

A STUDY OF FACTORS IMPLEMENTING THE
GREEN INNOVATION IN FELDA

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Report submitted in fulfillment of the requirement for the degree of Bachelor of
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“I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.

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DEDICATION

This research paper is lovingly dedicated to my parents, Encik Ibrahim Bin Seman and Puan Che Ramlah Binti Talib, who have been my constant source of inspiration, they have given unconditional support with my studies. I am honoured to have their as my parents. Thank you for giving me a chance to prove and improve myself through all my walk of life. To all my family thank you for believing me for allowing me to further my studies. Thank you very much.

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ABSTRACT

A few years back, environmental and green issues were popular and famous among the experts and the researchers. The ISO 14000 had been approached to focus on the environmental issue and gave a positive impact to the entire world. They tend to look at the products that have been set with good safety standard and practices. From that issue, green technology has arisen drastically and all organizations nowadays are implementing the same strategy on saving the environmental and attract the attention of society. (Puvanasvaran.et, al., 2012). The researcher will study about “A Factors of Implementing Green Innovation in FELDA” as a dependent and for the independent the researcher that found are technology opportunity, protect the environment and supporting industry. The researcher chooses a few locations. There are headquarters FELDA, FELDA Kemahang, FELDA Hutan Percha. For methodology ,the researcher used a semi-structured interviews and unstructured or in-depth interviews been the main point of strategy been conducted as Saunders et al (2012) state in semi-structured interviews the researcher will have a list of themes and possibly some key questions to be covered . The researcher achieve objective the research.

ABSTRAK

Beberapa tahun yang lalu, isu-isu alam sekitar dan konsep hijau adalah popular dan terkenal di kalangan pakar-pakar dan penyelidik. ISO 14000 telah ditemui untuk memberi tumpuan kepada isu alam sekitar dan memberi impak positif kepada seluruh dunia. Mereka cenderung untuk melihat produk yang telah ditetapkan dengan standard dan amalan keselamatan yang baik. Dari isu itu, teknologi hijau timbul secara drastik dan semua organisasi pada masa kini sedang melaksanakan strategi yang sama pada menyelamatkan alam sekitar dan menarik perhatian masyarakat. (Puvanasvaran, et al., 2012). Penyelidik akan mengkaji tentang "Faktor Pelaksanaan Inovasi Hijau di FELDA" sebagai bergantung dan untuk penyelidik yang mendapati adalah peluang teknologi, menjaga alam sekitar dan sokongan daripada industri. Pengkaji memilih beberapa lokasi iaitu Ibu Pejabat FELDA, FELDA Kemahang, FELDA Hutan Perca. Untuk metodologi, pengkaji menggunakan temu bual separa berstruktur dan temu bual tidak berstruktur dijalankan (Saunders, et al., 2012) menyatakan dalam separa berstruktur temubual penyelidik akan mempunyai senarai tema dan mungkin beberapa soalan utama yang akan dilindungi. Penyelidik mencapai objektif yang di inginkan.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

Malaysia aspires to become higher-income countries by the year 2020 and stress resilience development because one of the core value. So, green technology was identified as one of the key elements in the process achieves a high income goal standard. According to (Lee, 2009; Cruz and Pedrozo, 2009) citation by Huang, (2010) in recent years, business ethics, corporate social responsibility, environmental management, and green innovation have become critical issues for companies in many industries.

According newspaper The Sun Daily on 2 March 2014 reported that the government has introduced the Green Technology Financing Scheme (GTFS) in 2010 to support the industry in developing green technology capabilities. Until February 2014, GTFS has benefited 124 green technology based projects developed by local SMEs. In addition, the government through the 2014, budget also provides incentives such as investment tax allowance on the purchase of green technology and equipment tax exemption on the use of green technology.

According to Murray R. Millson & David Wilemon (2008) innovation is the process of doing new things. This distinction is important. Ideas have little value until they are converted into new products, services, or processes. Therefore innovation is the transformation of creative ideas into useful applications, but creativity is a prerequisite for innovation.

Green innovation is used to enhance the performance of environmental management in order to satisfy the requirements of environmental protection (Chen et al., 2006). Moreover, Chen et al. (2006) divided “green innovation performance” into “green product innovation performance” and “green process innovation performance.” This study referred to the definition of Chen et al. (2006) and defined the “green product innovation performance,” as the performance in product innovation that is related to environmental innovation, including the innovative in product that are involved in energy saving, pollution prevention, waste recycling, no toxicity or green product designs (Chen et al., 2006). Furthermore, this study also referred to the definition of Chen et al. (2006) and defined the “green process innovation performance,” as the performance in process innovation that is related to energy-saving, pollution-prevention, waste recycling or no toxicity (Chen et al., 2006) citation in (Juriah Conding.et.al, 2012)

Innovation ‘greenness’ is also a relative concept (Zhu et al., 2009), constantly defined and redefined by the firm making and offering the product, end-users of the product/process, the competitors and regulators in the market or other individuals or organizations who claim to be stakeholders in the ‘green’ value chain. Similar to innovation ‘newness’ and ‘greenness’, there has been much debate about how ‘success’ should be measured in innovation.

1.2 Background of the study

In Malaysia, it has a lot of sector. The most important sector are agriculture sector that be a main an important role in the economic development in this country. The sector comprises various sub-sectors including oil palm, rubber, livestock, forestry and logging, fisheries, aquaculture and other agriculture like paddy, fruits, vegetables, coconut, tobacco, tea, flowers, pepper, cocoa, and pineapple. At a time of high global demand for agricultural products due to the growing world population and a strengthening world economy, Malaysia's agriculture sector has a great opportunity to expand its contribution to national income and to support the ringgit's foreign exchange valuation. (Productivity Report, 2014/2015).

The agriculture sector must increase its productivity by fully utilizing resources such as land, labor, capital and entrepreneurship. To achieve change in its operations, the sector also needs to adopt new technologies while continuously enhancing the knowledge and skills of its workforce. Agricultural performance will also be indirectly affected by the launch of the ASEAN Economic. (Productivity Report, 2014/2015).

For background of the study, researcher has focused on the factor-factor implementation of green innovation in FELDA. Federal Land Development Authority (FELDA) was established on July 1, 1956 under the Land Development Ordinance of 1956 for the development of land and relocation with the objective of poverty eradication through the cultivation of oil palm and rubber. The FELDA function is to carry out projects of land development and agricultural activities, industrial and commercial social economy (FELDA Official Website, 2015).

According Environment Agencies (2012) using green innovation in the fields of business, FELDA can protect the environment and fight climate change. In the agricultural industry, green innovation may include finding new uses and ways to deal with waste, bio and nano technologies, and use different technologies to reduce pollution

and clean up soil and water contamination.

The upstream sector of the oil palm industry consists of several groups of producers that have important role to ensure the sustaining supply of this important vegetable oil to the whole world. Palm oil sector has unique combination of ownership and is mainly divided into two big entities of private ownership and smallholder. (Suhaila, 2012) The figure show about the percentage of oil palm planted area by category.

Category	Hectare	Per centage
Private Estates	3,037,468	60.7
FELDA	703,027	14.1
FELCRA	162,259	3.2
RISDA	79,743	1.6
Other Government/States Agencies	319,786	6.4
Independents Smallholders	697,826	14

Figure 1.1: Oil Palm Planted Area by Category, 2011

Source: MPOB Website

1.3 Problem Statement

A few years back, environmental and green issues were popular and famous among the experts and the researchers. The ISO 14000 had been approached to focus on the environmental issue and gave a positive impact to the entire world. They tend to look at the products that have been set with good safety standard and practices. From that issue, green technology has risen drastically and all organizations nowadays are implementing the same strategy on saving the environmental and attract the attention of society. (Puvanasvaran.et, al., 2012).

Green innovation can be a key source of competitive advantage and allow companies to satisfy consumer needs and wants more effectively than their rivals. However, success of green innovation is largely dependent on an understanding of the consumer and developing marketing strategies and mix that will meet consumers needs more effectively and more sustainable than their competitors (Belz and Peattie 2009).

1.4 Research Question

According to Koekemoe (2008) stated that according to Strauss and Corbin (1998) define a research question as the specific query to be addressed by this research that sets the parameters of the project and suggests the methods to be use for data gathering and analysis. The research question is that the researcher wants to find the relation to what extent factors to implementing green innovation in FELDA. The explanation from the introduction is generally viewed about green innovation. The reason of this research is about to study factors to implementing green innovation in FELDA.

1. What the understanding of green innovation to FELDA?
2. What are the factors to implementing green innovation in FELDA?
3. How to implement the way of green innovation in FELDA?

1.5 Research objective

According to Masatu (2014) stated that research objectives are description of what is to be achieved by the study. The objective of research is about to study the factors to implementing green innovation in FELDA. The objectives that want to achieve in this research:

1. To determine the understanding to green innovation in agriculture.
2. To find the factors to implementing green innovation in FELDA
3. To identify the implementing the way of green innovation in FELDA

1.6 Scope, Limitations and Key Assumptions of the Study

The scope of this study focuses on agriculture, where the focus was to assess the productivity of palm oil. This study was to identify factors implementing green innovations in agricultural management. This study is more specific to the oil palm plantation in FELDA Kemahang (1), FELDA Hutan Percha and FELDA Headquarters to obtain adequate and comprehensive information, respondents were divided into two groups. The management positions including managers and executives who have been involved with FELDA management. The respondent played a vital role in answering interview questions to support research and adequate and comprehensive information from them.

There are some limitations of this research study. Two limitations identified in this study. First, this case study is to investigate the effect of implementing green management of agricultural innovation by FELDA Kemahang, FELDA Hutan Percha, and FELDA headquarters. The study will not cover other aspects of agriculture. This study is conducted in FELDA Kemahang. Second, the researchers assume that all respondents gave answers that are honest and correct when respondents were interviewed by the researchers. To gather data, researchers did not have enough time. If given more time in the data collection process, will produce more accurate. Respondents involved only individuals who know about the concept of green innovation. This study investigates the factors for implementing green innovations in FELDA.

1.7 Importance of the study

The important of this research is to gain understanding on factors to implementing green innovation in FELDA. The importance of the study outcomes of this research on factors to implementing green innovation in FELDA of agriculture management can be shared to all parties involved in agriculture sector. By conducting this research, it will help FELDA to apply the process of green innovation and improving the productivity of palm oil in this country.

1.8 Organization of the thesis

In Chapter 1, the researcher will discuss the background of the research by highlight the research problems, research purpose, research objectives, and justification for the research, and the thesis organization.

In Chapter 2, the research discusses the definition of innovation, green innovation and Felda Wilayah Kemahang, Felda Hutan Percha, and Felda Ibu Pejabat. Gives some factors to implementing green innovation in FELDA. The researchers selected 3 factors .

In Chapter 3, describe the methodology used in the research. The researcher will use interview method. This methodology seeks to identify the causes of the factors to implementing green innovation in FELDA .

In Chapter 4, describe the result of a research on factor-factor implementing green innovation in FELDA is presented. At the beginning, the researcher has targeted to conduct the interview for ten persons as explained in chapter 3.

In Chapter 5 discuss the outcome of the results obtained and the conclusions drawn by the researcher. This chapter discusses the results of the study can meet the objectives that have been set before. The three main objectives are successfully achieved.

1.9 Summary

This chapter describes the direction of the study. The introduction brief explains the definition of green innovation and factors to implementing green innovation in FELDA. This chapter also describes the objectives of the research as well as the research questions of this study. The scope and limitations of this study explained in this chapter to provide direction for future research process and conducting research in the context of this study iron triangle. This research will be conducted in accordance with chapter sets.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to study the theory that related to this research. Schilling (2013) comments that innovation is the practical implementation of an idea into a new device or process. According to MM Kennedy (2007) said that although the literature review is a widely recognized genre of scholarly writing, there is no clear understanding of what constitutes a body of literature. Each reviewer must decide which specific studies include or exclude from a review and why. And each such decision alters the character of the set as a whole and could also therefore alter the net conclusions drawn from the set. By the critical review of the literature was necessary to help the researcher to develop a thorough understanding of insight into previous work related to the research question and research objectives.

The researcher obtains literature review from several sources such as books, journals, website and articles. In this chapter, the researcher explains the theoretical framework and previous researchers said the factor-factor of implementing green innovation in FELDA with consideration of three variables included are technology opportunity, environment and supporting Industry.