn Bhd (MBSB), one of the subsidiaries of the MJB Group, was incorporated in Malaysia under the Companies Act, 1965, on 19th December 2007. The organization is involved in a diversified range of property services, which include property development. MBSB is a private limited organization and has been existed for thirteen (13) years. MBSB's main business is property development. It has continually analysed and strategized its property launches to ensure the greatest fit of its goods to satisfy consumers' demands and affordability levels in various regions, all while balancing profit and sensible risk management to produce more value for its stakeholders. In addition, the division has increased sales and marketing efforts by using new marketing tactics across all of its projects. The property development business obtains a high take-up rate for its development projects because to its proven track record.

Through its wholly-owned subsidiaries, SBSB and TBSB, the construction and project management sector contribute considerably to the Group's operations. It provides comprehensive services for commercial and residential developments, including design, conception, feasibility studies, development management, and construction. The Construction and Project Management business will continue to compete and acquire new contracts to increase its book value by using its strong and broad technical knowledge. To date, this division has handled and executed projects totalling more than RM3 billion in contract value.

1.1.4 Vision

To be recognized worldwide as a reputable construction and development organization of distinction committed to its people, community and environment.

1.1.5 Mission

To accomplish our vision, we shall remain focus in our core business, capitalizing on our strength, experience and expertise gained over the years, continuously researching, adapting and improvising it to meet international standards and in the process, positioning our workforce and resources in a ready state to seize on opportunities that comes along our way, always discharging our duties responsibly as a good corporate citizen.

1.1.6 Organizational Chart of MBSB

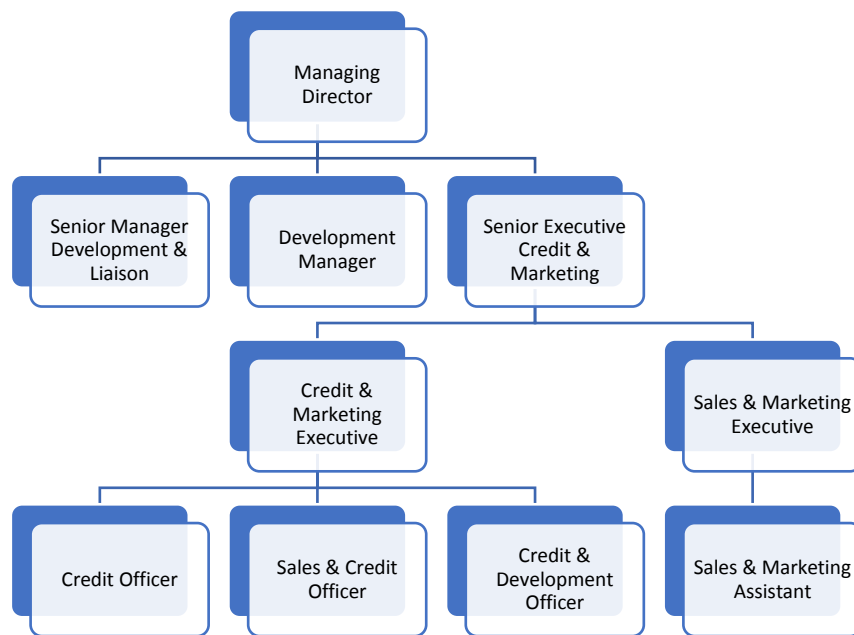


Figure 2 Organizational Chart of Maju Bina Sdn Bhd (MBSB)

The structure of this division defines the sole relationship of people in an organization. Three sections in this division are managing by the section head, which reports directly to the Managing Director. All of the section head is baby-boomers aged between the ages of 36 to 40 while the employees aged between 28 to 50. In the context of educational background, all the section heads have the same academic qualifications and have worked in their related field for more than ten years. All of the employees have been working there for more than two years and have low employee turnover compared to other divisions. They also are related to each other to accomplish the goal in a coordinated manner.

MJB Group employs approximately 200-300 people, inclusive of the site employees. However, the operation under MBSB only is managed by the managing director, Encik Iqbaal, with nine employees focused on the project's operation. These employees were handling the property development for all the projects directly under MBSB. At the same time, for another department, i.e., the Accounting Department, Financing Department, Administration Department, and the Human Resources Department, it will be centralized by the employees of the holding organization, MJB Group. Under Encik Iqbaal's management, there were three main sections to conduct daily activities of the project's operation: the Liaison and Development, Development (Technical), and the Credit Marketing section. The BOD of MJB Group also managed the different operations of the development, such as the Property Development, the Project and Construction, the Administration and Human Resources, the Accounting and Finance, and others.

Since the opening of the MBSB, its philosophy has been to leave no employees behind. Most of the employees here have worked in the organization for more than five years. They show loyalty to the organization and enjoy working in their working environment despite the benefit they get being lower than others. They also received the bonus and salary increment every year. For these employees and even part-time employees, the organization also offers healthcare benefits, including medical and alternative services. They also have less supervision and flexibility to get

their task done. Overall, they are still feeling satisfied and happy with their job and the organization for the past five (5) years.

However, a recent interview with a few employees has shown dissatisfaction in their job and organizational commitment towards the benefit of the employer and the organization. Most of it was because of the benefit, and their dissatisfaction worsened during this pandemic outbreak. Employee job satisfaction is meagre in this property development division of the organization. They have a problem with absenteeism, tardiness, stress, lack of motivation, and even job burn-out. The organization cannot encourage the employee to have the right attitude in the organization, and more office politics become highlighted.

All of them objectively to be a reputable property developer, up to par or better, while helping people have better homes with their family developed countries. Alam Damai's project and the shop offices project of Phase 1 is the outcome. They have step in more seriously in the property development industry. With over three decades of experience of all the BODs, they share the same envisioned towards working with all the local councils and authorities in time to come. Around the end of the year in 2015, it marked a prime moment for MBSB when they are the only property developer chosen to develop an Affordable Home in Kuala Lumpur, Sutera Residensi, situated in Bukit Jalil, Kuala Lumpur. The project was the only one in Kuala Lumpur launched by the Housing Ministry, which comprises 39-storeys of 508 units apartments. They satisfied to carry out the responsibility in building the

homes and at the same time helping people to get their dream home since the deposit of ten per cent for the house will be subsidized by the government.

1.1.7 Project Overview

MJB's products are highly welcomed in the market since they are characterised by creative lifestyles. The inexpensive houses, which were completely sold out by the end of September 2021 because to their strategic position and convenient access to the Starvilion Bukit Jalil Mall, continued to attract tremendous reaction despite the sluggish property market. This demonstrates that high-rise residences in unique locations and projects with great concepts, branding, and on-time delivery continue to be in high demand.

Phase 1 of The World, worth RM162.8 million, began in late 2011 and was finished in 2015. It comprises of 46 four-story shop offices in five blocks, with 26 units measuring 24 feet by 70 feet and the others at 25 feet by 60 feet. The units are all sold out, with a 60% occupancy rate. The Earth commercial shop offices is located in the section of the Bukit Jalil Highway in between Kuala Lumpur and Puchong. It lines the portion of the road next to SIRIM Bukit Jalil that is directly opposite Starvilion Bukit Jalil City and Ho Hup's Aurora Place.

The entire residential parcel is located just behind the 48 units very eye-catching blue and red The Earth Shop Offices at Bukit Jalil stretching 11.83 acres along the Bukit Jalil Highway facing Starvilion Bukit Jalil City. The

Earth at Bukit Jalil commercial shop-offices represents Phase One of the development and is now a completed project with tenants fill the units.

Phase 2 of the project is the residential component of The World's master plan. There are many kinds of businesses opening there, including food and beverage outlets, budget hotels, tuition centres, and so on. These shops were designed to serve the needs of residents in Phase 2 (as well as others coming up in the adjacent Lembaga Tabung Angkatan Tentera (LTAT) parcel, also now amid construction). Situated on 9.387-acres behind Phase 1, the construction has begun with "Affordable" Sutera Residensi, slated for completion in 2020. The Affordable Homes is the only project in Kuala Lumpur under the Ministry of Housing and the Local Government's (KPKT) scheme known as MyHome Private Affordable Ownership Housing Scheme launched in 2017. The Development Agreement with the housing ministry was signed in 2017 to build the L-shaped block, offering 40-storeys of 508, 3-bedroom, 2-bathroom units with built-ups of 850 square feet each.

The first-time homebuyers will be smiling because the Government has put up housing initiatives to aid them financially with their first home. The MyHome scheme program is a program that allows low-income earners and first homebuyers to own a house. It is a government initiative dedicated to supporting first-time homebuyers in purchasing their own home. It is also one of the Government's strategies for encouraging developers to develop more affordable housing. It was reported in 2014 that 10,000 low-cost houses would be built around this country under this scheme. The National Housing Council (NHC) has allocated RM300 million for this project part of the

Government's promise to help make homes more affordable. The MyHome initiative gives an RM30,000 per unit incentive to assist the homebuyers in financing their down payment while the loan's repayment time will be increased from 30 to 35 years. However, they need to determine their loan eligibility and the extension period.

The home alternatives available through MyHome vary in terms of features. They frequently include amenities such as a playground, Surau, community hall, and parking spots. There are now two versions of MyHome in use, with the most significant distinction being the maximum price. Located within walking distance of just 170 metres from the upcoming Starvilion Mall Bukit Jalil City, it is simply too good a deal to miss out. The project is a successful project with a 100 per cent sales rate before target completion in 2021. This project was next to the Condo Utopia, consisting of two blocks of luxury condominiums, which launched in the same year.

MBSB's products were distinguished in the market by an original lifestyle that was warmly welcomed. Despite the sluggish property market, the project location got an overwhelming demand due to its strategic position and convenient access to the Starvilion Bukit Jalil mall. This demonstrates that high-rise residences in unique areas and projects that offer essential concepts, branding, and on-time delivery continue to be in great demand.

Condo Utopia at The World is Phase Three of The World project spearheaded by MBSB is the latest and arguably the most exciting development. Located only next to Sutera Residensi in Bukit Jalil, it is just one of few developments part of efforts to make Bukit Jalil into Kuala

Lumpur's second business hub. The Starvilion Bukit Jalil City is also opening up in the same area soon.

In comparison to the surrounding projects within 1-2 kilometres of the Starvilion Mall, the Utopia is the only condo that faces directly onto the mall, giving the developer additional selling advantage in addition to the low price. Furthermore, in terms of connection, this location is accessible by a few expressways, and the LRT line is effectively combined. Overall, the Utopia is well-positioned and well-accepted by pockets of mature, rapidly-evolving communities eager to adapt to today's lifestyle needs. The Utopia is a great investment for "own stay" and rental income because the region is such a well-connected hotspot these days with present and pending prospects for business, jobs, and expanding families.

It has 762 units in two 39-story buildings, with four different design options and built-up areas ranging from 960 to 1,480 square feet, with three bedrooms and two bathrooms. Two parking spaces, two air conditioners (one in the master bedroom and one in the living room), timber flooring (in the master bedroom), and kitchen cabinetry are included in each unit. The flats have an RM550 per square foot price tag.



Figure 3 Development of MBSB (Sutera Residensi and the Utopia Condo)

Utopia Condo looks to provide the best for its tenants, with everything a modern Malaysian could need and want under one establishment. Tenants of Utopia can look forward to a breath-taking view of the KL skyline from a distance, as well as vistas of Bukit Jalil itself from the infinity pool. A multipurpose hall and rooms will be provided for events, so tenants include a proposed kindergarten and shops within the lot for the convenience of tenants.

In terms of connectivity, Bukit Jalil is accessible via the Shah Alam Expressway (Kesas) in the north and Maju Expressway to KL city just before the exit to Sri Petaling (from Kesas). The boundaries of Bukit Jalil are the Shah Alam Expressway (in the north), the National Sports Complex (in the east), city boundaries (west) as well as Lebuhraya Bukit Jalil and city boundaries (south).

Condo Utopia is the enviable position of having a vantage view of it all, being situated on higher ground overlooking the cityscape from 400 metres away, and linked as well, by a fancy walk bridge to the centre of the action. The project is located on 5.6 acres of land just behind the 48 very eye-catching blue and red The World @ Bukit Jalil commercial shop-offices stretching 500 meters along the Bukit Jalil Highway facing Starvillion Bukit Jalil City. Specifically, the luxury condominium will be on Persiaran Puncak Jalil and Jalan Impian Indah just behind the Scientific and Industrial Research Institute of Malaysia (SIRIM), Bukit Jalil. Bukit Jalil City is just across the road.

The Greater Kuala Lumpur / Klang Valley Integrated Transit System includes the Ampang line LRT and the Sri Petaling line LRT. The combined network has 45.1 kilometres of track and 36 stops. At Chan Sow Lin LRT station, the Ampang and Sri Petaling lines intersect; the combined route heads north, finishing at Sentul Timur LRT station. Between Sentul Timur LRT station and Chan Sow Lin LRT station, the Ampang line and Sri Petaling line LRTs share a shared path, essentially making all of the stops between Sentul Timur LRT station and Chan Sow Lin LRT station interchanges for both lines.

1.1.8 Location

The headquarters of MJB Group is located at No.24-26, Jalan BK 5A/2A, Bandar Kinrara, 47180 Puchong, Selangor Darul Ehsan.

1.2 INDUSTRY OVERVIEW

Property development is undoubtedly one of the most profitable, innovative, and intriguing elements of the real estate market. In reality, when it comes to deciding the pricing of houses, developers are important actors. Although this business endeavour might be hazardous, it must take measured risks to succeed as a property developer.

The Malaysian government has promoted retirement and second-home properties in cities like Kuala Lumpur, Penang, Melaka, and Johor Bahru to encourage foreigners to acquire comparably affordable, free-hold residences. However, this growth trend has put pressure on the availability of cheap housing since developers are more interested in constructing international property projects than the less profitable local housing goods. Since March 18, 2020, Malaysia has had a tight curfew in effect.



Figure 5: Overhang / Unsold Units - Under Construction Residential Property

(Source: JPPH2021)

What worried the firm was that the available overhang units kept increasing in the market. Based on the data from JPPH 2020, the high-rise unit priced from RM300,000 to RM1,000,000 has an overhang or unsold units, which keep increasing from the year 2017 to 2020. Comparing the categories between the terrace houses and the high-rise units, the high-rise units had more unsold units in 2020. However, the Malaysian property market goes through further stagnation before a more meaningful recovery can be seen when the government anticipates introducing the National Housing Policy 2.0 and property crowdfunding platform.

Price Range	Terraced House (unit)	High-rise Unit
Below RM300k	12,748	15,656
RM300K- RM500K	6,120	10,343
RM500K – RM1 Million	5,372	7,384
Above RM1 Million	1,592	1,930
Total	25,832	35,313

Table 1: Overhang / Unsold Units - Under Construction Residential Property

(Source: JPPH2021)

The Covid19 pandemic in Malaysia also caused havoc on the worldwide real estate market and the functioning of the MM2H programme. New MM2H applications have been suspended as a result, with no indication of when the programme will resume. As a result of this unexpected decision, international property sales have been halted. MM2H holders' rights to cross the border

and visit their Malaysian homes have also been reshuffled due to the pandemic's travel limitations. Border restrictions between Johor and Singapore, for example, have had a substantial impact on everyday border crossing operations as well as the existing international property market.

The pandemic exposes underlying concerns about the sustainability of the current business model and foreign property growth ambitions for real estate developers. What makes these high-priced residential buildings so appealing now that cross-border mobility is no longer a given selling point? Given the realistic assumption that worldwide control of the coronavirus pandemic would take several years, market reactions to foreign property in the post-coronavirus period will be unexpected.

In Malaysia, everybody in this sector is still waiting to enact a Covid19 temporary measures bill to safeguard any contracting parties from developers and purchasers' contractual obligations during the MCO period until the pandemic issue is resolved. The treasury bill decision is believed to be decided by the end of August 2020.

There are a few significant issues that property developers have faced during this pandemic outbreak. Nevertheless, the critical start-up of these significant issues is the construction work that has been forced to stop and closed during the MCO period. This led to the developer's cash flow issue, which is that the billing cannot be issued to the bank while the construction date is running. Cost increases as a result of inflation, currency devaluation, and

economic problems might also be a source of concern and a danger to property development in general. Unexpected delays from government agencies, lawsuits, and contractors might result in significant cost increases, particularly if the project relies significantly on bank loans. If the supply and demand dynamics of the property industry alter during this time, the project may suffer severe consequences.

1.2.1 Pandemic Covid19

The World Health Organization (WHO) classified coronavirus (Covid19) as a pandemic on March 11, 2020. That means a worldwide disease pandemic that poses a hazard to the entire globe. Covid19 is a coronavirus-based infectious illness. Coronaviruses (Cov) are a broad group of viruses that cause illnesses ranging from the common cold to more severe illnesses like Middle East Respiratory Syndrome (MERS-CoV) and Severe Acute Respiratory Syndrome (SARS-CoV).

‘ A novel coronavirus (nCoV) is a new strain never seen in humans before.’ (World Health Organization, 2020a). They are passed on from animals to humans. Fever, dry cough, shortness of breath and breathing difficulties, fatigue with aches and pains, nasal congestion, runny nose, sore throat, or diarrhoea are among the symptoms (WHO, 2020a). Coronavirus is a new virus that was identified in December 2019 after an outbreak in Wuhan, China. It has now spread across many countries at a breakneck pace. According to WHO (2020b), the virus had spread to 202 nations, regions, or

territories as of March 31, 2020, with 693,224 confirmed cases and 33,391 fatalities.

Global economic growth is expected to slow to 2.4 per cent for the entire year, down from 2.9 per cent in 2019 (OECD, 2020). This scenario may have a detrimental influence on the long-term viability of businesses as well as individual jobs. Furloughs and layoffs have resulted as a result of this (World Economic Forum, 2020). Employees in this situation must take care of themselves, their families and strive to save their jobs.

Many countries have shown leadership by implementing emergency measures to stop the spread of the illness. In this context, universities and colleges, kindergartens, cinemas, museums, and food outlets have been closed, public gatherings and events have been cancelled, people have been quarantined, travel restrictions have been exerted, borders have been closed, and flights from and to countries with a high level of contamination (e.g., China, Italy, France, Spain, the United States, and Canada...) have been cancelled.

A pandemic may cause severe shocks to global economies and society, in addition to the detrimental effects on individuals (MacIntyre, 2020; Shigemura et al., 2020). According to the current Interim Economic Outlook (2020) from the Firm for Economic Co-operation and Development (OECD), ***"the coronavirus Covid19 poses the greatest threat to the global economy since the financial crisis."*** Even under the best-case scenario of

limited breakouts outside of China, a severe slowdown in the global economy is predicted in the first half of 2020. When supply chains and commodities are disrupted, tourism suffers, and confidence is shaken.

Malaysia is estimated to have lost RM2.4 billion a day, or \$35 billion per month, during the movement control order (MCO) period. Almost half of Malaysia's self-employed people have lost their employment due to MCO, while 28 per cent of employers have seen their revenue collapse by more than 90 per cent. Manufacturing and tourism, particularly the airline industry, are among the worst-affected sectors. Employers are under pressure to decrease expenses to keep their employees, and they may risk legal action if they fail to meet their legal responsibilities. During MCO, employees are subjected to significant threats. During MCO, employees face significant risks such as forced leave, no-pay leaves, salary reductions, and union-busting.

As a result of this unexpected situation, companies across the board are scrambling to put money away in order to prepare for the duration of the emergency period, which is still happening as of August 2020. The budget-cutting measure resulted in a significant loss in human capital. The majority of workers' working hours have been reduced, their earnings have been reduced by a percentage, and some have been forced to resign by their employers. Job seekers and recent graduates, in addition to working people, are having difficulty obtaining employment during the epidemic.

1.3 COMPETITION AND MARKET ENVIRONMENT

Housing in Asia is gradually becoming more regularised, leading to a new geography of profits and politics (Chen & Shin, 2019). The government began meddling in housing laws and market-oriented activities to transform property development into a rent-seeking activity. The government can use the roles of 'control' and 'exploit' to increase its power over both public and private property development. On the other hand, these two views may not only generate conflicts of interest between state and non-state actors, but they are also increasingly clashing with social justice and the integrity of government. The Covid19 pandemic has halted whole countries and businesses. Recovery will take time because some nations are still trying to restart their economy. After all, how can the local real estate market weather these storms, and what can investors and developers do until the economy improves? In Malaysia, COVID19 and housing affordability are still essential concerns.

On the one hand, the coronavirus pandemic has raised significant operational and policy issues regarding the MM2H programme. Unfavourable market attitudes as a result of mobility restrictions, on the other hand, have been blamed for the foreign property market's vulnerability. During these difficult times, the government should concentrate on closing the local housing demand-supply imbalance and reorganising state-business relations in the real estate sector. International real estate development is a fiercely competitive sector focused on market speculation for wealth accumulation.

To avoid reckless market speculation, the government should provide stricter protections for housing designed for profit rather than for living.

Bukit Jalil first garnered recognition in 1998, when it hosted the Commonwealth Games. It has maintained a high profile since then, with big crowds attending various musical events and exhibitions, as well as the recent Southeast Asian Games. While hosting big sporting events has had a huge influence on the area's change, property developers have clearly increased the pace of development. This is owing to its proximity to the city centre of Kuala Lumpur and ease of access. The Shah Alam Expressway, Bukit Jalil Expressway, Maju Expressway, and Kuala Lumpur-Seremban Highway connect to Bukit Jalil. The Shah Alam Expressway, Bukit Jalil Expressway, Maju Expressway, and Kuala Lumpur-Seremban Highway connect to Bukit Jalil. Local light rail transportation stops include Bukit Jalil, Sri Petaling, Awan Besar, and Muhibbah.

Bukit Jalil City and Kuala Lumpur Sports City have kicked off the area's second wave of development, and Bukit Jalil Sentral, which is set to open soon, will keep the momentum continuing. Bukit Jalil City, especially Starvillion Bukit Jalil and the renovation of the Bukit Jalil National Sports Complex, has breathed new life into the area.

Residential property prices in Bukit Jalil, particularly high-rises, have frequently grown at a compound annual growth rate of five (5) per cent to seven (7) per cent. Since the mid-market, new releases have had a high

take-up rate, and upper-mid-market units are considered cheap. Bukit Jalil is a popular residential area due to its easy access to highways and public transit, as well as its various amenities, which include schools, universities, and medical centres, as well as an 80-acre recreational park.

There are fears that, with the increasing number of construction projects in Bukit Jalil, there would be an oversupply of residential units, particularly high-rises, in the future years. This is possible because several projects that started some years ago will be finished between 2018 and 2020. 1,238,013 households own their homes, according to the Ministry of Urban Wellbeing, Housing and Local Government's (KPKT) average house ownership rate of 68 percent, while the remaining 583,370 rent or reside in government quarters. The latter will want to buy a home at some point. According to the National Property Information Centre's (NAPIC) 2016 residential supply data, there are 233,748 units on the way. As a result, a supply-demand imbalance exists, notably in the mid-market segment.

Despite the reservations, Bukit Jalil is a well-established neighbourhood, and the market should be able to absorb more units in the medium term. If the market mood does not improve quickly, rents and prices may fall in the short term.

1.3.1 Competitors of MBSB

Unlike the Sutera Residensi's apartment, the primary property developers in the Bukit Jalil region are Bukit Jalil Development Sdn Bhd (BJD), SkyWorld Development Sdn Bhd, Aset Kayamas Sdn Bhd, and Berjaya Land. All of them have built additional condominiums in the Bukit Jalil neighbourhood in recent years. Aurora Sovo by Ho Hup Construction Organization has a restricted set of amenities. However, Aurora Suites by the same developer has a high launch price of RM 600,000 for 750 square feet (translating RM 800 per square foot) and a high density of 900 units housed in a single tower.

No.	Development	Built-up (sq.ft)	Selling Price (RM)	Price psf (RM)
1.	Condo Utopia	960 - 1480	from RM500,000	RM553
2.	The Tropika	732 - 1318	from RM575,000	RM786
3.	Aurora SoVo	602 - 1305	from RM416,300	RM692
4.	Aurora Suites	750 - 1800	from RM600,000	RM800
5.	Park Sky Residence	868 - 1565	from RM715,000	RM824
6.	Sky Luxe	661 - 1224	from RM605,000	RM915
7.	The Havre	1023 - 1239	from RM580,000	RM567

Table 2 Competitors of MBSB




Four buildings make up MBSB Berhad's Park Sky Residence @ Bukit Jalil City. These desirable properties began selling for RM 715,000 and ranged in size from 868 square feet to 1,565 square feet (translating to RM 824 per square foot). SkyLuxe on the Park, developed by SkyWorld Development, provides 477 residential apartments in six different design options, ranging

from 661 to 1,224 square feet. The pricing of SkyLuxe on the Park units, which start at RM605,000 (or RM915 per square foot), may appear to be a little high in light of the current economic situation.

A total of 1,052 units will be available at The Havre by Aset Kayamas, split between two 40-storey buildings. With two built-up options of 1,023 square feet and 1,239 square feet, the selling price starts at about RM550 per square foot, resulting in a listing price of around RM580,000.

Bukit Jalil projects, on average, fetch a little higher price due to their proximity to major roads and LRT stations. On the other hand, Condo Utopia has the most affordable pricing per square foot among its competitors, thanks to its extensive list of state-of-the-art amenities and cutting-edge design. Condo Utopia is the only condominium in Bukit Jalil that directly faces the Starvillion 2 Mall, making it an excellent investment or personal residence.

PROPERTY DEVELOPER	FIRM CHARACTERISTICS
Bukit Jalil Development (BJD)	<ul style="list-style-type: none"> Subsidiary of Public Listed Organization <p>Bukit Jalil Development Sdn Bhd (BJD) is a subsidiary of Ho Hup Construction Organization Berhad, a well-known firm overgrowing since 1994.</p> <ul style="list-style-type: none"> Prime Land Owner <p>BJD holds 153 acres of freehold prime property near the National Sports Complex and 60 acres of excellent commercial land inside Bandar Bukit Jalil.</p>

	<ul style="list-style-type: none"> • Reliable Joint Venture Partners <p>One of the dependable joint ventures is developing the 60-acre site that is part of the Pioneer Haven joint development.</p>
	<ul style="list-style-type: none"> • Public Listed Organization <p>MBSB Berhad is a publicly traded firm that is listed on the Bursa Malaysia.</p> <ul style="list-style-type: none"> • Medium Size Real Estate Group <p>Banyan Tree Residences, Starvilion Hilltop, Starvilion Residences, and Starvilion Suites were all created by the Starvilion Group.</p>
	<ul style="list-style-type: none"> • Public Listed Organization <p>Berjaya Land Berhad (BLD) is a Berjaya Corporation subsidiary that has made significant acquisitions of different property and leisure assets, making it one of Malaysia's most prominent property firms.</p> <ul style="list-style-type: none"> • Unique Inspired Mixed Development <p>Apart from strategically located projects, most of the organization's projects include innovative mixed development and lifestyles that combine community living with metropolitan amenities.</p> <ul style="list-style-type: none"> • GreenRE <p>The Real Estate Housing Development Association Malaysia (REHDA), an independent Malaysian green building certification authority, counts Berjaya as one of its members. They provide independent certification of green buildings throughout Malaysia, upholding world-class professional standards and best practices.</p>
	<ul style="list-style-type: none"> • Expanding Portfolio <p>Aset Kayamas is a firm that focuses on providing high-quality, affordable homes that represent the</p>

	<p>desired lifestyle and standard of living.</p> <ul style="list-style-type: none"> • Steady Growth <p>The firm's portfolio is steadily expanding, with plans to construct a luxury residential development project and several affordable housing projects around the Klang Valley (PPA1M and RUMAWIP).</p>
	<ul style="list-style-type: none"> • Variety Portfolios of Management Team <p>The organization's executive team comes from various backgrounds, particularly the founder, an intelligent entrepreneur with diverse commercial interests in training and education.</p> <ul style="list-style-type: none"> • Rebranding <p>In 2015, NTP World Development was renamed SkyWorld Development Group to represent its vision and goal better.</p> <ul style="list-style-type: none"> • Successful Track Record <p>Within the first two months of its introduction, their initiative saw a 100 per cent increase in sales, and they are on track to double revenues.</p> <ul style="list-style-type: none"> • Signature Development <p>Since rebranding to ensure amicable coexistence, the business has developed a trademark development to offer an integrated Sky Living experience in its projects.</p>

Table 3 Competitors Firm's Highlights

Today, the Malaysian housing sector is undeniably developing and progressing in a favourable direction thanks to technological advancements. Apart from the influence on the affordable first home buyer's programme since the housing ministry and state authorities introduced a few initiatives in

2014, The affordable housing plan in Malaysia sought to provide inexpensive houses for first-time purchasers. Aside from that, the housing plan is for potential homeowners who are having difficulty making the initial 10% down payment. Some programmes are aimed at assisting middle-income families in acquiring affordable homes in the state's major cities. It was part of a more comprehensive housing policy framework to meet the nation's need for low-cost housing and encourage private developers to build cheap houses.

The property market plays a significant role in a country's economic growth, growing in double digits since 2011. Thanks to a few schemes introduced by the government and state authorities and assistance from the Bank Negara Malaysia (BNM) and other commercial banks, the property market has played a significant role in the country's economic growth, which has been growing in double digits since 2011. Similarly, in the heart of Bukit Jalil, where these developments were located, MBSB is among the property developers who appear to have struck it rich in developing such buildings in those locations. However, internal and external variables influence the property industry's supply and demand elements, which must be evaluated and monitored for their impact on economic activity, financial stability, and soundness. As a result, property developers must grasp the property market dynamics before investing in a specific location.

1.3.2 Market Goals

MBSB's objective as a property developer is to provide high-quality, affordable properties while still making a profit. The reality is that they are in the property industry to make money, and they are well aware that property development demands a significant financial foundation, which is why they will ensure that they receive a decent return on their investment. They have conducted a thorough examination of the real estate market and their prospects in the sector, and have arrived at the following sales prediction. They want to be known internationally as a respected construction and development firm that cares about its employees, community, and environment as a result of their market efforts. They intend to create a self-sustaining property development firm that will contribute to Malaysia's economic progress.

1.3.3 Target Market

MBSB is entering the sector to make a profit while also providing consumers with the opportunity to buy their homes at a reasonable cost. The target market includes people from all socioeconomic groups and walks of life.

Bukit Jalil's population appears to be rather specific. The upper-middle class has always been the target market, and the price setting will reflect that. Many people are migrating to Bukit Jalil from older and more established neighbourhoods like Sri Petaling, Puchong, and Seri Kembangan. The

following is a list of persons and firms for whom they have designed goods and services:

- a. Families who are interested in renting / leasing or acquiring a property
- b. Corporate organizations who are interested in renting / leasing or acquiring their own property / properties
- c. Land / Property Owners
- d. University Campuses (Private Hostels)
- e. Foreign investors who are interested in owning properties in Malaysia
- f. Managers of public facilities

1.3.4 Pricing

Because the property development firm is a capital-intensive one, they have raised the necessary start-up cash before formally establishing it. A portion of the start-up cash has been set aside for marketing and promotion. The typical price of commercial developments in Bukit Jalil is between RM800 and RM1,200 per square foot (on the built-up area). Commercial developments have an average monthly rental cost of RM1.80 to RM3.00 per square foot.

The rise in commercial property prices is unlikely to have an impact on residential property prices. In Bukit Jalil, the demand for land (residential homes) has always been strong. Many purchasers have selected non-landed houses since landed dwellings have risen in value over time (with some

breaching the RM2 million mark for a terraced house). Non-landed properties have become a viable alternative.

Selling prices for secondary developments, such as those located further away from the main developments, may range from RM500 to RM600 per square foot. Projects connected to Starvillion Bukit Jalil are anticipated to sell for more than RM800 per square foot. However, the cost for Condo Utopia, which is the only ongoing construction facing the Starvillion, is somewhat cheaper than the range. The price per square foot ranges from RM530 to RM650.

The group is offering a marketing package that includes a Bumiputra discount and a refund for early-bird buyers. The rebates they get will be determined by the sort of product they purchased. Aside from that, the group provided free legal and disbursement costs, as well as other freebies.

Sutera Residensi, with a unit price of RM300,000, was extremely reasonable and competitive, given its proximity to the Utopia Condo and its proximity to the Starvillion Mall. Even though they will not be utilising the same entrance, they will enjoy nearby amenities such as the school, the mall's linking bridge, shopping lots, and others. As a result, the flat will be priced competitively in the future.

1.3.5 SWOT Analysis

The SWOT analytical technique is used to identify, organise, and strategically portray the strengths, weaknesses, opportunities, and threats of MBSB as a property developer based on the facts and inputs obtained from the interview, comprehensive observations, and personal understandings.

- **Internal Factors**

Strengths		Weaknesses	
Marketing			
S1	The holding organization carries out construction activities for various property projects and has successfully rehabilitated and completed more than 10,000 units of properties in Klang Valley, Terengganu, Pahang and Melaka.	W1	Although there is a website for MJB, but MBSB has no corporate website of its own, unlike the competitors.
S2	Good public relations being practiced by MBSB.	W2	Other than the organization profile, which is kept between MJB Group, its clients and potential clients only, there is no other marketing materials on MBSB, unlike the MJB Group which emphasizes on the project.
S3	First project completed by the firm was the first PR1MA project in Malaysia.	W3	Monthly sale target was declining almost 80% in year 2018-2019
S4	For the first launched of the Utopia Condo, unit was sold up to 50%.		
S5	Sutera Residensi's is the only project in Kuala Lumpur, and it was fully sold before the		

	handover.		
Management Team			
S6	MBSB's BOD and the management team are core professionals an expert in their own fields. They have a combined-on average of 35 years of experience, network and reputation in the property industry.	W4	Leadership style tends to be mixed with the Group's structure whereby sometimes will affect the operation process and affect the collectiveness of decisions. Many tiers for the decision-making process extends the process.
S7	100% Bumiputera – from the top management until the bottom of the hierarchy.	W5	MBSB has yet to have a formal ownership and management succession plan in place to facilitate efficient and effective transition from the first generation to the second generation.
S8	The BOD's have been leading by being great examples when it comes to dealing on top level, they never back out and when it comes to dealing with their employees, they even go down and stay with the employees to make sure everything runs smoothly, but also as a moral support for them.	W6	
Operations			
S9	Has the capacity and capabilities to cater for any project size at any time with limited employees – concurrently handling two ongoing projects in Bukit Jalil, Kuala Lumpur efficiently.	W7	Poor time management is quite common among the enforcement officers – for instance, they clock in later than they actually should.
S10	The managers worked their	W8	At times, the enforcement day-to-

	way up and have been with the organization for a quite some time – well-experienced in managing the operations side of the business.		day incidents and issues still requires attention up to the management level, although the tasks and job process have been structured appropriately.
Finance			
S11	On the bright side, MBSB always make a point to work on own fund – no loans, grants and external investments involved in any project.	W9	The start-up cost for every big project is highly consuming. Some investment strategies might be not really been analyze well and later BOD need to find ways to accommodate for the capital.
		W10	EBITDA of 2019 is decrease to nearly 1.0m, approximately at 24%
Administrative and Human Resources			
S12	Low employee turnover, high number of experienced and loyal employees.	W11	In general, the workload for the office employee, including the back-end operations team is overwhelming.
		W12	There is no solid organizational culture being practiced and justified in MBSB.
		W13	A few of the employees is either do not have a certificate or no experience.
		W14	No KPI has been conducted for the last 5 years which resulted to no bonus or increment has been given to the employees.

Table 4 Internal Factors of MBSB

- **External Factors**

Opportunities		Threat	
Political / Governmental			
O1	On the bright side, certain (and favorable) changes of the state and local governments open up the door towards acquiring more projects in time to come.	T1	The instability of the ruling government is not just threatening MBSB's position, reputation and business as a developer.
Economical			
O2	The product is definitely something to look forward to be a worthy investment for both own-stay and rental gains, thanks to the excellent amenities surrounding it.	T2	The ongoing, global pandemic has hurt the economy so badly and because of the Movement Control Order (MCO), it is challenging for MBSB to maintain on paying overhead with zero income.
Social / Cultural / Demographical			
O3	The Largest Hypermarket will bring the best-in-class shopping experience and aspires to be the ultimate cosmopolitan shopping hub to attract the increasing affluence of the surrounding populace and tourists.	T3	Freedom of speech is commonly being misused in today's world and it can be threatening. With today's culture being all about making things to go viral, a negatively impactful post or video can lead to unfavorable circumstances.
Technological			
		T4	With a rapid technology being a norm, a market disruption can occur at any point of time. MBSB needs to buckle up at all times in order to make the services provided or to provide in the future stay relevant and on top of that, to sustain in the

			business.
Legal			
O4	Malaysia adheres to the common law system and a legal framework that protects Malaysian citizen rights while also adhering to state legislation in some sectors. Real estate is a byproduct of the law which gives you the fundamentals from the issuance of the land title, recognition of boundaries and ownership.		
Environmental			
O5	The pandemic is like a wake-up call for the human beings across all ages. Even the old ones have started to realize the importance of adopting and adapting to technology in these tough times. Social distancing, indirectly, urges the app and system developer across any industries, like MBSB, to come up with more improved and improvised solutions.	T5	Looking from the market environment perspective, the new market entrants, commonly, taint the customer perception, which could interfere and even disrupt upon the public's trust, acceptance and support on the organization, if it is not considered adequately.
		T6	Some concerns do arise that the project is located too close to HTC and may be harmful but some experts have concluded that for the theory to be proven true, a study of at least eighty to a hundred years duration needs to be conducted.

Table 5 External Factors of MB

1.4 FINANCIAL HIGHLIGHTS

Financial statements are the historical documents which summarize what had happened to affirm within a certain period; which a firm or a financial analyst may use to measure a firm performance. While a financial statement is historical in nature, the insights is still valuable to them. In this case study, we will analyse MBSB's firm performance for the year ended 2019 based on their audited Annual Report 2019, comparing the trends and financial health. This may be used to analyse the future prospects of a firm. Most of the financial ratios used will be the indicator on how well the firm and its business are performing by investors and creditors as predominant users.

All the financial data of MBSB for the past five years has been collected from their audited annual report from year 2015 to 2019. The data being used looking beyond ratio when formulating the conclusions. Although all the ratios calculated herein should not be viewed as end, but it might be a starting point of the firm to do further analysis on the firm limitation or problems.

Most of the graph presented in this are using the five years horizontal analysis and vertical analysis approach. Horizontal analysis is always been used to analyse a trend; and in this case MBSB's five years analysis. From the trend analysis you may see the changes in any financial item per year whether it is increasing or decreasing. While vertical analysis will focus on the relations among the financial statement accounts at a given point of time.

1.4.1 Basic Asset Profile

A firm's assets are the resources it possesses. They are made up of both current and non-current assets. Current assets are those that a firm intends to convert to cash or employ in its operations within a year of the balance sheet date. Non-current assets are those that a firm expects to keep for at least a year. Current assets include cash, marketable securities, short-term investments, accounts receivable, prepaid costs, and inventories. Current assets are important because they demonstrate how much cash a firm has outside of third-party sources for the next twelve months, which is how it finances its ongoing operations.

Non-current assets are long-term assets that the firm calculates and intends to keep for at least a year. Long-term assets include investments as well as property, plant, and equipment that the firm now uses in its day-to-day operations. Because a substantial quantity of cash may be required to fund continuous investments in non-cash assets, non-current assets are anticipated to offer economic value to the firm and can be a signal of low liquidity.

Year	Current Assets	Non-Current Assets	Total Assets
2015	152,342,525	1,000,000	153,342,525
2016	232,761,295	1,000,000	233,761,295
2017	257,361,085	1,000,000	258,361,085
2018	164,994,125	1,000,000	165,994,125
2019	150,962,194	1,000,000	151,962,194

Table 6 List of Total Assets

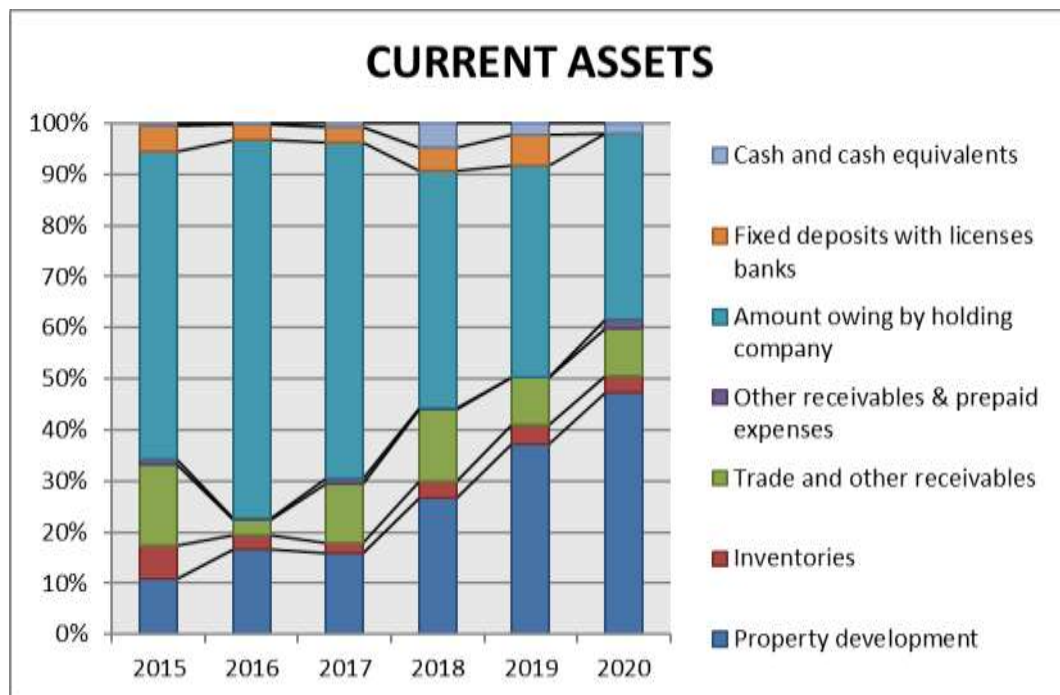


Figure 6 Graph of Current Asset

From the graph above, we can see that other than the director's owing, property development is being the major current assets to MBSB's of 41.4 per cent and 37.3 per cent in FY2019. This is followed by current assets of trade and other receivables of 9.3 per cent and fixed deposit with the license bank of 6.0 per cent. It is relatable since MBSB's is a property developer and the property development is one of their contributing divisions towards MJB's revenue. Their current assets for the past two years are increasing might be because of the new launches of their new project and on-going project of Bukit Jalil City, The Park Residence and others.

And as of the Non-Current Assets high percentage that contributing to major non-current assets is amount owing to the BOD and subsidy firm of 87.7 per cent. This is followed by the total of trade payables of 6.53 per cent. Non-current assets have a higher risk than current assets since they may

depreciate in value over time. An impairment fee may be incurred if the value of the asset is reduced too much.

Trade receivables account for the second greatest percentage of current assets. When a product is delivered, a sale is recorded in the financial statements. A automobile, for example, is reported as a sale moment it leaves inventory, even though the client has not paid for it. As a result, when the balance sheets are created, any outstanding monies that have already been recorded in sales are carried as trade receivables.

The profit on the products sold is included in the trade receivables since they are recorded at selling price. Other receivables refer to money owing to the firm by sources other than trade customers and financial services. This covers unconsolidated sums owing by connected and linked entities.

1.4.2 Gearing Structures – Equity and Borrowings

The capital structure of the firm will be the focus of the gearing ratio. It refers to the proportion of a firm's equity capital that is used to fund its operations. A firm with a high gearing ratio has a high debt-to-equity ratio, which raises the risk of financial collapse. The proper degree of gearing is determined by the industry in which a business works.

1.4.3 Composition of Shareholders Funds

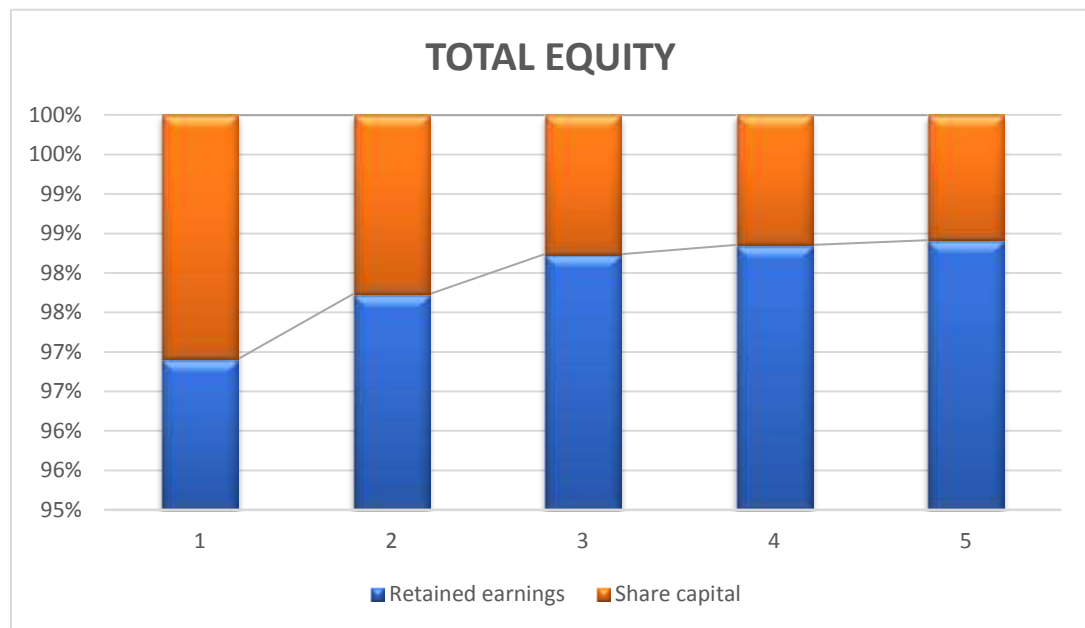


Figure 7 Graph of Total Equity

When analysing financial statements, shareholders' equity is extremely helpful information. It is a balance sheet account that is made up of share capital plus retained earnings. It also indicates the difference between the value of assets and the value of liabilities. The quantity of equity is determined by a number of factors, including share capital, reserves, retained earnings, net income, and dividends. From the graph, the amount of share capital and reserves had continually slightly increased from year 2016 to year 2017. The share capital in year 2017 has increased from RM528,176,000 to RM528,552,000 in year 2018 while for the reserves its increased from RM341,966,000 to RM380,597,000. In 2009, the firm has a minority interest of RM7,769,000 and no minority interest until 2015. From 2016 it was declared again and decreasing until year 2018 the amount of minority interest is at RM135,167,000.

1.4.4 Composition of Borrowing

A current liability is a debt that must be paid within a year. Current liabilities are a group of obligations that must be constantly monitored since a firm must have adequate liquidity to pay them off when they are due. All other obligations are represented as long-term liabilities, which are grouped together underneath current liabilities on the balance sheet.

From MBSB's balance sheet for the year ended 2019, we can see that the high portion contributed in the current liabilities is the among borrowing to the subsidies or related companies of RM105,601,359 and trade payables of RM712,667. Others item in the current liabilities is other payables and accrued expenses, the taxation and the bank borrowings.

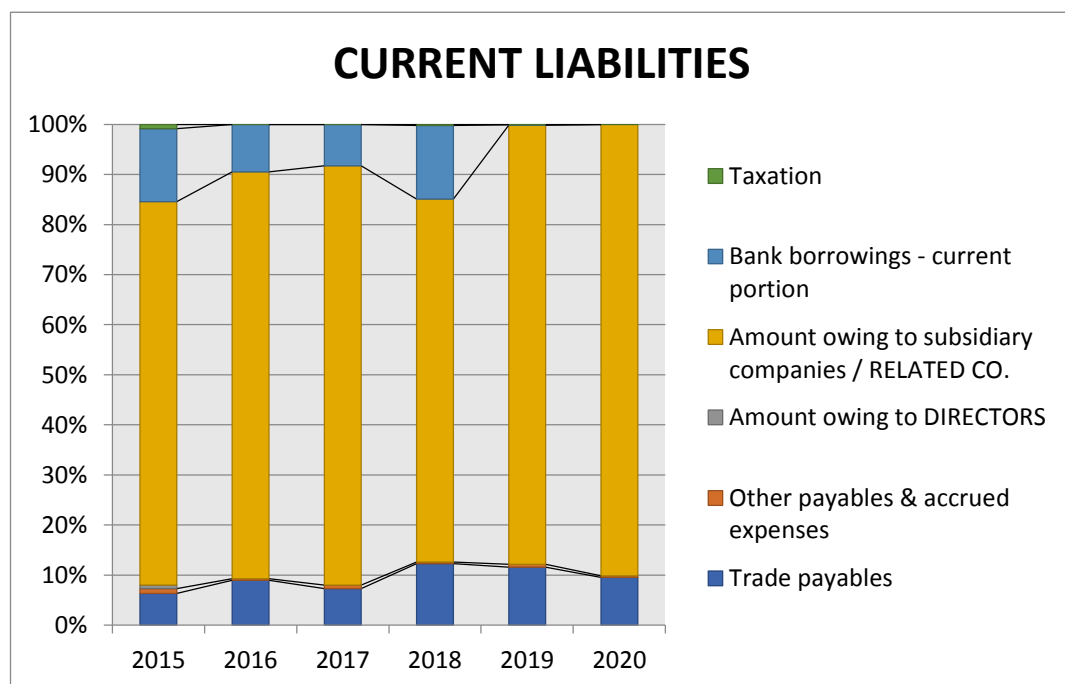


Figure 8 Graph of Current Liabilities

Amounts owing to a firm by customers for products or services delivered but not yet collected from them are referred to as trade payables. The majority of MBSB's trade payables are from clients for construction work completed, project management services supplied, and property sales developed. Customers are often given credit terms ranging from 7 to 90 days, unless contractual responsibilities dictate otherwise. In term of bank borrowings, the amount decreased almost 100 per cent until year 2019 can be expected that the firm has fully settled their term financing with the end-financier to avoid to bear the high commitment of the interest to them.

1.4.5 Debt Ratio and Debt to Equity Ratio

When a firm's gearing ratio is high, it indicates that it has a lot of leverage. As a result, it is more susceptible to any future economic downturns. A firm with a low gearing ratio is considered to be financially sound. Two of the most well-known gearing ratios are the debt ratio and the debt-to-equity ratio.

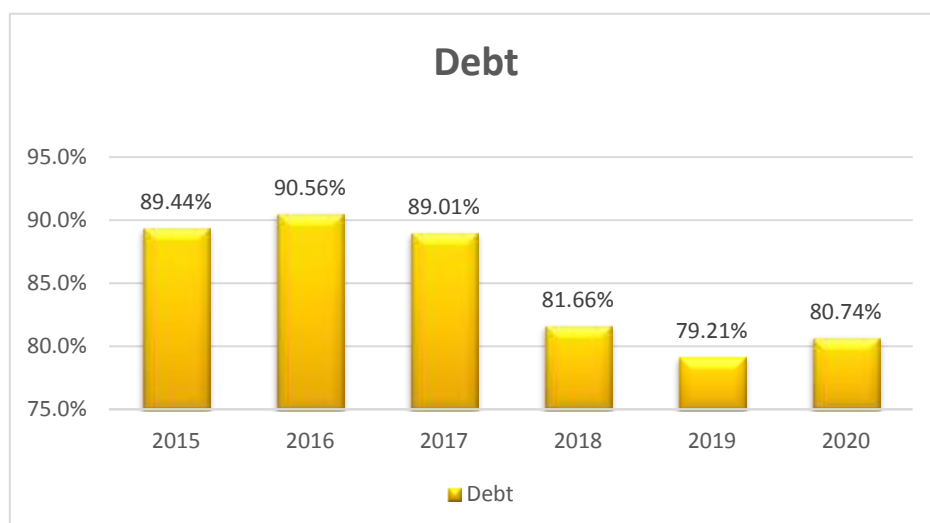


Figure 9 Graph of Debt Ratio

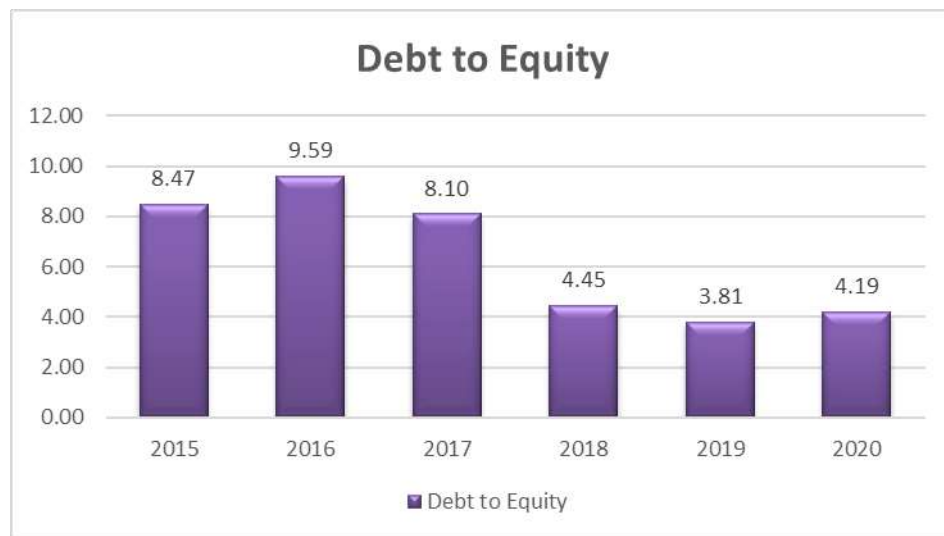


Figure 10 Graph of Debt to Equity

From the graph above, we can generally consider that Debt Ratio for MBSB every year is decreasing. For the year ended 2019, debt ratio of the group is 79.21 per cent and debt to equity ratio is 3.81 which may indicate that the firm's leverage is low and most of the firm's assets are not financed through the borrowings/debt. This reveals the level of financial risk that a firm faces and susceptible to economic downturns and financial failure if the firm unable to manage their cash flows and other operational costs.

1.4.6 The Crude Measures

Financial performance, in a wide sense, relates to how well financial goals are being met or have been met, and it is an essential component of financial risk management. This is a method we utilised to assess MBSB's policies and operations in terms of monetary outcomes and overall financial health in FY2018. This might be used to compare within a similar firm across the same industry or sectors in aggregation. The category we are proposing to define is that of 'crude measures' which means the methods that attempt to rely on non-fully-specified features to ensure that underdefined or underpowered solution does manage to solve the problem.

Profit Margin				
Year	Revenue	Overheads	Gross Margin	Gross Margin %
2015	74,856,689	1,944,259	72,912,430	97.40%
2016	60,852,482	3,590,308	57,262,174	94.10%
2017	78,201,885	4,113,583	74,088,302	94.74%
2018	36,451,085	1,846,683	34,604,402	94.93%
2019	45,558,079	1,515,616	44,042,463	96.67%

Table 7 Profit Margin

The gross profit margin is computed by deducting the cost of sales from total revenue and dividing the result by total revenue. The gross profit margin is always used to show a product's or service's financial success and sustainability. The higher the percentage, the more money the firm keeps from each dollar of sales to cover its other expenses. Smart investors and analysts compare one business to similar companies in the

same sector to determine what a decent gross profit margin ratio or % is for a more accurate apples-to-apples comparison.

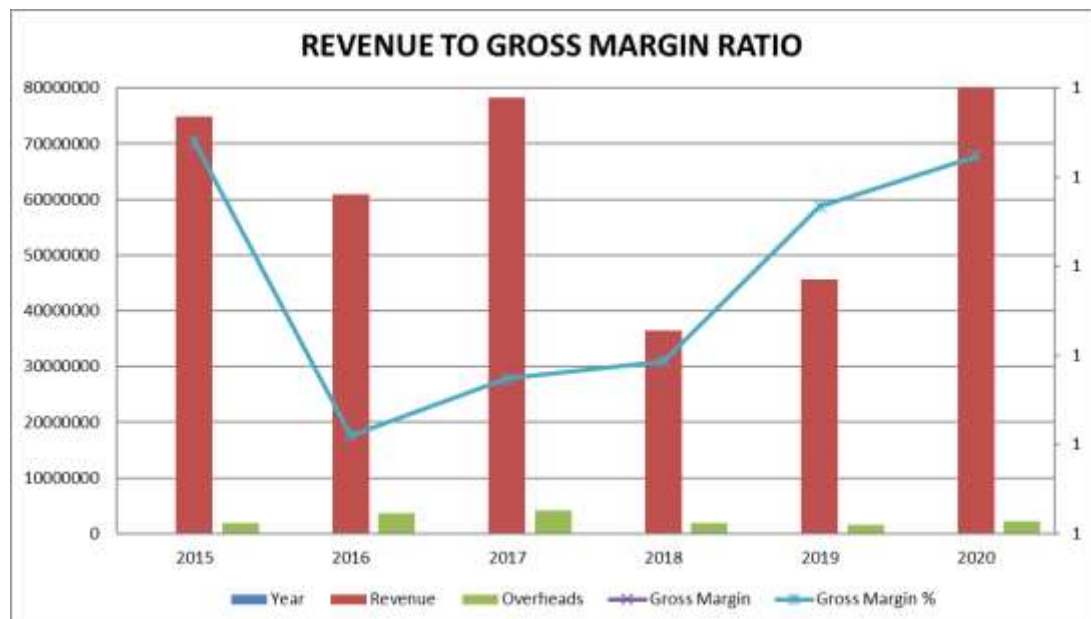


Figure 11 Revenue to Gross Margin Ratio

From the table and graph above we can see that the gross margin of MBSB is consistently fall to 84 per cent for the past four years. This consistent gross margin should continue to persuade investors and attract new investors despite the firm had highlighted the slightly decreasing total revenue in their financial overview due to higher operation costs incurred.

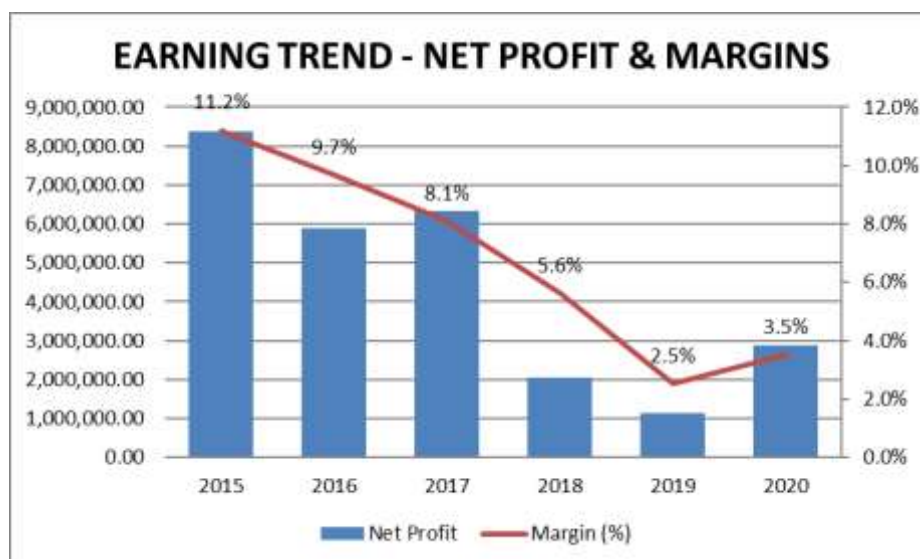


Figure 12 Earning Trend, Net Profit & Margins

The graph above shows that MBSB net profit margin percentage decreased from 5.6 per cent last year to 2.5 per cent in 2019. Managers widely use the net profit margin percentage, computed by dividing the net income by revenue/sales. The gross profit margin percentage focuses on only one type of expense (cost of sales) and its impact on performance. The net profit margin percentage will look at how selling and administration expenses, interest expenses, and income tax expenses have influenced performance. Compared to the year 2018, the operating expenses and tax expenses in 2019 are relatively high than the operating expenses in 2018. However, the revenue in 2017 was also higher than revenue in 2018, so the net profit margin was still high in 2018; comparing to these two years.

Based on the Annual Report 2019 and the Financial Statements of MBSB for the financial year ended 30 December 2019, the firm's performance are summarized as below highlights as in revenue profit after taxation, basic earnings per share (EPS) and net assets per share.

Year	2015	2016	2017	2018	2019
Revenue ('000)	74.80m	60.85m	78.20m	36.45m	45.56m
Profit Before Tax ('000)	11.15m	7.77m	8.29m	3.07m	2.26m
Profit After Tax ('000)	8.38m	5.88m	6.32m	2.04m	1.15m
Share Capital	500,000	500,000	500,000	500,000	500,000
Total Assets	153.3m	233.8m	258.4m	166.0m	152.0m
Basic EPS (sen)	16.76	11.76	12.64	4.09	2.29
Net Asset per Share	32.39	44.15	56.79	60.88	63.17

Table 8 Summary of the Income Statement

Despite growing economic confidence, the property industry remained problematic in FY2019 due to an imbalance in demand and supply, as well as the stricter financing requirements. Due to the cyclical nature of the property market, the MBSB's revenue for FY2018 fell by 53.39 percent to RM41.7 million as a result of the recession and decreased property turnover. The decreasing revenue also as a result of many new project development starts to develop a high rise in Bukit Jalil. It also due to the completion of Bukit Jalil City Signature Shops Offices and SK Residensi. However, in year 2019, MBSB starts gain a revenue from the property sale which amounting to RM45.6million (increased of 24.98 per cent).

Comparing the Profit After Tax (PAT) for the past five years, PAT in 2019 is the lowest profit that the firm has received which is totalling to RM1.15 million only. PAT shows the net profit available for the shareholder after paying all the expenses and taxes. The constantly decreasing PAT for the past five years might be an essential parameter to evaluate the business performance by the shareholders. PAT determines the higher efficiency of the business, and lower PAT indicates the average or below average operational efficiency of the business. However, PAT only calculated the case of profitability, which means tax is not applicable, and hence the business is not suitable during continuous losses. It also indicates that the firm are not efficient and leads to losses. Somehow, if a higher tax is imposed, the amount of PAT will be impacted, leaving less amount for the shareholders and reserves and surplus.

The total assets of the firm showing the decreasing pattern since year 2017. It constantly decreasing since year 2017 after two years increased. There are decreasing amount of RM106.4million for both year with average of 22.2 per cent.

1.4.7 Expense Profile

The expenses profile is a summary of a cost analysis which incurred in the income statement for one period.

Year	2015	2016	2017	2018	2019
Cost of Sales ('000)	(63.07m)	(50.06m)	(66.12m)	(31.82m)	(42.13m)
Admin. Expenses ('000)	(0.92m)	(1.99m)	(2.91m)	(1.85m)	(1.46m)
Finance Costs ('000)	(1.03m)	(1.60m)	(1.21m)	-	(0.06m)
Net Asset per Share	32.3947	44.1542	56.7904	60.8789	63.1736

Table 9 Expense Profile

From the table and graph above we can see that the cost of sales is the largest component contribute to the higher expenses. This is because the higher operating cost that used by the property development in handling the operation to develop the project.

1.4.8 Breakeven Point

Break-Even Analysis in economics, business, and cost accounting refers to the point in which total cost and total revenue are equal. A break-even point analysis is used to determine the number of units or dollars of revenue needed to cover total costs (fixed and variable costs). In other words, BEP represents the point where net income equals zero.

Year	Profit Margin			BEP		
	Gross Profit	Revenue	Total	Operating Expenses (Overhead)	Profit margin	Total
2015	11,784,773	74,856,689	15.74%	1,944,259	15.74%	12,349,902
2016	10,793,533	60,852,482	17.74%	3,590,308	17.74%	20,241,672
2017	12,084,908	78,201,885	15.45%	4,113,583	15.45%	26,619,147
2018	4,633,983	36,451,085	12.71%	1,846,683	12.71%	14,526,078
2019	3,428,148	45,558,079	7.52%	1,515,616	7.52%	20,141,649

Table 10 Profit Margin and BEP

When sales revenue equals total variable costs plus total fixed costs, and contribution margin equals fixed costs, breakeven will show zero net income. From the table above, although the BEP for the past ten years is positive, the BEP FY 2019 of 7.52 per cent is the lowest percentages for the past five years and it is decreasing than BEP in year 2018, 12.71 per cent. The firm must avoid any loss happen to ensure the positive BEP in the coming year.

1.4.9 Safety Margin and Success Probability Factor

Year	Safety Margin			
	Revenue	BEP	Total	Success Factor
2015	74,856,689	12,349,901.97	506.13%	6.061
2016	60,852,482	20,241,671.84	200.63%	3.006
2017	78,201,885	26,619,147.18	193.78%	2.938
2018	36,451,085	14,526,078.11	150.94%	2.509
2019	45,558,079	20,141,648.92	126.19%	2.262

Table 11 Safety Margin

From the table, we can indicate that the safety margin of the firm is most likely above the break-even point. In other words, the margin of safety indicates the amount by which MBSB's sales could decrease before the firm will have no profit. The revenue is earned after the firm pays all the fixed and variable costs of producing goods or services. Taking into account a margin of safety when investing provides a cushion against analyst judgment or calculation errors. However, it does not guarantee a successful investment, mainly because determining its "true" worth or intrinsic value is highly subjective. Investors and analysts may have a different method for calculating intrinsic value, and rarely are they precisely accurate and precise. In addition, it is notoriously difficult to predict a firm's earnings or revenue. The success factor of MBSB is still below in average of 1.5-2.0 in these five years. The highest success factor in the year 2015 compared to the year 2019 is lowest by 3.799.

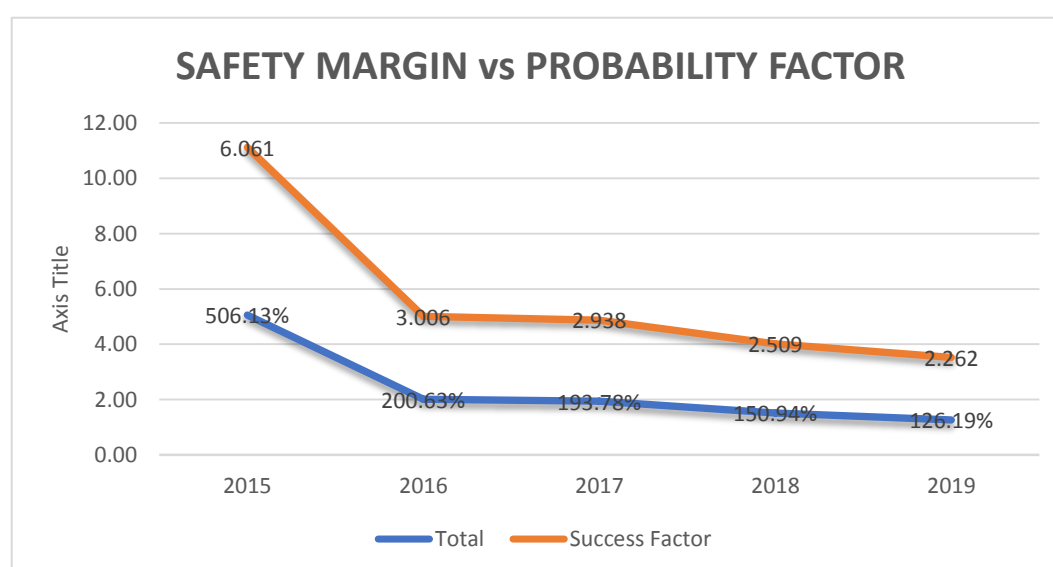


Figure 13 Safety Margin & Probability Factor

1.5 MANAGEMENT BY EXCEPTION

In the management literature, there are several definitions of MBE, but they all agree on the meaning, and the most significant of these definitions are: It is characterised as a technical management approach that lets managers to focus their attention on the firm's most essential areas of control while allowing lower-level staff to perform various mundane tasks.

It's also described as a broad phrase for the process of presenting management with information on only major deviations from budgets or plans, which is then utilised as a basis for taking corrective action. The goal is to reduce the amount of information in management reports and statistics to a few key pieces of information that may be used to make decisions.

It is a method of administration that depicts the link between administrative levels in an organization's structure, allowing for a clear description of authorities and duties. As a result, the functions of each level are specified, and operations are carried out without involvement from the higher administrative level until substantial deviations from the planned objectives occur.

The MBE is a reciprocal leadership principle that states that the leader should not intervene in the work unless he notices subordinates breaking established rules and standards, and that the leader's intervention should be limited to correcting the deviations or ensuring that the employees meet the required levels and standards.

The MBE, according to the researcher, is an administrative method based on mutual understanding between the manager and his employees on the implementation of the work, with the understanding that the manager will only be informed of exceptional matters that deviate from the prescribed and planned standards.

It is important that in one firm the managers or leaders can fully understand the macros and micros managing in their field. However, it is more important to the managers to concentrate their energies for more important issues and leave the routine works to the staff. The principle of MBE not only helps the managers to be ready for any exceptional forthcoming but to utilize their time and taking important decisions while facilitate the staff to meet out their performance standards.

However, the MBE is not an approach to avoid the managers to do their job but to creating a good leader with a good soft skills and quality problem solvers which will help the growth of the firm. A quality MBE manager who actively practices MBE when they only concentrate on problem when their staff having the exceptional issues are called MBE-Actively (MBE-A). This manager is who will always check on their staff errors and drive by their staff performance to ensure the task is efficiently delivered.

According to Bass & Avolio (2002), a leader who Manages by Exception-Actively is one who not only focuses on errors but also assists employees in coping with such errors, complaints, or failures. He continually reminding them of their mistakes in order to motivate them to meet a certain standard. Such leaders also adjust their activities to the circumstances, taking corrective steps that might be bad in the short term but are successful in the long run.

While for another type of MBE manager is who are only waiting for the mistakes to happen before any action taken. This kind of manager is called Manages by Exception-Passive. Management by Exception –Passive, according to Bass and Avolio (1994), is similar to the Reactive Management Approach or the Putting-Out-Fires Approach. The connection is tense since the leader only offers feedback when something goes wrong (Barbuto & Brown, 2000).

According to some writers, leadership is more of an individual talent than an formal process in which authority and democracy coexist and the manager's duty is to alter the system in which roles are anchored. This movement focuses on the shift from "public manager" to "public management" Vince (2000). Favourable leadership ensures employee development and performance, as well as positive formal outcomes. ***"Leadership is a technique, not a magic trick"*** (Schmoker, 2001).

1.6 SPECIFIC AREA OF INTEREST

The major goal of this case study is to thoroughly examine the MBSB's introduction, growth, progress, and successes throughout the global pandemic, as well as to critically evaluate the MBE's influence on the firm. The following is a list of the integrated analytical techniques that are being utilised in this case study, in order:

- SWOT Analysis
- External Factor Evaluation (EFE) Matrix
- Internal Factor Evaluation (IFE) Matrix
- Financial Statement Analysis
- Ratio Analysis and Altman's Z Score Model

The key concerns are recognised, narrowed down, and clustered accordingly before the rest of the combined analysis takes place, based on all of the inputs obtained and stated above, notably the Weaknesses matrix of the SWOT analysis constructed on the previous section in Part 1.

Alternatives are generated and evaluated based on the findings of the integrated research as well as suggestions, all with the objective of MBE as a tool to reduce the impact of the uncertainty and for the sustainability growth of the firm.

1.7 SPECIFIC PROBLEM

Previous research suggests, but does not fully explain, how management by exception emerges in expanding businesses. Increased information in this area would be beneficial to the literature on growth and its control, as well as the broader understanding of growth-driven changes in firm management.

The announcement of the MCO during the Covid19 epidemic in Malaysia, which began on March 18, 2020, has left property developers in a tough position, particularly those with existing projects to complete. MBSB is working on two projects that began in 2017 and are expected to be finished in 2021. And having a pandemic with an unknown virus has a significant influence on everyone, not just the firm, but also the MBSB personnel. The government's MCO limitations included limits on mobility, assembly, and foreign travel, as well as the shutdown of businesses, industries, government, and educational institutions in order to stop the virus from spreading.

The stagnation of the overhang or unsold units in Malaysia is also one of the firm's main issues. The property market in Malaysia is showing signs of stagnation which can be seen in the market capitalization of new homes sold in Malaysia, which moved sideways from the year 2016 to 2020. Speaking of absolute shrinkage, the number of new homes sold in Malaysia has continued to decline from the 2017 peak.

The stagnation of the property market issues will lead to the cash flow problem to the property developer, especially MBSB, who do not own any land bank from any financial institution. In the year 2019, they had settled most liabilities and financed the project by themselves. The cash flow is essential to the property developers for the time being; many payments need to be paid. During MCO, these issues make the managers have no option other than to solve the problems in the movement restrictions while working with their team at home.

Other than problem during this pandemic for the managers was to adapt to any changes occur and might be occur in the future, especially we dealt with the most uncertainty nowadays. For MBSB, the sustainability during this pandemic is their number one priority in order to avoid any negative circumstances to the firm and to the employees. So, does MBE helps in reducing the impact of this virus?

1.8 CONCLUSION

Many firms are unable to stay standing where they have always been during this worldwide epidemic. A few major players in the sector have been restructuring and reducing their operations in order to save costs. Not only that, but a large number of individuals have lost their jobs. As a result, an organization's ability to stand in the same spot and observe the situation is regarded as fortunate. During this crisis, property developers must build the right cash flow management mechanism to guarantee efficient overall planning and enough liquidity in order to avoid capital shortfalls and a possible debt crisis.

With the Covid19 pandemic appearing to be endemic to the world, and Malaysia possibly announcing the herd community when the percentage of vaccinated people exceeds their target, an firm appears to be aggressively playing the same game in the market when the government announced a few budgets and packages aimed at assisting people and businesses. Managers must also prioritise MBE while focusing on succession and long-term sustainability.

Hence, the Part 2: Case Analysis was conducted and written, objectively, stands as an enhancement proposal not only to MBSB but also to the future research.

PART 2: CASE ANALYSIS

2.1 CASE SYNOPSIS

MJB Group (MJB) is a construction firm that has evolved into a home developer. They have established a new standard for building harmonious communities in luxury living and are an excellent long-term investment.

Maju Bina Sdn Bhd (MBSB), which specialises in property development, has a strong presence in the Malaysian market, having completed and continuing more than RM1 billion in projects. It continues to have a high take-up rate for its development initiatives, based on its track record. They also increased sales and marketing efforts by implementing new marketing tactics across all of their enterprises.

Driven by his passion, blood, and sweat in the property industry, Encik Iqbaal was within a year of his appointment, knew that he had identified the loopholes in the current development and its technology, and had ideas on how to make it better. With years of reputation and network building in the industry, he managed to secure a government project for the organization's land in Bukit Jalil. Thus, in 2013, the land which initially to build a semi-detached house changed to a condominium and a shop unit, which are more profitable and accommodate the area.

With the hit of the pandemic globally, to adapt the MBE is good to prepare the managers and their employee the way to handling such situation. Somehow the MBE always being wrongly interpreted in an firm and to make useful to the firm. The MBE is not only need to micro-managing once a while but what most important is to focus of the management on extremely important tasks or problem or areas in need of action. Although it may be seem as the manager will be less burden and only will be appear upon the unsettled issues, but overall, what MBE need to be practices by an firm during this pandemic is the MBE – Active.

Although most employees need to work from home during the MCO, this doesn't mean that the managers can't practise the MBE-Active. The managers can still constantly observe the system performance and closely watch individual variables' contribution to the system. When the variables observed deviate from the expected system performance, the managers can take immediate corrective action and seek to bring variable performance back in line before problems arise.

These exchange process between the employees and the managers indirectly supporting the MBE through the communication. Stimulating the communication is one of the advantages of the MBE being practices in the firm. Although MBE-A style is more like a micromanaging the operation or the process, it also reducing the frequency of decision making and leads to the identification of critical problem areas.

2.2 PROBLEM RECOGNITION

Based on the inputs of the interview written comprehensively on Part 1: Case Description, including the Weaknesses and Threats matrices of the SWOT analysis, three (3) major problems are recognised, clustered and listed as follows:

2.2.1 Reputation

A corporate reputation plays a vital role in the firm since reputation will enhance the opportunities to the stakeholders. Reputation also is a sign of trust and support from the stakeholder towards the firm. But whether you like it or not, bad news spreads quickly, and businesses, no matter how well-established or secure they appear, are only as good as their current impression of their brand experience — which generally occurs between your workers and your consumers.

“Sixty-four percent of worldwide customers claim to have avoided a brand due of a poor experience they had during the previous year,” according to a recent survey by Medallia. Almost half of respondents (47%) said they have avoided doing business with a firm because of its online reputation or unfavourable social media reviews.” The way your consumers engage with your staff has a big impact on your brand's reputation. And the danger to your reputation doesn't end there.

The basic conclusion is that there has never been a stronger relationship between having the appropriate people in place and reputational risk. See, today's workforce is accountable for the whole experience, from how the brand is represented in various situations (including attracting qualified people into the workforce) to individual customer service results. Customers are completely empowered to share their thoughts in any manner they choose, knowing that others are listening, and every contact across every conceivable communication channel matters.

Rather of leaving things to chance, businesses must take proactive steps to mitigate (and ultimately eliminate) reputational risk by developing systems that continually safeguard the firm and its brand. There is no time to waste in today's society, where unfavourable evaluations can be published with the press of a mouse and reputations may be ruined in a single 24-hour news cycle.

2.2.2 Employees Dissatisfaction

It's common for people to rise to management as they develop in their careers. While this expansion might be lucrative, it also comes with its own set of difficulties. Managers may assist their teams in succeeding, and the satisfaction of watching your team grow as people and thrive is a huge professional achievement.

As of the employee interview, the members with the longest service would be approaching fifteen years. There are a lot of employee issues that need to be handled since they are getting greater and the impact is getting worse. The majority of MBSB employees are unmotivated, whether or whether they are paid. The majority of the issues at MBSB are causing employee discontent. Some of them do not show respect for the senior, despite the fact that the senior is the one who is incompetent. Employees that are comfortable with the firm will provide more efficient job outputs. As a result, although some managers practise MBE, others do not.

Employee job satisfaction and dissatisfaction result from a combination of elements, which could include motivators/intrinsic or hygiene/extrinsic aspects. According to research, employee job satisfaction is heavily influenced by perceptions of equal opportunities at work, the level of training and development available, clear communication, teamwork and cooperation, a sense of personal accomplishment, work-life balance, and receiving recognition for good performance.

In this case, the property development division has one challenge, managerial challenges to face, but this challenge will directly affect the other challenges such as the organizational challenges, workplace issues challenges, and environmental challenges. There are difficult times when you're accountable for the growth of your personnel and the success of your team. The obstacles of leading a team vary with the external business

climate, so even if you think you've found your groove, things might change quickly.

The perception that the firm will not reward hard work, improvement, and results is becoming a major concern among the employees, as they are more prone to disengagement. Some employees are also likely to be tired and physically exhausted, resulting in a low life balance attributable to dedicated personnel who are enthusiastic about their work.

2.2.3 Cash Flow

Despite the epidemic, MBSB believes that they can gradually convert slums into beautiful cities and a run-down and decaying edifice into a master piece, but that all of this must be managed by a competent manager. They make certain that each of their clients' budgets are respected, and that all projects are completed on time. In fact, they will strive really hard to consistently exceed the clients' expectations.

The fact that they use some of the greatest hands in the industry gives them a competitive advantage over all of their competitors. And, as part of their plans to put customers first and become the leading property development firm, they've perfected plans to work with our clients to deliver projects that can compete favourably with the best in the industry at an affordable and reasonable price within the specified completion date barring any unforeseen circumstances, as well as to generate great value from a project (both for the clients and for the firm).

2.3 PROBLEM DEFINITION

2.3.1 Reputation

In an ideal world, a firm's reputation would serve as a mirror, reflecting the reality of its actions and connections. According to one school of thought, reputational risk is a consequence of other hazards rather than a distinct risk category. As a result, a negative reputation is the result of improper business behaviour: if you don't run your firm properly, your reputation is jeopardised.

The internet goes crazy, and it takes a year for you to recover from the fallout.

When viral marketing works, it works really well. Conversations, mentions, retweets, and likes for your brand are surging, and you're scrambling to find out what to do with the extra cash. When viral marketing fails, though, it fails spectacularly.

2.3.2 Employees Dissatisfaction

Employee happiness in the workplace cannot be overstated, particularly in this period of uncertainty, when there is fierce competition and unhealthy rivalry among businesses. The employee dissatisfaction emerges to surface if had in mind the many negative consequence of job dissatisfaction. Job satisfaction is defined as feeling of an individual about their job in different perspectives (Aziri,2011). Herzberg's Two Factor Theory is probably the most often cited point of view. In fact, the main idea is that employees in

their work environment are under the influence of factors that cause job satisfaction and factors that cause job dissatisfaction.

Hygiene Factors	Motivators
Firm policies	Achievement
Supervision	Recognition
Interpersonal Relations	Work itself
Work Conditions	Responsibility
Salary	Advancement
Status	Growth
Job Security	

Table 12 Job Satisfaction Factors (Herzberg)

A mutual connection between formal leaders (managers) and their followers is required for every firm to fulfil its goals (subordinates). According to Moorman and Fetter (1990), excellent leadership style and work satisfaction are linked. Wrong leadership style can have negative effects, such as increased sensitivity and susceptibility to misunderstandings, which can lead to formal dysfunction, such as lower productivity, absenteeism, and high turnover (Lamude, 1994; Motowidlo, 2003). As a result, avoiding bad outcomes for subordinates through the employment of various leadership styles is critical.

Many scholars have studied the consequences of the employee dissatisfaction, which probably have forced an employee into a quitting decision. This decision will result in the high cost of turnover since the firm needs to spend an extra money for hiring and training the new staff. Based on Panwar et al. (2012), if an employee resigns, then good amount of time

is lost and this goes to the loss of the firm directly which many a times goes unnoticed.

2.3.3 Cash flow

Managing the available cash balance is a constant concern in all sorts of businesses, as daily inflows and outflows occur due to the firm's operations or financial transactions. As a result, it is necessary to keep financial resources under control to get better results for the firm. Given this, cash management's tasks include mobilising, managing, and planning a firm's financial resources.

Hence, utilizing models to back decision-making becomes vital as they can give a more extensive point of view with way better comes about, concurring to the expressed targets. Cash adjust comprises of accessible stores at any minute in time for the firm. Inflows and outflows continually influence money from firm and withdrawals such as salary, payments, and ventures within the shape of use of funds, all conducted by the firm. Thus, money adjustment results from cash adjustment at a prior date modified by the net cash flow, which happened on that date.

The definition of ideal cash adjust takes after the stock models, which considers the financial assets accessible as a stock, having certain costs related to its beginning and support, but that moreover determines benefits essential to firms. Thus, the definition of an ideal cash adjust encompasses

a quantitative approach to advance the optimization of this support stock to minimize the costs related to support or need of money.

Marketing and firm growth play a critical role in ensuring a steady and sustainable cash flow. Many project-based and seasonal enterprises may be familiar with the feast and famine cycle. They secure a major contract and get monthly payments for six, twelve, or eighteen months, but after the last invoice is paid, they have no immediate source of revenue.

It's critical to sustain your marketing and firm development activities even during your busiest times. This will help you cut the time you're without a big income stream in half and avoid the cashflow issues that come with it.

2.4 PROBLEM DIAGNOSIS

2.4.1 Reputation

Maybe it was true before consumers could look through 50 years of advertising history to determine if your brand ideals and their morals matched. Nowadays, burying a terrible message in the attic and forgetting about it is more difficult.

The internet goes crazy, and it takes a year for you to recover from the fallout.

When viral marketing works, it works really well. Conversations, mentions, retweets, and likes for your brand are surging, and you're scrambling to find out what to do with the extra cash. When viral marketing fails, though, it fails spectacularly.

At MBSB, due to the late delivery of the project since the hit of the pandemic, both project timeline has been glitch a bit and new date has been given by the KPKT pertaining this matter. Due to this matter, there are an exemption period has been given to the MBSB by the KPKT. Most of the house buyer seeing this as a burden to them formed a group and a few of house owner has emailed, called asking about the date to release the keys. Social media gives a platform for the critical in this era of hyper-connectivity and media anarchy, when new communication networks emerge on a regular basis, and can severely misrepresent the truth. Companies may be unfairly targeted for alleged crimes, either intentionally or unintentionally, igniting an online witch hunt when their only transgression is having a name

that sounds suspiciously similar to that of another, less ethical firm; being the target of a vengeful ex-employee; or being the target of a celebrity with major media clout.

2.4.2 Employees Dissatisfaction

The leadership style that defines a firm may have a significant impact on the degree of employee performance inside that business. A leader's style may either encourage or discourage employees, resulting in a drop in performance or even a high rate of turnover. According to Schyns & Sanders (2007), salary insufficiency, conflicting job expectations resulting from leadership style, and a lack of promotion opportunities are all variables that contribute to employee job dissatisfaction. Efficiency and effectiveness require a result-oriented leadership style that contributes favourably to efficiency and effectiveness.

Money is a powerful incentive; after all, all workers labour for a living. A high pay and benefits package are important elements in employee satisfaction. We may inspire employees by increasing their salaries and benefits, and a good return can be one of the most important elements impacting job happiness. This will also improve service quality and formal performance.

MBE style of management style is more like to micromanage the employees, but sometimes it might be demotivating the employees, causing apathy at work. A consistent pattern of micromanaging will make the

employee feel that there is no trust and trigger the disengagement. This is why that the MBE practices needs the manager to have a systematic approach to work. This implies in hone that all the operational needs and necessities of the organization must be legitimately caught on and sketched out. The organization must be mindful of everything going on and have a clear set of guidelines it takes after. MBE cases cannot be accomplished without an appropriate set of measures and methods. Very basically, you cannot take note of deviations on the off chance that you do not indeed know what the standard or the so-called standard looks like.

2.4.3 Cash Flow

Cash is the lifeblood of the firm practice. Recognizing how much money the firm has and where it is going is key to the survival of any business. It doesn't matter if you're running a multi-specialty clinic or a lemonade stand. The ability to predict and deal with cash shortfalls is critical to the practice's longevity. Strategic cash flow management is one of the most critical instruments available to every corporate director. This is why, no matter how skilled you are at the specific skillsets your firm provides, you will also need business acumen, or the ability to hire people who can provide it. Real estate development has always been a highly cyclical industry, and developers are often prone to cash flow problems. Property development requires significant initial capital investment, as well as ongoing cash outflows for operations. Unless some or all of the development can be sold before construction, developers often run into cash flow problems before the

development begins to sell off, particularly if the property market happens to soften during construction. Many property developers have been forced into bankruptcy because of negative cash flow for extended periods of time.

An MBE manager not only need to know what is the importance of the cash flow but how to manage the cash flow during Covid19 will bring a great impact towards the firm. MBE manager also need to find out solution to improve the cash flow during the MCO. The cash flow analysis needs to be done on regular basis and the forecasting on the cash flow and budget need to prepare head off cash flow problems. Following the analysis prepared by the manager, the strategies need to be used to adequate the cash flow for the business. The company's cash flow over the total liabilities has shown a negative percentage from 2015 to 2018. However, from 2019 to 2020, it has shown a positive percentage despite the economic stagnation or the pandemic that hit worldwide.

2.5 ALTERNATIVE SOLUTIONS

Management by exception has a long history and a logical foundation. However, there is an alternate management technique that is slowly but steadily finding its way into safety. It's been tried and tested in other management apps, and it's consistently proved to be more successful. Sports teams, celebrities, and even a few forward-thinking companies utilise it.

Unlike management by exception, which looks for failures and poor performers and tries to improve them, this type of management looks for the greatest performers and builds on their models and achievements. These models are used to paint a picture of what success looks like and how greatness may be achieved. It genuinely strives for success rather than avoidance of failure by being strategic and proactive.

1.8.1 Intermediates Ratio

A firm's financial stability may be assessed in a variety of ways. Looking at a firm's financial statistics is the easiest approach to assess how well it is functioning. The capacity of a firm to pay its short-term debts is described as liquidity. The total quantity of current liabilities is an important component of various short-term liquidity metrics, such as the current ratio, quick ratio, and cash ratio. A larger ratio for all three ratios indicates a greater level of liquidity and, as a result, a firm's capacity to pay its short-term commitments. The current ratio is used to calculate the liquidity ratio, followed by the acid

ratio and the cash ratio. These three measures are frequently used by financial analysts to assess a firm's liquidity.

- **Current Ratio**

The current ratio of MBSB FY2019 is 1.25 times, which indicates their ability to pay the current liabilities from current assets. The decreasing current ratio FY2018 from the previous year indicates that the firm's current assets do not turn into cash within a year, summarised in the financial highlighted due to lower turnover of their properties. The ratio started to rise from 2018, and the decreasing current ratio from 2019 to 2020 might be due to the economic glitch and the pandemic outbreak. Nevertheless, despite the economic downturn due to significant issues, the company can still maintain its ability to settle its debts.

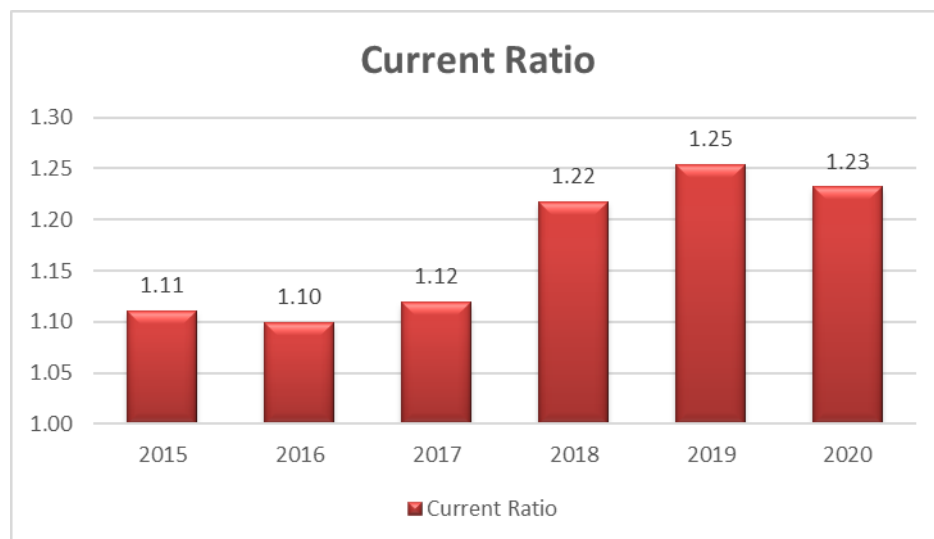


Figure 14 Graph of Current Ratio

- **Quick Ratio**

The acid ratio, also known as the quick ratio, is used to determine how successfully a firm can pay its short-term obligations with its most liquid asset, which can be converted into cash rapidly. It gets rid of current assets like inventory and prepaid costs, which might be difficult to convert to cash. From the graph, we can indicate that MBSB's acid ratio in 2019 is 1.21, indicating that the group might have a slight problem with liquidity. We may also measure the firm's ability by comparing their cash and cash equivalent and current liabilities. From the Statement of Financial Position FY2019, the firm's acid test ratio is 1.21 in 2019 and 1.19 in 2020.

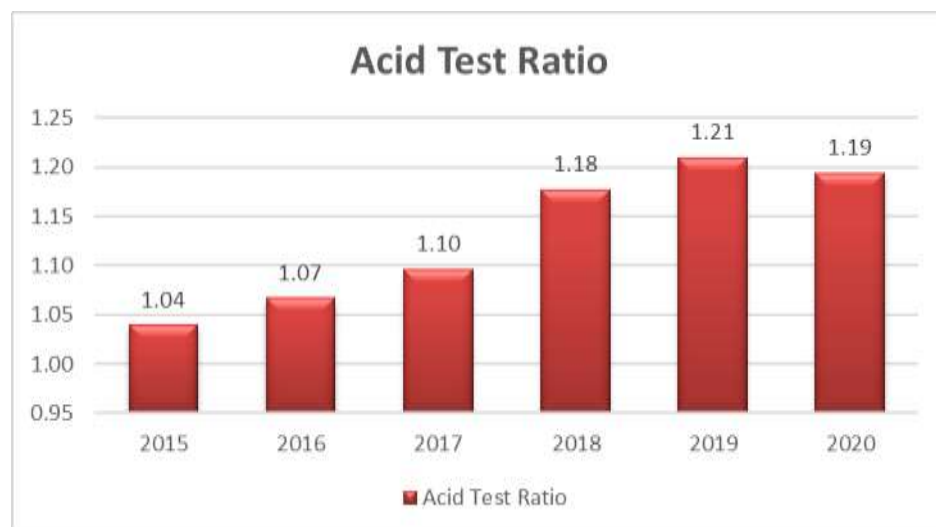


Figure 15 Graph of Quick Ratio

- **Return on Assets (ROA)**

The return on total assets (ROA) is a profitability ratio that measures operating performance that is defined as follows:

$$\text{ROA} = \frac{\text{Net Income} + (\text{Interest Expense} \times (1 - \text{tax rate}))}{\text{Average Total Assets}}$$

In other words, it is used to compare net income to average total assets to determine the net income generated by total assets during a given time. It examines how well a firm can manage its assets to generate profits over time.

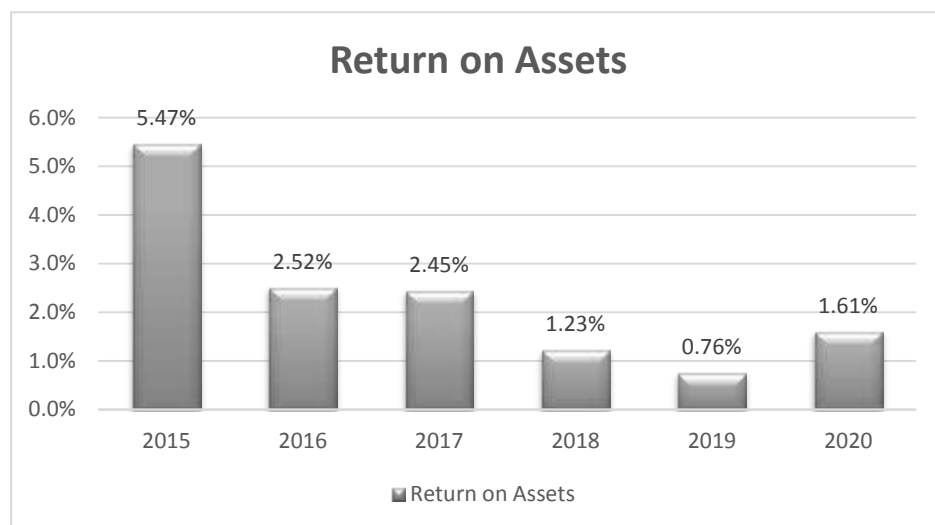


Figure 16 Graph of Return on Assets

From the graph above, MBSB's ROA in the year 2019 still showing a positive ROA of 0.95 per cent, although the percentage is decreasing from ROA in 2015 of 5.47 per cent. Most of the companies have capital assets as the most significant investment. Since the firm assets' sole purpose is to generate revenues and produce profits, the firm must manage their assets

efficiently by converting its investment in assets into profits. However, still, managing its proficiency is needed by MBSB's; otherwise, it will be their burden in the long term since all assets are either funded by equity or debt. For FY2020, despite pandemic outbreak, the firm's ROA become increasing from 0.76% to 1.61%.

- **Return on Equity (ROE)**

Another profitability statistic that is used to assess a firm's capacity to produce profits from its shareholders' investments is the return on shareholders' equity (ROE). In other words, a one-to-one return indicates that for every \$1 of shareholder equity, one dollar of net income is generated. For potential investors, this ratio is critical because they want to know how effectively a firm will use their money to create net income.



Figure 17 Graph of Return on Equity

According to the graph above, MBSB's ROE in 2019 is 3.63 percent, down from 6.72 percent in 2018 but it started to increase to 8.33% in year 2020. From the perspective of the investor, ROE determines how much money is

earned based on the investor's investment in the firm, rather than the firm's investment in assets or something else. In this situation, MBSB has a worse ROE than the previous year, indicating that the firm is not successfully managing the funds of its investors. This ratio, however, must be compared to that of other firms in the same industry. Overall, MBSB's ROE has been declining for the past five years. However, ordinary shareholders will only benefit from this gain if their shares have risen in value.

- **Total Assets Turnover and Inventory Turnover**

Efficiency ratios, also known as financial activity ratios, are used to assess how effectively a firm uses its assets and resources. Asset turnover ratio and inventory turnover ratio are two common efficiency ratios used by financial analysts.

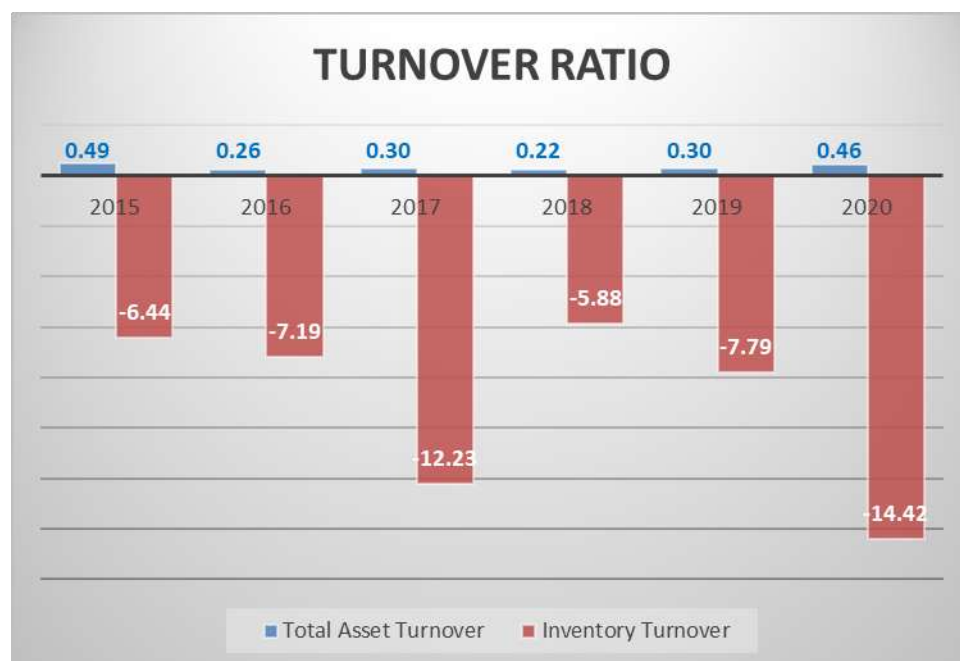
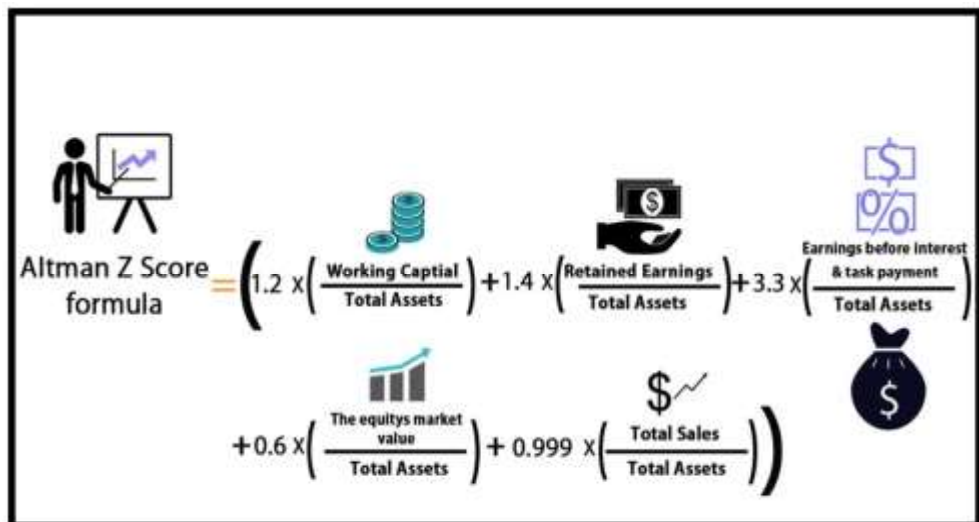


Figure 18 Turnover Ratio

From the graph we can see two ratios which measures MBSB's ability to generate sales from the assets and how many times they manage to sell their inventories and replaced over a given period. Comparing year 2019 with 2018, the firm might unable to manage their inventory well. The ratio is decreasing from 5.88 to 7.79 in a year and same with total assets turnover which decrease from 0.22 to 0.30. The firm need to manage their overstocking inventory or they will might have an issues with sales.

1.8.2 Sophisticated Measures – Altman Z-Score Model

The kind of Z that Edward I. Altman presented as a Z score formula in 1968 is known as Altman's Z-Score. This algorithm is used to forecast the likelihood of filing for bankruptcy. This approach can forecast the likelihood of a firm filing for bankruptcy within a certain time frame, which is often two years.



$$\text{Altman Z Score formula} = \left(1.2 \times \left(\frac{\text{Working Capital}}{\text{Total Assets}} \right) + 1.4 \times \left(\frac{\text{Retained Earnings}}{\text{Total Assets}} \right) + 3.3 \times \left(\frac{\text{Earnings before Interest \& tax payment}}{\text{Total Assets}} \right) + 0.6 \times \left(\frac{\text{The equity's market value}}{\text{Total Assets}} \right) + 0.999 \times \left(\frac{\text{Total Sales}}{\text{Total Assets}} \right) \right)$$

Figure 19 Altman Z-Score's Formula

This approach accurately predicts the state of crisis in any firm. Using different balance sheet values and corporate income, it will aid in determining a firm's financial health. The Altman Z. Score for MBSB in 2019 is 1.01, indicating that the firm has a very high probability of going bankrupt. MBSB may have to determine whether or not to sell their shares as quickly as feasible in order to maximise profits. This is a commonly used measure with a wide range of uses. It's one of several credit scoring models now in use that combine measurable financial indicators with a small set of factors to help us forecast if a firm will go bankrupt or fail financially.

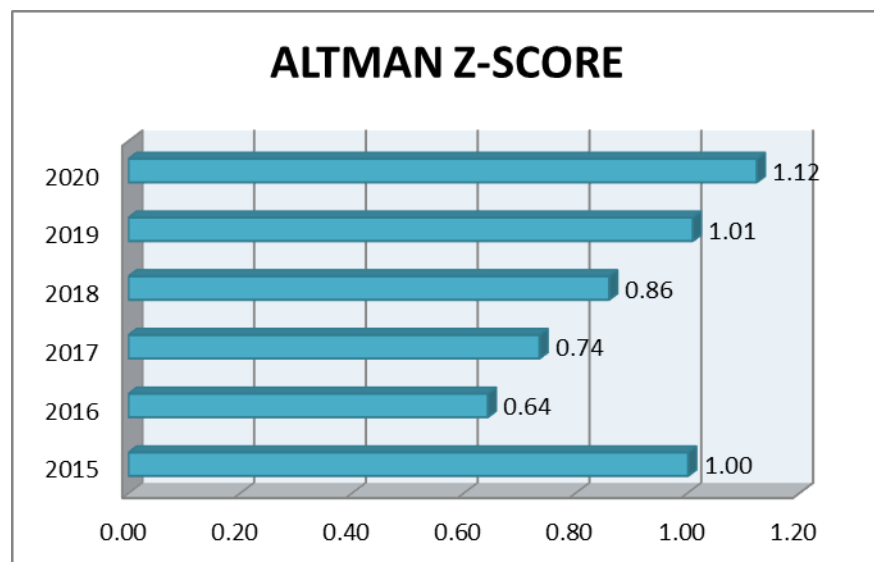


Figure 20 Graph of Altman Z-Score

However, the adage "rubbish in, rubbish out" also applies here. As a result, if a firm's financials or input data are deceptive or inaccurate, the Z-Score will be incorrect and useless in our analysis and forecast of bankruptcy. For FY2020, although the Altman score is 1.12, at least the scoring is keep increasing from 2016 to 2020.

2.6 EVALUATION OF ALTERNATIVES

This is a proactive and strategic strategy. Consider a gaming strategy for a major athletic event. A strategy like this seldom focuses on preventing the weakest players from making errors. Rather, it concentrates on how to make the most strategic use of the star players. These superstar athletes serve as team captains, and their leadership and mentorship inspire and motivates younger players.

Businesses attract clients and consumers by showcasing its stars, not by attempting to rectify an employee who has made an error. While a few firms recognise and honour safety champions, the majority continue to focus on the failures rather than the successes. A significant portion of the efficient approach is focused on the rule of organizational approach. The organization should have a pre-determined and pre-established approach, which decides the targets and the approaches administration and other levels of the organization must take after. Having a comprehensive arrangement input will make it less demanding to decide the deviations and ensure all levels of the organization take after the same set of rules.

There was a counterpart to MBE termed quality via inspection throughout the history of quality-improvement initiatives. The fundamental idea was to do some sort of final inspection on items while they were being made in order to catch and eliminate any faulty units before they were sent out to consumers or distributed. The critical thing around a great organizational arrangement is that it ought to centre on responsibility. You wish to ensure

that each administration level subscribes to the rules and take after the same strategies. If there are differences in duty and other such issues, these should be clearly expressed within the approach, and everybody should be mindful of them.

MBE also needs an organization to be aware of the deviations. The system cannot be run by keeping the exceptions secret or only something the reporting team will know of. The more the team understands what is expected of them and what should cause alarm bells, the easier it is to spot the problems or to guarantee they do not occur in the first place.

Partial understanding of the exception cases deals with the contrast between schedule and great exercises. Within the setting of MBE, managers have to know what assignments and forms are scheduled, i.e. can be managed by the lower levels of administration or the subordinates. For example, a manager would not know there will be a problem in the cost until they would veer off around 5% from the standard. If the subordinates are uninformed, they might not think of the exact changes in third provider items. On the other hand, if they are mindful of this, they can take pre-emptive activity and report to the manager.

Furthermore, although certain deviations might be reported directly to the higher management levels, with the decision-making power in their hands, managers must also be aware of the exceptions. Since management will not

be involved until there is a significant deviation, a good understanding of the exceptions can guarantee that the subordinates can perform corrective actions throughout the process. It can also guarantee a more amicable solution to problems. Again, it can all help you understand the issues and keep an eye on them throughout the process.

2.7 RECOMMENDATION

The growth of business necessitates the creation of new ideas, and the concept of management by exception aids in the management of time and executive effort. Furthermore, time is a crucial element in some jobs, and personnel capable of dealing with work demands, organising information flow, identifying the strategy, and bonding by the plan of action are required. The individual who concentrates on the most critical tasks is more valuable than the person who accomplishes everything feasible. The duties connected with a crucial date demand entrepreneurial persons capable of coping with work constraints, organising information flow, identifying the strategy, and bonding by the plan of action in instances when speed is a critical element. When it comes to expanding a specific employee's capabilities in the field of technology or finance, but he has never had a leadership position before, the leadership opportunity offer might be quite beneficial.

To summarise, MBE is an important step towards developing proactive entrepreneurship within enterprises. The most significant aspect of the current study is how MBE stages and their actual implementations affect and reward workers and institutions in order to reach an appropriate degree of entrepreneurial leadership across various businesses.

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APPROVAL PAGE

**TITLE OF PROJECT PAPER: PRACTICE OF MANAGEMENT BY EXCEPTION
BY HOUSING DEVELOPER DURING COVID19
IN MALAYSIA**

NAME OF AUTHOR : FATMA SOPHIA BINTI MOHD AMIN @ CHE MIN

The undersigned certify that the above candidate has fulfilled the condition of the project paper prepared in partial fulfilment for the degree of Master of Business Administration.

SUPERVISOR

Signature : _____

Name : _____

Date : _____

ENDORSED BY:

Dean

Graduate School of Business

Date: