CHAPTER 1

RESEARCH PROPOSAL

1.1 INTRODUCTION

Environmental issues such as global warming, the greenhouse effect, air and water pollution and depletion of resources that caused by human activities have got attention since last few decades and receive greater highlight by recent generations. The full impact of those human activities felted by the environment since the industrial revolution whereby this was the major turning points that turned the human world toward the era of living and production (McLamb, 2011). These industrialization processes have increased the intensive use of natural resource such as coal, oil and natural gas that function as the source of power to support the industries production pace, increase the production capability and meets up with customers’ demand (Environmental History Resources, 2009).

According to Hassam (2011), there have three main types of industries which includes primary, secondary and tertiary industry. Primary industry was the industry that extract raw material from natural resources and provide the basis for the others production industries such as agricultural industry, mining industry, fishing industry and forestry industry while secondary industry was the industry that converting the raw materials become a finished goods such as food industry, textile industry, automobile industry and construction industry. Lastly, the tertiary industry was the industry involved with public service sector such as government activities, finance, transportation and hospitality industry.
Today, service industry has become the most important industry whereby not only employment structure and economy was mainly depend on it but it also acts as an engine of global economic development. In Malaysia, service industry composes the largest percentage share toward the Gross Domestic Product (GDP) which is 55.4% from total of 100%, followed up by manufacturing industry that comprises 24.2% and sectors such as agriculture, mining and construction with 20.4% (Ministry of Finance Malaysia, 2013). In the report of GDP Fourth Quarter 2014, service sector has shown a growing rate of 6.4% that contributed toward the GDP (Department of Statistics Malaysia, 2015). As service sector was fruitfully an economic contributor, the government is putting greater emphasis on it and merges it in the economic planning. Therefore, it is very important that service sector voluntary adopt environmental regulations or program before ruin up the environment as industrialization process and at the same time increase its environmental performance. Besides of services industry, industries from the range of manufacturing and chemical industry that having a big impact toward the environment to the SMEs which have less impact toward the environment should also responsible to adopt EMS and conserve the environment.

Regulations such as international environmental management system (EMS) ISO 14000 can be adopted by service industries and use the standard specification of ISO 14001 as a guideline to review on operations and analyzes how company’s actions affect the environment issues. According to L. Goetsch and B. Davis (2001), the general objective of ISO 14000 is to protect and prevent environment from pollution that cause by organization’s activities, products or services in balance with socioeconomic needs. ISO 14000 does stop at what is required by the law and regulations, but it requires organizations to demonstrate and commit programs that continuously improve and beyond the requirements. Besides, Goetsch and Davis also mentioned that ISO 14000 is a ticket to go through the international market beyond the interest in protecting the environment. Therefore, numerous studies have been conducted on the motives of the organization to implement EMS, understand its benefits and impacts to the environment, social and other aspects. Besides of understanding its positive perspectives, the challenges and barriers of implementing EMS should also be concerned in order to overcome and reduce those negative perspectives through various incentive schemes.
This chapter have explain the background of study, problem statement, research objective, research questions, research approach, scope of study, significant of study, expected results and operational definition.