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Exploring Strategic Management Elements that Influence Productivity in the Manufacturing Industry

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Abstract

This paper explores the strategic management elements influencing productivity within Malaysia's automotive manufacturing sector, focusing on a case study of Proton Holdings Berhad in Tanjung Malim. Through a qualitative case study approach involving two senior managers from the Human Resources and Operations departments, this study uncovers how strategic goal setting, human capital development, technological integration, and structured communication enhance organizational productivity. The findings are analyzed in light of Total Quality Management (TQM) principles, particularly Kaizen, PDCA cycles, and continuous improvement culture. The study reveals that effective integration of strategic elements improves decision-making, fosters innovation, and builds a proactive organizational culture. This research contributes to a deeper understanding of practical strategic implementation within automotive firms and provides policy insights for national industrial advancement

1. Introduction

Productivity challenges within the automotive manufacturing sector remain a significant concern despite the industry's strong contribution to Malaysia's economic development. Although the sector continues to support technological advancement and national output, recent trends indicate that productivity performance has not improved consistently (Zhu & Xu, 2021).

One of the main factors contributing to this situation is the ineffective implementation of strategic management practices at the organizational level. Weak alignment between long-term strategies and daily operational processes, limited employee involvement in continuous improvement activities, and inadequate integration of modern technologies often reduce the effectiveness of strategic decisions (Grynko et al., 2024). These shortcomings not only slow down innovation but also restrict the overall productivity potential of automotive manufacturers (Burciaga-Alarcón et al., 2024).

Although previous studies have examined general aspects of strategic management, there is still insufficient empirical evidence on how specific strategic components such as human resource practices, communication mechanisms, and technological support directly influence productivity in real organizational settings. This gap is particularly evident in fast-paced and competitive manufacturing environments where productivity improvement is crucial for long-term sustainability (Adham et al., 2023).

Given these limitations, this study investigates the influence of key strategic management elements on productivity within the automotive manufacturing sector through a case study of Proton Holdings Berhad. As Malaysia's national automotive company, Proton provides a relevant context for analysing practical challenges in strategy implementation and identifying best practices that can support sustainable productivity improvement and organizational performance.

1.1 Research Questions

There are four research questions in the study conducted. The research question for this study covers the following aspects:

i. What are the strategic management elements that influence productivity in the manufacturing industry?
ii. How do human resource elements in strategic management contribute to productivity improvement in the manufacturing industry?
iii. How does the use of technology as an element in strategic management affect productivity in the manufacturing industry?
iv. How does communication in strategic management influence productivity effectiveness in the manufacturing industry?

1.2 Literature Review

Strategic management has emerged as a critical factor in ensuring the sustainability and competitiveness of organizations, particularly in dynamic sectors such as manufacturing. Grynko et al. (2024) emphasize that robust strategic planning and systematic implementation are key in enhancing operational efficiency and resource management in entrepreneurial organizations. In this context, organizations must adapt their strategies to align with technological advancements and global market demands. Putra et al. (2023) also suggest that effective strategic leadership contributes to higher productivity and innovation, especially when coupled with a culture that supports learning and adaptability.

In the manufacturing industry, the adoption of modern technologies such as ERP systems, automation, and artificial intelligence has been identified as a catalyst for improved output, error reduction, and enhanced quality control (Gubanova & Efremova, 2023).

From the human resource perspective, Hussain et al. (2023) highlight the importance of training, employee engagement, and job satisfaction as essential factors supporting effective productivity strategies. Furthermore, Ghanbari et al. (2023) assert that effective organizational communication, particularly through digital channels and transparent reporting systems, enhances interdepartmental collaboration and accelerates the execution of strategic decisions.

Although numerous studies have investigated strategic management practices across various sectors, contextual studies within the Malaysian automotive manufacturing sector remain limited. Therefore, this study seeks to bridge this knowledge gap by examining in depth the implementation of strategic management practices at Proton Holdings Berhad, and how elements such as strategic planning, technology, communication, and human capital development influence organizational productivity.

2. Methodology

This study employed a qualitative case study design to explore how strategic management elements influence productivity in the Malaysian automotive manufacturing sector. Proton Holdings Berhad was selected as the case organization due to its ongoing implementation of various strategic transformation initiatives. A qualitative approach was deemed suitable for understanding the complex phenomena occurring within real organizational contexts, as supported by prior research in the TVET domain (Nordin et al., 2022).

2.2 Research Design

A qualitative case study design was adopted to investigate strategic management practices affecting productivity in an automotive manufacturing organization. This approach allowed the researcher to gain an in-depth understanding of the real-life context and participants' perspectives without relying on statistical measurements. Data were collected through semi-structured interviews with individuals from various departments in the selected organization. The researcher served as the primary instrument, demonstrating reflexivity and flexibility in response to participants' input. The effectiveness of case studies in understanding complex phenomena holistically has been emphasized by Gustafsson (2024) and Hussein (2023). Written consent and adherence to research ethics were ensured before the interviews were conducted.

2.3 Research Implementation Process

The research process began with the identification of key issues, followed by the formulation of research questions aligned with the study's objectives. The research design was developed, covering data collection methods, participant selection strategies, and data analysis techniques. A semi-structured interview protocol was created as the primary tool for data collection and was reviewed by subject matter experts to ensure reliability and relevance. Participants were selected based on criteria aligned with the study objectives. Data were collected via semi-structured online interviews using flexible digital platforms (Shuib, 2018; Jones et al., 2022). Adjustments were made if data collection faced any obstacles. Subsequently, data were transcribed and manually analyzed

using thematic coding. This process enabled the researcher to identify patterns and meanings in participant narratives. Finally, the findings were synthesized reflectively to provide a comprehensive understanding of the research issues and contribute to knowledge in strategic management.

2.4 Sampling Method

Purposive sampling was used in this study. This technique involves selecting participants expected to provide in-depth, relevant, and diverse insights consistent with the research objectives (Bhardwaj, 2019). It is often applied in studies that aim to understand complex organizational dynamics, particularly among professionals (Jouaville et al., 2021). As a non-probability sampling method, participants were chosen based on the researcher's judgment, considering their knowledge level, relevant experience, and willingness to engage openly in the interviews and respond to all research questions.

2.5 Data Collection Method

Data were gathered through semi-structured interviews involving two key informants from the operations and human resources departments. Purposive sampling ensured the inclusion of individuals directly involved in strategic planning and execution. Each interview lasted 45 to 60 minutes, was audio-recorded with participant consent, and transcribed verbatim. This approach aligns with qualitative research practices that emphasize understanding from participants' viewpoints (Mohamad et al., 2022).

2.6 Data Analysis Method

Thematic analysis was used to analyze the interview transcripts and identify key emerging themes. Open and axial coding techniques were employed to develop categories and link themes according to the research objectives. The analysis process was guided by the Total Quality Management (TQM) framework, which facilitated mapping of strategic practices to principles such as continuous improvement, employee involvement, and performance monitoring (Zainuddin & Halim, 2022).

2.7 Research Instrument

The researcher functioned as the primary instrument in conducting in-depth interviews (Othman Lebar, 2018). This role required sensitivity to context and the ability to interpret participant responses accurately (Merriam & Tisdell, 2016). To support this role, a semi-structured interview protocol was developed based on previous studies and expert input. This protocol ensured that discussions remained relevant and aligned with the research questions.

The interviews were conducted online using mutually agreed-upon digital platforms at convenient times. Audio recordings were used to ensure data accuracy for analysis. This combined approach enabled the collection of in-depth, systematic data aligned with the research objectives.

3. Results and Discussion

This section presents the findings based on four main research questions outlined earlier. Each question is explored through key themes that emerged from the thematic analysis of in-depth interviews with two participants from Proton Holdings Berhad.

3.1 Strategic Management Elements That Influence Productivity in the Manufacturing Industry

This study identified five major themes related to strategic management elements that influence productivity in the automotive manufacturing sector. These themes were derived from thematic analysis of interviews with two informants from management and operations at Proton Holdings Berhad. The findings illustrate how strategic management elements affect organisational productivity in this context.

Both participants highlighted that specific and measurable goal planning serves as the backbone of organisational achievement. Goals are formulated annually based on the corporate strategic plan and are translated into departmental KPIs. Performance is monitored quarterly, enabling management to assess progress and make adjustments when necessary. This element is considered fundamental in aligning objectives across all levels of the organisation (Grynko et al., 2024). Findings also show that organisations must be agile in adapting strategies to technological shifts, consumer trends, and market demands. For instance, in response to disruptions in global supply chains, management promptly reevaluated production planning and adjusted procurement strategies. Such adaptations are not only crucial for operational continuity but are also seen as critical to maintaining competitiveness (Putra et al., 2023).

Successful strategy implementation requires clear direction and comprehensive understanding among all employees. According to participants, management plays a key role in articulating strategic objectives to frontline

staff through monthly briefings, town halls, and internal digital platforms. Regular evaluations are conducted to ensure alignment between planning and actual execution (Hussain et al., 2023). Effective and systematic internal communication supports the implementation process. Both participants stated that Proton maintains a structured communication framework, including weekly reporting, the use of ERP systems for real-time information sharing, and cross-departmental meetings. These approaches enhance transparency and enable swift action when needed (Ghanbari et al., 2023).

Performance monitoring is based on predefined metrics aligned with departmental strategies. Performance reports are automatically generated through the management information system and reviewed during monthly management meetings. These assessments help identify performance gaps and appropriate interventions to improve strategic execution (Gubanova & Efremova, 2023). In summary, the study reveals that effective strategic management in the manufacturing sector requires a combination of clear planning, adaptability, strong internal communication, and efficient monitoring systems. These elements complement each other and directly contribute to improved organisational productivity (Grynko et al., 2024; Putra et al., 2023; Hussain et al., 2023; Gubanova & Efremova, 2023; Ghanbari et al., 2023).

3.2 Human Resource Practices as a Strategic Element and Its Impact on Productivity

The findings indicate that placing employees in roles that match their skills and experience has a direct impact on operational effectiveness. Both participants emphasized that proper task matching reduces errors and increases productivity. This aligns with Nurul & Haron (2021), who noted that strategic job placement maximises employee potential. The organisation also provides contextual training tailored to departmental needs and actual job functions. Such training enhances technical competencies and accelerates employee adaptation to new systems or technologies. This is consistent with Ismail & Rahmat (2022), who found that targeted training improves job performance.

Additionally, the practice of two-way communication between management and employees fosters a collaborative work environment. Participants stated that involving employees in strategic discussions increases motivation and accountability. Zulkifli & Ahmad (2023) also found that inclusive communication positively impacts job satisfaction and productivity. Participants agreed that reward systems such as performance bonuses, employee recognition, and promotions play a vital role in maintaining morale and performance. These strategies have proven effective in reducing turnover and enhancing organisational loyalty. Liew & Tan (2023) supported this view, stating that recognition is strongly linked to improved productivity.

These findings suggest that human resources are a critical asset in implementing impactful strategic management. Targeted placement, contextual training, open communication, and fair reward systems are essential elements that contribute to organisational performance.

3.3 The Use of Technology in Strategic Management and Its Impact on Productivity

Technology serves as a key enabler in executing organisational strategies efficiently. The study found that systematic digital coordination has streamlined several management processes, such as inventory monitoring, production scheduling, and supply chain tracking. Proton's ERP system enables real-time data sharing across departments, which accelerates decision-making and reduces operational delays (Anderson et al., 2023).

Technology has also helped establish more systematic and focused workflows. Standardised processes through automation and computerised systems have reduced dependence on manual labour and improved production accuracy. This has led to lower operational costs and more consistent production outputs (Rahim & Lee, 2022).

Technology further acts as a motivational tool, particularly for younger staff who are more inclined towards digital systems. Participants noted that high-tech work environments create enthusiasm and engagement. Interactive internal applications used for performance tracking have enhanced accountability and employee involvement in achieving organisational goals (Tan et al., 2023). Overall, the findings indicate that integrating technology into strategic management not only enhances operational efficiency but also strengthens the organisation’s competitiveness in an increasingly challenging global market.

3.4 Communication as a Strategic Element in Enhancing Productivity

Communication is identified as a critical factor in the successful implementation of strategic management within manufacturing organisations. Findings show that effective communication between management and employees is fundamental to clear understanding of the organisation’s strategic direction. Both participants shared that Proton employs various communication channels such as dialogue sessions, departmental meetings, and internal applications to ensure timely and accurate information dissemination (Ahmad et al., 2023).

Feedback is also seen as a key component in ensuring the effectiveness of two-way communication. Participants stated that regular feedback practices help management understand operational-level challenges and

adjust strategies accordingly. Yusuf & Hamzah (2022) found that constructive feedback enhances managerial effectiveness and employee morale.

Strategic clarity is another key communication element. According to the participants, management consistently emphasises clarity at every stage of strategy implementation through written guidelines and regular briefings. This helps minimise confusion and ensures all departments move toward the same goals. These findings align with Lim & Fauzi (2023), who highlighted the importance of communication clarity in achieving organisational alignment. In summary, strong communication, continuous feedback, and strategic clarity are key drivers of productivity through transparent and systematic strategic management.

4. Conclusion

Overall, this study emphasises the significant role of strategic management elements in enhancing productivity within Malaysia's automotive manufacturing sector. Five main themes emerged through interviews with experienced informants: clear goal setting, strategic adaptability, clarity in execution, effective internal communication, and systematic performance monitoring. Additionally, human resource aspects including targeted placement, contextual training, inclusive communication, and equitable reward systems were identified as key enablers of successful strategy implementation. The organisation's ability to comprehensively apply technology, from ERP systems and automation to digital employee engagement, has further strengthened daily operations and provided a substantial competitive advantage. Findings also highlight that strategic communication between management and employees is central to organisational success. Clear strategy dissemination, ongoing feedback, and diversified communication channels have accelerated alignment processes and increased employee engagement in achieving corporate objectives. With a strong combination of strategic planning, technology integration, human resource development, and robust internal communication, organisations can strengthen operational efficiency and remain competitive in a dynamic global business environment. This study hopes to serve as a guide for managers and policymakers in shaping more effective and sustainable strategic management practices for Malaysia's manufacturing sector.

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Conflict of Interest

Authors declare that there is no conflict of interest regarding the publication in relation to the research, authorship, and publication of the paper.

Author Contribution

This journal requires that all authors take public responsibility for the content of the work submitted for review. The contributions of all authors must be described in the following manner:

The authors confirm contribution to the paper as follows: ***study conception and design****: Nur Syamimi Abdullah, Kahirol Mohd Salleh;* ***data collection****: Kahirol Mohd Salleh;* ***analysis and interpretation of results****: Nur Syamimi Abdullah, Kahirol Mohd Salleh;* ***draft manuscript preparation****: Kahirol Mohd Salleh. All authors reviewed the results and approved the final version of the manuscript.*

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