Get your act right, MAS

IT’S one step forward, two steps back for rebranded Malaysia Airlines (MAS) when it shocked the industry by temporarily banning checked-in baggage on flights to Europe last week. Later, it said the limitations applied only to flights to Amsterdam and Paris on Jan 5-6.

MAS left passengers fuming and its peers perplexed when it announced it will not allow checked-in baggage on the flights from Kuala Lumpur and limited the carry-on baggage to 7kg per economy class passenger and 14kg for business and first class travellers. Passengers could still check baggage but it would arrive later.

The airline cited “unreasonably strong headwinds” and long routes over Egyptian airspace, calling it a safety issue. It said to operate a longer route to Europe, which combined with strong headwinds, limited the airlines’ ability to carry baggage and cargo. It adds that the headwinds can add up to 15% fuel burn on a B777-200 aircraft.

A struggling airline fighting to win back passengers after twin air disasters in 2014 does not spring such surprises on its customers.

End all monopolies

LAST October, the appointment of a private company, Synerflex Sdn Bhd, to process recruitment of Bangladeshi workers, raised fears of a monopoly.

Though such fears subsided after some time, they have resurfaced. The Bangladesh High Commission has reportedly asked Dhaka to study the issue in detail pertaining to its nationals’ interest before endorsing the memorandum of understanding (MoU) with Putrajaya on labour recruitment.

If Bangladesh doesn’t sign the MoU, can Bangladesh nationals still come to Malaysia to work? If so, why the need for a private company? If Bangladesh nationals are not permitted to enter the country to work, who would end up the bigger loser? Will it be factories that rely heavily on foreign labour to improve productivity?

Those who wished that things would change with the new year are truly disappointed. It’s business as usual. Old habits die hard.

There have been other instances where point to a lack of transparency on how policies and decisions are made. All these may cause investors to rethink their investments.

The powers that be should do more to assure investors of greater transparency to change their perception that corruption and nepotism are rife. The re-emergence of this labour recruitment controversy has only given credence to the perception.

Many question why the recruitment process must be handled by a private company instead of the relevant government agencies.

The frequency in which such issues crop up adds to the people’s cynicism and suspicion about how decisions are made and implemented in government. Only when monopolies are eliminated will the rakyat truly benefit.

Business of building trust

WARREN Buffett, investment guru and one of the world’s richest individuals, once said that “it takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.”

Once you do something that diminishes or destroys the trust others have in you, the consequences can be devastating. That rings true whether you are an ordinary person, public official, politician, business leader or a multinational corporation. The higher you up the greener the will be the fall.

Indeed, some of the world’s biggest companies should have taken heed of Buffett’s advice. In the past year, some of the most prestigious financial institutions were embroiled in scandals relating to rigging foreign exchange markets and Libor interest rates. These banks including Barclays, HSBC, Goldman Sachs, Royal Bank of Scotland, BNP Paribas, and JPMorgan Chase were slapped with fines and settlements totalling billions of dollars.

Such breaches of trust are not limited to the financial sector. German automaker Volkswagen was hounded to dry following its emission scandal. The financial implications of the scandal are enormous with estimates from Credit Suisse pegging the costs of “Dieselgate” at a worst-case scenario of US$87 bil.

Business and corporate leaders often place the issue of trust on the back burner. It’s intangible and difficult to measure and put a value on. And because of that, some businesses and companies think it can be conveniently shunted aside when the situation warrants.

Well, if there’s anything we can learn from these recent corporate scandals is that a severe loss of trust can hit your bottom line badly. Conversely, being trustworthy is good for your business, reputation and branding.

In this regard, we wish to commend Penang Malaysia for holding its inaugural Building Trust Awards, which recognise Malaysian public-listed companies that are making strides toward building trust. This is said to be the first such awards in the country.

The awards assess how companies performed in their corporate reporting (via their annual reports) as well as how they are perceived in the eyes of their investors and customers. Malaysia Banking Bhd emerged as the winner of the Building Trust Awards in a ceremony held in November.

It is hoped that awards such as this will spur local companies to put trust at the top of their business agenda.