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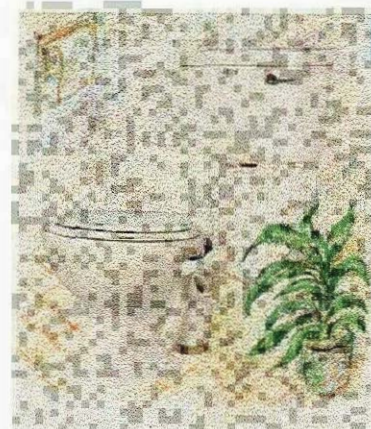
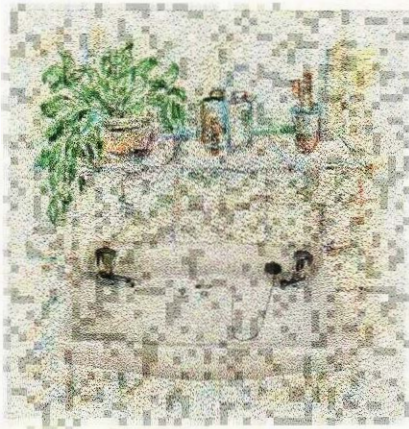
GURUN POTTERY SDN BHD

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GURUN POTTERY SDN BHD



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GURUN POTTERY SDN BHD.

Part I

INTRODUCTION

Gurun Pottery Sdn. Bhd. (GP) was a wholly owned subsidiary of Hull Trading Sdn Bhd (HT). It was a ceramic manufacturer in sanitarywares. The factory was situated in Gurun, Kedah and it occupied two acres of land with a built-up factory floor of about 1.0 acre.

The main items of sanitarywares manufactured by GP were sitting pan (Pedestal), squatting pan, wash basin, urinal bowl and soap holder.

The parent company, HT, was concerned that GP's production output had declined from 109,938 units in 1995 to 100,420 units in 1996. Likewise, profit before tax also showed a downward trend from RM103k in 1995 to RM65k in 1996. The situation was aggravated when GP could not produce enough stocks for the marketing division of HT to distribute to its customers. It was reported that the delay in deliveries on the part of GP had resulted in orders being cancelled by the customers. The Managers complained that the image of GP products was deteriorating in the market, and HT being distributor for GP also suffered the

loss in revenue. The Executive Director of HT, Mr Ting Chew Jin, commented that if GP failed to restore to the required efficient production and healthy profitability, then it would not survive due to the keen competitions in the sanitaryware industry. Mr Ting also sat in GP Board and primarily responsible for the performance of GP.

1. **COMPANY BACKGROUND**

Gurun Pottery was established by the Lim family in 1977 with a paid up capital of RM1.0 million. The Company was owned by three brothers who knew only the production of sanitarywares. Right from the inception of the factory, they appointed Hull Trading Sdn Bhd as the sole distributor in Peninsular and East Malaysia for the distribution of their sanitarywares.

The track records showed that HT was very efficient and did a very good job in distributing GP's products and by the end of 1984 GP sanitarywares had made its name in the low cost housing sector of the building material industry. During this period, GP had a market share of about 15%.

In order to have a better control of the production capacity and quality in GP, Hull bought over the entire equity of GP from the Lim family at RM3.0 million in 1985.

2. ORGANISATION AND MANPOWER

GP was headed by Mr Tan, a Factory Manager. He was recruited in 1995 when the former Manager retired and he was 48 years old. Based on his curriculum vitae, he did not have any technical qualification, however, he had over 15 years of experience in the clay and ceramic manufacturing industry. The factory had in total 50 production workers and 3 administrative staff.

The turnover for production workers was very high. In 1995, there were 80 production staff and the number was reduced to half today. The new recruit worked for a week and left.

Mr Tan gave the following reasons for the drastic reduction in the number of production workers and high turnover rate.

- i) Gurun, being near to Sungei Petani, was a fast developing town with the mushrooming of new factories. Perwaja Steel Mill had attracted thousands of workers since its inception.
- ii) The factory environment in GP was regarded as dirty when compared with the steel mill and other light industries in the area. This argument was true because ceramic factory was clay based and created dusty environment.
- iii) Most of the workers of all races were from the rural areas and they did not normally possessed the sense of responsibility towards their work. Absenteeism rate was high and when they were told to comply with discipline, they retaliated by leaving the factory without any official resignation. This irresponsible attitude was mainly due to the low education level they received.

The comparison with the industry standard showed that GP paid a market rate salaries to the workers and staff. HT Management also received complaints from GP workers that Mr Tan practised double standard in his treatment to the workers. For example, he was accused of giving overtime only to his favourite workers who "kow-tow" and "tripod" him.

Out of the fifty workers, only ten were permanent and the remaining were daily rated. The ten permanent workers were at supervisory grade and they had been with the company for more than 10 years. None of them had received formal education. However, having been in the business for so long, they learn through the hard way and finally possessed the skills in their respective areas of responsibility. The communication used in the factory was either local Chinese dialects or Bahasa Melayu. Due to the deficiency in language, it was almost impossible to send the workers for training and development organised by the professional trainers. The workers were afraid of changes, they preferred to stick to the old methods of doing things which they described as safe and less hassle.

Mr Tan admitted that although he was experienced in the technical aspects, he was, however, not a trainer. He had tried to introduce the technique of job rotation before, but, it failed because the workers reported that they could not follow his training methods..

The other problem faced in training was that the workers was very slow in learning. As explained earlier on, it was basically due to their low education level. All the daily rated workers were either illiterate or only received six years of primary education.

The poor quality of workers explained the reasons why GP was slow in implementing the new production concept compared with the advancement achieved by its competitors in the Industry.

Manpower shortage remained a serious problem for GP. The detailed study revealed that the current headcount fell short of the required number by 27. Due to this labour shortage, GP had a low effective capacity of 9,500 pieces production per month compared with the design (machine) capacity of 15,000 per month.

Listed below were the current and required headcount:-

| | Job Title | Current | Required | Difference |
|-----|--------------------------|----------------|-----------------|-------------------|
| 1. | Mould Maker | 1 | 1 | 0 |
| 2. | Raw Materials Handler | 5 | 6 | (1) |
| 3. | Caster | 16 | 26 | (10) |
| 4. | Checkers | 13 | 18 | (5) |
| 5. | Sprayer | 2 | 3 | (1) |
| 6. | Setter | 3 | 3 | 0 |
| 7. | Unloader (Kiln) | 1 | 2 | (1) |
| 8. | Final Inspector | 0 | 1 | (1) |
| 9. | Store Assistant | 1 | 1 | 0 |
| 10. | General Worker | 3 | 2 | (1) |
| 11. | Kiln Operators | 3 | 3 | 0 |
| 12. | Supervisors | 3 | 5 | (2) |
| 13. | Production Assistant | 0 | 1 | (1) |
| 14. | Administrative Clerk | 1 | 1 | 0 |
| 15. | Administrative Executive | 1 | 1 | 0 |
| | TOTAL | 53 | 74 | (21) |

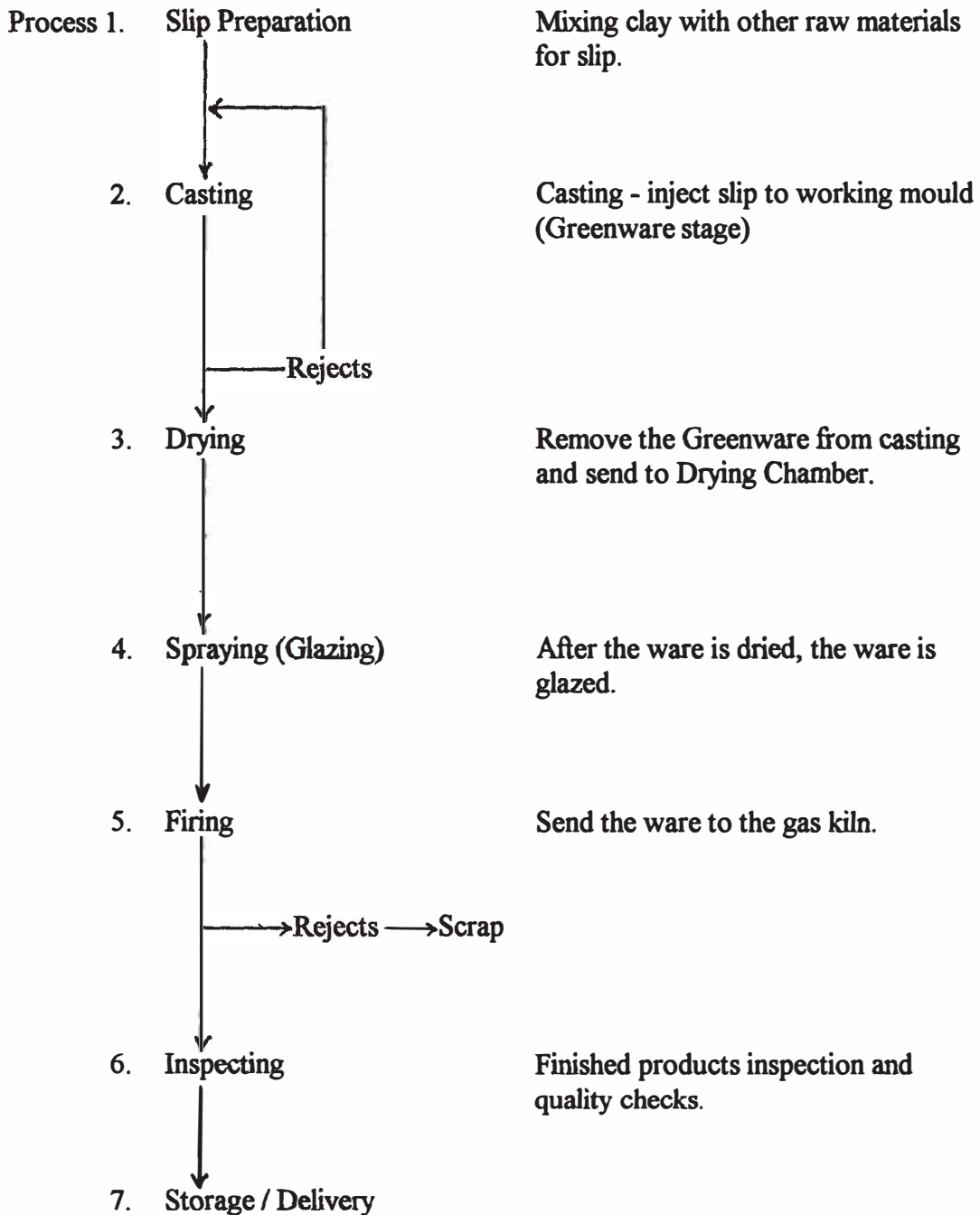
The most critical area was casting section which was short by 10 workers, followed by checkers. Not enough checkers would impair the quality control and henceforth the higher rejection rate before the firing stage.

Since recruitment had been a problem for most factories around Gurun due to better wages, incentives and working environments in other major towns, Mr Tan commented that GP should consider recruiting foreign workers.

3. **PRODUCTION PROCESSES**

The production of sanitarywares comprised of 6 major processes. Each process was independent of each other but the flow of the processes was very important to obtain high quality product at maximum yield.

The said process were depicted as follows:



NOTE: The firing process took about 17 hours to complete (cool to cool). The finished products are either sent direct to the customers or kept in the store.



Slip Preparation

This is the first process which entailed the mixing of the local clay with various types of chemicals in accordance with the standard recipe in order to make the slip for the wares. The main raw materials used are:

| | |
|--------------|-------------|
| Clay (local) | 65% |
| Ball Clay | 15% |
| Feldspar | 15% |
| Quart | <u>15%</u> |
| | <u>100%</u> |

Local clay was extracted from the nearby town in Bedong. As for ball clay, feldspar and Quart, they were imported from United Kingdom. The imported clay and chemicals were mixed with the local clay in order to produce a more refined wares. As KP's products were relatively cheap in the market, it could not afford to use high percentage of imported refined ball clay. The high proportion of local clay (65%) was used instead because of economical reason.

The above raw material mix ratio was a standard recipe. However, it was subject to minor changes depending on what type of wares were produced.

Slip preparation was a very important process for the reason that if the mixture is not right, then it could not produce the good wares and obtain high yield for the output.

All raw materials were loaded into the ball mill and the mixture was milled for 5 hours. They were then tested for density and viscosity. The purpose of testing was to ensure that the sand particles were low. High sand contents were damaging to

the wares. If the testing showed that the mixture was not precise, then adjustments have to be carried out by adjusting the raw materials and chemicals. The final product of the mixture was call the slip. The slip was pumped to the casting tank for casting.

Casting

In this process, the slip was transferred from the slip tank by a hose to fill up the working mould. Separate working moulds were available for squatting pan, sitting, wash basin etc. Depending on the item to be produced, the slip would be sent to the appropriate mould accordingly. There were sixteen (16) production lines in the casting area. Each line is capable of casting average 30 wares and about 500 wares were casted per day. The casting process was to fill the slip to the top level of the mould until the mould is fully covered. The excess slip was drained out. Normally it took about an hour for the slip to form in the mould. After the ware was firmly formed, the mould was gently opened and the ware was removed from the mould. There were techniques and steps for the removal of the castware from the mould. Currently, there were 11 casters and half of them were new recruits. Removing of castware was a delicate job as rough handling will chip or break the ware. Due to the presence of the unskilled workers, the breakage rate in this casting section was as high as 30%. That was to say, for every 10 castware opened, three were either chipped or broken. Casting stage was categorised as 'green stage'. The defective wares were sent back to the slip section for recycling. However, the labour and overhead cost were treated as wastage or abnormal loss. This explained partly the reason why GP could not make profit.



The other reason for the low yield at casting process was due to the recipe problem. If the ratio for the mixture of clay and chemicals was out, then the slip would not be suitable for casting. The wrong recipe caused the distortion of the shape of the ware which resulted in breakage when the castware was being separated from the mould.

According to the factory Manager, the casting section required twenty workers but it had only eleven at the moment.

Drying

The good wares were transferred to the Drying Chamber. The purpose of this process is to dry the wares with a very high temperature of 60°C. Different wares took different time to dry and the following indicated the drying hours for each type of ware:

| | | |
|---------------|---|----------|
| Squatting pan | - | 24 hours |
| Wash Basin | - | 72 hours |
| Sitting pan | - | 72 hours |
| Small items | - | 24 hours |

The heating energy used was electricity. This section was manned by two workers.

Checking

After the wares were dried, they were transferred to the checking section or station. Only those wares which passed through this check will proceed to the glazing area.

The following steps were taken in the checking station.

- i) To inspect greenwares for defects - e.g.. shape distorted, chipped, etc.

- ii) To deseam all corners with a scraper - to ensure that the shape of the ware is correct.
- iii) To apply Kerosene for all critical areas to detect crack, if any.
- iv) To sponge the ware to remove all foreign matters which may include dirt, particles, etc.

The objective of this process is to impose quality control by screening through the greenwares at this early stage in order to avoid greater loss in the final stage which could be costly. The defective wares detected were rejected and sent back to the slip section for recycling. It was reported in the monthly production performance report that the rejection rate at the checking point was about 10%. Again, similar to the rejects at casting stage, the labour and production overhead incurred were taken as a loss as the wares would have to be recycled. This abnormal production loss partly contributed to the poor performance of GP.

Due to the labour shortage, the headcount in this section was reduced to 9 from the original 16.

Glazing

The glazing was to smooth out the surface of the wares. It also provided aesthetics and glossiness to the wares. The spray procedures were as follows:

- i) To inspect the wares in order to ensure that only good wares were sprayed with glaze.
- ii) To adjust spray gun to medium pressure.
- iii) To spray the internal part of the ware.
- iv) To spray the rim of the ware.
- v) To inspect the ware (glazed) for defects.

vi) To transfer ware to gas kiln trolley for firing.

Spraying needed skill as well. Excessive glazing caused waste and too thick a glazing would add extra weight to the ware.

Firing

The firing section was the heart of the production processes. All the glazed wares were transferred to the gas kiln by kin car. Each firing can accommodate up to 450 pieces. The maximum heat used was 1,200°C and the complete cycle 'cool to cool' firing took about 17 hours. After the firing, the wares were removed from the gas kiln.

There were 26 firings in a month. It was possible to produce about 10,000 wares when the rejection rate was lower than 10% in a good month. However, the production record showed the factory was having problem currently, and the through put was low with only 9,000 wares produced monthly. Cracks were common defects experienced on the fired wares. The high rejection rate normally occurred on wash basin and sitting pan. The reason being these two models had more curves and edges in the product design and were prone to shapes being distorted in the firing process. Squatting pan, however, had higher yield due to its simplicity in design.

Final Inspection

After firing, the fired wares were sent to the final inspection station. The wares were thoroughly inspected to ensure that no cracks or pin-holes formed on the wares. It was common to do minor touch-up on small cracks and the affected wares were sent back to kiln for refiring. This additional step in refiring bore extra cost. It was also the requirement of SIRIM that the wares should not have more than 3 pin-holes. Wares failed the final inspection would be scrapped and thrown away.

However, all finished wares irrespective of good or defective wares were recorded for control purpose. The Manager would verify and authorise to scrap these defective wares.

The good wares were sent to the open area for storage immediately.

All processes were important. To obtain the best yield for throughout, the production efficiency right from process 1 (slip preparation) to the last process 'firing' must be maintained.

4. THE PRODUCTION MIX

GP was supposed to produce the wares with the following ratios:

| | % | Average production per month (units) |
|--|------------|---|
| Squatting pan | 50 | 4,700 |
| Sitting pan (Pedestal) | 30 | 3,000 |
| Wash Basin | 15 | 1,500 |
| Others (Urinal bowl, soap dish, etc.) | 5 | 300 |
| | ----- | ----- |
| | <u>100</u> | <u>9,500</u> |

The HT Marketing requested for the above production mix because it was in accordance with the market demand of the various types of products, in the market place. All products manufactured were sold to HT marketing.

The above production ratio was fixed by HT marketing. As for GP, Mr Tan, the Factory Manager, mentioned that if he had his way, he would only produce squatting pans which were easy to make because they had high yield in output. The

reason being they were less bulky and the design was simpler compared with wash basin and sitting pan.

Pedestal and wash basin were heavy and they had more contours (curves) which made the design more complex. The complexity also demanded higher skill in casting the wares. The workers found these two products more difficult to handle and that was why Mr Tan had never been happy to accept the production ratio imposed by HT Marketing. He considered that ratio of 45% for pedestal and wash basin fixed by HT Marketing was too high. However, to satisfy the market demand, HT Management insisted that GP must produce what the customers wanted and not what GP could or wanted to produce. In turn, HT Marketing with the support of its Management had instructed Mr Tan to find a permanent solution to the technical problems faced in the production of pedestal and wash basin.

Hitherto, GP still reported very low yield for these two products and it was very obvious that Mr Tan had not yet found the answers to the production problems.

5. PRODUCTION FACILITIES IN GP

Most of GP's existing production facilities and systems were designed in the late seventies. Management had not upgraded them except the conversion of the electric kiln to the gas kiln. These facilities and systems did not meet today's competitive manufacturing requirements as reported by the external consultant. The maintenance cost of such old facilities and systems were high. In 1994 and 1995 GP spent RM145k and RM188k respectively for maintenance alone. Mr Tan had submitted a capital expenditure of RM205,000 to upgrade the equipment in 1997 and was still awaiting approval.

According to him, the upgrading and replacement of equipment would improve production efficiency.

GP had an English made Kiln (gas) purchased in 1994 at a cost of RM1.4 million. It was described as the heart of the factory. For the past one and a half years, it worked efficiently and effectively without any major technical hitches. According to the kiln manufacturer which was based in England, this kiln had the capacity to produce 15,000 pieces of big ware per month with forty (40) firing cycles. However, GP's infrastructure was not built and designed to achieve the firing of 15,000 wares a month. Currently, with the existing production facilities such as working moulds, drying chamber, kiln cars etc., the factory could only cast 10,000 wares for firing a month. It was obvious that the kiln was under-utilised.

It was reported in the recent feasibility study that if the factory were to fully utilised the gas kiln for firing 15,000 wares a month which was at its maximum capacity, the following additional facilities were needed with the estimated total investment cost of RM400,000.

| | Description | Quantity | Estimated Cost RM |
|----|---------------------------------------|-----------------|------------------------------------|
| 1. | Kiln Car with furniture | 4 units | 200,000 |
| 2. | Standby Generator | 1 unit | 75,000 |
| 3. | Ball Mills - 2 toner | 1 unit | 30,000 |
| 4. | Raw Material Storage - 85' x 46' x 8' | 1 unit | 15,000 |
| 5. | Mould Drying Chamber - 20' x 40' x 8' | 1 unit | 15,000 |
| 6. | Slip Storage Pit | 1 unit | 10,000 |
| 7. | Glaze Tank with stirrer | 2 units | 10,000 |
| 8. | Other minor equipment and system | | 30,000 |
| | Total Expenditure | | 400,000 |

The gas kiln was being depreciated over ten years period with an annual depreciation charge of RM140,000. The purchase was fully financed by three year

term loan and it would be fully repaid in 1997. It was fully computerised in terms of heat regulation and firing reports were churned out at intervals for evaluation and control purpose. The Manufacturer advised that minor repairs of the kiln could be handled by the local engineers, but they should be given the first hand knowledge in case of major breakdown as the technical structure of the kiln was complex and the local consultants may not have adequate expertise to provide the services.

The energy used was gas and the heat required to fire the ware was 1300°C. The consistent temperature must be maintained in order to ensure the wares were evenly fired. It could accommodate about 450 wares at each firing.

6. FINANCIAL HIGHLIGHTS

Production (Pieces)

| | 1994 | % | 1995 | % | 1996 | % |
|---------------------------------------|--------------|--------------|---------------|--------------|---------------|--------------|
| Squatting Pan | 47150 | 50.4 | 59731 | 54.3 | 52975 | 52.8 |
| Wash Basin | 24095 | 25.7 | 28767 | 26.2 | 23030 | 22.9 |
| Sitting Pan | 16337 | 17.5 | 13156 | 12.0 | 18689 | 18.6 |
| | <u>87582</u> | 93.6 | <u>101654</u> | 92.5 | <u>94694</u> | 94.3 |
| Others (Urinal bowls Soap holders) | 6031 | 6.4 | 8284 | 7.5 | 5726 | 5.7 |
| Total Output | 93613 | 100.0 | 109938 | 117.4 | 100420 | 107.3 |

Note: The percentages (%) denoted the quantity of individual product manufactured against the total output in the years under review.

The Profit Margin of GP's Products (per piece) 1996

| | Selling Price | Cost Price | Gross Profit | GP% |
|--------|----------------------|-------------------|---------------------|------------|
| SQ | 18.20 | 11.90 | 6.30 | 34.6 |
| WB | 28.40 | 26.70 | 1.70 | 6.0 |
| SP | 37.70 | 31.50 | 6.20 | 16.4 |
| Others | 30.00 | 17.60 | 12.40 | 41.3 |

Note: SQ - Squatting Pan
WB - Wash Basin
ST - Sitting Pan
Others - include urinal bowls, soap holders, etc.

As explained earlier, it was easier to manufacture squatting pan because its design was simpler when compared with wash basin and sitting pan. Due to the simplicity of design, less damages and defects occurred and thus the production yield was high for squatting high. This explained the higher gross profit at 34.6% earned for squatting pan. As for wash basin and sitting pan, the profit margin was lower at 6.0% and 16.4% respectively.

7. THE CHARACTERS & QUALITIES OF THE FACTORY PERSONNEL

i) **The Factory Manager**

As mentioned earlier, Mr Tan, the Factory Manager, had about 15 years of clay and ceramic manufacturing experience. It was, however, worthwhile to note that his

experience was not really related to the sanitaryware manufacturing. He was involved in the porcelain figuring and utensils manufacturing which were quite close to the GP's business but they were not exactly similar. When the previous Manager left GP, the Management was under pressure to recruit someone urgently and it was under this desperate condition that Mr Tan was employed to take on the job. Mr Ting had on several occasions mentioned in the Board meeting that recruiting Mr Tan was a mistake and his experience did not match with the job which he was supposed to do. Mr Ting further warned the HT Management that Mr Tan stayed in Penang whereas the factory was in Gurun. He had to travel about 100 km to and fro to work every day and this was a very strenuous thing to do.

Judging from the unsolved technical problems on hand, it proved that Mr Tan was not a suitable person to run GP. GP Board now suspected Mr Tan's technical competency and contemplated on how to approach him to sort out the problems once and for all.

Recently, Miss Lim, the Accounts & Administrative Executive, had reported to Mr Ting confidentially that there were several telephone calls from the banks asking for Mr Tan. The calls became more frequent and unfriendly when Mr Tan did not respond to the Bankers' calls. One of the Bankers who happened to be KP's banker confided to Miss Lim that Mr Tan had overdrawn his account and had a few cheques dishonoured due to insufficient funds.

Miss Lim also reported that this incident was only the tip of the ice berg. The officer of American Express came to the factory to look for Mr Tan but was very disappointed to leave empty handed, when he found out later that Mr Tan was on medical leave even though he (Tan) had promised to settle the outstanding amount on the stipulated appointment date. He revealed to Miss Lim that Mr Tan owed American Express a few thousand ringgit and the amount had been outstanding for

more than a year. He also said that American Express would initiate legal action against Mr Tan soon.

Mr Tan credibility was further impaired when two production workers lodged verbal complaints to Miss Lim that Mr Tan had borrowed some money from them six months ago but never returned the loans to them until today. When asked to lodge the official complaint to the Management, they were not willing to do so for fear of victimisation by Mr Tan.

Gurun is a little close knit town and everybody seemed to know each other pretty well. It was very embarrassing that Mr Tan was nicknamed the "beggar of Gurun with jacket". In the local context, it just meant that though Mr Tan was a Manager, he was actually a beggar because he borrowed from everyone in Gurun practically. It was an irony that the suppliers of GP refused to deliver the accessories and parts to GP for the reason that Mr Tan had openly asked for overriding commission for the purchases.

As all the creditors went after him, Mr Tan had no choice but to dodge them. This resulted in his high absenteeism in the factory. His bad work attitude went unnoticed because Miss Lim did not openly inform Management for fear of being snarled by Mr Tan. However, the incidents of absenteeism was finally uncovered when Mr Ting failed to get hold of Mr Tan on several occasions. Out of respect, he was verbally warned to turn over a new leave. Old habits die hard. Mr Tan was deeper and deeper into debts, he now had the habit of producing a medical chit each time he did not turn up for work.

Human Resource Department concluded that there was a leadership crisis in GP and it could not take immediate action to dismiss Mr Tan for lack of official warning in writing. The Board had been told that GP must build up the case of Mr Tan in

order to take disciplinary action on him and subsequently follow up with dismissal action.

ii) Production Supervisors and Other Senior Staff

All the production supervisors had been working in GP for more than 15 years. They stayed within a radius of 2 km from the factory and all of them relied on bicycles or motorcycles as their transports. By nature, they were shy and reticent and their presence was often went unnoticed. This was obvious when the Directors visited GP, they (the Directors) hardly walked into the factory floor to pay a courtesy visit or talk to the supervisors. However, it was an undeniable fact that they were the most important people who had influence on the production results for the reason that they had direct access to the production workers. To further understand the manpower structure and its long term succession planning the following particulars of the production supervisors' served as useful information.

Mr Chuah Ah Lek, 37 years old, was in-charge of stocks, taking orders from HT branches and arranging transportation for deliveries. It was also his responsibility to ensure that all finished goods taken into the store were in good saleable conditions.

Mr Chuah had been in the Company for 20 years. He had secondary education level. Due to his nature of work involving inspection of wares before accepting them into stocks, he had gained tremendous knowledge about the production processes and management by asking many relevant questions in the last twenty years. In 1993, when the former Factory Manager, Mr Wong, was on two months leave, he deputised the position without any hitches. He also received training in manufacturing processes of GP in 1994. The reason for training him was to prepare

him to take over Mr Wong's position when he (Mr Wong retired). However, the plan did not take off when Mr Wong retired in 1995 because the Board was of the opinion that Mr Chuah was too young (at that time he was 35) and his present career background was not suitable for production job, especially when the job required leadership quality. It was under the circumstances that the present Factory Manager, Mr Tan, was recruited for the position.

In actual fact, the feedback from the HT accountant who paid regular visits to GP confirmed that Mr Chuah was a respectable head in the Factory. Being the most senior person in terms of services, he had developed an informal relationship with majority of the workers and they looked upon him as a leader. They confided to him about the production problems and their personal matters. It was revealed by the workers that they respected him partly because he was born and bred in Gurun. He knew the local community well. Mr Chuah was diligent, efficient and responsible to his job. He also showed his eagerness to learn and take on whatever assignment were given to him by the Management.

The other executive was **Miss Lim Poh Lian**. She was **32 years old** and had been with the Company for 8 years. Like Mr Chuah, she also received her education up to secondary level. A very intelligent lady, but due to the poor family background she was deprived of continuing her further study. She was very quick in understanding the basic issues and she always had answers to all those problems which were under her territory. She was also in charge of the production workers' payroll and their welfare such as medical matters and organising outing activities. She mingled well with all the workers. Despite her humble upbringing, she was very outspoken on any issues relating to the workers' welfare and the production matters. Recently, she recommended to HT Management that the older workers be transferred to areas which were not that physically taxing and she spoke confidently

that this small adjustment would produce better production results. Management took her advice and she was proven correct when the older workers became more enthusiastic and productive in their new jobs.

Her positive work attitudes augured well with Mr Chuah's. It appeared that both of them shared the same goal for the company, that was to contribute their best in order to see that GP restored to profitability. On the other hand, both of them had confided to HT accountant that GP would never recover as long as it was under Mr Tan's administration. They could not work well with Mr Tan because the latter lacked leadership qualities. They complained that besides his technical incompetence, he disappeared from the office often. He also issued conflicting directives to Mr Chuah and Miss Lim often.

Miss Teh Bin Leng, 46 years old and she had been in GP for 20 years. She was now a floor supervisors responsible for casting, checking, glazing and drying. She had 31 workers under her. She had only little education and like other workers, she communicated in Chinese and Bahasa Melayu. She was the most experienced and skilled supervisor as reported by Mr Wong, the previous manager. But, Mr Tan thought otherwise. She mentioned to other supervisors that Mr Tan resented her because she knew the production processes better than him. Since Mr Tan took over the factory, he had not spoken anything good about Miss Teh in the Management Meeting. When asked about Miss Teh's performance by Management, Mr Tan would normally avoid any comments. However, the feedback from the co-workers gave good remarks about Miss Teh on her interpersonal skills and production knowledge. Miss Teh lamented to her workers that it was difficult for her to ask for better incentives for them because she was not in the good books of Mr Tan. In fact, Miss Teh was demoted by Mr Tan once for a trivial production hiccup caused by her, but, she was subsequently reinstated after Management's

interference. The workers commented that Mr Tan had fear on Miss Teh because the latter considered her a threat in his career with GP. On the other hand, Miss Teh expressed to Management that she may leave GP as she could not stand Mr Tan's sarcastic remarks on her for no apparent reasons. He also yelled at her for some small mistakes made by her workers. She reported to Management that Mr Tan purposely humiliated her with the ultimate motive of squeezing her out of the factory.

In the kiln section, there was a supervisor named **Mr Ooi Keng Huat, 35 years old** and he had been in GP for 13 years. He was educated up to Form Three level. His main duties were to set-up the kiln and ensure that the temperature in the kiln was evenly distributed during the firing. The kiln was programmed by computer and he worked in accordance with the procedures laid down by the kiln engineer. He complained that Mr Tan liked to meddle with the kiln when he (Mr Ooi) was not around. As shown in the kiln and production records, there was one incident whereby one full load of wares were over-baked because Mr Tan wrongly adjusted the temperature of the kiln. He said that the adjustment was not necessary at all as the indicator did not signal warning on abnormality in temperature. This particular incident cause RM10,000/= production loss as reported by the account section. Mr Ooi did write to Management spelling out he could not discharge his duties effectively unless the Management put a stop to Mr Tan's interference on the operations of the kiln. He cited the reason that Mr Tan was not trained on how to operate this gas kiln and as such he should not interfere with its operations at all. Since that incident, Mr Ooi hardly talked to Mr Tan.

The other important section was raw material which was manned by Che' Ismail as supervisor. **Che' Ismail was 47 years old** and he had been in GP for twenty one years. Based on the personal records, he received six years education in Gurun. He was extremely hardworking as commented by his peers. His main duty was to