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THE EFFECT OF LEAN MANUFACTURING TOWARDS FINANCIAL PERFORMANCE AT HICOM AUTOMOTIVE MANUFACTURERS, PEKAN, PAHANG.

NOR RIFHAN BINTI HASHIM

MASTER OF SCIENCE
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By

NOR RIFHAN BINTI HASHIM

Thesis Submitted to

School of Business Management,

Universiti Utara Malaysia,

In Partial Fulfillment of the Requirement for the Master of Science (Management)
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Abstract

Lean manufacturing plays an important role in improving employee performance and increase financial performance. This study an exploratory the relationship between the effects of lean manufacturing implementation on the financial performance. Lean manufacturing is to help the firm improve their financial performance due to this exercise can give a variety of new benefits such as cost savings, and time. In this age of development now, many firms are struggling to improve their performance along with the development of the industry, especially in the industrial and automotive industries. Therefore, this study is to prove that this relationship does actually have a positive effect on the development of the company's performance. This study was conducted in Hicom Automotive, Pekan, Pahang. This study is based on quantitative methods and using a questionnaire as a tool to collect data which has been developed by a number of instruments from previous studies. Respondents who participated in this study were employees in the management as well as human resources and finance. The respondents were 108 workers. In this study, researchers used SPSS 19 to analyze the data to measure the influence and strength of the relationship between the independent variables. Through this study, the results obtained is the relationship between lean manufacturing and the company's performance also have a positive relationship. Thus, through this study can be said lean manufacturing is something that can help improve the company's performance.

Keywords: Lean Manufacturing, Financial Performance, Automotive Industry.
Abstrak


Kata kunci: Pembuatan Lean, Prestasi kewangan, Industry Automotif.
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CHAPTER 1

INTRODUCTION

This chapter presents the background of the study, company profile, problem statement, followed by the research objectives, significant of study, scope and limitation of study, and finally the organization of the thesis.

1.1 Background of Study

Manufacturing industries have extensive involvement, especially in the manufacture and processing of goods and enjoy either the creation of a new commodity or as an additional value. The manufacturing industry accounted for most of the industrial sector in the developed countries. In the manufacturing industry the resulting end product can be either ready to be sold directly to customers or as intermediate goods or work in the processes used in the production process.

Manufacturing is the production of goods to be used or sold for labor or machinery that refers to a range of human activity, from handicraft to high tech, but is most commonly used for industrial production, where raw materials are transformed into finished goods on a large scale. Manufacturing is commonly found in all types of economic systems, especially in the free market economy that usually directed toward the mass production of products for sale to consumers at a profit. While in a collectivist economy, the more frequently directed by the state to supply a centrally planned economy. In a mixed market
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