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**BUSINESS PROJECT
GADING KURNIA (M) SDN BHD**

**MD AZHA MIRA HAIMIR BIN MOHD IDRUS
60386111046**

**MASTER IN BUSINESS ADMINISTRATION (ENTREPRENEURSHIP)
UNIVERSITY KUALA LUMPUR
2013**

DECLARATION

HAK MILIK
ARKIB MARA

I declare that this report entitle 'Managing High Turn-Over of Employees' is the results of my own research excepts as cited in the references. The report has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature : 
Name : MD AZHA MIRA HAIMIR BIN MOHD IDRUS
Date : 24/06/2013

Control No:	000578
Accession No.:	400578
LC No.:	

APPROVAL

I have examined this report and verify that it meets the program and University requirements for Master of Business Administration.

Date: 24/06/2013

Signature

:

Supervisor's Name : DR. ROSNI BINTI ABD WAHID

Official Stamp

:

DR ROSNI BINTI AB. WAHID
Senior Lecturer
UnikL Business School
1016 Jalan Sultan Ismail
50250 Kuala Lumpur

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ACKNOWLEDGEMENTS

Thousand appreciation to En. Azizi bin Zainuddin, owner of Gading Kurnia (M) Sdn. Bhd. for his generous assistance and full support in giving the information and detail data for me to complete this business project. Without his cooperation, this report can't be possible to finish in time.

Completing MBA as a part time student with 100% commitment and responsible while working with MARA is a very challenging for me. Without support from my MBA colleagues and MARA that sponsored my study, I maybe not have the strength to undergoing this MBA Entrepreneurship of UniKL . Thank you very much to all friends and also my boss for understanding and support my study.

Also not to forget to my beloved wife that never stop believing in me and my supervisor, Dr Rosni Abd Wahid that very understanding and giving me the guide and ample time for me to finish up this report.

Lastly, I hope this report will meet the supervisor requirement and get a good grade in the last module. Thank you.

ABSTRACT

Abstract of the Business Project presented to the panel of University Kuala Lumpur Malaysia in fulfilment of the requirement of the degree of Master of Business Administration in Entrepreneurship.

GADING KURNIA (M) SDN. BHD

By

MD AZHA MIRA HAIMIR BIN MOHD IDRUS
60386111046

June 2013

The company is specializes in air-condition and water filter system and supply drinking water and dispenser. They provide services such as supply, service, repair and installations of air-conditions, water filtration and electrical equipment, machineries equipment and its related parts, hardware for industrial uses, industrial wiring and cabling, and chemicals for industrial and water treatment use.

This paper discusses the company's main problem in human resource high turn-over and recommendation for the company to managing and overcome the problem to maintain the company's growth.

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CHAPTER 1: INTRODUCTION TO STUDY

1.1 Objective Of The Business Project

This business project is one of the requirements set by the University Kuala Lumpur Business School in completing Master in Business Administration (Entrepreneurship) program. The main objectives of this business project are to diagnose the company's problems and their causes by applying management tools in identifying company's problems.

In this project, to recognized the problem in the various field of business such as marketing, operation, finance and management, several method were used as below;

- Interviews
- Focus group
- Observation
- Secondary data

In order to identify the problems faced by the entrepreneur, I have to do analysis on the company's environment, such as the SWOT analysis and Financial Ratio analysis. From the analysis, I will identify the potential problems that cause the organization from expanding or growing and later provide recommended solutions to the organization as a whole.

Gading Kurnia (M) Sdn. Bhd. have been chosen as my research for the Business Project which is located in Kuantan, Pahang. My study begins with

the overview of the company, background of the company, Malaysia's economy analysis, the industry analysis, the company analysis and the potential problems or issues. The final part will be the recommendation to overcome the major problem for the company.

1.2 Overview Of The Company

Gading Kurnia (M) Sdn. Bhd. Has been established since November 2002. Since its inception, the company has grown rapidly in terms of sales and market. Their team is led by En. Azizi bin Zainuddin (Founder), En. Mohazam bin Mohd Iqbal and Puan Sharipah Norrisah binti Syed Omar.

Gading Kurnia is a company that specializes in air-condition and water filter system and supply drinking water and dispenser. They provide services such as supply, service, repair and installations of air-conditions, water filtration and electrical equipment, machineries equipment and its related parts, hardware for industrial uses, industrial wiring and cabling, and chemicals for industrial and water treatment use.

In personal, En. Azizi was in charge in logistic and operations of the company. He is the main role for the company and hold a NITTCB Cert in Heavy Industrial & Commercial Vehicles and 2nd Class Mechanical Engineering from Institut Jurutera Lektrik & Jentera Kementerian Pertahanan Malaysia. While En. Mohazam is a member of Malaysian Institute of Geology and hold Bachelor of Science in Applied Geophysics from University Malaya and Master of Science in Corrosions Engineering from State University of New

York and responsible for the research department. Puan Sharipah hold Diploma in Human Research from University of Caledonia, United Kingdom and Bachelor in Mass Communication from UiTM and been assign as manager for Human Resource and Administration.

The company does not have proper vision and mission. But as an information gathered during the interview and study on this company, the vision and mission statement that will suggested to the company is ;

Vision

"To supply a high quality product and service that adheres to customer's satisfaction"

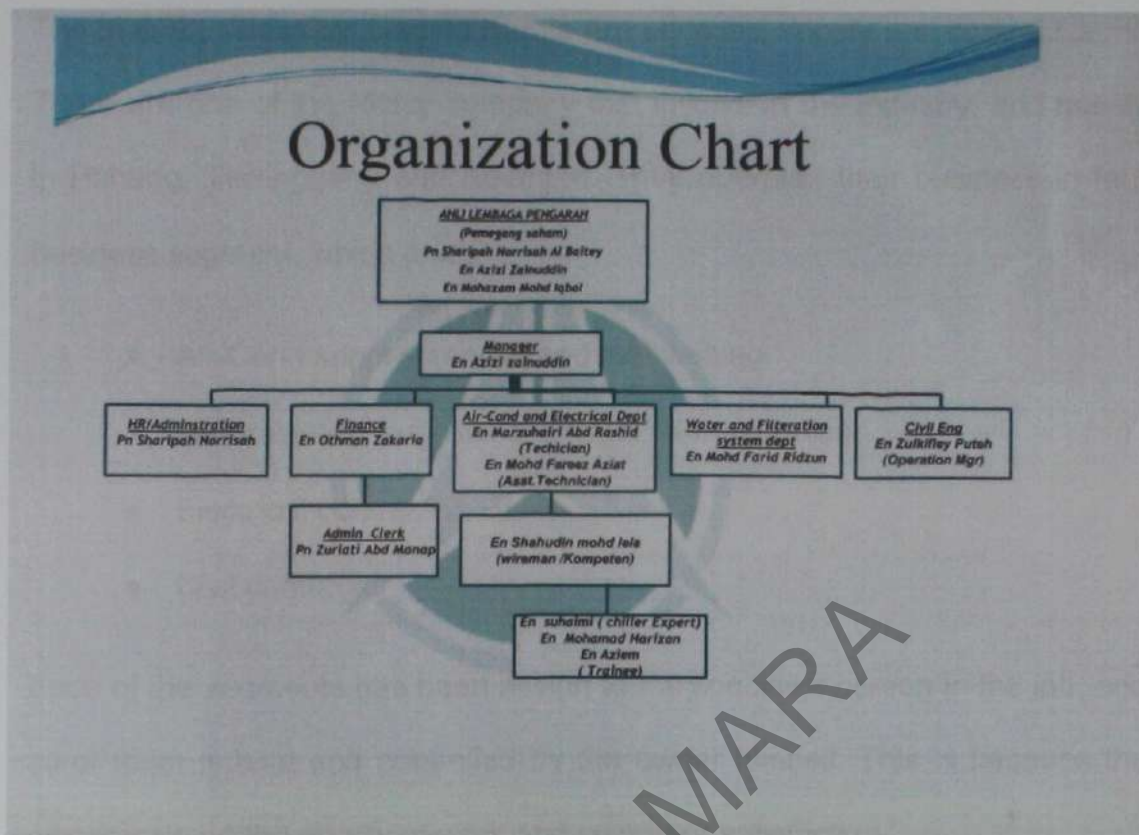
Mission

"To be one of the Bumiputera's company as a main player in services industry in Malaysia"

1.3 Background Of Company

- Founder : Azizi bin Zainuddin
- Registration Number : 598275-U
- Registered Name : Gading Kurnia (M) Sdn. Bhd.
- Date of Establishment : 8 November 2002
- Registered Office : B-102, Lorong IM 8/33, Mahkota Putra,
Bandar Indera Mahkota, 25200 Kuantan,
Pahang
- Paid-up Capital : RM 100,000.00
- Authorized Capital : RM 100,000.00
- Bank Account : Bank Islam Bhd.
- Business Status : 100% Bumiputera
- Company's Secretary : Amir Associates
- Certified Accountant : MNZ WAJ Associates
- Business Nature : Services & Trading
- Business Area : Air-Cond, Electrical, Civil and Water and
Filtration
- Telephone / Fax Number : 09-572 9179

1.4 Organization Chart



Picture 1: Organization Chart

The company is lead by En. Azizi himself and the company structure is divided into two sections: operation and administration.

In operation area, there are three department that is Air-Cond and Electrical Department, Water and Filtration System Department and Civil Engineering Department. Total staff for the operations department are 9 workers. For administration department, they are separated into two division:- HR/Administration Department and Finance Department that have 3 person responsible.

1.5 **Business Segments**

The main business for Gading Kurnia are services, supply and contract work. There are one of the Malay company that involve in the industry, and mainly in Pahang, Terengganu and Kelantan. They operates their business in four business segment, which are;

- Air-Cond supply, service and maintaining
- Mineral water supplier and water filter expertise
- Electrical contractor
- Civil contractor

Each of the segments has been assign to the specialist person in the job, and all of them is lead and controlled by the owner himself. This is because the owner insisted the quality of work and customer satisfaction.



Picture 2: Water Filter Dispenser and Parts



Picture 3: Bottle Water



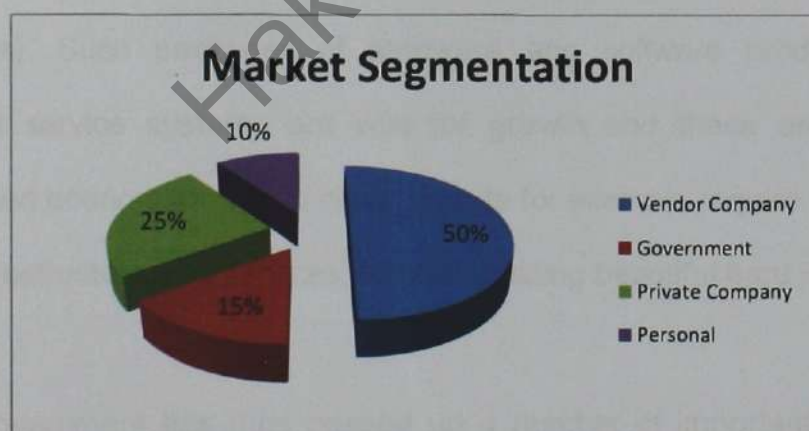
Picture 4: Air-Cond Services Equipment

1.6 The Customers

As a services and contractual based company, Gading Kurnia have two type of customers. First, registered costumers that means the company have been appointed as vendor company for the customers. Usually, this type of customers are the multinational company and very famous name in Malaysia industry. The list of the company are:-

- Tenaga Nasional Berhad – covered jobs within Terengganu region
- Telekom Malaysia Berhad – appointed contractor within Pahang region
- Felda Holding Malaysia – responsible for jobs within Peninsular Malaysia

Other than vendor company, Gading Kurnia's customers come from open market in East Coast Region (Pahang, Terengganu and Kelantan) such as home basis customers, private and industrial company and also government agencies.



Graph 1: The Market Segmentation

CHAPTER 2 : LITERATURE REVIEW

2.1 Malaysia's Economic Analysis

The services sector is overtaking manufacturing as the main contributor to the economy. As the Government has targeted the services sector to be the main driver of future growth, projecting the sector's share (inclusive of Government services) of GDP at 67.3% by 2020, new sources of growth will have to be found.

There is therefore an urgent need to facilitate the growth of services particularly those identified as "backbone services". These are the ones that contribute important inputs for the production and export of others goods and services. Undoubtedly, services permeates our everyday life and importantly, complementing the manufacturing sector. Such examples of complementarity are handsets (manufactured) and telecommunication services (broadband services). Such packages of hardware and software producing efficient product service systems are vital for growth and these are dominant in advanced economies. World class airports for example require state-of-the-art soft infrastructure and services, not just building beautiful hard infrastructure.

The Government has thus opened up a number of important services sub-sectors to foreign participation in order to accelerate the growth of the services industry. Allowing foreigners to own businesses in Malaysia or in

partnership with locals can help to upgrade the skills of Malaysians and also assist them to establish business links overseas.

The ASEAN commitments have also required Malaysia to progressively open up the domestic services market to participation from other ASEAN countries. The targets and timelines we follow are according to the blueprint mapped out to establish the ASEAN Economic Community by 2015. To date, Malaysia has made liberalization commitments in 96 services sub-sectors between 49-70 per cent ASEAN equity.

Unilaterally, in April 2009, 27 services subsectors were opened up. More substantive moves were announced in Parliament recently in the Prime Minister's Budget Speech. An additional 17 sub-sectors is being opened up progressively to foreign ownership, this year. These changes allow foreigners to own up to 100% of their businesses established in Malaysia.

An overseeing body, known as the Malaysia Services Development Council (MSDC), has been set up to monitor and coordinate the work of ministries implementing the liberalization programmed. The MSDC reviews rules and regulations that impede the growth of the industry, and assist local players, mostly SMEs, to develop and export their services. MATRADE are ready to assist Malaysian services providers find market opportunities overseas while MIDA is aggressively promoting Malaysia as a conducive investment destination by foreign services providers.

2.2 Industry Analysis

The services sector is also known as the tertiary sector. Services are defined in conventional economic literature as intangible goods. The tertiary sector of economy involves the provision of services to businesses as well as final consumers. It has been internationally accepted that an adequate measure of the service sector contribution to the economy is 20% of total exports. In Malaysia the figure for 2007 and 2008, at Ringgit Malaysia (RM) 100.9billion and RM102 billion respectively, came up to 17%.

As per World Trade Organization, eight developing countries are in the list of the world's 30 largest exporters of services and Malaysia was ranked 30th in 2008. At present 7% of the services sector share of GDP consists of services provided by the Government. The remainder is the tradable services sector which has commercial and growth prospects.

Tourism has been valued at RM50 billions and is one of the main services export earner. It grew by 5% in 2008. Other sectors with potential are information and communications technology, construction, Islamic financial services, education and training, management services, medical tourism, logistics and oil and gas services. The investments made in services totalled RM 66.4billion in 2007 and RM 50.1 billion in 2008, exceeding the annual target of RM 5.8 billion set by the Third Industrial Master Plan. Domestic investments make up more than 85% of investments in the services, whereas Foreign Direct Investment (FDI) is only 15%. The government is taking initiatives to increase the FDI in the service sector.

To begin with the government has liberalized equity conditions imposed on foreign investors and has eased the restrictions against the employment of foreign specialists and professionals in the services sector. The other initiatives include the liberalization of the 27 sub sectors of services in April 2009, followed by the liberalization of selected financial services and the de regulation of Foreign Investment Committee guidelines. The government is of the view that liberalization would bring in new capital, expertise and technology, create employment and new opportunities for joint ventures between foreign and domestic services.

The Malaysian government has high expectations for the services sector to stimulate the economy into a faster growth track and subsequently achieving the status of high income economy by 2020. This include the existing literature and highlights pertinent facts and issues for the identification of policy inputs and formulation to enable the services sector achieve this end.

CHAPTER 3 : ANALYSIS OF THE COMPANY

3.1 Swot Analysis

3.1.1 SWOT Basics

SWOT is an acronym that identifies the four critical elements of the analysis. The letters stand for strengths, weaknesses, opportunities and threats. Strengths provide an analysis of the company's advantages over its competitors. Weaknesses consider areas in which the companies are at a competitive disadvantage. Opportunities are a list of untapped markets or business developments. Threats explore the external environment that could affect the company, including technological, environmental and regulatory factors.

3.1.2 Strengths and Weaknesses

The purpose in using SWOT to assess strengths and weaknesses is it helps the company firmly understand its core market advantages and areas that competitors may criticize the company for. Companies typically make core strengths the focal point of marketing messages in trying to create differentiation from competitors. Companies need to understand their weaknesses to decide what areas they should improve on and what areas are inherent to the nature of their business.

3.1.3 Opportunities

Exploring untapped opportunities helps company leaders consider ways to grow. Generally, strong companies are always looking for ways to grow because if they do not grow, they typically fall behind and give up opportunities to competitors. Opportunities can include new and emerging markets, new business and product developments and strategic business partnerships that may create more sales and profits.

3.1.4 Threats

Though it is one of the least enjoyable areas of SWOT to consider, companies need to understand external threats so they are not caught off guard. Changes in government regulations may affect the level of competition or costs companies face. Environmental standards or conditional changes can affect companies in the ways in which they use natural resources for business. Technological advances or changes can affect companies that do not adapt.

3.1.5 SWOT Analysis for Gading Kurnia (M) Sdn. Bhd.

STRENGTH	WEAKNESSES
<ul style="list-style-type: none"> • One of the Bumiputera company in the business • Vendor company : <ul style="list-style-type: none"> - Felda Holdings Malaysia - KWSP - Tenaga Nasional Berhad - Telekom Malaysia Berhad - University Malaysia Berhad (UMP) • Registered with : <ul style="list-style-type: none"> - Suruhanjaya Syarikat Malaysia - Suruhanjaya Tenaga - Ministry of Finance (MOF) - CIDB G3 and GE ME - Pusat Khidmat Kontraktor (Elektrik Kelas III) • Good relationship with supplier and government agencies • More than 10 years in the industry and have multiple type of related business 	<ul style="list-style-type: none"> • High employees turnover • Business nature force company to rely on with the suppliers • Lack of promotion strategy • Dependency on walk in customer and government projects • Lack of staff to focus on each business segment • New entrants, competitors that have very much similar services and product • Limited of product line • Less advertisement

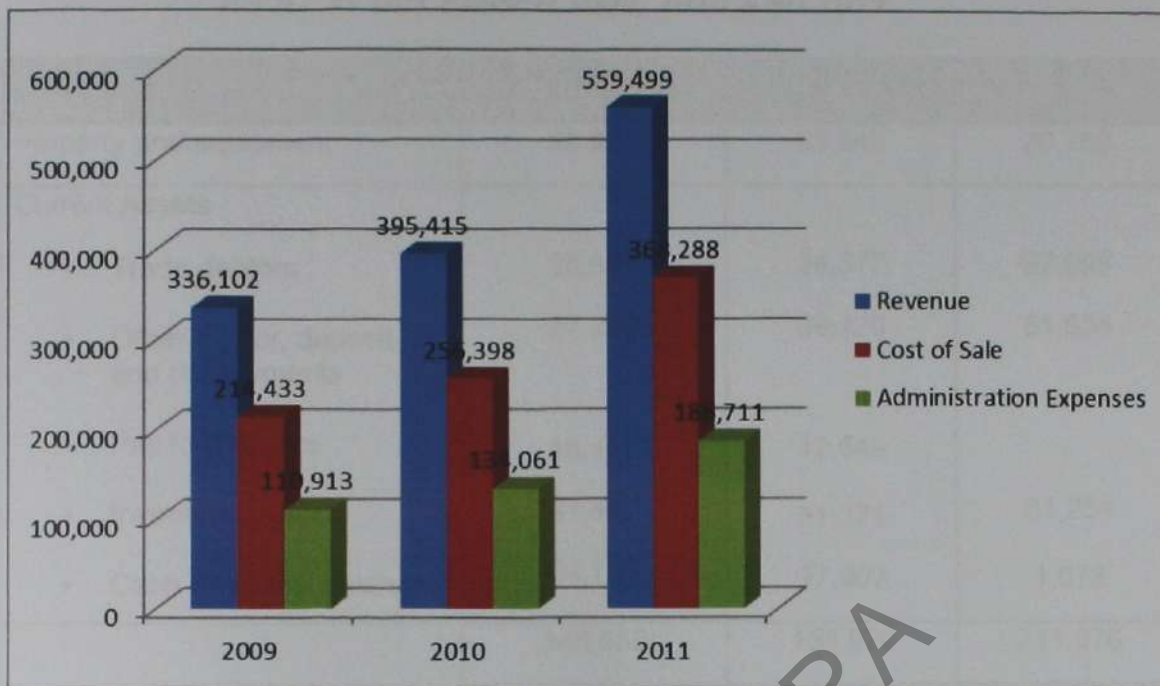
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Government support for medium scale business/Bumiputera entrepreneurs • The company's business are necessity to the market : air-cond, electrical services, water filter • Good and stable economic situation • Market growth rapidly in the coming years • Change in economic, business environment and accounting standards 	<ul style="list-style-type: none"> • Freelance • New comers in the market • Government policies and political situation • Market entry; potential for larger companies to enter into the market • Rivalry; market monopoly by existing players especially non Bumiputera company in the industry • Import rules and regulation – shipping cost • Thrust from supplier to supply quality product (substandard)

3.2 Financial Ratio Analysis

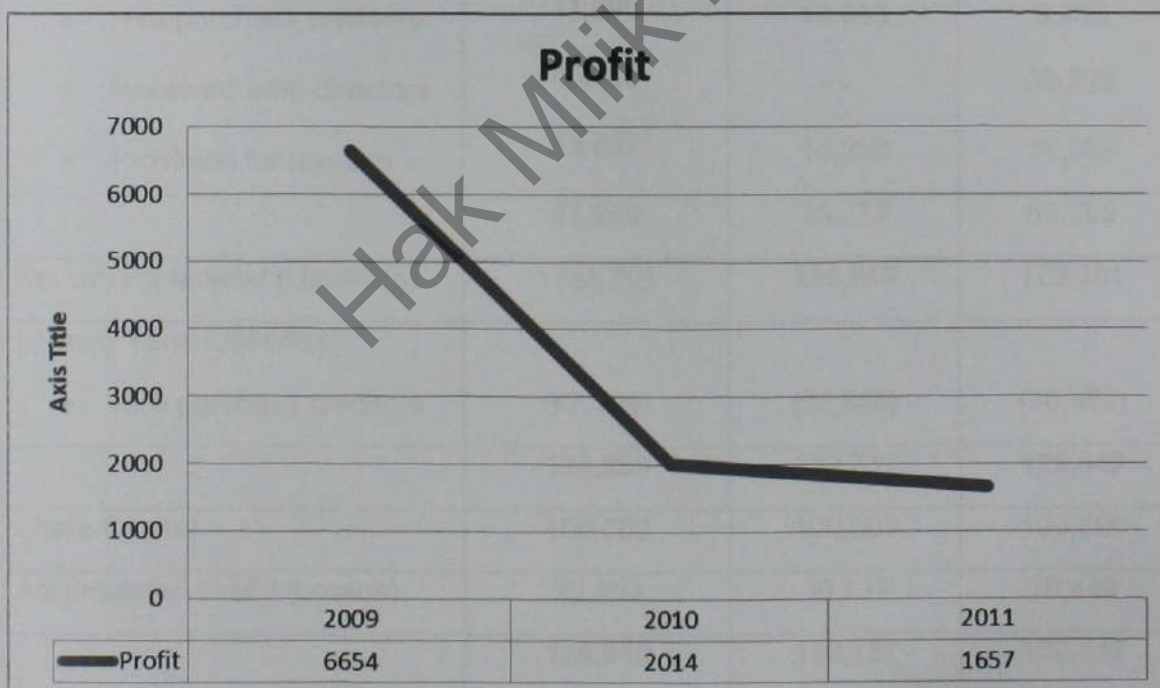
One of the common practices in analysing company's financial performance is through ratio analysis. It is a standard technique used by an analyst to compare and analyse financial information of a company. Below is Income Statement and Balance Sheet for year 2009, 2010 and 2011 for Gading Kurnia (M) Sdn. Bhd.

GADING KURNIA (M) SDN. BHD.
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009, 2010 AND 2011

	2009	2010	2011
Revenue	336,102	395,415	559,499
Cost Of Sales	(214,433)	(256,398)	(368,288)
Gross Profit	121,669	139,017	191,211
Other Income	-	-	10
Administration Expenses	(110,913)	(134,061)	(186,711)
Profit/(Loss) from Operation	10,756	4,956	4,510
Finance Cost	(2,438)	(2,438)	(2,438)
Profit/(Loss) Before Taxation	8,318	2,518	2,072
Taxation	(1,664)	(504)	(415)
Net Profit/(Loss) for The Year	6,654	2,014	1,657



Graph 2: Revenue Compare to Expenses



Graph 3: Profit Comparison

BALANCE SHEET
AS AT 31 DECEMBER 2009, 2010 AND 2011

	2009	2010	2011
Property and equipment	68,824	52,942	36,759
Current Assets			
• Trade debtors	28,698	34,577	97,995
• Other debtor, deposit and prepayments	27,200	39,420	51,654
• Pay to directors	16,442	12,649	-
• Inventories/Stock	41,487	51,371	61,254
• Cash and bank balance	34,732	17,903	1,073
	148,559	155,920	211,976
(-) Current Liabilities			
• Other creditors and accruals	2,987	13,639	24,291
• Hire purchase creditors	11,395	10,340	9,286
• Received from directors	55,185	-	38,229
• Provision for taxation	13,607	15,298	16,989
	27,989	39,277	88,795
Net current assets/ (Liabilities)	1754,755	116,643	123,181
(-) Long Term Liabilities			
• Hire purchase creditors	(47,205)	(38,848)	(30,491)
	128,550	130,737	129,449
Share Capital	100,000	100,000	100,000
Accumulated Profit/ (Losses)	28,550	30,737	29,449
	128,550	130,737	129,449

Ratio Analysis

			2011	2010	2009
1	Current Ratio	= $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	= $\frac{211,976}{88,795}$	= $\frac{155,920}{39,277}$	= $\frac{148,559}{27,989}$
			= 2.4	= 4.0	= 5.3
2	Debt Ratio	= $\frac{\text{Total Debt}}{\text{Total Assets}}$	= $\frac{119,286}{248,735}$	= $\frac{78,125}{208,862}$	= $\frac{75,194}{217,383}$
			= 48%	= 37.4%	= 34.6%
3	Fixed Asset Turnover	= $\frac{\text{Sales}}{\text{(Fixed Asset-Depreciation)}}$	= $\frac{559,499}{36,759}$	= $\frac{395,415}{52,942}$	= $\frac{336,102}{68,824}$
			= 15.2	= 7.5	= 4.9

	Total Asset					
4	Turnover	=	Sales	=	559,499	395,415
			<u>Total Assets</u>		<u>248,735</u>	<u>208,862</u>
				=	2.3	1.9
						1.5
5	Profit Margin	=	Net profit	=	1,657	2,014
			<u>Sales</u>		<u>559,499</u>	<u>395,415</u>
				=	0.3%	0.5%
						2.0%
6	Return on Assets	=	Net profit	=	1,657	2,014
			<u>Total Assets</u>		<u>248,735</u>	<u>208,862</u>
				=	0.7%	1.0%
						3.1%
7	Return on Equity	=	Net profit	=	1,657	2,014
			<u>Total equities</u>		<u>129,449</u>	<u>130,737</u>
				=	1.3%	1.5%
						5.2%

RATIO	2011	2010	2009
Current Ratio	2.4	4.0	5.3
Debt Ratio	48%	37.4%	34.6%
Fixed Asset Turnover Ratio	15.2	7.5	4.9
Total Asset Turnover Ratio	2.3	1.9	1.5
Profit Margin Ratio	0.3%	0.5%	2.0%
Return on Assets	0.7%	1.0%	3.1%
Return on Equities	1.3%	1.5%	5.2%

Table 1 : Ratio Summary

3.3 Interpretation

3.3.1 Current Ratio

Current ratio measures the extent to which the company's current liabilities are covered by its current assets. The higher the ratio is, the better its current ratio for that particular year. From the table, ratio for 2009 is 5.3, 2010 is 4.0 and 2.4 for year 2011. Although the ratio is decreasing, the company's current assets are sufficient to cover its current liabilities. As such, the company's liquidity position is good.

3.3.2 Debt Ratio

Debt ratio for 2009 is 34.6%, 37.4% for 2010 and 48% for year 2011. It provides an indication that the company's total liabilities are high compared to its total assets and it shows that the company's debt position is bad. A debt ratio which is more than 50% is considered as bad/poor. Therefore, the company have to minimize the debt or increase the company's assets.

3.3.3 Fixed Asset Turnover Ratio

The company's fixed asset turnover ratio for 2009 is 4.9, 2010 is 7.5 and 15.2 for 2011 gives the indication that the company use its non-current assets effectively in generating the sales. Year 2011 ratio is much better than the previous years.

3.3.4 Profit Margin Ratio

It shows how much profit is earned from every RM1 sales that the company made. In 2009, the company's profit margin is 2.0%, 0.5% for year 2010 and for 2011, the ratio is 0.3%. It shows that the company increase loses from the previous year and it is not a good sign for the company.

3.3.5 Return on Assets

This ratio measures the return on all the firm's assets after interests and taxes. The company reported ratio of return on assets for 2009 is 3.1%, 2010 is 1.0% and 0.7% for 2011. The figure shows that the company in critical situation in their revenue and expenses. What is the cause of the company loses and problem?

CHAPTER 4 : PROBLEM FINDINGS AND RECOMMENDATION

4.1 Problems Identification

Gading Kurnia is a service oriented company and the main business is supply and services for air-conditioning and water filtration. It's have a huge market and has become a must have item for the houses now days. Therefore, the demand and the market grow rapidly.

To ensure that the service is satisfied and fulfil the standard of procedures (SOP), Human Resource Division is responsible to recruit and provide sufficient training that meet the standard and mission of the company ; "To be one of the Bumiputera's company as a main player in service industry in Malaysia". Base on the interview and observation, several problems had been identified such as:

4.1.1 High Turnover Of Employees

This is one of the main constraint facing by the company. From the interviews with the owner we know that the new employees will be with the company mostly not more than 3 months. The factors are:-

- i. Most of the staff are not ready to be assigned to work outstation.
- ii. Not competent with the task given and the staffs are not motivated enough.
- iii. Can't handle the pressure and do not want to work extra hours.

This scenario resulted of poor and ineffective service cause the company to lose customers.

4.1.2 Interdependence to the Supplier

Gading Kurnia focus on services and support after installation. There are no production in these two sectors; air-conditioning and water filtration for mineral and drinking water. Its fluctuate the company cost and the company strength in the market. It's have been shown in the financial report the sales although increase, but the cost also raise from year to year.

4.1.3 New Entrants and Competitors

Services business is a sector that are attractive and encourage new competitors into the market. It comes from a freelance that have the skills and knowledge or ex-workers that create a new company and try to get the same customers from their previous employer. Although the degree of threat from the new entrants are not giving a quick impact for the current company in the market, but the effect can deflect the company sales and customers especially the open market customers and private company.

All of all, in services industries human resource management is the key for company's success. Another factor that contribute to the problem is the staffs are not competent and committed towards the task assigned. Accountability and responsibility among the workers are the main factor to ensure the company survival in the market. Therefore all staff must be alerted with their responsibility especially the quality of the service.

4.2 Main Problem For Recommendation

4.2.1 What is High Turn-Over?

In human resources context, turnover or staff turnover or labor turnover is the rate at which an employer gains and loses employees. Simple ways to describe it are "how long employees tend to stay" or "the rate of traffic through the revolving door". Turnover is measured for individual companies and for their industry as a whole. If an employer is said to have a high turnover relative to its competitors, it means that employees of that company have a shorter average tenure than those of other companies in the same industry. High turnover may be harmful to a company's productivity if skilled workers are often leaving and the worker population contains a high percentage of novice workers.

4.2.2 Why it Happen?

High turnover often means that employees are unhappy with the work or compensation, but it can also indicate unsafe or unhealthy conditions, or that too few employees give satisfactory performance (due to unrealistic expectations, inappropriate processes or tools, or poor candidate screening). The lack of career opportunities and challenges, dissatisfaction with the job-scope or conflict with the management have been cited as predictors of high turnover. In this case, it happen due to conflict with the management and not satisfied with the work that is not commensurate with the payments received.

4.2.3 Effect to the Company

High turn-over of employees can give many impact to the company. The most obvious cause is loses of skilful worker in the company. In services industry, when company lack of skilful worker, automatically it will affect the company revenue due to loses of the customers. Customers will lose faith with the company because the quality of the services provided by the company not as expected.

Indirectly, the company will lose customers trust and reflect to the company image and reputation. There will be obstacles to the company to expand their business in the market because of the bad reputation and it can cause a great loss to them.

4.2.4 Current Situation

Gading Kurnia (M) Sdn. Bhd. is currently powered by 3 technicians for air-conditioning, one general worker for water filtration and one clerk for administration job. The monthly expenses for staffing as shown below:

Expenses	Technical	General	Admin
Basic Salary	RM900	RM900	RM900
Overtime	RM4.32 / hour	-	-
Meal Allowance	RM15 / day	-	-
Phone Allowance	RM 10	RM 10	-
Commission	-	Based on Sale	-
EPF / Socso	13% / 1.75%	13% / 1.75%	13% / 1.75%

Table 2: Staff Expenses

The company working hours is from 9 am to 6 pm every Monday to Friday and from 9 am to 3 pm on Saturday. The company also followed public holiday for state of Pahang and Federal. The monthly salary basic based on the experience of the employee. Overtime is paid after 6.00 pm on working day. Meal allowances only applied when the technician are asked to attend customers that is outside Kuantan.

Based from interview with the owner, there is only one employee had worked more than 1 year with the company. Most of them just worked with the company in range 3 to 4 months and this become a major problem because when the worker resign, it only left them with 3 workers for technical support, while the company full strength of workers based from the job received are 6 workers with 3 experienced and skilful worker and 3 helpers. They will divided into three team to handle all the task given by the company based on the job order.

CHAPTER 5 : RECOMMENDATION

5.1 Training Incubator

Employees are important in any running of a business; without them the business would be unsuccessful. Continual training and reinforcement develops a work force that is competent, consistent, competitive, effective and efficient. Beginning on the first day of work, providing the individual with the necessary skills to perform their job is important. Before the first day, it is important the interview and hiring process expose new hires to an explanation of the company, so individuals know whether the job is their best choice.

Networking and strategizing within the company provides ongoing performance management and helps build relationships among co-workers. It is also important to motivate employees to focus on customer success, profitable growth and the company well-being. Employers can keep their employees informed and involved by including them in future plans, new purchases, policy changes, as well as introducing new employees to the employees who have gone above and beyond in meetings. Early engagement and engagement along the way, shows employees they are valuable through information or recognition rewards, making them feel included.

The problem with the company is to find loyal employees. Therefore, I suggested a training incubator for Gading Kurnia. It will functional as grooming centre and can be start with practical student programme. This

practical student came from company engagement with the IPTS or IPTA in Kuantan such as Politeknik Sultan Ahmad Shah, GIAT MARA Pahang or student from Institut Kemahiran MARA or Kolej Kemahiran Tinggi MARA that studying in related field.

These student will be trained with the company spec of work and requirement, hands on learning and direct mentoring from the company owner that have the skills and experienced needed. Usually, the practical student have to complete their attachment with the company in 2 to 3 months' time and will be graduated after completed their report.

So, the company should take this opportunity to offer employment contract to eligible student who are perceived to be employed. The contract should be given trial period suggested 3 months' time with minimum salary RM500, or depend to the company board to decide. After the trial period, the salary will be raise three times than they received in trial period to prevent them from quit the company. This salary increment will based on their current performance.

Result of the incubator program aims to foster the spirit of belonging and loyalty to the company. This is because workers formed and polished their skills from early stage with the company. Although this will take time, but the results of the company for the future expected to be highly valued.

5.2 Salary and Benefit Restructure

Under the NKEAs, key initiatives to address this area are in the areas of human capital development, developing a conducive and competitive business environment and establishing the required physical infrastructure for a modern economy. The minimum wage policy has been announced while the upskilling and upgrading of the workforce continues. Basic salary for respective position in the industry shown as below:-

Position	Qualification	Experience	Minimum Salary
Clerk	SPM / STPM	1 – 3 years	RM 1,200
Front Desk	SPM	1 – 2 years	RM 1,500
Technician	Technical Diploma	1 – 2 years	RM 1,800
Charge man	Charge man Cert / Diploma	4 years	RM 3,500

Table 3: Employment Outlook & Salary Guide 2012/13 Malaysia

Based on interview with competitors of Gading Kurnia, I found out that Gading Kurnia remuneration package are not attractive enough compared to the others company. Table below show the different between these company:-

	Gading Kurnia	Company I	Company T
Basic Salary	RM900	RM1,000	RM45 / day
Overtime/Hour	RM4.30	RM4.80	RM5
Meal Allowance/Day	RM15	RM18	-
Phone Allowance/Month	RM10	-	-
Other Allowance/Month	-	RM100	RM200

Table 4: Remuneration Comparison

It is obviously shown that Gading Kurnia is lack of benefit to the employees and the salary are not competitive. This is also one of the main reason for employees to leave the company. Therefore, the company should make improvement to the salary structure and benefit such as suggested below:-

Item	Current Offer	Adjustment
Basic Salary	RM900	RM1,200
Overtime	Fixed RM4.30 / hour	1.5x weekdays 2x weekends 3x public holiday
Meal Allowance	RM15/day	RM15/day
Phone Allowance	RM10/month	-
Attendance Allowance	-	RM150
Bonus	-	Based on performance
Yearly Increment	-	Minimum 5%
Medical	-	RM50 / month
Trip / Annual Dinner	-	Based on Company Revenue
Commission on Sale	-	5%
Accidental Insurance	-	Applicable

Table 5: Suggested Remuneration Package

We can see that the new improvement of the remuneration package will definitely give a good first impression to the employees. It consist of every day and every month benefit and also something to be promised in the end of the year that is worth to wait. Therefore, it can bring up the work spirit and indirectly motivated employees to be loyal and grateful with the company.

5.3 Product Training

Gading Kurnia have a number of supplier for their product. For each of this product, the supplier usually want the company to master the technical parts for their product. This is to maintain the service quality and to make sure the product is delivered and install with the maximum capabilities. Also, these product usually differ from one model to the others and need the technical knowledge how to run it for maximum effect.

Therefore, the company will have to send their respective workers to the training prepared by the supplier company such as YORK Malaysia Sdn.Bhd. and Topaire Sales & Services Sdn.Bhd. Usually, these course take two days to one week times to complete depend on the module. For these workers, they don't have to undergoing the basic course because most of them have the cert from local IPTA and IPTS and experienced from their previous company.

CHAPTER 6 : CONCLUSION

Although the management cost will be raised up due to the improvement of the salary package and the training policy, but the output and productivity of the employees will increase and indirectly the company manage to maintain the customers satisfaction and burst up the revenue of the company.

The impact from the recommendation above can be summarize as below can be measured by the job order and the time requirement to completed each of the task. These data shows what are the job order every day and the expected time for the task to be completed.

Num.	Job Detail	Time Expected to be Done
1.	Wiring for Unit Point : - Hacking Task - Trunking	- 1 hour - 30 minutes
2.	Unit Installation	2 hours / unit
3.	Normal Service	30 minutes
4.	Major Service	1 hour 30 minutes
5.	Troubleshoot	1 hour

Table 6: Job and Expected Time

From the interview, the company have job order almost every day which 80% come from registered clients and 20% from open market such as personal customers and private company. Usually the job will be normal services (min 3 job / day), wiring and new installation (min 2 units / day) and troubleshoot minimum 1 time in a day.

Table below shows total time needed and the job order every day for the company:-

Num.	Task	Order/day	Time Expected/Job	Total Time
1.	Services	3	1 hour 30 minutes	4 hours 30 minutes
2.	Wiring	2	30 minutes	1 hours
3.	Installation New Unit	2	2 hours	4 hours
4.	Troubleshoot	1	1 hour	1 hours

Table 7: Total time per job

To know whether the company can fulfil all the job order compared to the current workers strength, they have to count for maximum strength compared to minimum requirement of the job order as below:-

Maximum Strength of Worker	Minimum Requirement
3 workers divided into 2 teams Working hours available:- ** 9/h-1/h lunch-2/h travel = 6 hours ** 6/h x 2 teams = 12/h per day	Services = 4 ½ hours Wiring = 1 hours Installation = 4 hours Troubleshoot = 1 hours Total = 10 ½ hours

Table 8: Current Strength of Worker

From the table, it shows that the workers manage to complete all the job order in a day. But, it just a minimum job order and it can be increase depend to the customers needed. On top of that, we have to consider that there's no worker on leave on that day. It will be impossible for the company to maintain full

strength every day due to this condition. Therefore, the are probability for the company can't fulfil all the job order in a day.

When the company can attract new employees and maintain them in the company, the different in completing the daily job order can be seen in the table below:-

Maximum Strength of Worker	Minimum Requirement
6 workers divided into 3 teams Working hours available:- ** 9/h-1/h lunch-2/h travel = 6 hours ** 6/h x 3 teams = 18/h per day	Services = 4 ½ hours Wiring = 1 hours Installation = 4 hours Troubleshoot = 1 hours Total = 10 ½ hours

Table 9: Suggested Worker Strength

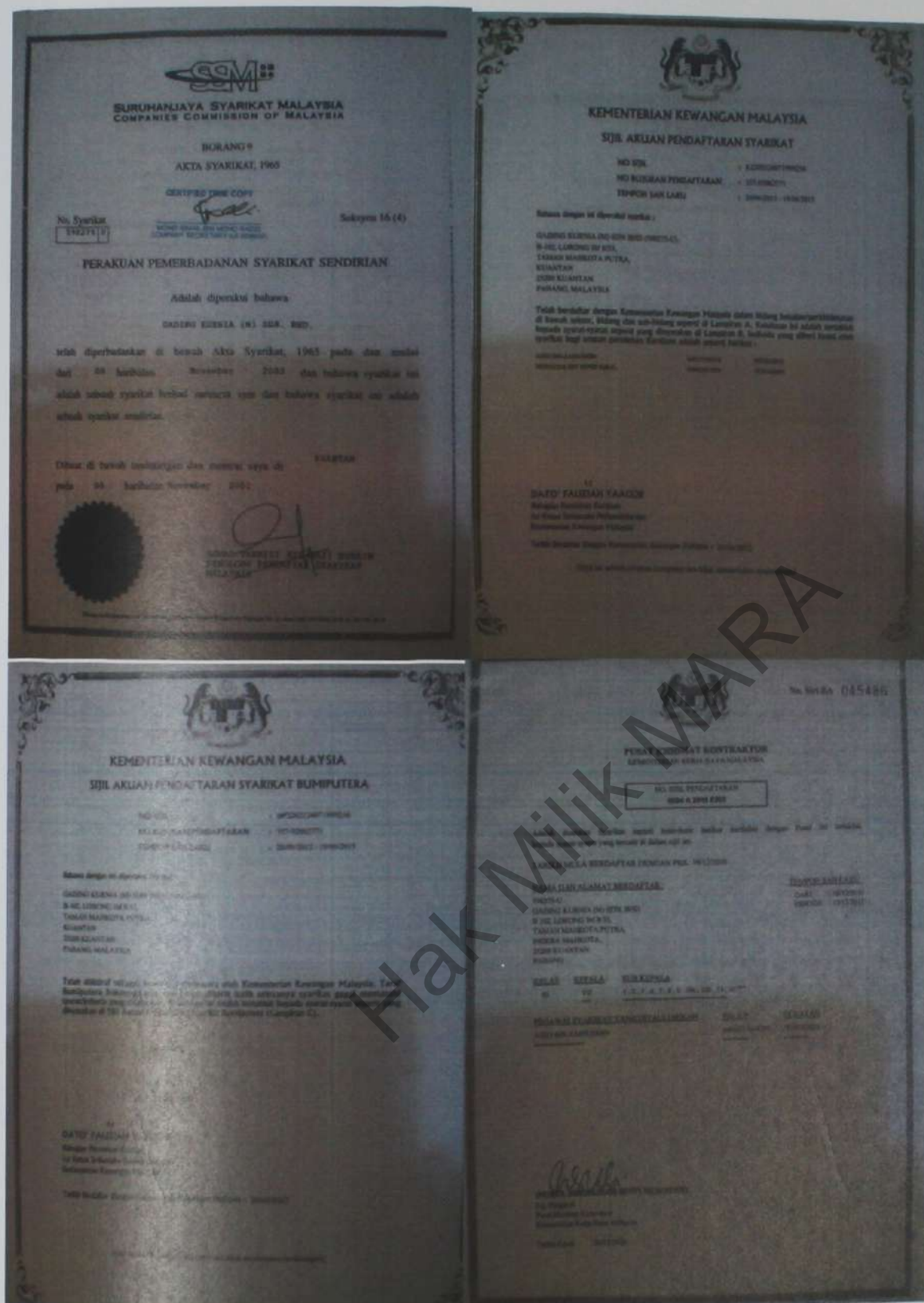
We can see that the company can complete all the daily job order and they still have the capacity to obtain additional task or handle the workers absenteeism problem.

When companies hire the best people, new talent hired and veterans are enabled to reach company goals, maximizing the investment of each employee. Taking the time to listen to employees and making them feel involved will create loyalty, in turn reducing turnover allowing for growth.

7 APPENDIXS



Appendix 1: The Office



Appendix 2: The Licenses (SSM, PKK & MOF)

Air-Cond And Electrical Services Dept



Air-Cond And Electrical Services Dept



Other Activity, Engineering Work And Supply See



Other Activity, Engineering Work And Supply See



Appendix 5: At the field



Appendix 6: Special Authorization

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