

STRATEGIC HUMAN RESOURCE PLANNING FOR WORKFORCE SUSTAINABILITY IN TRADITIONAL MANUFACTURING SMES: A CASE STUDY OF SYARIKAT SALMI HJ. TAMIN SDN. BHD.

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Abstract: Rapid digitalisation, intensifying market competition, evolving regulatory requirements, and workforce transitions have increased the strategic importance of human resource management in sustaining organisational competitiveness. Traditional manufacturing small and medium-sized enterprises (SMEs) face the additional challenge of preserving organisational heritage while developing the workforce capabilities required for future business environments. This study explores the strategic human resource planning practices of Syarikat Salmi Hj. Tamin Sdn. Bhd., a long-established Malaysian food manufacturing company best known for its Kicap Tamin brand. A qualitative case study approach was employed, using a semi-structured interview with the Human Resource Manager, supported by organisational observations, company documents, and secondary sources to achieve data triangulation. The findings reveal that the company places considerable emphasis on workforce continuity, operational stability, food safety compliance, and employee loyalty. From the Resource-Based View (RBV) perspective, long-serving employees constitute valuable strategic assets because their tacit knowledge supports product quality, operational consistency, and sustained competitive advantage. Nevertheless, the study identifies several strategic gaps, including limited digital skills development, the absence of systematic workforce forecasting, insufficient integration of lifelong learning, and a lack of structured reskilling initiatives. The findings suggest that sustainable workforce transformation requires organisations to balance the preservation of institutional knowledge with continuous capability development. Accordingly, the study proposes a strategic human resource framework that integrates workforce planning, reskilling, performance alignment, and lifelong learning to strengthen future workforce sustainability. This study contributes to the Strategic Human Resource Management literature by providing practical insights into how traditional Malaysian manufacturing SMEs can strategically develop future workforce capabilities while preserving organisational heritage and maintaining competitive advantage.

Keywords: Strategic Human Resource Management, Future Skills, Workforce Planning, Lifelong Learning, Reskilling, Manufacturing SMEs Malaysia

1. Introduction

Rapid technological advancement, digitalisation, global competition, regulatory changes, and evolving workforce expectations have transformed the business environment, compelling organisations to rethink how they develop and sustain their human capital. Human resource management is no longer viewed as an administrative function but as a strategic capability that enables organisational resilience, innovation, and long-term competitiveness. Consequently, Strategic Human Resource Management (SHRM) has become increasingly important in aligning workforce capabilities with organisational strategy, responding to environmental change, and supporting sustainable organisational performance.

The demand for a future-ready workforce has further reinforced the strategic role of SHRM. Organisations are expected to cultivate employees who possess not only technical competence but also digital literacy, adaptability, collaboration, and continuous learning capabilities. These challenges are particularly significant for small and medium-sized enterprises (SMEs), which often operate with limited financial and human resources. Nevertheless, SMEs remain the backbone of Malaysia's economy, contributing substantially to employment, industrial development, and national economic growth. Their long-term sustainability, therefore depends on developing workforce capabilities that enable organisations to remain competitive in an increasingly dynamic business environment.

Among Malaysian SMEs, food manufacturing enterprises occupy an important position because they support domestic food security, preserve local culinary heritage, generate employment, and contribute to export earnings. However, these enterprises operate in an increasingly demanding environment characterised by changing consumer preferences, stricter food safety regulations, technological advancement, and increasing expectations for productivity and operational efficiency. While many traditional food manufacturers continue to rely on well-established production methods, they are also under growing pressure to modernise their operations without compromising product authenticity or organisational identity.

The emergence of Industry 4.0 and digital transformation has intensified the need for new workforce capabilities within traditional manufacturing organisations. Employees are increasingly expected to utilise digital technologies, manage data effectively, communicate across functional boundaries, and adapt to changing production systems. However, many traditional manufacturing SMEs continue to depend on experienced employees whose expertise is largely based on tacit knowledge accumulated through years of practice rather than formal digital competencies. Balancing the preservation of this valuable organisational knowledge with the development of future-oriented skills represents one of the most significant strategic challenges facing heritage manufacturing SMEs.

Workforce ageing and succession planning further complicate this challenge. Long-serving employees possess extensive institutional knowledge that supports product quality, operational consistency, and organisational performance. In traditional food manufacturing, where production techniques are often experience-based and difficult to codify, such tacit

knowledge constitutes a valuable strategic resource that is not easily replicated by competitors. From the Resource-Based View (RBV), these unique capabilities represent a source of sustainable competitive advantage (Dasuki, 2021; Mailani et al., 2024). Failure to retain and transfer this knowledge may therefore weaken organisational capability and long-term competitiveness. At the same time, organisations must complement knowledge retention with continuous workforce development. Lifelong learning, systematic reskilling, and structured workforce planning have become essential components of sustainable human resource strategies. These initiatives not only enhance employee competencies but also strengthen organisational adaptability, innovation, and resilience in response to changing market conditions.

Consumer expectations have also evolved considerably in recent years. Digital marketing, social media engagement, sustainability concerns, and changing purchasing behaviour have reshaped the competitive landscape of the food industry. Traditional food manufacturers are therefore required to integrate modern business practices including digital technologies, branding, customer engagement, and collaborative innovation while preserving the authenticity and heritage that differentiate their products. Achieving this balance requires a workforce equipped with both traditional expertise and future-oriented competencies.

Although the literature on SHRM has increasingly emphasised future skills, digital transformation, and workforce sustainability, relatively little attention has been given to how traditional Malaysian food manufacturing SMEs manage workforce transformation while preserving organisational heritage and tacit knowledge. Existing studies have predominantly focused on large organisations or technology-intensive industries, leaving an important gap in understanding the strategic human resource challenges confronting traditional manufacturing SMEs. This study addresses this gap by examining the strategic human resource planning practices of Syarikat Salmi Hj. Tamin Sdn. Bhd., a long-established Malaysian food manufacturing company best known for its Kicap Tamin brand. Established in 1951, the company represents a heritage-based manufacturing enterprise that is gradually modernising its operations while maintaining product authenticity, organisational identity, and accumulated institutional knowledge.

Accordingly, this study pursues the following objectives:

1. To explore the future workforce challenges faced by a traditional Malaysian food manufacturing SME.
2. To analyse existing human resource practices that support organisational continuity and workforce sustainability.
3. To identify strategic human resource gaps related to future skills development and lifelong learning.
4. To propose strategic human resource initiatives that strengthen workforce transformation, knowledge retention, and organisational sustainability.

This study contributes to the SHRM literature by extending the application of the Resource-Based View to traditional manufacturing SMEs. It demonstrates how employees' tacit knowledge, accumulated experience, and organisational commitment constitute

valuable strategic resources that support sustainable competitive advantage. Furthermore, the study provides practical insights into how workforce planning, lifelong learning, reskilling, digital capability development, and knowledge transfer can be strategically integrated to facilitate workforce transformation while preserving organisational heritage. The proposed strategic human resource framework offers practical guidance for traditional manufacturing SMEs seeking to enhance workforce sustainability and long-term organisational competitiveness.

2. Literature Review

2.1 Strategic Human Resource Management and Organisational Sustainability

Strategic Human Resource Management (SHRM) refers to the systematic alignment of human resource policies and practices with organisational strategy to enhance organisational performance, long-term competitiveness, and sustainability. Contemporary SHRM extends beyond traditional administrative functions by integrating workforce planning, talent development, performance management, and organisational learning into broader strategic decision-making. Rather than serving as a support function, human resource management is increasingly recognised as a strategic capability that enables organisations to respond effectively to technological change, market uncertainty, and evolving business environments.

Previous studies consistently demonstrate that SHRM contributes positively to organisational sustainability by strengthening workforce capability, adaptability, and employee performance. Dong and Zhang (2022) argued that sustainable organisational development depends on an organisation's ability to develop adaptive capabilities and strategically manage its human resources over time. Likewise, Awan et al. (2020) reported that effective performance management systems enhance employee engagement, improve workforce performance, and support long-term organisational effectiveness. Collectively, these studies suggest that SHRM creates organisational value by aligning workforce capabilities with strategic objectives while fostering organisational resilience and continuous improvement.

The increasing pace of digital transformation has further expanded the strategic role of SHRM. Organisations are required not only to recruit and retain employees but also to develop future-oriented capabilities through continuous learning, workforce planning, and employee development. Consequently, workforce capability has become a strategic asset that enables organisations to innovate, respond to environmental change, and sustain competitive advantage. Employees are therefore viewed not merely as operational resources but as strategic contributors whose knowledge, skills, and adaptability determine organisational success.

The strategic importance of SHRM is particularly evident in small and medium-sized enterprises (SMEs), where financial, technological, and human resource constraints often limit extensive recruitment and workforce expansion. As a result, SMEs rely heavily on developing the capabilities of their existing employees through continuous learning, knowledge retention, and workforce flexibility. Effective SHRM therefore enables SMEs to

maximise the value of limited human resources while strengthening organisational resilience and long-term sustainability.

These challenges are especially pronounced in traditional manufacturing SMEs, where organisational performance depends heavily on experienced employees who possess substantial tacit knowledge acquired through years of practical experience. Much of this knowledge is embedded in work practices and is difficult to codify or transfer through formal documentation. Consequently, SHRM plays a critical role not only in workforce development but also in preserving organisational knowledge, supporting succession planning, and facilitating knowledge transfer across generations of employees. Strategic initiatives such as lifelong learning, reskilling, and workforce planning, therefore, become essential mechanisms for sustaining organisational capability while preparing employees to meet the demands of an increasingly digital and competitive business environment.

On the whole, the literature demonstrates that SHRM serves as a strategic mechanism for enhancing organisational sustainability by integrating workforce development, knowledge management, and long-term capability building. However, relatively little research has examined how traditional Malaysian manufacturing SMEs implement these strategic human resource practices while simultaneously preserving organisational heritage and tacit knowledge. This gap provides the rationale for the present study.

2.2 Resource-Based View Theory

The Resource-Based View (RBV) provides a useful theoretical perspective for understanding how organisations achieve sustainable competitive advantage through the strategic management of internal resources. According to RBV, organisations gain superior performance when they possess resources that are valuable, rare, difficult to imitate, and effectively organised or deployed to support organisational objectives (Dasuki, 2021; Mailani et al., 2024). Unlike external market-based perspectives, RBV emphasises that enduring competitive advantage is primarily derived from unique organisational capabilities rather than external conditions alone.

Within Strategic Human Resource Management, employees constitute one of the organisation's most valuable strategic resources. Human capital extends beyond employees' technical competencies to include experience, tacit knowledge, problem-solving ability, organisational commitment, and accumulated institutional knowledge. These intangible resources are difficult for competitors to replicate because they develop gradually through continuous learning, practical experience, and organisational socialisation. Consequently, organisations that effectively develop, retain, and leverage human capital are more likely to sustain long-term organisational performance.

The relevance of RBV is particularly evident in traditional food manufacturing SMEs, where organisational capability depends heavily on employees' tacit knowledge. Long-serving employees possess extensive experience in areas such as production processes, quality control, food safety, fermentation techniques, and operational troubleshooting. Much of this knowledge is embedded in daily work practices and cannot be easily codified or transferred

through formal documentation. From an RBV perspective, such tacit knowledge represents a unique strategic asset that contributes to product quality, operational consistency, and sustained competitive advantage.

However, RBV also suggests that competitive advantage depends not only on possessing valuable resources but also on continuously renewing and strengthening them. In an environment characterised by rapid technological advancement and digital transformation, organisations must complement knowledge retention with workforce development through lifelong learning, reskilling, digital capability enhancement, and systematic knowledge transfer. These strategic human resource practices ensure that valuable organisational knowledge is preserved while enabling employees to acquire the competencies required for future business challenges.

Accordingly, RBV provides the theoretical foundation for the present study by explaining how strategic human resource planning contributes to organisational sustainability. In the context of Syarikat Salmi Hj. Tamin Sdn. Bhd., long-serving employees represent valuable organisational assets whose knowledge supports operational excellence and product authenticity. At the same time, future competitiveness depends on the organisation's ability to integrate workforce planning, continuous learning, reskilling, and knowledge transfer into its strategic human resource practices. This theoretical perspective therefore provides an appropriate framework for examining how traditional manufacturing SMEs can balance organisational heritage with future workforce development to sustain competitive advantage.

2.3 Future Skills Development and Workforce Transformation

Rapid technological advancement, digitalisation, and evolving business models have significantly reshaped workforce requirements across industries. Organisations increasingly require employees who possess future-oriented competencies, including digital literacy, adaptability, critical thinking, problem-solving, collaboration, and a commitment to continuous learning. These competencies enable employees to operate effectively within technology-enabled workplaces while responding to changing organisational priorities and market conditions.

The growing emphasis on future skills reflects the increasing need for organisations to remain competitive in dynamic business environments. Beyond technical expertise, organisations are expected to cultivate employees who demonstrate resilience, learning agility, and the capacity to adapt to organisational change. Consequently, workforce development has become a strategic priority within SHRM, enabling organisations to respond proactively to technological innovation, changing customer expectations, and intensifying market competition.

Recent studies highlight the importance of workforce transformation as a strategic response to these challenges. Asiedu and Tenakwah (2025) argued that systematic reskilling and upskilling have become essential organisational strategies for sustaining competitiveness and long-term organisational performance. Similarly, Mukhuty et al. (2022) and Sakka et al.

(2022) emphasised that successful digital transformation depends not only on technological investment but also on employees' ability to acquire and apply new digital competencies. These studies collectively suggest that workforce transformation should be viewed as a continuous process of aligning employee capabilities with evolving organisational strategies rather than as a one-off response to technological change.

This challenge is particularly relevant to traditional manufacturing SMEs, where experienced employees often possess substantial operational expertise but may have limited exposure to digital technologies. Although advanced technical competencies may not be immediately required during the early stages of digital transformation, foundational digital skills such as using digital communication platforms, electronic documentation systems, spreadsheets, and data management tools can significantly improve operational efficiency and information management. At the same time, older employees may encounter barriers associated with the digital divide, highlighting the need for structured training, continuous learning, and targeted organisational support.

Consequently, workforce transformation should not be viewed as replacing experienced employees with new technologies but as integrating technological capability with existing organisational knowledge. Strategic initiatives such as reskilling, upskilling, and lifelong learning enable organisations to preserve valuable tacit knowledge while equipping employees with the competencies required for future business environments. Such an approach supports organisational resilience by ensuring that technological advancement complements rather than replaces accumulated experience. For traditional manufacturing SMEs, workforce transformation therefore represents a strategic balancing process between preserving organisational heritage and developing future workforce capabilities. This perspective aligns closely with Strategic Human Resource Management and the Resource-Based View, both of which recognise that sustainable competitive advantage depends on continuously developing valuable human capital while safeguarding the organisational knowledge embedded within experienced employees.

2.4 Lifelong Learning and Organisational Learning Culture

Lifelong learning refers to the continuous acquisition, renewal, and application of knowledge, skills, and competencies throughout an individual's working life. Within Strategic Human Resource Management (SHRM), lifelong learning is increasingly recognised as a strategic mechanism for developing workforce capability, enhancing organisational adaptability, and sustaining long-term competitiveness. As technological advancement and market conditions continue to evolve, organisations must support continuous employee learning to ensure that workforce competencies remain aligned with changing organisational requirements.

An organisational learning culture complements lifelong learning by creating an environment in which knowledge acquisition, knowledge sharing, experimentation, and continuous improvement are embedded in everyday work practices. Rather than treating learning as an occasional training activity, learning-oriented organisations encourage employees to develop new competencies, share expertise, and adapt proactively to

organisational change. Such cultures enhance organisational resilience by strengthening employees' readiness to respond to emerging challenges and opportunities.

Oh (2023) argued that organisations with strong learning cultures are more likely to develop adaptive employees who embrace organisational change and continuous improvement. Employees working in learning-oriented environments are encouraged to acquire new knowledge throughout their careers, thereby improving their adaptability, engagement, and overall organisational performance. Consequently, lifelong learning contributes not only to individual competence development but also to organisational innovation, operational sustainability, and long-term competitiveness.

The importance of lifelong learning is particularly evident in traditional manufacturing SMEs, where experienced employees possess substantial operational expertise but may require additional competencies to operate effectively within increasingly digital work environments. Continuous learning enables these employees to strengthen their digital capabilities while preserving the tacit knowledge accumulated through years of practical experience. At the organisational level, lifelong learning also facilitates knowledge transfer between experienced and newer employees, thereby supporting succession planning, workforce continuity, and organisational sustainability.

From a Strategic Human Resource Management perspective, lifelong learning extends beyond employee training to become a strategic investment in organisational capability. By integrating continuous learning, reskilling, knowledge sharing, and employee development into workforce planning, organisations can preserve valuable institutional knowledge while preparing employees for future business challenges. Such an approach enables traditional manufacturing SMEs to balance organisational heritage with workforce transformation, thereby strengthening both organisational resilience and sustainable competitive advantage.

2.5 Workforce Planning and Knowledge Retention

Workforce planning is a fundamental component of Strategic Human Resource Management because it enables organisations to anticipate future workforce requirements and align human capital with long-term organisational objectives. Effective workforce planning reduces the risk of operational disruption, productivity loss, and critical skills shortages by ensuring that organisations possess the capabilities required to respond to changing business conditions. Rahaman and Bari (2024) argued that increasing workforce complexity and organisational uncertainty have made strategic workforce planning an essential organisational capability.

The scope of workforce planning has expanded considerably in response to workforce ageing, rapid technological advancement, and changing organisational structures. Rather than focusing solely on recruitment and staffing, contemporary workforce planning involves forecasting future competency requirements, identifying skills gaps, developing succession plans, and preparing employees for emerging organisational challenges. Organisations that adopt a proactive approach to workforce planning are better positioned to sustain

operational continuity, improve organisational resilience, and respond effectively to environmental change.

For traditional manufacturing SMEs, workforce planning is particularly important because organisational capability depends heavily on experienced employees who possess substantial tacit knowledge accumulated through years of practice. These employees play a critical role in maintaining production quality, operational consistency, regulatory compliance, and product authenticity. Much of this expertise is experiential and embedded in daily work practices, making it difficult to document or transfer through formal procedures alone. Consequently, the retirement or departure of experienced employees may result in the loss of valuable organisational knowledge and weaken long-term organisational capability.

Knowledge retention has therefore become a strategic priority within SHRM. Organisations must implement systematic approaches to capture, preserve, and transfer critical knowledge before experienced employees leave the organisation. Effective knowledge retention strategies include structured mentoring programmes, job rotation, cross-training, succession planning, operational documentation, and formal knowledge-sharing initiatives. These practices reduce dependence on individual employees while strengthening workforce flexibility, organisational learning, and business continuity.

The strategic importance of workforce planning and knowledge retention is further reinforced by the Resource-Based View (RBV), which recognises valuable organisational knowledge and employee expertise as strategic resources capable of generating sustainable competitive advantage. Long-serving employees contribute not only technical competence but also institutional knowledge, practical judgement, and problem-solving capabilities that are difficult for competitors to replicate. Preserving and transferring these intangible assets therefore enhances organisational resilience while supporting future workforce development. Accordingly, effective Strategic Human Resource Management requires organisations to integrate workforce planning, succession planning, lifelong learning, reskilling, and knowledge transfer into a coherent long-term strategy. Such an integrated approach enables traditional manufacturing SMEs to preserve organisational heritage while developing the future capabilities required to remain competitive in an increasingly dynamic business environment.

3. Methodology

3.1 Research Design

This study adopted a qualitative case study design to examine strategic human resource planning within a traditional Malaysian food manufacturing SME. A qualitative approach was considered appropriate because the study sought to develop an in-depth understanding of organisational practices, workforce challenges, strategic human resource initiatives, and workforce transformation within their natural organisational context. Case study research is particularly suitable for investigating complex organisational phenomena where contextual factors play a significant role.

Unlike quantitative approaches, which primarily examine relationships among measurable variables, qualitative case studies enable researchers to explore organisational processes, managerial decision-making, and human resource practices in greater depth. This approach therefore provides rich contextual insights into how strategic human resource planning is implemented and how organisations respond to evolving workforce requirements. The case study approach enabled the researchers to examine not only existing human resource practices but also the organisational rationale underpinning workforce planning, employee development, knowledge retention, and future skills development. Such contextual understanding would be difficult to obtain through quantitative methods alone.

3.2 Case Organisation

The case organisation selected for this study was Syarikat Salmi Hj. Tamin Sdn. Bhd., a well-established Malaysian food manufacturing company best known for its Kicap Tamin brand. Founded in 1951, the company represents a heritage-based manufacturing enterprise that combines traditional production practices with gradual organisational modernisation. The organisation was selected using purposive sampling because it reflects the characteristics of many traditional Malaysian manufacturing SMEs. Specifically, the company faces contemporary workforce challenges associated with digital transformation, succession planning, knowledge retention, and future skills development while maintaining product authenticity and organisational heritage. Consequently, it provides an appropriate context for examining the strategic role of human resource management in supporting workforce sustainability and organisational competitiveness.

3.3 Data Collection

Primary data were collected through a semi-structured interview with the Human Resource Manager, who served as the key informant for the study. The interview explored several aspects of the organisation's strategic human resource management practices, including:

- organisational background and strategic objectives;
- workforce structure and staffing practices;
- future workforce skills requirements;
- human resource policies and practices;
- workforce challenges;
- employee training and development initiatives; and
- lifelong learning and workforce development strategies.

The semi-structured interview format provided sufficient flexibility to explore emerging issues while ensuring that all topics relevant to the research objectives were systematically addressed. This approach enabled the researchers to obtain detailed insights into organisational decision-making and workforce planning practices. The Human Resource Manager was selected because of direct responsibility for workforce planning, recruitment, employee development, training, performance management, and strategic human resource planning.

As the individual responsible for these functions, the informant possessed comprehensive knowledge of both current human resource practices and the organisation's future workforce strategies. To enhance the credibility of the findings, interview data were triangulated with organisational observations, company documents, and information obtained from official organisational sources. The use of multiple data sources enabled the researchers to corroborate the interview findings, minimise potential bias associated with a single informant, and strengthen the overall trustworthiness of the study.

3.4 Data Analysis

The interview data were analysed using thematic analysis, a widely adopted qualitative technique for identifying, organising, and interpreting patterns of meaning within textual data. The analysis was conducted systematically through several stages. First, the interview transcript was read repeatedly to achieve familiarity with the data. Second, meaningful segments of text were coded according to their relevance to the research objectives. Third, related codes were grouped into broader themes that reflected recurring organisational practices and workforce issues. Fourth, the themes were organised according to key Strategic SHRM dimensions. Finally, the themes were interpreted in relation to the existing literature and the theoretical perspectives underpinning the study.

The analysis identified several major themes, including:

- workforce continuity;
- ageing workforce challenges;
- digital adaptation;
- lifelong learning;
- workforce planning;
- tacit knowledge retention;
- operational sustainability; and
- reskilling initiatives.

The identified themes were subsequently interpreted through the lenses of the Resource-Based View (RBV) and Strategic Human Resource Management (SHRM). These theoretical perspectives enabled the researchers to explain how organisational resources, workforce capabilities, and strategic human resource practices contribute to workforce sustainability and long-term organisational competitiveness. Integrating empirical evidence with established theory enhanced the analytical depth and explanatory power of the study.

3.5 Research Trustworthiness

The trustworthiness of the study was strengthened through several complementary strategies. First, data triangulation was employed by comparing information obtained from the semi-structured interview with organisational observations, company documents, and official organisational sources. The use of multiple sources enabled the researchers to corroborate the findings and minimise potential bias associated with relying on a single source of evidence. Second, the interview data were reviewed repeatedly throughout the

coding and analysis process to ensure that the emerging themes accurately reflected the participants' responses. Continuous comparison between the interview transcript, organisational observations, and documentary evidence enhanced the consistency and credibility of the thematic interpretation.

Third, the use of a semi-structured interview protocol enhanced the dependability of the study by ensuring that all key topics were addressed systematically while allowing sufficient flexibility for the participant to elaborate on issues relevant to the research objectives. This balance between consistency and flexibility enabled the researchers to obtain comprehensive and contextually rich information. Finally, the interpretation of the findings was guided by the Resource-Based View and Strategic Human Resource Management frameworks, ensuring that the analysis remained theoretically grounded and closely aligned with the objectives of the study. Collectively, these procedures enhanced the credibility, dependability, and overall trustworthiness of the research findings.

4. Analysis and Discussion

4.1 Organisational Background and Workforce Characteristics

Syarikat Salmi Hj. Tamin Sdn. Bhd. is a Malaysian food manufacturing company established in 1951 and best known for its Kicap Tamin brand. The company specialises in traditionally fermented food products, particularly soy sauce, while maintaining heritage-based production methods that preserve product authenticity and organisational identity. In addition to soy sauce, the company produces chilli sauce, tomato ketchup, synthetic vinegar, *taucu*, *rojak* sauce, and oyster-flavoured sauce. Its products are distributed throughout Malaysia via wholesalers, retailers, hypermarkets, and food service providers, and are exported to several international markets.

The findings indicate that the organisation maintains a relatively stable and experienced workforce, with most employees aged between 35 and 60 years. Many employees have accumulated extensive organisational experience through long-term service, contributing significantly to production consistency, food safety compliance, and product quality. However, this workforce profile also presents important strategic challenges. The ageing workforce increases the risk of knowledge loss through retirement while simultaneously highlighting capability gaps associated with digital technologies and evolving workplace requirements.

The Human Resource Manager identified several competencies considered essential for the organisation's future workforce, including:

- adaptability and willingness to learn;
- basic digital literacy;
- knowledge of food safety and halal compliance;
- problem-solving capability;
- communication skills; and
- cross-generational collaboration.

These findings suggest that the organisation recognises the need to complement traditional operational expertise with future-oriented capabilities. Rather than replacing experienced employees, the organisation seeks to strengthen workforce adaptability by developing digital competence and encouraging collaboration across generations. From a Strategic Human Resource Management perspective, the findings demonstrate that employees are viewed as strategic organisational assets rather than merely operational resources. Their accumulated experience and tacit knowledge contribute directly to operational stability, product consistency, and organisational competitiveness. This observation is consistent with the Resource-Based View, which regards valuable and difficult-to-imitate human capital as a source of sustainable competitive advantage. At the same time, the ageing workforce presents a strategic imperative for workforce renewal through systematic knowledge transfer, succession planning, and continuous capability development.

The findings also support previous studies highlighting the challenges faced by traditional manufacturing organisations during digital transformation. Mukhuty et al. (2022) and Sakka et al. (2022) argued that older employees often require structured organisational support to strengthen their digital competencies while continuing to contribute their operational expertise. In the present case, the organisation's emphasis on adaptability, lifelong learning, and cross-generational collaboration reflects a strategic approach to balancing organisational heritage with future workforce development. This alignment between workforce continuity and capability development represents a central principle of Strategic Human Resource Management in sustaining long-term organisational competitiveness.

4.2 External Factors Influencing Strategic Human Resource Planning

The interview findings, organisational observations, and analysis of company documents revealed that the organisation's strategic human resource planning is influenced by several external environmental factors. These themes emerged from the empirical data and illustrate how external developments shape workforce planning, capability development, and organisational sustainability. Six major external influences were identified: political, economic, social, technological, environmental, and legal factors.

4.2.1 Political Factors

The findings identified regulatory compliance as one of the most influential external drivers affecting workforce planning. The Human Resource Manager explained that compliance with food safety regulations, halal certification requirements, product labelling standards, and workplace safety legislation requires employees to possess sound knowledge of quality assurance procedures, documentation, and audit preparedness. The interview further revealed that maintaining regulatory compliance demands continuous employee training because regulatory requirements continue to evolve. Consequently, compliance is viewed not merely as a legal obligation but as a strategic human resource issue requiring continuous workforce capability development. These findings demonstrate that political and regulatory changes directly influence employee competencies, organisational learning, and workforce planning.

4.2.2 Economic Factors

Economic conditions were found to influence organisational priorities relating to workforce productivity and operational efficiency. Rising production costs, inflation, and fluctuating raw material prices have increased pressure on the organisation to improve operational performance while maintaining product quality and market competitiveness. According to the Human Resource Manager, increasing production costs have encouraged the company to focus more strongly on workforce productivity, operational efficiency, and continuous process improvement. These findings suggest that economic uncertainty influences strategic human resource planning by increasing demand for employees who possess analytical, problem-solving, and continuous improvement capabilities capable of supporting organisational resilience.

4.2.3 Social Factors

Changing consumer expectations were identified as another important driver of workforce transformation. The interview indicated that increasing consumer awareness of health, product quality, halal assurance, and sustainability has altered market expectations. At the same time, digital media have significantly changed the ways in which customers interact with brands. These developments have expanded workforce competency requirements beyond production expertise to include communication, customer engagement, branding, and digital marketing skills. The organisation therefore recognises that future workforce development must strengthen employees' adaptability, communication skills, and cross-generational collaboration in response to evolving consumer behaviour and market expectations.

4.2.4 Technological Factors

Technological advancement emerged as one of the most significant factors influencing strategic human resource planning. The company has gradually introduced automated bottling equipment, digital monitoring systems, and electronic record-keeping to improve operational efficiency. These technological developments require employees to acquire new digital competencies while maintaining existing production expertise. The Human Resource Manager emphasised that the organisation has deliberately adopted a gradual approach to digital transformation, recognising that many experienced employees possess extensive operational knowledge but require additional support to develop digital skills. Rather than replacing long-serving employees, the organisation seeks to combine their valuable tacit knowledge with new technological capabilities through continuous learning and gradual digital upskilling. This approach reflects Strategic Human Resource Management principles that emphasise capability development alongside organisational continuity.

4.2.5 Environmental Factors

Environmental sustainability has become an increasingly important consideration in organisational operations. The findings indicate that the company has introduced initiatives relating to waste reduction, resource conservation, and energy efficiency as part of its

commitment to sustainable manufacturing practices. These initiatives have expanded employee competency requirements beyond traditional production activities to include environmental awareness, responsible resource management, and sustainable operational practices. Consequently, environmental sustainability has become an important component of workforce development, with employee training playing a key role in embedding sustainable practices throughout organisational operations.

4.2.6 Legal Factors

Legal compliance remains a critical consideration within the food manufacturing industry. In addition to food safety legislation and halal certification requirements, the organisation must comply with employment regulations, product labelling standards, and quality assurance requirements. Continuous regulatory change requires employees to maintain current knowledge and consistently apply established operational procedures. The Human Resource Manager further observed that long-serving employees possess substantial operational knowledge that contributes significantly to production consistency, compliance, and product quality. From the Resource-Based View perspective, these accumulated competencies represent valuable organisational resources that support sustainable competitive advantage (Dasuki, 2021; Mailani et al., 2024). Accordingly, legal compliance reinforces the strategic importance of knowledge retention, succession planning, and continuous workforce development.

5. Discussion

Overall, the findings demonstrate that external environmental factors influence strategic human resource planning far beyond conventional staffing decisions. Political and legal factors increase demand for compliance-related competencies, economic pressures reinforce workforce productivity and continuous improvement, social and technological changes require greater adaptability and digital capability, while environmental sustainability expands workforce responsibilities towards sustainable manufacturing practices. These interconnected external drivers reinforce the need for SHRM to integrate workforce planning, continuous learning, reskilling, and knowledge retention into a coherent long-term strategy that enables traditional manufacturing SMEs to remain competitive while preserving organisational heritage. The interview findings indicate that the organisation has established a range of human resource practices that support operational stability and workforce continuity. However, several strategic gaps limit the organisation's readiness to develop future workforce capabilities. The following discussion evaluates the major human resource functions from a Strategic Human Resource Management perspective.

5.1 Staffing Practices

The organisation adopts a lean staffing strategy by retaining experienced employees while recruiting selectively for positions requiring specialised expertise, particularly in sales, quality management, and digital-related functions. This approach supports cost efficiency and operational stability while preserving valuable tacit knowledge accumulated through long-term employment. Nevertheless, workforce planning remains largely experience-based and

relies heavily on managerial judgement rather than systematic workforce forecasting or competency mapping. Although effective under current operating conditions, this informal approach may limit the organisation's ability to anticipate future skills requirements, succession needs, and workforce transformation. From a Strategic Human Resource Management perspective, more structured workforce planning would strengthen organisational sustainability and long-term capability development.

5.2 Employee Attraction and Retention

The findings suggest that employee retention is supported by a family-oriented organisational culture that values long-term employment, employee loyalty, and interpersonal relationships. Permanent employment, recognition of long service, and a stable working environment have contributed to relatively low employee turnover and strong organisational commitment. However, management also recognised that attracting younger employees may become increasingly challenging. Younger workforce cohorts often place greater emphasis on career development, technology-enabled workplaces, continuous learning, and structured mentoring opportunities. Consequently, future recruitment strategies may need to incorporate these expectations while maintaining the organisation's traditional organisational culture.

5.3 Training and Development

Current employee development primarily consists of on-the-job training, job rotation, cross-training, internal food safety and halal briefings, and externally supported training programmes through the Human Resource Development Corporation (HRDC). These initiatives effectively support operational competency and regulatory compliance by enabling employees to acquire practical skills within the workplace. Despite these strengths, the findings indicate that training remains predominantly operational and reactive. Limited emphasis is placed on structured future skills development, competency-based learning pathways, digital capability enhancement, or long-term workforce transformation. These findings suggest that employee development should evolve from supporting immediate operational requirements towards a more strategic approach that prepares employees for future organisational challenges.

5.4 Performance Management

The organisation's performance management system focuses primarily on attendance, discipline, reliability, work quality, teamwork, and regulatory compliance. These performance criteria effectively reinforce operational consistency and support manufacturing quality standards. However, the current evaluation system places limited emphasis on learning, innovation, adaptability, knowledge sharing, or digital capability development. Consequently, employees receive few explicit signals that continuous learning and future skills development are strategic organisational priorities. Incorporating these dimensions into performance appraisal would strengthen alignment between employee performance and long-term organisational objectives.

5.5 Rewards and Recognition

Employee commitment is reinforced through salary progression, performance incentives, long-service recognition, verbal appreciation, and opportunities for career advancement. These practices have contributed positively to employee loyalty and organisational stability. Nevertheless, the findings suggest that the reward system places relatively little emphasis on behaviours that support organisational transformation, such as continuous learning, innovation, reskilling, digital capability development, and knowledge sharing. Aligning reward systems with these strategic behaviours would encourage greater employee participation in workforce transformation initiatives.

5.6 Strategic Human Resource Gaps

The evaluation identified several strategic gaps that may affect the organisation's long-term workforce sustainability. First, employee development remains largely reactive, with training primarily addressing operational and regulatory requirements rather than future workforce capabilities. Second, performance management does not explicitly recognise learning, adaptability, innovation, or digital competency, thereby limiting incentives for continuous professional development. Third, workforce planning relies largely on managerial experience rather than systematic competency mapping or workforce forecasting. Finally, reward systems continue to emphasise operational performance and employee loyalty while providing limited recognition for reskilling, knowledge sharing, or continuous improvement.

On the whole, these findings suggest that the organisation possesses a stable and effective operational human resource system but has yet to fully develop a strategic human resource framework that supports future workforce transformation. Addressing these strategic gaps would enable the organisation to strengthen workforce resilience, preserve valuable organisational knowledge, and develop the future-oriented capabilities required to sustain long-term organisational competitiveness.

6. Conclusion

This study explores the strategic human resource planning practices of Syarikat Salmi Hj. Tamin Sdn. Bhd., a traditional Malaysian food manufacturing SME, to explore how SHRM can support future workforce development while preserving organisational heritage. The findings indicate that the organisation's principal strengths lie in its experienced workforce, strong organisational identity, employee loyalty, and substantial institutional knowledge accumulated through long-term employment. At the same time, several strategic challenges were identified, including workforce ageing, limited digital capabilities, informal workforce planning, succession management, and the need for more structured future skills development.

The findings demonstrate that workforce transformation in traditional manufacturing SMEs should extend beyond the adoption of new technologies. Sustainable transformation requires organisations to balance the preservation of tacit knowledge and operational heritage with continuous capability development, lifelong learning, and systematic workforce

planning. This balanced approach enables organisations to modernise gradually while maintaining operational stability, product quality, and organisational identity.

From a theoretical perspective, this study contributes to the SHRM literature by extending the application of the Resource-Based View to traditional manufacturing SMEs. The findings demonstrate that employees' tacit knowledge, accumulated experience, and organisational commitment constitute valuable strategic resources that support sustainable competitive advantage. Furthermore, the proposed Strategic Human Resource Framework highlights how workforce planning, reskilling, knowledge transfer, performance alignment, and lifelong learning can be integrated to strengthen long-term workforce sustainability.

From a practical perspective, the study provides guidance for managers and human resource practitioners seeking to strengthen workforce resilience in traditional manufacturing organisations. The proposed framework emphasises competency-based workforce planning, structured reskilling, succession planning, knowledge transfer, and the development of a lifelong learning culture. Together, these strategic initiatives provide a practical pathway for balancing organisational continuity with future workforce readiness.

This study is subject to several limitations. As a single qualitative case study, the findings are context-specific and are not intended to be statistically generalisable. Future research may incorporate multiple case studies or quantitative approaches to examine workforce transformation across different manufacturing SMEs. Further studies could also investigate employees' perspectives on digital readiness, lifelong learning, and organisational change to provide a more comprehensive understanding of workforce transformation. In conclusion, sustainable competitive advantage in traditional manufacturing SMEs depends not only on preserving organisational heritage but also on continuously developing future workforce capabilities. By strategically integrating workforce planning, knowledge retention, reskilling, and lifelong learning, organisations can successfully balance continuity with transformation and strengthen their long-term organisational sustainability.

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