



Malaysian artist Jailaini Abu Hassan with Sidek at Galeri PETRONAS

FIRST STEP TO CHANGE

There's only one way to move forward and that is to radically change, says Tan Sri Sidek Hassan, Chairman of PETRONAS.

By Theresa Manavalan

TAN Sri Mohd Sidek Hassan is right at the top of Malaysia's largest oil and gas entity at the very moment the entire industry with its history of booms and busts has been in its deepest downturn since the 1990s. He knows that the Chairman's office on the 81st floor of the PETRONAS Twin Towers is exactly where the buck stops. At that elevation, his office is like a metaphor for life itself. When a tropical squall hits Kuala Lumpur, the thick white mass of dense cloud outside totally obscures the view. Inside, the office functions like a lightning rod to the world, no matter what kind of thunderstorm is happening.

It is from this sensitised place that Sidek, as the Chairman of PETRONAS, continues to offer leadership and encouragement to people in the industry to move ahead, find new levels and be ready for drastic change, or better yet, be the change.

In early 2016, when Sidek addressed members of the Board of Directors of PETRONAS and PETRONAS Group of Companies, he spoke of company directors taking ownership and being their own masters. "Rather than bemoaning what you cannot change, focus on what you can. Forget about oil prices, it's out of our reach. Maybe we can change costs. But more importantly, change the mindset of our people. We must think radically. Why not collaborate with the competitor? I think company directors should drive that kind of thinking and help everyone get out of their silos."



Sidek led an MDEC delegation to Silicon Valley in October 2016

That, says Sidek, is the important first step to change.

“Someone once told me that cost is a function of price. When the price is high, cost goes up. When the price goes down, cost goes down too. I keep reminding myself that in R&D, the greatest innovations are likely to happen in a garage somewhere. Some innovation or disruption will revise the industry as we know it, as it has done in the past.”

Like shale technology which, only some five years ago, no one really thought of as a disruptor. The situation, says Sidek, calls for mature responses.

“In every phase of business in every industry, some will perish and some will rise like a phoenix from the ashes. I think we will see some consolidation. I think the big players should act sooner rather than later to do the right thing, to do what’s really needed by the whole industry. Beyond any one organisation.”

That kind of big picture thinking is Sidek’s signature in leadership. “Everything we do is for the stakeholders, whom you must know

well and be sensitive to. PETRONAS is first and foremost a national oil company which means it is owned by the Government of Malaysia. Effectively, PETRONAS is owned by all Malaysians. It has the commitments of a national oil company but must function as an international oil company. There’s more to this than just profit.

“In any business, there will be pressure and pressure groups. Here and abroad. We have to manage those too. Sometimes, the critics shape opinion without correct or even any information. The lesson for me is that the onus is on us to engage and provide information. My role is to listen. If you have a better idea than mine, I will take yours because more people will benefit.”

INTERVIEW SOUNDBITE

My mother taught me my first lesson in integrity. She told me that if I found a ringgit and didn’t know how to return it to its owner, I should give it to the nearest mosque.

That has always been the essence of his management style in government. Sidek was Chief Secretary or Ketua Setiausaha Negara (KSN) from 2006 to 2012 where he worked – reading as many as 500 emails a day sent directly to him – to bring transformation to the services Malaysians needed. Among them, counters that closed during lunch hour (when working people are free to pop in) and worse, during office hours.



Sidek with his family at a Raya gathering.

Why counter services? Growing up in Cherok Paloh, a village between Pekan and Kuantan, Pahang, the young Sidek watched farmers, rubber tappers and smallholders skip their daily work (therefore, they did not get paid for the day) to pay taxes (quit rent). They would travel on bicycle, sampan and ferry (there was no bridge then) only to get there at 4pm – as the counters closed. A clerk would tell them to come back another day but the same thing would happen.

That was his motivation to join the civil service. Well, these days, some government departments stay open till 10pm. Over the last decade, many began doing business online. Another key change: getting women to stay in the workforce. Among the measures: women in the civil service were allowed a year of unpaid leave for childcare with no loss of seniority.

“It was obvious that women were leaving the workplace because of childcare issues,” says Sidek. “This is a great loss, given their contribution to the economy and the resources spent on their education and training. Don’t forget that there are more girls than boys in our tertiary institutions. It happens in the private sector too.”

In 2010, draughtsmen at the Public Works Department were allowed to work from home for the first time. Their productivity went up. There was a big take-up rate from women. They saved commute time and skipped stressful traffic.

“Such changes are meant to improve our lives,” says Sidek. “But the job must be done by employees requiring little supervision. To make this work, employees need integrity to do their professional best.”

In 2015, Sidek became part of the 30% Club, a caucus of business leaders committed to bringing more women to corporate boards. The club raises awareness of gender diversity, initiates discussion, and supports initiatives to bring women into executive and non-executive roles. The 30% Club is not a call for a quota. “Diversity in all organisations is important,” says Sidek. “It’s good for effectiveness, for reach and for business.”

When he became KSN, there were only two women secretaries-general. By the time he left, there were seven. “This was a deliberate effort and it goes beyond economics. We need diversity as they bring in valuable diverse thoughts and views. A 30% policy pushes everyone to make an effort.”

INTERVIEW SOUNDBITE

Education interests me. It’s the opportunity for education that put me where I am. If not, I would be tapping rubber.



Sidek in discussion with PETRONAS' emerging leaders.

INTERVIEW SOUNDBITE

I remind myself that only 30 years ago, the buzzword was 'need to know'. If you know what you should not know, then you are in trouble. Today, it's still 'need to know' but if you don't know, you are in trouble.

And then, there is work-life balance.

"I have a lot of sympathy for working women. Many go home to another job where no one helps them. Work-life balance is about the whole family making an effort to make life pleasant and meaningful. You cannot draw a perfect line between house and office. A happy family makes you a good worker. A happy worker goes home happy."

But, says Sidek, there's one more dimension that is very important.

"I think every Malaysian has the capacity for integrity and excellent professional conduct. It's up to every individual Malaysian to make a difference, to do the right thing. We all know what the right thing is. The best way to create integrity is to continue your good conduct. Lead by example. I believe most Malaysians are good and honest people, who take pride in their work and aspire for professional excellence."

And, what about the future – the future that's constantly tainted by so much negativity?

In late October 2016, Sidek as the Chairman of Malaysia Digital Economy Corporation (MDEC) led a delegation of Malaysian start-ups to Silicon Valley where they engaged with other global start-ups, and several successful, well-known companies.

"What struck me most is their mindset, the mindset that anything is possible," says Sidek. "They have challenged everything we know to be fact and science. They are constantly thinking ahead, they want to improve human life, and they act swiftly. I also like the way some very old companies are there too."

One of the stops the MDEC delegation made was at General Electric (GE), whose digital division is based in Silicon Valley. In 1896, GE was among the first 12 companies to be listed on the Dow Jones Industrial Average. Fast forward 121 years to today, it is the only one left. During that visit, senior GE execs told the Malaysians that they want to learn from and collaborate with others. That humility was noticed and this has allowed GE to spur ahead at the dawn of the Fourth Industrial Revolution.

"Many think of Silicon Valley as a geographical locality," says Sidek, "and ask if we can replicate Silicon Valley here in Malaysia. Actually, it's not about geography. I liked the way the Malaysian representatives confidently pitched their ideas to potential investors in the US. It tells me we are making that intellectual migration to the new way of business. We are ready for collaboration and partnerships. We are networked, and capable of sharing. We are aware that no one can do it all on their own. That's why I'm excited about the future." ■