

SYMPTOMS VERSUS PROBLEMS (SVP) ANALYSIS ON JOB DISSATISFACTION AND MANAGING EMPLOYEE TURNOVER: A CASE STUDY IN MALAYSIA

Noor Nasir Kader Ali 

Graduate School of Business, Universiti Sains Malaysia, Penang, Malaysia
nnasir@usm.my

Priyah Wilson

B.Braun Medical Industries Sdn Bhd, Penang, Malaysia
priyah.wilson@bbraun.com

Ismeth Yazmin

B.Braun Medical Industries Sdn Bhd, Penang, Malaysia
ismeth_yazmin.mohammad@bbraun.com

Abstract

Employee turnover and job dissatisfaction are common issues in organizations. The objective of this study is to introduce an improved research method, combining mixed method research with problem identification method (using Symptoms Versus Problems (SVP) framework) for practitioners and to discover the primary causes to the increase in employee turnover rates. MEDICINS, a manufacturer of medical instruments in Malaysia, encounters unfavourable employee turnover rate from 10.88% (2012) to 12.64% (2013). The sequential methodology process, begins with semi-structured interviews, analysis of unpublished company data, customer survey on 214 employees (stratified sampling), followed by field observation are summarized on a root-cause analysis tool structure called Symptoms Versus Problems (SVP) framework. The SVP showed seven major problems, namely, weakness in policies relating to performance management on career growth; lacking in training managers and centers; insufficient training plans to develop leaders; ineffective manpower planning; unclear standard operating procedure (SOP) on training, poor evaluation on production planning and processes;

lack in development of effective work culture; and also inter and intra communication issues. These major problems are categorized into three groups, specifically, corporate governance, leadership, planning and execution. The recommendations that addresses corporate governance include review of performance appraisal system; alternative performance appraisal system; and job enrichment. Leadership category focuses on developing good work cultures; communication effectiveness and creating great leaders. Planning & execution category discusses on strategic manpower planning; and SOP training and evaluation. Interestingly, this study discovers another framework on critical success factors for practitioners through development of “House of Pillars for Job Satisfaction and Employee Retention” in Malaysia.

Keywords: Symptoms Versus Problems, Employee Dissatisfaction, Employee Turnover, Performance Appraisal System.

Note: This case is written solely for educational purposes and is not intended to represent successful or unsuccessful managerial decision making. The company, individual's name, and other recognizable information have been disguised to protect its confidentiality.

INTRODUCTION

Dr James was sitting through his monthly Human Resources (HR) Operations meeting one fine January morning. Everything was peachy except for one needle in the haystack that have been bugging many company leaders like himself. The question of why employees leave a company.

The HR Operations meeting attended by HR representatives and division heads from all production plants is chaired by Dr James himself, the Senior Vice President of Operations and Head of MEDICINS Sdn. Bhd. (MEDICINS) in Malaysia. The objective of this meeting is to review all matters related to employee relationship management (ERM).

The overall employee turnover rate for MEDICINS is showing an increasing trend at 1.76% in 2013 compared to 2012. The employee turnover rate was 12.64% in 2013, 10.88% in 2012, 10.45% in 2011, 9.68% in 2010 and 8.74% in 2009.

Why are employees leaving? Would he be seeing a turnover rate of more than 13% in 2015? Is MEDICINS's employee turnover rate comparable with the industry average? How are MEDICINS's competitors doing with regards to this indicator? No one can answer him at that point. Dr James then turned to Ms. Alicia, his Operational Excellence VP, and instructed her to form a project team with the objective to find answers to his questions, and to propose feasible recommendations. He wants the employee turnover rate of MEDICINS not to exceed 7% for the year 2015.

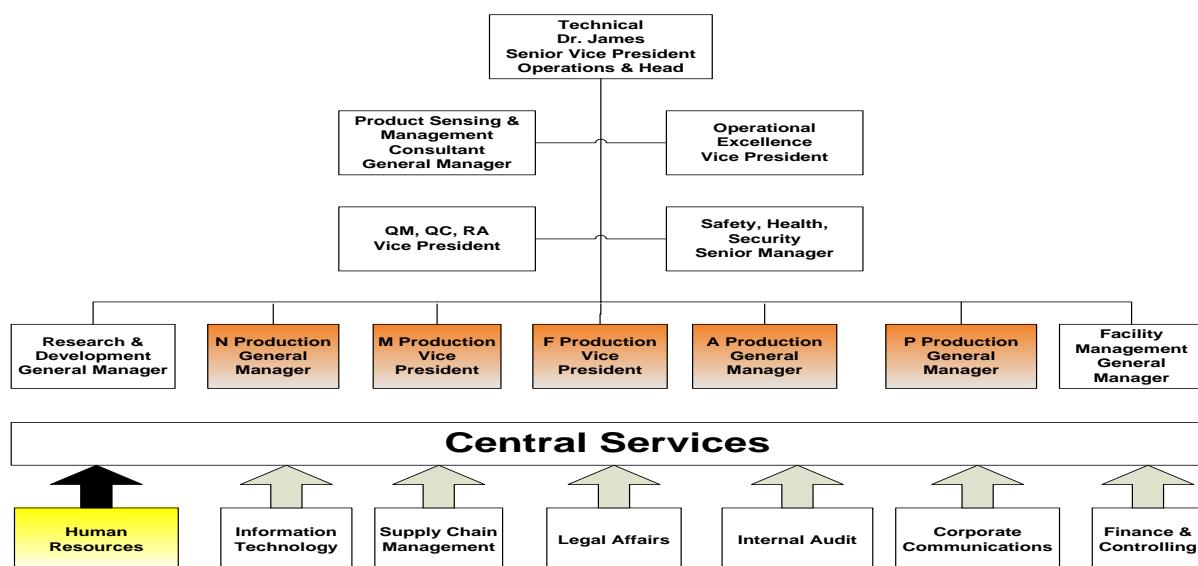
Ms. Alicia then proceeded to form a taskforce to tackle the above said issue. The project was aptly named TARI (*Turnover, Attendance & Retention Initiative*) Project. The objective of TARI project is to improve the company turnover rate, to maintain a healthy attendance, to devise a method to monitor the company turnover rate and to introduce effective and cost efficient retention strategies.

Employee turnover and job dissatisfaction are common issues in organizations. The objective of this study is to *introduce an improved research method*, combining mixed method research with problem identification method (using Symptoms Versus Problems (SVP) framework) for practitioners like MEDICINS and *discovers the primary causes to the increase in employee turnover rates*.

BACKGROUND OF THE MEDICINS

MEDICINS is a multinational medical devices manufacturing industry established in Malaysia in 1972. MEDICINS has continuously expanded its operations and currently has five different production plants with a total of 6,500 employees in Malaysia. Figure 1 depicts the organizational chart for MEDICINS designed by functional structure. Area of focus of this research covers production plant N, M, F, A and P. Each plant plays important roles in ensuring its employees loyalty to the overall organization. Recommendations from this case study will be linked back to the organization chart to ensure the right function is put in charge of executing the solution to the TARI project.

Figure 1: Organizational Chart for MEDICINS



Source: MEDICINS (2013). Technical Organization Chart, Issue 27, December 1st 2013.

INDUSTRY ANALYSIS

MEDICINS medical devices market sales in Asia Pacific for the year 2013 was 811 million Euro. The competitors for MEDICINS in the Northern Corridor are Ambu, B.Braun, Symmetry Medical, Unomedical, St. Jude Medical, Teleflex, CR Bard and Covidien. In the last 5 years itself, many new medical device manufacturing companies have decided to step foot in the local market. The challenge is for companies to retain their talent and not be enticed to join the newly established competitors.

Table 1: Employee turnover rate in the general manufacturing industry, globally, Asia Pacific region, Malaysia and MEDICINS

Year	Global	Asia Pacific	Malaysia	MEDICINS
2012	12.8%	13.0%	12.3%	10.9%
2013	13.3%	13.9%	13.2%	12.6%
Source	http://www.compassionforce.com/2014/02/2013-turnover-rates-by-industry.html Compdata Surveys is a national compensation survey data and consulting firm in the US.	http://www.towerswatson.com/en/Insights/Newsletters/Asia-Pacific/southeastasia-conversations-interactive/2012/workforce-trends-in-asia-pacific Towers Watson's surveys conducted in 13 key markets across the Asia Pacific region for salary increase, employee turnover and hiring.	http://www.towerswatson.com/ Towers Watson is a leading global professional services company that helps organizations improve performance through effective people, risk and financial management.	Human Resources Department, MEDTECH for TARI Project 2014.

James ponders at the change in turnover rate stated in the above table, is larger than industry average for the year 2012 to 2013. Losing talented employees can be very expensive for a company, averaging up to 150 percent (Medicins Unpublished data, 2013) of a person's average annual salary (*The average rate include all recruitment costs, training costs until an employee is ready to be positioned in the production line. This does not include cost of learning curve to improve talent and skill sets equivalent to the level of experienced employee that has left the company*) The recruitment cost comprising of advertising, selection, and hiring takes the biggest chunk, followed by orientation and training for new employees (Abasi, Hollman& Hayes, 2008).

METHODOLOGY

The task force conducts semi-structured interviews with management team, middle level executives, supervisors and direct operators. Field observations on superior-subordinate relationships at all plant sites and analysis of company's unpublished data confirms the facts gathered from the interviews.

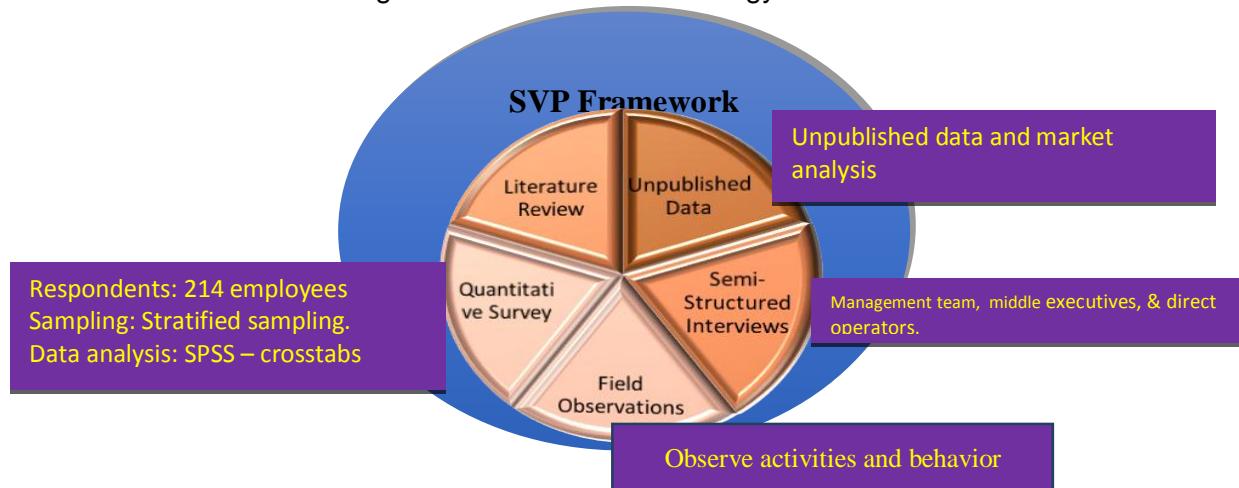
The team also conducts quantitative survey via online questionnaire with opportunities to response by all 6,500 employees, and uses five and seven point Likert scale. A total of 214 respondents from various age group, gender, and designation whose sampling are stratified by the identified plants. Data from the survey is then analysed using the Crosstab method from SPSS Statistical Software.

Literature reviews in related areas supports the findings. The findings are summarize on to the Symptoms Versus Problems (SVP) Framework, a root cause analysis tool, introduced by Kader Ali et al. (2014).

SVP is a structured root cause analysis or problem solving tool which begin with a *major signal of weaknesses* called *Tier 1 symptom* identified from interviews and supported by *facts* from unpublished data analysis. Causes to Tier 1 are identified and labelled as *Tier 2 and 3 symptoms*, supported by *facts* from unpublished data supported by interview results and/or survey analysis. The hidden causes to Tier 3 called *Tier 4 symptoms* or *variables* are supported with evidences from unpublished data, survey analysis, interviews, and/or field observations. The following causes to Tier 4 variables are the *elements* that explains why variables are happening until a *deadlock problems* are found. The *elements* are supported by findings from surveys, field observations, or interview results. SVP illustrates the cause and effect relationships between the symptoms and problems, horizontally and vertically. By continuously asking why the *element* symptoms occur, continuous tiers will reach the *deadlock problem(s)*, which is the final root cause. Solutions to the deadlock problems are discussed with the management team to agree on its practical implementation process. SVP states that solutions implemented that do not eliminate the problems, elements, variables, facts, and major signal of weaknesses (tier 1 symptom) are not the appropriate solutions to the problems identified (Kader Ali et al., 2014).

In this case, the final step in the SVP analysis is to evaluate the vertical and horizontal relationship of the Tiers, confirming the framework information gathered with findings from relevant literatures review. This survey results complements the data from Figure 2 as provided by MEDICINS Human Resources department which shows strong relationship between employee turnover and job satisfaction.

Figure 2: Research Methodology



CASE ANALYSIS & FINDINGS

According to Reggio (2003), employee turnover “refers to the movement of employees out of an organization”. In this study, Employee Turnover Rate increased by 1.76% in 2013 compared to 2012 (refer to Figure 3) as identified from company’s unpublished data which has a direct impact to company’s profitability. The unpublished data as confirmed by management, also indicates that employees who left the company are mainly dissatisfied with the organization due to various reasons.

Figure 3: Summary of the company employee turnover data for 2012 and 2013

Focus of the case will be on DL, Non Exec, and Exec group of employees in MEDTECH

	2012	2013
DL - Operators	13.41	15.81
Non Exec - Technicians, Officer, Supervisors, etc	5.14	6.08
Exec - Engineers, Sr. Engineers, Asst. Managers	9.80	10.20
Management - Managers, Sr. Managers	7.21	4.32
Board - VPs	0.00	0.00

$$\text{Annual Turnover Rate} = \frac{\text{Total employee resigned}}{\text{Average of employee per month}}$$

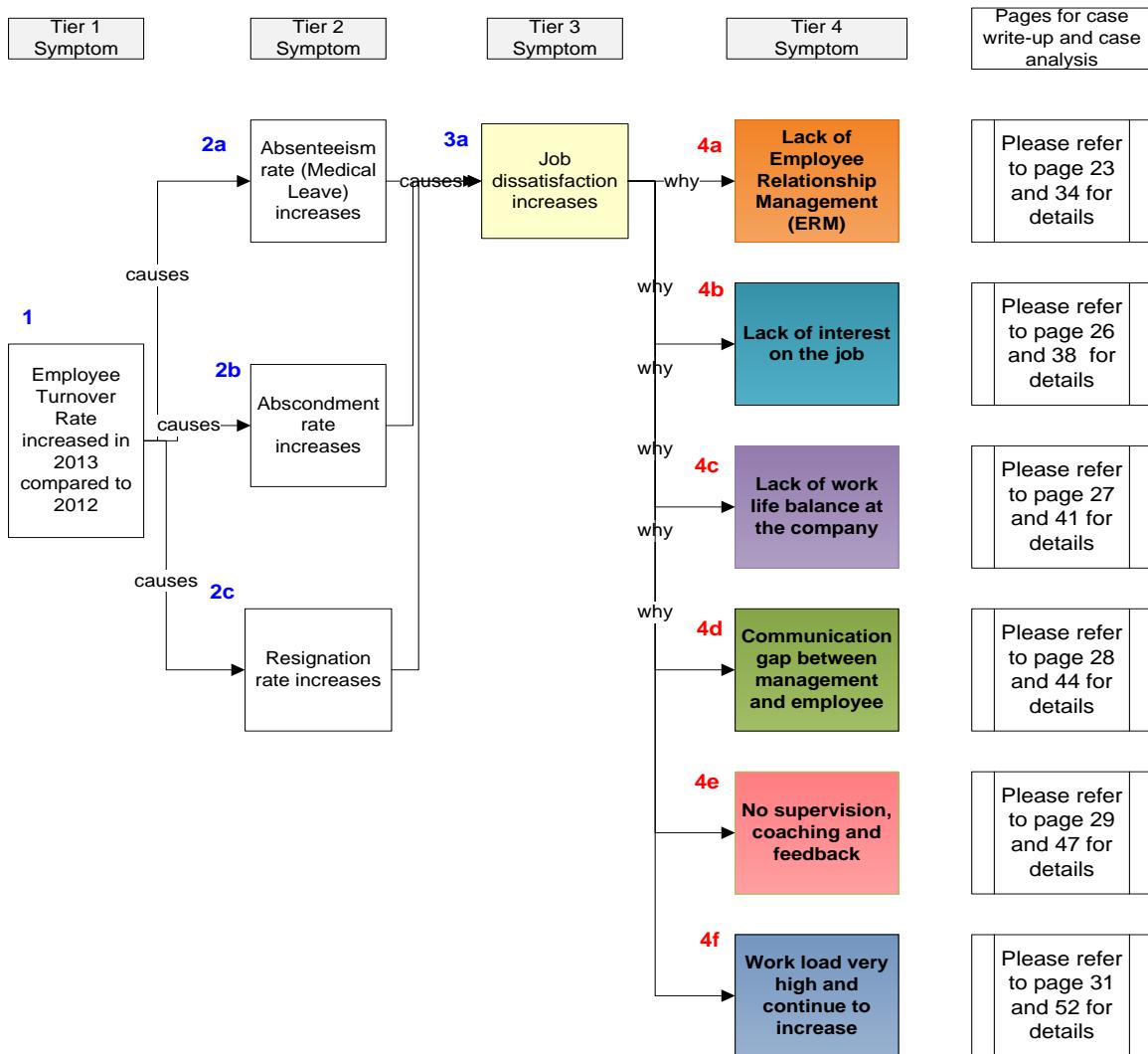
Source: MEDICINS (2012-2013) Unpublished data, Human Resources Department

For the purpose of this case study, Alicia focuses on the “T” = Turnover portion of the TARI project, seeking to identify the actual root cause to job dissatisfaction in MEDICINS. The

outcome depicted in Figure 3, the SVP Framework analysis (refer to Figure 4) in this study, shall focus on employees from the Direct Labor (DL), Non-Executive (Non Exec), and Executive (Exec) since these are the groups showing increase in annual turnover rate.

The company's unpublished data shows that increase in turnover rate is due to high absenteeism, abscondment and employee resignation. The survey question, "I am satisfied with my job", showed 55.5% (119 respondents) of employees are dissatisfied. The survey analysis in this study shows that 78.4% relationships exist between absenteeism and job dissatisfaction. Absenteeism refers to employees is absent for three days followed by leaving the company without any notice. The finding is supported by Kehinde's (2011) research on the impact of job satisfaction on employee's absenteeism. Kehinde's work on absenteeism, abscondment and employee resignation is applied in this study (Refer to Tier 2a and 3a, Figure 4).

Figure 4: SVP Framework - Symptoms of Employee Turnover Rate



The SVP framework developed in this study, based on Kader Ali et al. (2014), (refer Figure 4 above) shows that job dissatisfaction in this study is caused by lack of employee relationship management (ERM), lack of interest on the job, lack of work life balance at the company, communication gap between management and employee, employees feel they have no supervision coaching and poor feedback from their superiors, and employees are burdened with heavy work load.

The 6 *variables* as depicted in Figure 4 will be discussed in their respective sections below. The *elements* from Tier 5 onwards are supported by evidences from survey analysis, interview results, and field observations.

For this reason, identifying and eliminating root causes of problems is of utmost importance (Dew, 1991; Sproull, 2001). For this research, the Symptom Versus Problem (SVP) Framework (Kader Ali et al., 2014) provides a clear structured root-cause analysis and framework for better decision making purposes.

4a - Lack of Employee Relationship Management (ERM)

The *elements* developed in Tier 5 based on Kader Ali et al. (2014), SVP framework shows 'Lack of ERM' (refer Figure 5) occurs due to 'limited career growth and development opportunities' (Tier 5a), 'lack of appreciation, recognition, and motivation' (Tier 5b), 'ineffective use of legitimate power and influence in leadership and decision making' (Tier 5c), 'lack of empowerment' (Tier 5d) and 'role ambiguity' (Tier 5e).

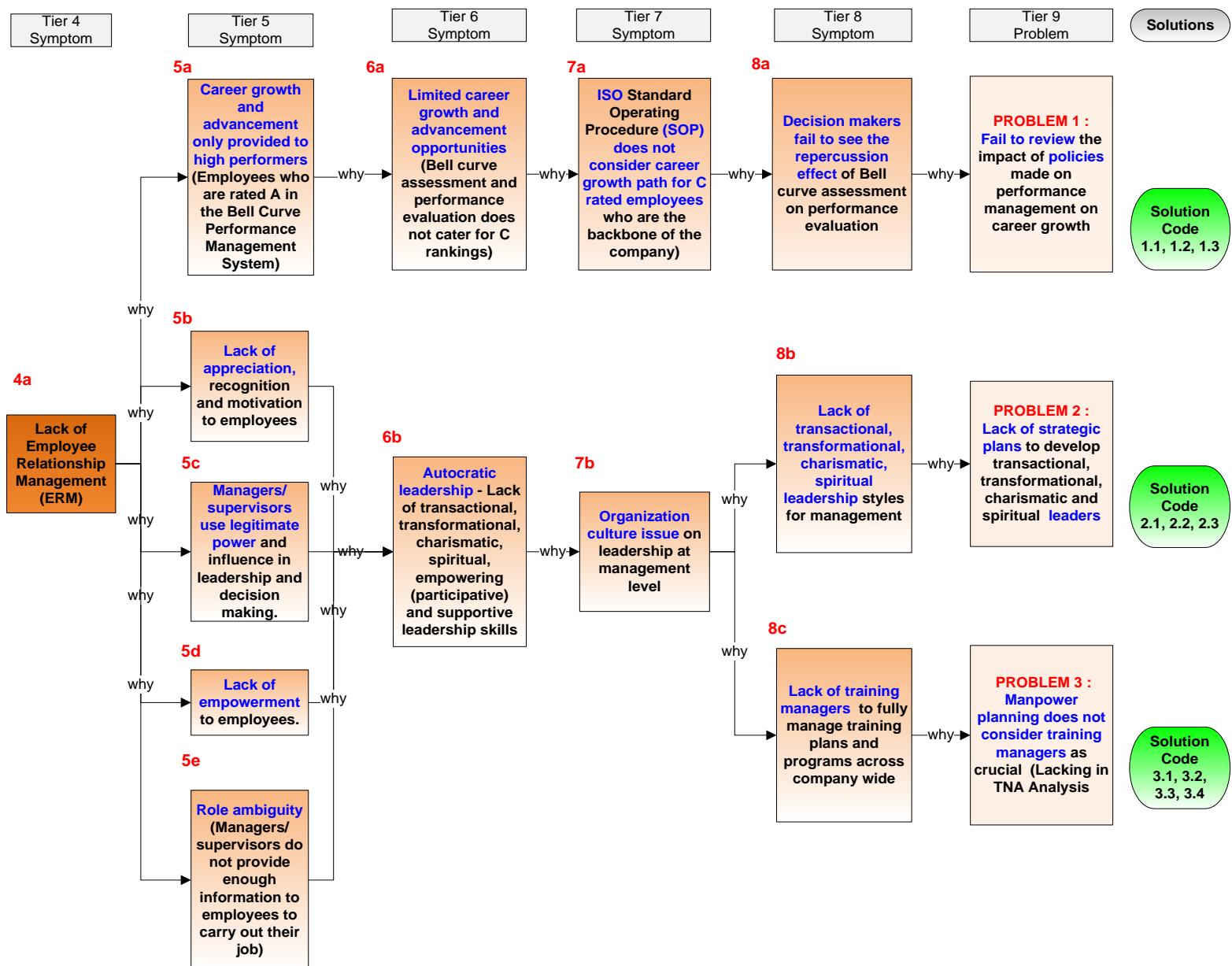
The survey result in this study shows 65% of respondents think that the career growth and development in MEDICINS is very limited (refer Tier 5a). Interview with Mr. ZAW, 52, who is attached to HR department in MEDICINS for 22 years said, he agrees that career development opportunities such as Talent Pool, Management Excellence Program and Succession Planning opportunities are only provided to those who are rated A or B (Tier 5a). The unpublished data indicates that the career development programme do not provide opportunities to those who are rated C and below (Tier 6a). If less than 50% are rated A and B, ISO standards ignored career growth (Medicins, n.d.) path for others (Tier 7a), the decision makers have failed to recognize the repercussion effect of employees behaviour on performance and productivity (Tier 8a). Thus, the ultimate problem is weakness in career development and growth policies (Problem 1).

Meanwhile the SVP shows, Tiers 5b, 5c, 5d and 5e occur as a result of 'Autocratic leadership' (Tier 6b), due to work culture issues and leadership within (Tier 7b). The ignorance of the poor superior-subordinate relationship, ineffective leadership styles (Tier 8b), including not recognizing appropriate leadership training needs (Tier 8c), impacted on employees behaviour, retaliation, dissatisfaction (Tier 3a) followed by resignation. The hidden problems indicate failure

to plan and develop leaders at all levels (Problem 2), without proper resources to ensure effectiveness of leadership training (Problem 3).

The interview results showed Mr. SAA, Executive, was rated as B for the year 2011, C for 2012 and B for 2013. In December 2013, he tendered his resignation. He stated that "*I am totally aware that MEDICINS benefits are good... but there is no career development opportunity for me*" (Tier 6a). He agrees that job dissatisfaction in non-executives and direct labour level in MEDICINS is lack of appreciation and motivation (Tier 5b).

Figure 5: SVP Framework - Lack of Employee Relationship Management (ERM)



Survey results shows that 64% of respondents indicate the need for leadership culture change. Survey analysis and interview results indicate many leaders are not successful as a result of pounding with legitimate powers, (refer Tier 5c, 6b and 7b, Figure 5) resulting in ineffective communication, impacting other departments and productivity(refer Tier 4d, 7g, 8h and 9c, Figure 8)leading to inter-intra departmental communication (refer Problem 6, Figure 8). Also, the SVP shows dissatisfied employees prefer to work in silos (refer Tier 7h) and being territorial and protective of their work outputs (refer Tier 8i) leading to ineffective work culture (refer Problem 7, Figure 8). Field observation indicates earning respect and loyalty becomes more difficult (refer Tier 6b, 7b), employees are demoralised, no one is listening, causing inefficient superior-subordinate relationships (refer Tier 10e, Figure 9), and deliberate work overload (refer Tier 7j, Figure 11). Thereafter ,is caused by weakness in leadership styles and Problem 2.

Furthermore, 47% of survey respondents said they need more empowerment (refer Tier 5d) in MEDICINS for them to carry out their task effectively and efficiently without micro management by their superior. Lack of information and role ambiguity (refer Tier 5e) can deter employees from doing their job effectively due to poor leadership styles, thus, Problem 2 and 3 exists.

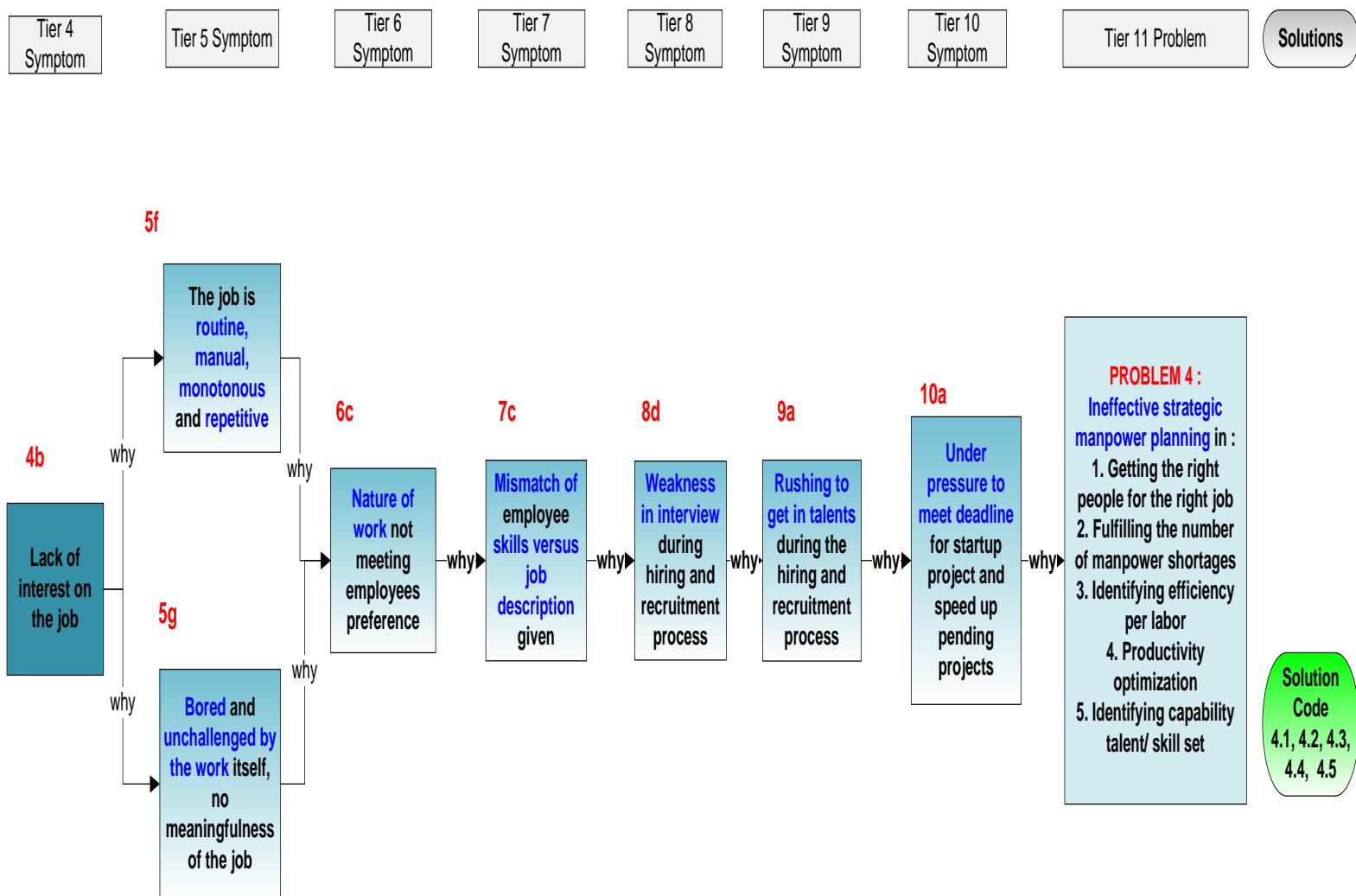
4b - Lack of Interest on the Job

The survey results shows that 47.1% of respondents experienced lack of interest in the job given (refer Figure 6). Also, 49.5% of respondents stated their job is not interesting nor challenging, boring and routine (Tier 5f, 5g). Given the opportunity, they would opt for other job in the market.

Mr. RA, 49 years of age, has been in MEDICINS for 27 years, started off as QM technician, and currently is the Assistant Manager in production department. According to him, when the nature of the work does not match employees' preference (refer Tier 6c, Figure 6), lack of interest on the job occurs (refer Tier 4b, Figure 6) leading to job dissatisfaction (refer Tier 3a, Figure 4) which leads to abscondment or resignation (refer Tier 2b and 2c, Figure 4). Weakness in hiring process (Tier 8d, Figure 6) due to rushing to get talents (Tier 9a) to meet deadlines (Tier 10a) resulted in ineffective manpower planning and recruitment (Problem 4, Figure 6).

Review of resignation letter of Ms RSH, an operator, shows she was extremely pressurized to meet deadline for the work tasks given (refer Tier 10a)in packing department, not the job that she is looking for (refer Tier 6c), routine, manual and repetitive work (refer Tier 5f) and has lost interest in her job (refer Tier 4b). She is also exhausted most of the time (refer Tier 4f, Figure 11).This case clearly indicates Problem 4 (refer Figure 6) exist.

Figure 6: SVP Framework - Lack of Interest on Job



4c - Lack of Work Life Balance

The survey results shows that 44.4% of respondents encounter low work life balance (Tier 4c, Figure 7), while working in MEDICINS. Employees from Plant A and F mainly feels they have to spend long working hours at work (refer Tier 5h, Figure 7) due to high workload (refer Tier 4f, Figure 11) as a result of poor time management and shortage of manpower (refer Tier 6e, 6f, Figure 7).

Mr. KN, started as production operator, currently holds the post of Maintenance Manager said, *"For the past 27 years I'm here, I have never heard about effective strategic manpower planning (Problem 4). MEDICINS hires employees only when there is a request from each production plants"* (refer Tier 6f, Figure 7).

Mr. MN, has been with MEDICINS for the past 7 years, says that the main reason for him to resign is due to lack of manpower availability (refer Tier 6f). Since his superior left the company, he was burdened with the entire task his boss, doubling his workload (refer Tier 5m, Figure 11) with no scheduled replacement or rotation for his job (refer Tier 6e). He could no longer cope with this workload (refer Tier 4f, Figure 11), causing him to lose work life balance (refer Tier 4c, Figure 7) which gave him lots of stress at work(refer Tier 7i, 8m, Figure 9) and at home.

Field observations indicate employees having to stand long working long hours, due to SOP requirement (Tier 6d) leading to work life imbalance, (refer Tier 4c) ultimately falls back on inability to reduce workload stress (Tier 7d), due to lack of work process (SOP) effectiveness and production planning improvement (refer Problem 5, Figure 7).

Unpublished company policies states no replacement for job rotation (Tier 6e) to force in multi-tasking (Tier 7e), means workload stress and employee burnout (Tier 8f).

4d - Communication gap between Management and Employee

The survey results shows that 48.1% of respondents do not receive timely information and updates (refer Tier 5i) about the organization. 45.3% of survey respondents feel they do not understand the information that is cascaded to them (refer Tier 5j).

Mr. KA, handles spare parts in the engineering department, MEDICINS, for the past 5 years, reveals that MEDICINS's goals and objectives are not reaching the bottom hierarchy (refer Tier 5i)or even if it reaches, there is lack of understanding on the information being communicated (refer Tier 5j). This shows communication gap between management and employee (refer Tier 4d). Mr KA's superior is also a new comer who has no experience in managing subordinates.

Ms. CF, an Engineer in the engineering department, has 9 years of working experience in MEDICINS. She claims that communication gap (refer Tier 4d) between the upper level management and the lower level employees is a very common issue in MEDICINS and the silo working culture (refer Tier 7h) in some departments happens due to territorial behavior, no sharing due to work competition, and very protective of their knowledge(refer Tier 8i) leading to ineffective work culture (Problem 7, Figure 8).

Field observation indicates communication gap(Tier 4d) caused by poor method and information flow(refer Tier 6g), failure to see the importance of inter departmental information flow (refer 7g), impact of poor communication on production planning and output performance(refer 8h, 9c) leads to ineffective inter and intra departmental communication (refer Problem 6)and understanding the importance of coordination to achieve organizational strategic goals.

Figure 7: SVP Framework - Lack of work life balance at the company

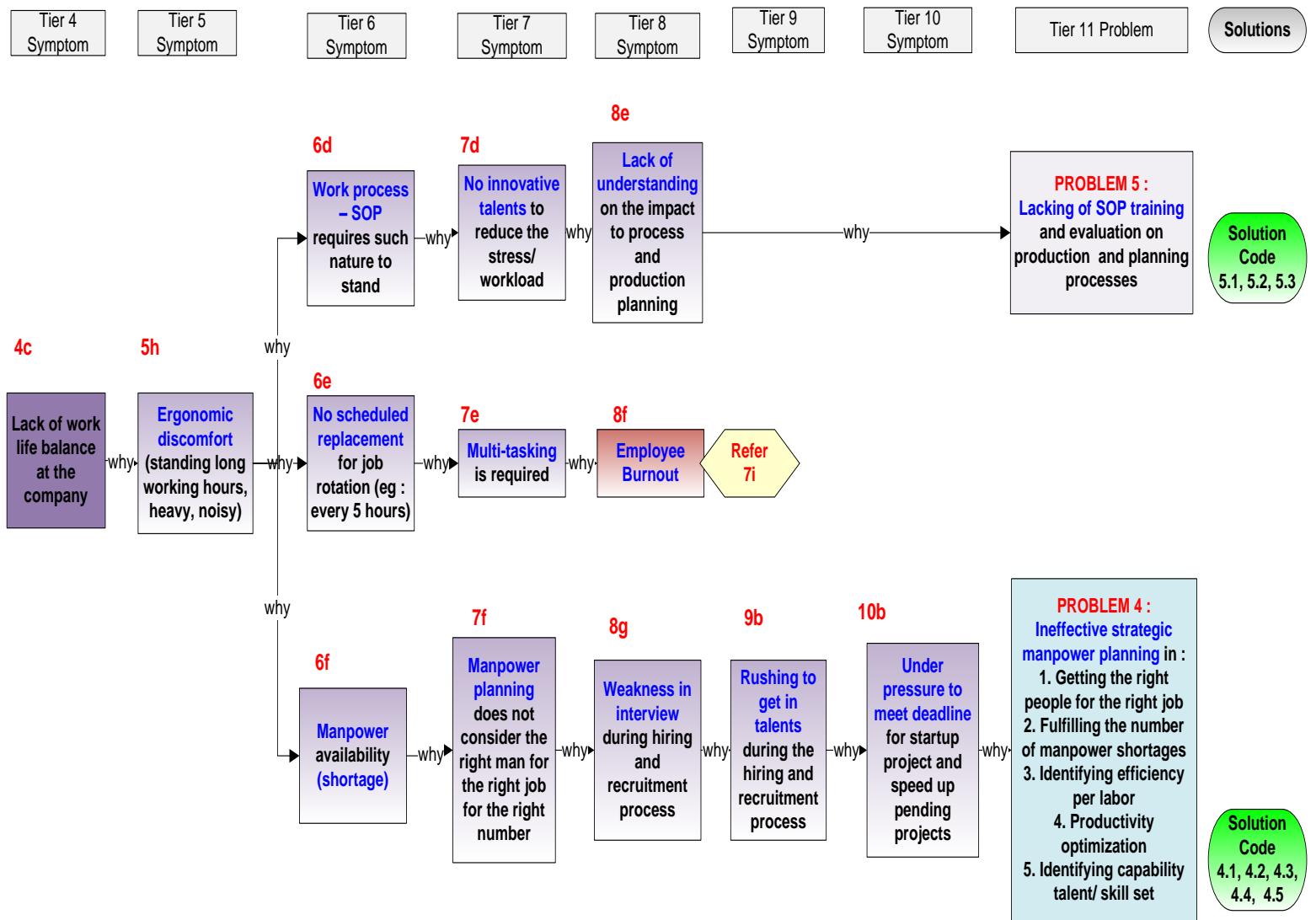
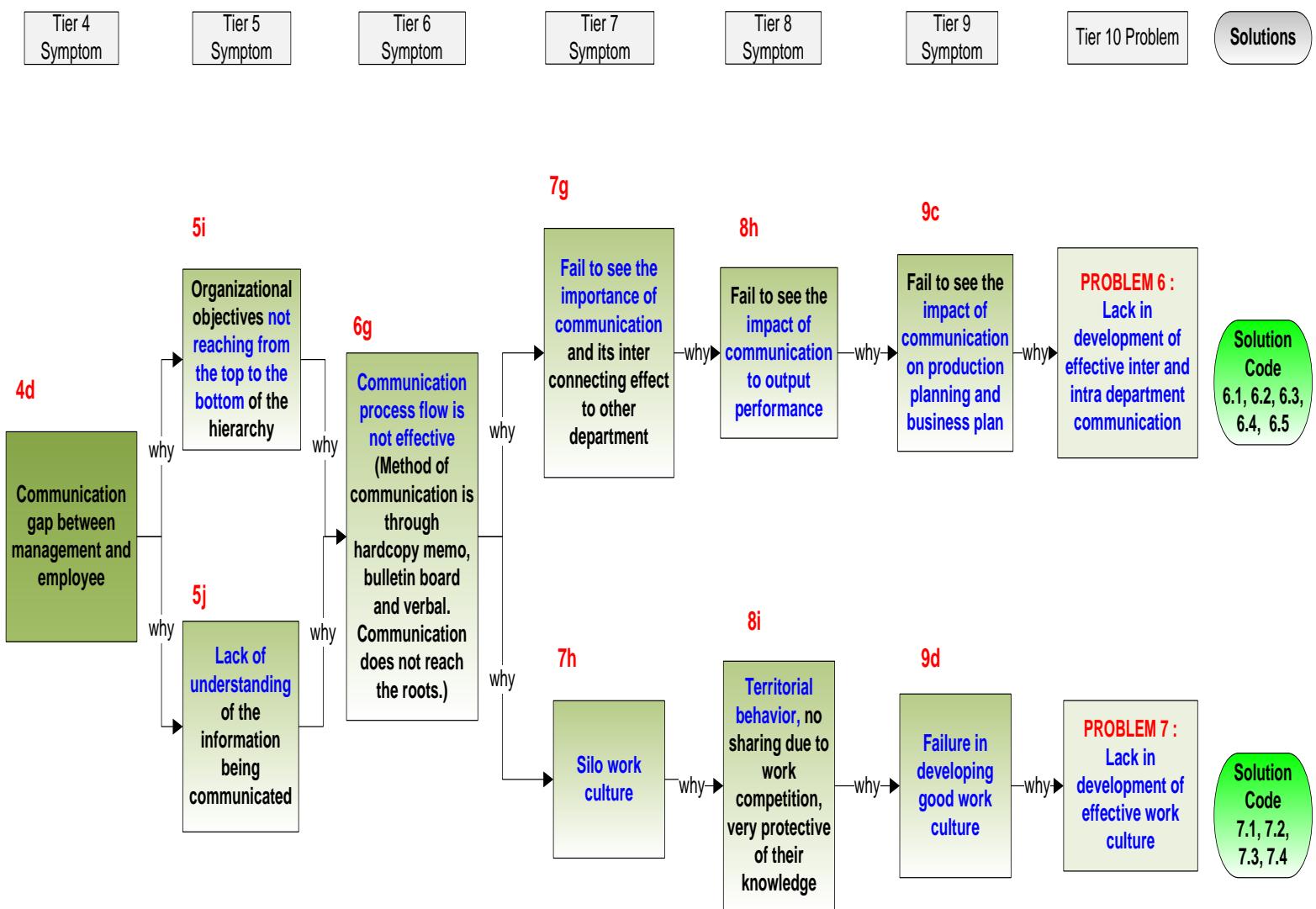


Figure 8: SVP Framework - Communication gap between management and employee



4e - No Supervision, Coaching and Feedback

No supervision, coaching and feedback (refer Figure 9) is common when supervisors are overloaded (Tier 4f, Figure 11). This leads to employee burnout (refer Tier 7i). The survey results indicate 47.2% and 48.6% of the respondents feel their superior is lacking in interpersonal skills and management skills, respectively (refer Tier 6h).

Ms. SNT, an Engineer for the past 2 years in MEDICINS claims, “*Most of the time, my supervisor is also overloaded and it is difficult to catch him for advice. Sometimes, I wonder if he is really overloaded, or he just is incompetent on advising us*” (refer Tier 5k). Also, my boss, a young fresh supervisor (refer Tier 5l), lacking in interpersonal and leadership skills, focuses on meagre things like birthday celebration plan compared to types and number of defects we have

to solve for the month(refer Tier 6h). My fellow colleagues are facing employee burnout syndrome (refer Tier 7i) due to our manager's incompetence. This is a great company to work. I do hope the management sees this problem (refer Problem 2, 6 & 7) and tackles it before more and more good people leave the company because of a lousy manager."

Mr. SIK, a Senior Engineer in MEDICINS for the past 9 years, has tendered his resignation letter. He says, "*The main reason that I have decided to resign is the lack of manpower availability (Tier 6f, Figure 7)ⁿ. Even after two of my colleagues have resigned, their spot is yet to be filled (Tier 6e, Figure 7) ⁿ. I am stuck doing the work of three engineers; including my own tasks (Tier 5m, Figure 11) ⁿ.*" Mr. SIK decided to leave MEDICINS because he cannot take the work pressure anymore (Tier 7i, Figure 9 & 10) ⁿ. He feels that his work is pulling him away from his family. "*My children are growing up and I wish to be there to see them on their sports day and graduation day. I do not want to be stuck working for a psychopath that I have now*" (Tier 4c, Figure 7) ⁿ. Mr. SIK did receive counter offer from his boss after he tendered his resignation. However he is reluctant to accept it saying that "*My boss promised he will hire new people(Tier 7f, Figure 7) ⁿ. He also promised me a promotion. But why offer me all these when I am about to leave?*".

Interviews and field observation shows that poor supervision (Tier 4e), is due to lack of coaching skills and leadership styles causes unnecessary burnout(Tier 7i), working in silo(Tier 8j)resulting from poor communication(Tier 9e), poor team integration(Tier 10d), and inefficient superior-subordinate relationship(Tier 10e). All of these issues are common in this MNC contributed by lack in effective inter-intra departmental communication and coordination (Problem 6),ineffective work culture (Problem 7) and ineffective strategic plans on leadership development to all executives and supervisors (Problem 2), (refer Figure 9).

Figure 10shows Tier 8k, 8l and 8m summarizes the survey and interview responses on burnout into three major areas, namely, weakness in behavioural and soft skills training needs and talent development (Problem 3);unclear, irrelevant, non-value add tasks caused by ineffective manpower planning(Problem 4); low in knowledge in problem solving techniques on production planning and processes (Problem 5);ineffective inter departmental linkages and communication(Problem 6) and poor work culture (Problem 7).

....

Noteⁿ The vertical and horizontal relationship between Figure 7, 9, 10 and 11 shows how the issues are interconnected and relevant to design the recommendations later as required by SVP Framework (Kader Ali, et al., 2014)

Figure 9: SVP Framework - No supervision, coaching and feedback

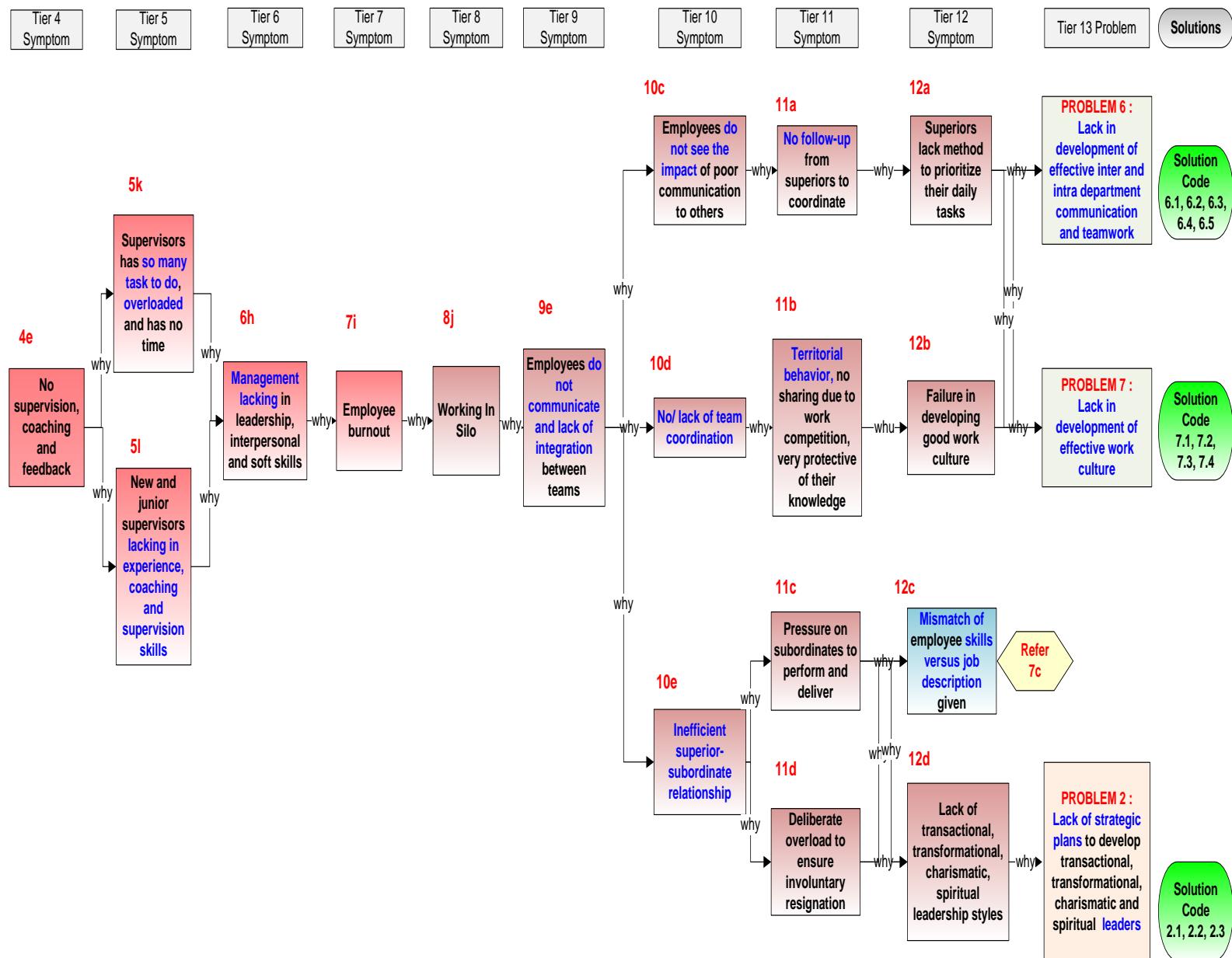
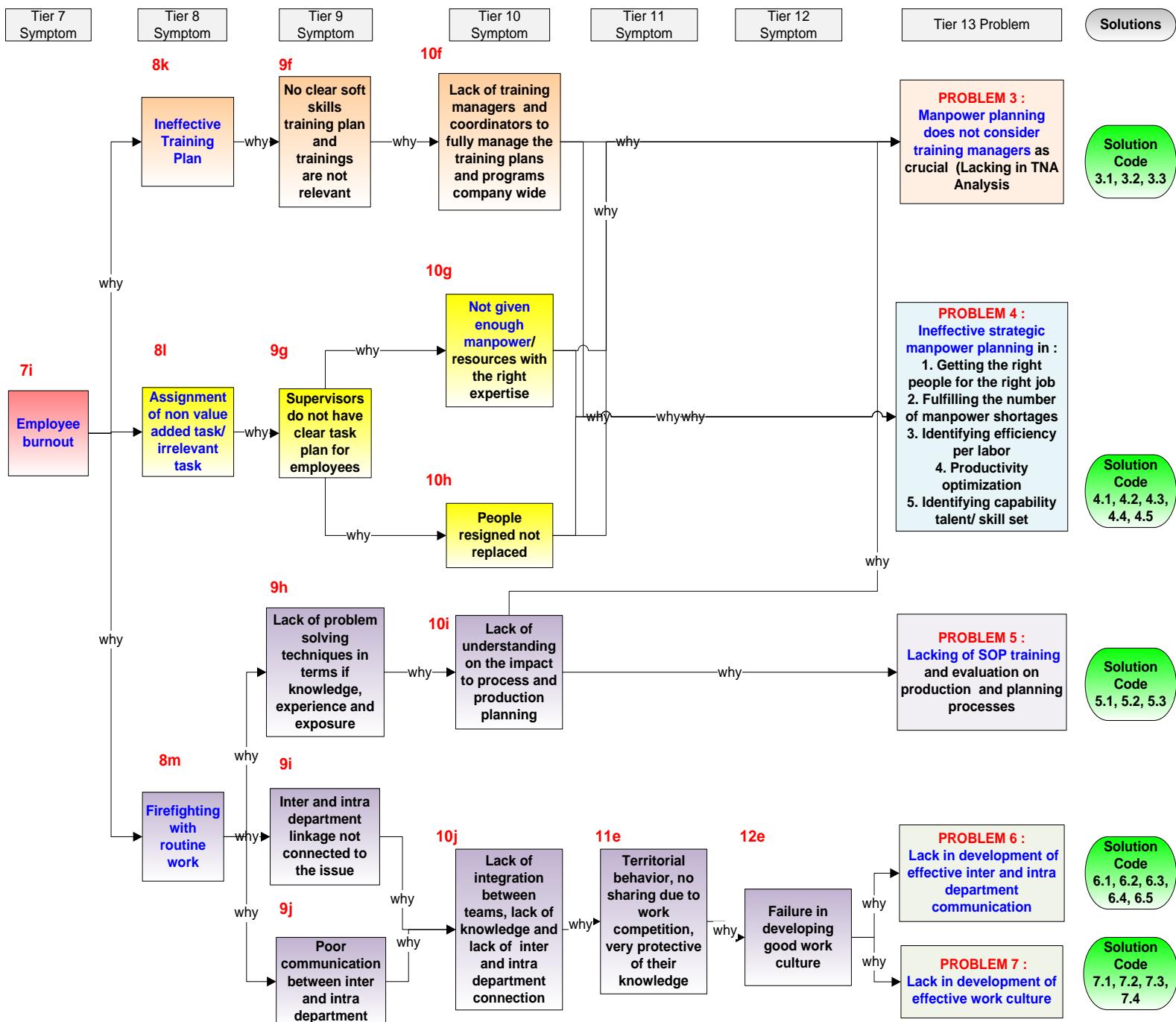


Figure 10: SVP Framework – Employee Burnout



4f - Work Load Very High

In this study, high workload (refer Tier 4f, 5m, 5o, Figure 11) occurs when one person does the job of two or more people. The survey result shows 53.3% (114 respondents) of the respondents has voice out that they have to take the workload of other employees most of the time.

The survey result also indicate 33% of the dissatisfied employees are from Plant F alone. Results from interviews indicate increase in workload causes less work life balance (refer Tier 4c) leading to job dissatisfaction and resignation.

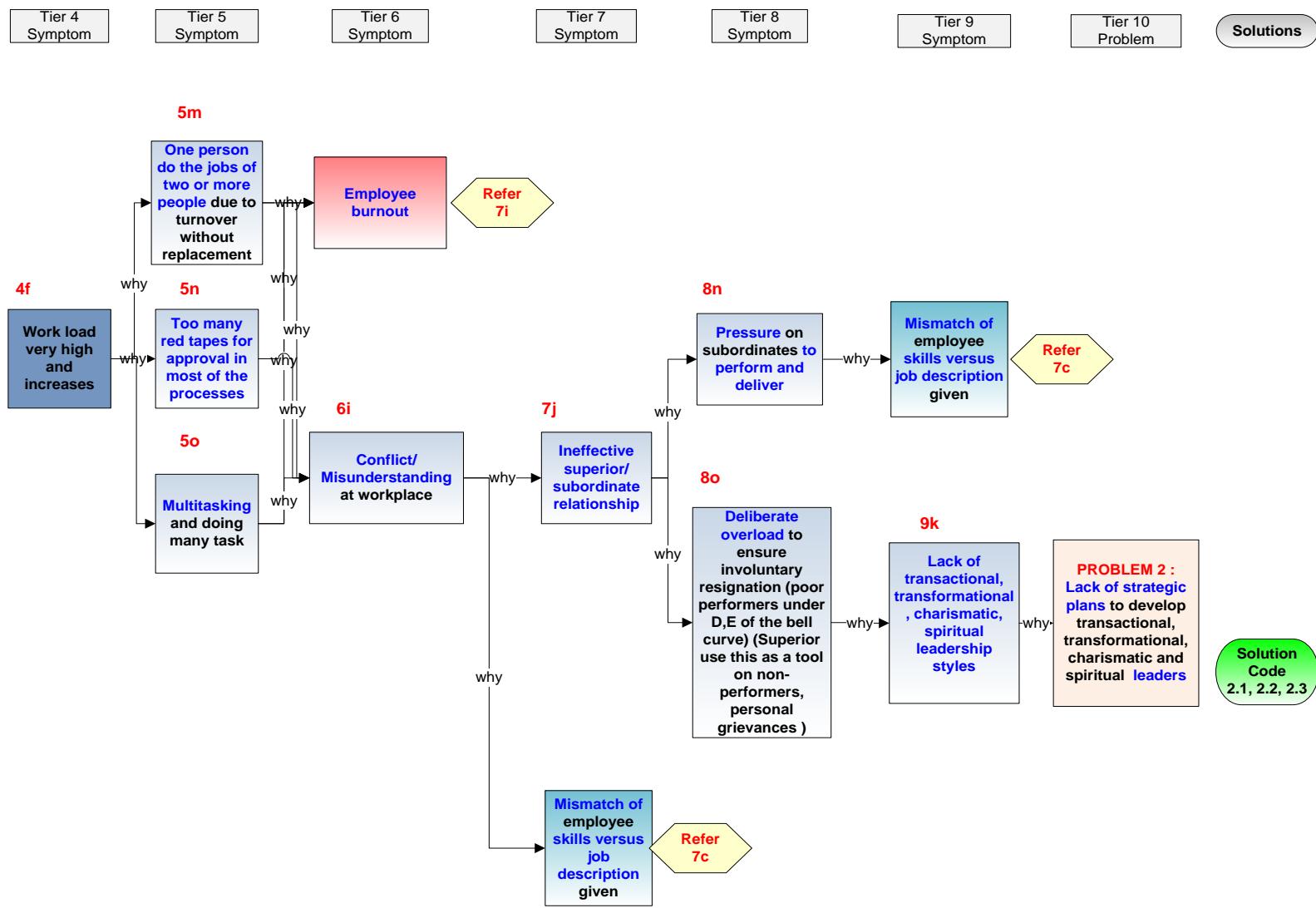
Ms. SGL, a Technician for the past 12 years in the engineering department, MEDICINS, claims that lately her workload has doubled due to two un-replaced resignations (Refer Tier 5k, 7i, Figure 9; Tier 10h, Figure 10) in the last 2 months. Her request for an assistant went without response.

The survey results show that 65.4% (140 respondents) of the respondents confirms that they have to do many things at one time (refer Tier 5k, 5m); multitasking which causes high work stress and burnout (refer Tier 7i). Plant F shows 33% (46 respondents) and Plant A shows 25% (35 respondents) encounters high work stress (Tier 11c, 11d, Figure 9; Tier 8n, 8o, Figure 11) affected by poor leadership styles (Problem 2)

Mr. KSY, a Manager for the past 1 year at process engineering department, MEDICINS, tendered his resignation, effective 31st March 2014. Exit interview reveals that lack of manpower availability (Refer Tier 10g, 10h, Figure 10) affecting productivity (Problem 4), is the main reason for him to resign. He has had a few conflicts with his superior due to ineffective superior/subordinate relationship. (Refer to Tier 10e, Figure 9; Tier 7j, Figure 11) caused by ineffective leadership styles (Problem 2).

Shivangi Singh et al (2011) in her study identified the reasons for employee to leave are related to no growth opportunities (Refer Tier 5a, 6a, 7a, Figure 5), lack of appreciation (Refer to Tier 5b, Figure 5), stress from overwork (Refer Tier 10a, Figure 6; Tier 11c, 11d, Figure 9; Tier 7i, 8m, Figure 10; Tier 4f, Figure 11) and work life imbalance (Refer to Tier 4c, Figure 7).

Figure 11: SVP Framework - Work load very high and increases



RECOMMENDATION

The SVP framework (Kader Ali et al., 2014), a root-cause analysis tool, has identified seven problems for this case. The recommended solutions are classified in three major categories, as stated below:

1. Recommendations on Corporate Governance

Problem 1 - Fail to review the impact of policies made on performance management and career growth. (Refer Figure 5).

Presently, MEDICINS is using Force Ranking System (FRS) (a performance appraisal and ranking system) as its performance management system.

Solution Code 1.1 - Career growth extended to C, D and E rated employees.

The current development programmes are Leadership Development Program (LDP),

Talent Pool Program (TP), Management Excellence Program (MEP), Frontline Leadership Program (FLP) and Succession Planning Opportunities (SPO) currently extended to A and B rated employees, should also be extended to employees rated C, D and E, under the existing FRS. It is recommended for each programme to indicate performance ratings and identify required training needs for performance improvement. Career growth policies should indicate measures that monitor these performances, provide training needs analysis and implementation, and continuous performance improvements and monitoring.

Solution Code 1.2 - Job enrichment.

MEDICINS should provide job enrichment opportunities for employees who are rated C and below in reference to career growth path selected by the employee and training needs plan.

Solution Code 1.3 - Alternative performance management system.

To create career growth for C rated employees and below, MEDICINS could use alternative performance management system; 360 degree feedback system to obtain multi-source feedback from full circle of people with whom the employee interacts. Performance appraisal should be measured to support sectional, departmental and organizational goals. The level of targeted goals achieved by each department or division are reflected and supported appropriately by the related employees' actual achievement.

2. Recommendations on Leadership

PROBLEM 2 - Lack of strategic plans to develop leadership styles. (Refer Figure 5, 9 and 11).

Leadership styles include transactional, participative, transformational, charismatic, stewardship and servant leadership(Daft, 2015-1).

Solution Code 2.1 -Enhancement through external leadership trainers and consultants.

External trainers and consultants is capable of providing a different perspective for MEDICINS in reviewing the impact of existing leadership culture (Daft, 2015-2) and in still cultural change within participating employees. Using external trainers, MEDICINS should be able to relieve its internal resources to focus on their core competencies.

Solution Code 2.2 - Leadership research in collaboration with universities.

Collaboration with business schools from local universities such as Universiti Sains Malaysia (USM) by allowing academicians to perform research, case study or projects on the existing organizational leadership practices and propose practical solutions can be used to bring change at the management level.

Solution Code 2.3- Evaluate impact on leadership training.

Upon carrying our solution code 2.1 and 2.2, an evaluation has to be done on their effectiveness. Best practice and improvement opportunities can then be identified.

PROBLEM 6 - Lack in development of effective inter and intra department communication. (Refer Figure 8, 9 and 10).

In this study, it is found that communication via emails often leads to misinterpretation of issues and unclear instructions (Refer Figure 8)

Solution Code 6.1 - Trainings on cross functional teams in problem solving, special projects, and solutions for inter-intra departments, and effective communication.

MEDICINS should organize more training with cross functional teams as in solution code 6.3 to break the silo mentality and territorial behavior. These training sessions will cultivate teamwork and sharing of information, knowledge and best practices to jointly achieve the organizational goals and strategic plans.

Solution Code 6.2 - Frequent gathering/ dialog sessions.

Social events like holiday parties, reward parties, and social outings to local events help employees get to know each other and develop friendships that will lead to enhanced teamwork. Off-site training enhances teamwork and allows employees to mingle.

Solution Code 6.3 - Initiate Corporate Social Responsibility (CSR) activities.

Employees that work together on volunteer projects to help the community will get to know each other, and will return to work full of pride over their volunteer efforts. To encourage this, MEDICINS should give employees one day per month or per year time-off for this purpose.

Solution Code 6.4 - Establish Code of Communication (COC).

MEDICINS should practice open door policy where employees with problems can meet the highest department head if they choose to. At this moment, based on the grievance procedure, employees are only allowed to see their direct superior. If the direct superior is not able to solve the employee's problem, then it will be cascaded to another superior, followed by Human Resources representatives. This process is time consuming and can lead to employee dissatisfaction. With open door policy, communication occurs directly as needed.

PROBLEM 7- Lack in development of effective work culture.(Refer Figure 8, 9 and 10).

In order to eliminate silo mentality and develop effective work culture, there is a need for MEDICINS to come up with solutions that can help break down walls and allow “cross-departmental communication” among its employees (Daft, 2015-2).

Solution Code 7.1 - Frequent Team Bonding Sessions (Daft, 2011)

Team bonding sessions; inter and intra department and division should be encouraged. This enables employees to put their difference behind and work together as a team to achieve more for the organization; instead of focusing on their division only.

Solution Code 7.2 - Job Rotation.

Rotating employees through other departments can help them get to know their co-workers and gain understanding of what others do. Rotating will eliminate inter-divisional ‘war’ of employee transfer.

Solution Code 7.3 - Establish cross-functional teams for problem solving/ projects/ special purpose cases.

Cross-functional teams (Daft, 2011) coordinates across organization boundaries for special purpose projects problem solving teams, as in TARI project, encourage participants from all plants that makes an impact achieving projects and teams' goals. It facilitates

information sharing, generate solutions that incorporate impact across boundaries in the organization. New practices and policies that considers overall processes, outcomes and organizational goals.

Solution Code 7.4 - Standardize problem solving tool/ root cause analysis tool.

Currently, employees use problem solving tools based on their preference. It is strongly recommended for MEDICINS to use a root-cause analysis tool (Anderson and Fagerhaug, 2000) or cause and effect analysis tool (Anderson, 2001) or SVP Framework (Kader Ali, et.al., 2014), that is recognized by MEDICINS team. Findings through SWOT, PESTEL, and Ishikawa fishbone analysis tool can be supporting evidences in SVP framework. (*Refer to all SVP figures in this case as example of how symptoms are drill down to problems*).

Solution Code 7.5 – Simplify red tapes formality in the company.

The formality of red tapes in all SOPs, procedures, policies that employees adhere for approvals and decision making in MEDICINS, has to be simplified to improve effectiveness and efficiency of work process and related activities for effective decision making.

Solution Code 7.6 - Increase percentage of contribution in the Balanced Scorecard (BSC).

To improve effective work culture, MEDICINS should increase the percentage of contribution of shared goals in the balanced scorecard from 40% to 60%. This can help to break the silo working culture.

3. Recommendations on Planning and Execution

PROBLEM 3 - Manpower planning does not consider training managers as crucial (Lacking in TNA Analysis). (*Refer Figure 5 and 10*).

Training and development process has been segregated by individual plants. Production employees in these individual plants have additional responsibility of training and developing their employees. They are required to do multitasking which leads to employee burnout.

Solution Code 3.1 - Hire training managers/ coordinators.

Training and development department has to be centralized under HR which functions like a business school to train employee before they are released to individual plants. This will ensure that all employees are equipped with sufficient production and process knowledge and has the same level of understanding compared to training performed in individual plants.

Solution Code 3.2 - Develop training managers/ coordinators.

Employees who are rated C with potential capabilities shall be given this development opportunities to be internal trainers for the organization.

Solution Code 3.3 - Collaborate with external training firms or universities.

Collaboration with external training firms and universities provides support to carry out interpersonal and soft skills enhancements. As such, new ideas, knowledge and skills can be obtained from external sources.

Solution Code 3.4 - Monitoring of Training Effectiveness.

It is very crucial for MEDICINS to monitor the effectiveness of the trainings provided from solution code 3.1, 3.2 and 3.3 to encourage the application of knowledge and skills gained.

PROBLEM 4 - Ineffective strategic manpower planning. (Refer Figure 6, 7 and 10).

This problem applies in the areas of getting the right people for the right job.

Solution Code 4.1 – Effective utilization of manpower.

Review and improve effective utilization of each employee. This can be done by performing time study to define value added task versus non-value added task. Activities that can be eliminated, consolidated, or automated should be looked into.

Solution Code 4.2 - Revise the job description to be more specific.

Review and revise job description to be detailed and specific to the job rather than having a generic job description for all job level. Specific requirements must be included so that all plants will hire similar capabilities of employees for similar positions.

Solution Code 4.3 - Just-in-Time talent.

MEDICINS should have people in just when they are needed. When business performance calls for managers and employees to accelerate output, lower costs, raise quality, and improve customer service; having the right talent is essential.

Solution Code 4.4 – Develop strategic workforce planning framework.

Develop own strategic workforce planning framework (Figure 3) which can be generically applicable for all five production plants. The framework should cover the current and future needs of human capital for MEDICINS.

Solution Code 4.5 – Analyze the relationship of job description with departmental targets and organizational goals and its effect on strategic workforce planning framework.

Review whether the proposed strategic workforce planning framework as in solution code 4.4, is giving any impact on company productivity and performance.

CONCLUSION

The improved SVP framework adapted from Kader Ali et al.,(2014) in this study, reveals seven (7) major problems that caused *the increase in employee turnover rate (Tier 1 major signal of weakness)*.Figure 12 summarizes the major problems into three categories with its related recommendations and classified them either for immediate implementation (I), short term implementation (ST) or Long Term Implementation (LT).

Figure 12: Summary of problems with recommendations

Category	Main Problems	Solution Codes
Corporate Governance	<p>1. Fail to review the impact of policies made on performance management on career growth</p>	<p>I.1 - Career growth for C rated employees (I) I.2 - Job enrichment (ST) I.3 - Alternative performance management system (LT)</p>
Leadership	<p>2. Lack of strategic plans to develop transformational, charismatic and spiritual leaders</p> <p>6. Lack in development of effective work culture</p> <p>7. Lack in development of effective inter and intra communication</p>	<p>2.1 - External leadership trainers and consultants (ST) 2.2 - Leadership research in collaboration with universities (ST) 2.3 – Evaluate impact of leadership training (LT)</p> <p>6.1 - Frequent Team Bonding Sessions (I) 6.2 - Job Rotation (ST) 6.3 - Establish cross functional teams to work on company-wide problems that supports organizational strategic plans. (ST) 6.4 - Standardize problem solving tool/ root cause analysis tool (ST) 6.5 - Eliminate formality in the company (LT) 6.6 – Increase % of contribution in the BSC (LT)</p> <p>7.1 – Trainings on problem solving and solutions derived in silo vs inter department and its implications to the organizational goals (I) 7.2 - Frequent gathering/ dialog sessions (ST) 7.3 - Initiate CSR (ST) 7.4 - Establish Code of Communication (LT)</p>
Planning and Execution	<p>3. Manpower planning does not consider training managers as crucial (Lacking in TNA Analysis)</p> <p>4. Ineffective strategic manpower planning</p> <p>5. Lacking in SOP training and evaluation on production and planning process</p>	<p>3.1 - Hire training managers/ coordinators (I) 3.2 - Develop training managers/ coordinators (ST) 3.3 - Collaborate with external training firms or universities (LT) 3.4 – Monitoring of training effectiveness (LT)</p> <p>4.1 – Improving effective utilization of manpower (I) 4.2 - Revise the job description to be more specific (ST) 4.3 - Just-in-Time talent (ST) 4.4 – Develop strategic workforce planning framework (LT) 4.5 – Analyze the relationship of JD with departmental targets and organizational goals and its effect on strategic workforce planning framework (LT)</p> <p>5.1 - Schedule and organize more training sessions (I) 5.2 - All trainings to be centralized (ST) 5.3 - Implement e-learning (LT)</p>

I = Instant Implementation, ST = Short Term, LT = Long Term

Figure 13: The House of Pillars for Job Satisfaction and Employee Retention



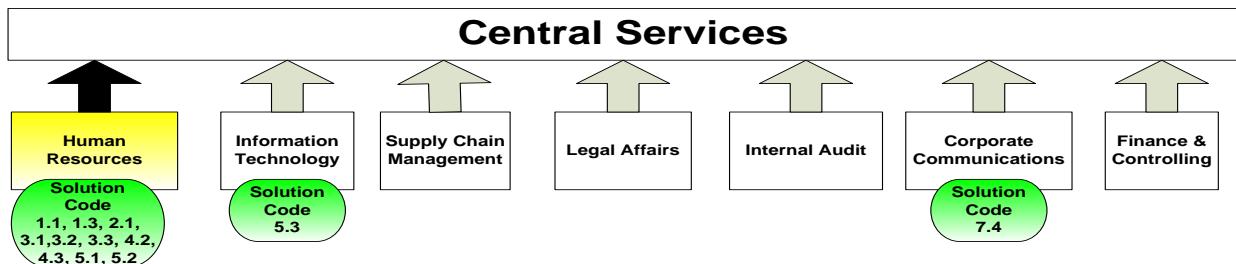
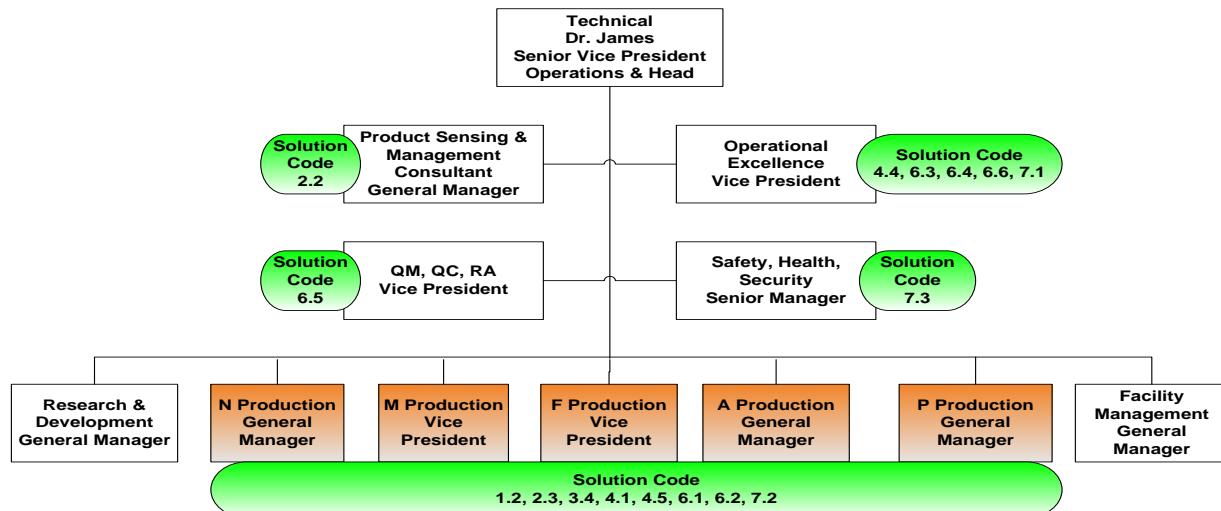
The solution codes proposed in Figure 12 were found to have inter-relationship among the seven problems. Refer to Appendix 1 for the identified linkage of the solutions to multiple problems. Interestingly, these solution codes discovered during this study, as depicted in Figure 13, are summarized in the '*House of Pillars for Job Satisfaction and Employee Retention*' designed for MEDICINS. The *House of Pillars* focuses on building the company *Leadership* as the strong foundation and '*concrete*' base, aimed at building an effective work culture, agile and dynamic communication and developing great leaders. This will set a strong foothold for *Planning & Execution* to be the '*house's concrete pillars and bricks*' by redirecting the focus from human resources management (HRM) to human capital development (HCD) through strategic manpower planning and SOP training & evaluation. These, in turn will enable the company to have bullet-proof *Corporate Governance* structure, by reviewing the performance appraisal system, as well as, alternative performance appraisal system and job enrichment, leading to the achievement of company strategic goals. Implementing solutions to address MEDICINS leadership, planning & execution and corporate governance factors will help to increase employee job satisfaction and employee retention; at the same time reducing the employee turnover rate in year 2014 and 2015.

Figure 14: Impact of Solutions and Value adds for MEDICINS



The contribution from this case study, shall provide significant impact and value adds to MEDICINS (refer Figure 14), by translating the cost of employee turnover into cost savings (reduction in employee turnover and its related costs, decrease in absenteeism, abscondment & resignation rate and decrease in overtime), making MEDICINS the best working place (increased job satisfaction, increased employee retention and recognizing employees as an investment), and help MEDICINS to achieve its organizational strategic goals (retention of organizational knowledge, increase in productivity and improved customer relationship). With reference to Figure 12 and Figure 13, the proposed responsible functions to carry out the recommendations are marked on the company organization chart as shown in Figure 15. The ranks of responsibility, should accommodate the changes in responsibilities, in accordance to changes in strategic goals over time.

Figure 15: Responsible parties to carry out the recommendations



LIMITATION AND FUTURE RESEARCH SUGGESTIONS

This study is limited to research on one MNC, which can be expanded to other organizations within the industry. Mixed research methods combined with problem identification using SVP framework is a new approach to problem solving. More research on the same approach needs

to be further tested, including with other industries. Also, this study is limited to outcome on employee behaviour and HRM, but not on the impact of the outcome to operational or business performance. Thus, these are opportunities to *future research*. Furthermore, this study shows a diverse generational demographic, specifically, 50% are Generation X, while 40% of total employees are Generation Y. Gen-Ys may love regular input, but Gen-Xers might become suspicious of this, over involved management style, while Baby Boomers may feel isolated with new telecommunication styles. To maximize the potential of the 3 generational mixtures, a flexible system and structure generational differences needs to be researched since generational differences have a huge potential impact to job dissatisfaction and attrition.

REFERENCES

- Abbasi, S. M., Hollman, K. W., & Hayes, R. D. (2008). Bad Bosses and How Not to Be One. *Information Management Journal*, 42 (1), 52-56.
- Anderson, B., & Fagerhaug, T. (2000). *Root cause analysis: Simplified tools and techniques*. Milwaukee: ASQ Quality Press.
- Anderson, N. H. (2001). Cause and Effect Analysis, Retrieved 23 March 2014 from http://www.mindtools.com/pages/article/newTMC_03.htm
- Daft, Richard L. (2011). *The Leadership Experience, Leading Teams, Chapter 10*, p.294. Cengage Learning, USA. ISBN-13: 978-1-4354-6285-4.
- Daft, Richard L. (2015-1). *The Leadership Experience, Servant Leadership, Chapter 6*, p.175-177. Cengage Learning, USA. ISBN-13: 978-1-305-03951-3.
- Daft, Richard L. (2015-2), *The Leadership Experience, Shaping Culture and Values, Chapter 14*, p.427-442. Cengage Learning, USA. ISBN-13: 978-1-305-03951-3.
- Dew, J. R. (1991). In search of the root cause. *Quality Progress*, 24 (3): 97-107.
- Dr. M Safdar Rehman (2012), Employee Turnover and Retention Strategies: An Empirical Study of Public Sector Organizations of Pakistani. *Global Journal of Magt & Business Research*, Vol 12 No 1.
- Ivancevich (2003). Dealing with employee absenteeism. *Management Services* 47 (12).
- KaderAli,N.N., Wilson, P. and Mohammad, I.Y. (2014). Symptoms Versus Problems Framework (SVP): An Innovative Root Cause Analysis Tool. *International Journal of Organizational Innovation*, special issue, pp.66-76.
- Kehinde (2011), Impact of Job Satisfaction on Absenteeism: A Correlative Study. *European Journal of Humanities and Social Sciences*, Vol. 1, No. 1.
- MEDICINSUnpublished data (2013). Employee Turnover Financial Cost Report.
- MEDICINS (n.d.). ISO standard policies on career growth.(Unpublished).
- MEDICINS (2013).Technical Organization Chart, Issue 27, 1 December2013.
- MEDICINS (2012-2013) Unpublished data, Annual Turnover Rate. Human Resources Department.
- Obley, W.H. (1982). *Employee Turnover*. Addison-Wesley Reading.
- Reliableplant (2015). Problem-solving techniques for a high-performance team. Retrieved 23 March 2014 from <http://www.reliableplant.com/Read/14690/high-performance-team>
- Reggio, E. A. (2003). *Introduction to Industrial/Organizational Psychology*, 4th Ed. Prentice Hall, NJ.

Singh S. & Dixit P. K. (2011). Employee Retention: The Air of Keeping the People Who Keep You in Business. *VRSD Int. Journal of Business & Management Research*, Vol. 1 (7), 441-448

Sproull, B. (2001). *Process problem solving: A guide for maintenance and operations teams*. Portland: Productivity Press.

Gayathiri Seladurai (2013). *Employee Burnout in the Era of Headcount Downsizing: Case Analysis of Microchip Tech*. Unpublished MBA SSME Management Project Thesis.

Wilson, P. F., Dell, L. D., & Anderson, G. F. (1993). *Root cause analysis: A tool for total quality management*. Milwaukee: ASQC Quality Press

Appendix: Overview of the SVP Framework

