Abstract: Sustaining in the new industrial revolution 4.0 requires industries in Malaysia to be dynamic in all aspects towards handling the variations. One of the aspects is well managing their productivity throughout the changes. Four types of elements that can be looked up as measuring the productivity such as labor, capital, material and total factor productivity. While the labour productivity is among of three of the four types which typically important is assessing industry performance. It computes efficiency of the labour to process input into good value of output. Thus, accurate number of labour allocation is essential in producing high labour productivity. Hence, this paper is to provide alternative way to managers or decision makers on managing the labour allocation and analyzing result with the aid of optimization technique to enhance labour productivity. The application of the optimization technique is portrayed on an automotive company situated in Melaka, Malaysia that facing labour allocation issue. The flow of methodology is first by conducting problem identification using Pareto chart to target area of issue. Then, formulating the problem in linear programming (LP) model and finally solving the problem using Simplex method to generate the optimum number of labour based on the set constraints. The generated optimum number of labour is then loaded into the labour productivity formula and the outcome resulting to the betterment of percentage of labour productivity compared to the current approach. In this context, the labour productivity is measured by the unit of number of working hours per number of task perform. This application gives benefit to the industry in ensuring that involved teams in the company able to commit with the company’s project timeline and due with consideration of all important constraints/ limitations occurred from that involved teams. Also, with the aid of this optimization technique, the company can foresee the result of the number of labour allocated without the need of utilizing actual resources in the actual arena.

Keywords: Labour productivity, linear programming problem, optimization technique, simplex method.

I. INTRODUCTION

The arrival of industrial revolution 4.0 has speed up the stimulation of collaboration between research and industry line [1]. This situation also has engulfed the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) to initiate Researcher-Industry Scientific Exchange (RISE) program in order to develop closer relationship between the researchers at public research agencies and the industry players [2]. One of the program’s scope is to assist in solving problems of daily operation processes or to enhance current services.

As for industry, the problem of daily operation processes is constantly related to managing productivity. While studies on the effect of managing productivity has been a lifetime investigation in various fields’ literature such as economic, construction and manufacturing industry [3]–[5]. Yet, it is found that, poor labour management is among of various factors that have been identified as some of the main factors influencing the productivity [6]–[8]. In industry, managing labour is about allocating an amount of human labour to yield industrial goods. Whereas for high usage of labour industries, the investment on labour is more crucial than the investment on manufacturing facilities [9]–[12]. Thus, a good labour productivity is vital which reflects on the efficiency of a company’s labour force operates [13]–[15].

II. RESEARCH BACKGROUND

A. Optimization Technique

One of the way to control the productivity regardless of what factors is using optimization technique [16]. The optimization technique in manufacturing operation is getting a wide usage which mainly to stabilize the trade-off between constraints and resource available to attain the least project investment [17], [18]. Commonly, the stabilization of the trade-offs is to integrate the production constraints and resources to generate maximum profit and minimum cost and it can be said as finding optimal solution [19]. The optimal solution produced from the integration of the production constraints and resources is said to give benefit not just for one party but for all involved parties in the operation as every requirements and limits are taken into account [20]. These constraints and resources are said portraying a linear relationship, henceforth, linear programming (LP) model can be used to model the problem and further solve using Simplex method [21]. The Simplex method able to determine the optimal solution by reaching from one point to another in a way of iterative calculation [22]. The good about Simplex method is that this method can be act as foundation for other extension either by adding, substituting or integrating with other methods for better accuracy and efficiency of computation at same time generating high quality of optimum solution [23], [24].
Hence, this paper will present on the scenario of a selected automotive company in Malaysia which facing labour allocation issue and the application of the optimization technique using Simplex method for the betterment of company’s labour productivity.

B. Overview of Selected Industry

The subject of this case study is an international manufacturing company from automotive industry situated in Malaka, Malaysia and has narrowed down the engineering group as the target group. There are six stages in its general project operations which starts with pre-CST (pre-Car Strategic Task), then goes to CST (Car Strategic Task), planning, development, trial and finally the stage ends at mass production, as shown in Fig. 1. The pre-CST stage is the initial cost study and market acceptance analysis that involves core groups such as sale and designer group. Whereas in the CST stage, the core groups involved are sale, designer and engineering group. These three core groups develop concept in deciding whether the project will be major, intermediate or minor conversion.

After the CST, the next stage is the planning whereby buyer group will join the other three core groups to specify all required activities and fit them into project’s time allocation. As it goes, the development stage will realize the drawing unit into actual arena and all the four core groups will work concurrently until reaching the trial stage and ending at the mass production stage. The trial stage requires the core groups to evaluate and maturate the capacity and capability by the production to produce the unit before the project fit for the full capacity production during mass production stage.

A limitation is set to guide the focus to which area will the application of the optimization technique to be conducted. Thus, a Pareto chart is constructed to separate the vital few and trivial many, so then the 80/20 rule will reveal the focus areas that must be prioritized and process of enhancements will be more effective if the vital few are addressed first. From Fig. 2, as the 80/20 rule marked, it reveals that the 80% of the project’s accomplishment hours was owned by the 20% of the stages of the project. In this case, the 20% here are representing the two stages which are the development stage and planning stage.

III. METHODOLOGY

The methodology of this research is comprising of three steps as shown in Fig. 3, whereby the first step is the problem identification, step two is the formulation of LP model and step three is the computation using Simplex algorithm. Further explanation for each of those steps were described in the next subheadings.
A. Step 1: Problem Identification

The identification of the problem in the engineering group is performed by taking into account the 5M elements which are Man, Method, Material, Machine and Management. In this case, the Man is referring to the people in the engineering group, Method is the standard of procedure (SOP) in the engineering group, while the Material is indicating the data, documents of car parts that required by the engineering group, the Machine is reflecting the facilities and tools that essential to the engineering group to perform their tasks.

Lastly, the Management is referring to the management in the engineering group. This case study has given a consent to perform the investigation involving the element of Man whereby the exploration of the case study is relating to labour issue in the engineering group. The other elements are not to be considered in the case study as those elements are containing massive of undisclosed data and information.

The engineering group facing labour allocation issue apart from their capability and competency in executing their tasks and responsibilities. Currently, their practice is based on the number of tasks that requiring each of the aspects of the engineering group to perform throughout the duration of the project.

Hence, this practice is solely carrying out the labour allocation by considering the project’s requirement from the individual functions in every aspects of the engineering group (Quality, Cost, Delivery, Specification Control and Certification team). Moreover, based on their past experiences, they had recognized that the impact from the practice was the occurrence of delay reporting activities which distressing them in executing their duties towards the project completion.

![Current labour allocation practice](Image)

**Step 1**: Problem Identification

- Allocate number of labour according to number of project’s task
- Occurrence of delay reporting activities
- Insufficient labour to perform tasks
- Need alternative to allocate optimum number of labour to perform task
- Improving labour productivity in the engineering group

**Fig. 4. Flow of problem identification**

The occurrence of delay reporting activities is because of insufficient labour to perform certain tasks as shown in Fig. 4. Each team in the group has different target to be fulfilled. Such that, the Quality team is requesting a longer time to study defective items occurred. But, apparently the Delivery team is unable to spare some ample time for the Quality team to do the study since the team need to ensure that the targeted output is achieved. At the same time, the Cost team is reluctantly to allocate more expenses to assign outsource labour for assisting the Quality team to cope with the time constraint as the Cost team has secured the budget at initial phase of the project. Hence, the Quality team might need to work extra hour and delay their reporting activities as they have to investigate, combat the root cause and come up with a countermeasure to ensure the number of defective items can be reduced until reaching permissible amount. Thus, the delay reporting activities event reflects that the engineering group might need an alternative practice to allocate optimum number of labour to perform task, hence, to work on their labour productivity.

B. Step 2: Formulation of Linear Programming Model

The idea of improving the current labour productivity is by assigning optimum number of labour for each engineering team. In order to do that, the problem is formulated first into the LP model and the optimum number of labour is then generated through the application of the Simplex algorithm. The LP model consisting of mathematical formulation to present the problem’s attributes which are decision variables, objective function and constraints [25], [26]. Hence, the labour allocation requirement will be segregated into these three attributes. In overall, the planning and development stage consists of 13 and 8 level of tasks respectively as shown in Table I.

**Table-1**: Task distribution for each team of the engineering group at planning and development stage of project

| Project stage | Task level | Quality | Cost | Deliver | Specification Control | Certification | Team | Sub-task for each team |
|---------------|------------|---------|------|---------|------------------------|---------------|------|------------------------|
| Planning      | Sub-task k A1 | Sub-task k A2 | Sub-task k C1 | Sub-task k D1 | Sub-task k E1 | | | |
| k 1           | Sub-task k A3 | Sub-task k A4 | Sub-task k B2 | Sub-task k C2 | Sub-task k D2 | Sub-task k E2 | | |
| k 2           | Sub-task k A5 | Sub-task k A6 | Sub-task k B3 | Sub-task k C3 | Sub-task k D3 | Sub-task k E3 | | |
| k 3           | Sub-task k A7 | Sub-task k A8 | Sub-task k B4 | Sub-task k C4 | Sub-task k D4 | Sub-task k E4 | | |
| k 4           | Sub-task k A9 | Sub-task k A10 | Sub-task k B5 | Sub-task k C5 | Sub-task k D5 | Sub-task k E5 | | |
| k 5           | Sub-task k A11 | Sub-task k A12 | Sub-task k B6 | Sub-task k C6 | Sub-task k D6 | Sub-task k E6 | | |
| k 6           | Sub-task k A13 | Sub-task k A14 | Sub-task k B7 | Sub-task k C7 | Sub-task k D7 | Sub-task k E7 | | |
| k 7           | Sub-task k A15 | Sub-task k A16 | Sub-task k B8 | Sub-task k C8 | Sub-task k D8 | Sub-task k E8 | | |
| k 8           | Sub-task k A17 | Sub-task k A18 | Sub-task k B9 | Sub-task k C9 | Sub-task k D9 | Sub-task k E9 | | |
| k 9           | Sub-task k A19 | Sub-task k A20 | Sub-task k B10 | Sub-task k C10 | Sub-task k D10 | Sub-task k E10 | | |
| k 10          | Sub-task k A21 | Sub-task k A22 | Sub-task k B11 | Sub-task k C11 | Sub-task k D11 | Sub-task k E11 | | |
| k 11          | Sub-task k A23 | Sub-task k A24 | Sub-task k B12 | Sub-task k C12 | Sub-task k D12 | Sub-task k E12 | | |
| k 12          | Sub-task k A25 | Sub-task k A26 | Sub-task k B13 | Sub-task k C13 | Sub-task k D13 | Sub-task k E13 | | |
| k 13          | Sub-task k A27 | Sub-task k A28 | Sub-task k B14 | Sub-task k C14 | Sub-task k D14 | Sub-task k E14 | | |

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| Task   | Sub-tas. | Sub-tas. | Sub-tas. | Sub-task | Sub-task |
|--------|----------|----------|----------|----------|----------|
| k 2    | k AA3    | k BB2    | k CC2    | DD2      | EE2      |
| k 3    | k AA5    | k BB3    | k CC3    | DD3      | EE3      |
| k 4    | None     | k CC4    | None     | DD4      | EE4      |
| k 5    | k AA8    | None     | k CC5    | DD5      | EE5      |
| k 6    | k AA9    | None     | k CC6    | DD6      | EE6      |
| k 7    | k AA10   | None     | k CC7    | DD7      | EE7      |
| k 8    | k AA11   | None     | k CC8    | DD8      | EE8      |

Thus, the decision variable for the planning and development stage will have 13 and 8 variables respectively, and the information that needed were tabulated as shown in Table II. Since there are five teams in the engineering group, hence there will be 13 and 8 variables for each of the five teams and example of decision variables formulation for the Quality team for both planning and development stage are shown as follows:

\[
\begin{align*}
\lambda_{1} &= \text{Number of labour required by Quality team at planning stage for Task 1} \\
\lambda_{2} &= \text{Number of labour required by Quality team at planning stage for Task 2} \\
\lambda_{3} &= \text{Number of labour required by Quality team at planning stage for Task 3} \\
\lambda_{4} &= \text{Number of labour required by Quality team at planning stage for Task 4} \\
\lambda_{5} &= \text{Number of labour required by Quality team at planning stage for Task 5} \\
\lambda_{6} &= \text{Number of labour required by Quality team at planning stage for Task 6} \\
\lambda_{7} &= \text{Number of labour required by Quality team at planning stage for Task 7} \\
\lambda_{8} &= \text{Number of labour required by Quality team at planning stage for Task 8} \\
\lambda_{9} &= \text{Number of labour required by Quality team at planning stage for Task 9} \\
\lambda_{10} &= \text{Number of labour required by Quality team at planning stage for Task 10} \\
\lambda_{11} &= \text{Number of labour required by Quality team at planning stage for Task 11} \\
\lambda_{12} &= \text{Number of labour required by Quality team at planning stage for Task 12} \\
\lambda_{13} &= \text{Number of labour required by Quality team at planning stage for Task 13} \\
\lambda_{14} &= \text{Number of labour required by Quality team at development stage for Task 1} \\
\lambda_{15} &= \text{Number of labour required by Quality team at development stage for Task 2} \\
\lambda_{16} &= \text{Number of labour required by Quality team at development stage for Task 3} \\
\lambda_{17} &= \text{Number of labour required by Quality team at development stage for Task 4} \\
\lambda_{18} &= \text{Number of labour required by Quality team at development stage for Task 5} \\
\lambda_{19} &= \text{Number of labour required by Quality team at development stage for Task 6} \\
\lambda_{20} &= \text{Number of labour required by Quality team at development stage for Task 7} \\
\lambda_{21} &= \text{Number of labour required by Quality team at development stage for Task 8} \\
\end{align*}
\]

Next, the objective function is then formed to set the contribution coefficients for each of the task level in the team of the engineering group and example of objective function formulation for the Quality team for both planning and development stage are shown as follows,

Minimization of labour for Quality team at planning stage,

\[
Z_{p} = 2x_{1} + 2x_{2} + 2x_{4} + 2x_{6} + 2x_{7} + 2x_{8} + 2x_{9} + 2x_{10} + 2x_{12} + 2x_{13}
\]

Minimization of labour for Quality team at development stage,

\[
Z_{d} = 2x_{1} + 2x_{2} + 2x_{3} + 2x_{4} + 2x_{5} + 2x_{6} + 2x_{7} + 2x_{8}
\]

Table-II: Total working hour per task and total number of task performed at planning and development stage

| Task level | Team   | Planning stage | Working hour consumption per task (hour) |
|------------|--------|----------------|-----------------------------------------|
|            | Team   |                | Total no. of tasks                      |
|            |        |                | 22                                      |
|            |        |                | 13                                      |
|            |        |                | 13                                      |

The coefficients of the objective functions were decided based on the number of tasks that required to perform by the team at every task level of the stage, which adopted from Table III. While, the minimization problem is selected for the objective function to imply that the least number of labour required by the team to achieve better labour productivity.

Table-III: Average of planned working hour for task must be delivered at planning and development stage

| Task level | Team   | Planning stage | Average of planned working hour |
|------------|--------|----------------|---------------------------------|
|            | Team   |                | No. of task must be delivered    |
|            |        |                | 22                              |
|            |        |                | 13                              |
|            |        |                | 13                              |

Published By: Blue Eyes Intelligence Engineering & Sciences Publication

Retrieval Number: A4935119119/2019©BEIESP
DOI: 10.35940/jitee.A4935.119119

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Lastly, the constraints were set into four parameters whereby will be based on the working hour consumption per task performed and the average of planned working hour for the task must be delivered by the team at every task level for both planning and development stage as tabulated in Table II and Table III.

Constraints 1: Working hour consumption per task for Quality team at planning stage (hour):

\[
\begin{align*}
\text{Task } 1 &= 1.28x_1 \geq 2 \\
\text{Task } 2 &= 1.36x_2 \geq 2 \\
\text{Task } 3 &= 1.18x_3 \geq 2 \\
\text{Task } 4 &= 1.17x_4 \geq 2 \\
\text{Task } 5 &= 1.18x_5 \geq 2 \\
\text{Task } 6 &= 0.95x_6 \geq 1 \\
\text{Task } 7 &= 1.24x_7 \geq 2 \\
\text{Task } 8 &= 1.34x_8 \geq 2 \\
\text{Task } 9 &= 1.12x_9 \geq 2 \\
\text{Task } 10 &= 0.89x_{10} \geq 1 \\
\text{Task } 11 &= 0.80x_{11} \geq 1 \\
\text{Task } 12 &= 1.19x_{12} \geq 2 \\
\text{Task } 13 &= 0.38x_{13} \geq 1 \\
\end{align*}
\]

Constraints 2: Working hour consumption per task for Quality team at development stage (hour):

\[
\begin{align*}
\text{Task } 1 &= 1.08x_1 \geq 2 \\
\text{Task } 2 &= 1.50x_2 \geq 2 \\
\text{Task } 3 &= 1.33x_3 \geq 2 \\
\text{Task } 4 &= 0.92x_4 \geq 1 \\
\text{Task } 5 &= 0.95x_5 \geq 1 \\
\text{Task } 6 &= 1.30x_6 \geq 2 \\
\text{Task } 7 &= 0.76x_7 \geq 1 \\
\text{Task } 8 &= 0.60x_8 \geq 1 \\
\end{align*}
\]

Constraints 3: Average of planned working hour for task must be delivered for Quality team at planning stage (hour):

\[
\begin{align*}
\text{Task } 1 &= 2x_1 \leq 0.61 \\
\text{Task } 2 &= 2x_2 \leq 0.62 \\
\text{Task } 3 &= 2x_3 \leq 0.64 \\
\text{Task } 4 &= 2x_4 \leq 0.74 \\
\text{Task } 5 &= 2x_5 \leq 0.79 \\
\text{Task } 6 &= x_6 \leq 0.74 \\
\text{Task } 7 &= 2x_7 \leq 0.85 \\
\text{Task } 8 &= 2x_8 \leq 0.92 \\
\text{Task } 9 &= 2x_9 \leq 0.88 \\
\text{Task } 10 &= x_{10} \leq 0.88 \\
\text{Task } 11 &= x_{11} \leq 0.81 \\
\text{Task } 12 &= 2x_{12} \leq 0.89 \\
\text{Task } 13 &= x_{13} \leq 0.73 \\
\end{align*}
\]

Constraints 4: Average of planned working hour for task must be delivered for Quality team at development stage (hour):

\[
\begin{align*}
\text{Task } 1 &= 2x_1 \leq 0.87 \\
\text{Task } 2 &= 2x_2 \leq 0.90 \\
\text{Task } 3 &= 2x_3 \leq 0.87 \\
\text{Task } 4 &= x_4 \leq 0.92 \\
\text{Task } 5 &= x_5 \leq 0.92 \\
\text{Task } 6 &= 2x_6 \leq 1.01 \\
\text{Task } 7 &= x_7 \leq 0.88 \\
\text{Task } 8 &= x_8 \leq 0.84 \\
\end{align*}
\]

C. Step 3: Computation Using Simplex Algorithm

After formulating the problem into the LP model, it is computed using Simplex algorithm to generate the optimum number of labour for each of the team in the engineering group at both planning and development stage. Basically, the flow of Simplex algorithm is as depicted in Fig. 5 whereby it comprising with initialization, iterative calculation and termination stage.

**Fig. 5. Flow of Simplex algorithm**

The Simplex algorithm is also available in the Solver of Microsoft Excel as one of the options in the solving method list which the formulated LP problem will be loaded in and computed to generate the optimum solution. This computation using Simplex algorithm will be calculated individually for each team of the engineering group with the same four parameter of constraints but different coefficients according to their working hour consumption per task and the average of planned working hour for the task must be delivered for both planning and development stage.

IV. RESULT AND DISCUSSION

A. Labour Productivity at Planning Stage

The result of the labour productivity at planning stage for all the task level of the engineering group is computed and tabulated in Table IV. Based on the result, by using the current practice, the Quality team has been allocated 14 labours with the percentage of labour productivity of 63.64%. However, with the application of the optimization technique, the Quality team is suggested to be allocated of 19 labours with better labour productivity of 86.36%. As for the Cost team, the current practice allocated 11 labours for the team with 84.62% of labour productivity.
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Table- IV: Comparison of labour productivity at planning stage between current practice and optimization technique

| Team               | No. of task performed | Current practice | Optimization technique |
|--------------------|-----------------------|------------------|------------------------|
|                    | Labour allocatio n    | Labour productivity (%) | Labour allocatio n    | Labour productivity (%) |
| Quality            | 22                    | 14.07 ≈ 14       | 63.64                  | 19                     | 86.36                  |
| Cost               | 13                    | 11.25 ≈ 11       | 84.62                  | 12                     | 92.31                  |
| Delivery           | 13                    | 10.50 ≈ 10       | 76.92                  | 12                     | 92.31                  |
| Specification      | 13                    | 8.75 ≈ 8         | 61.54                  | 10                     | 76.92                  |
| Certification      | 13                    | 5.91 ≈ 5         | 38.46                  | 11                     | 84.62                  |

Yet, from the optimization technique, the Cost team is expected to achieve 92.31% of labour productivity with the number of labour allocation of 12. While the Delivery team, the current practice generated about 76.92% of labour productivity with the number of labour allocation of 10. Despite that, the Delivery team can achieve labour productivity up to 92.31% with the number of labour allocation of 12 by implementing the optimization technique.

Whereas the current practice has made the Specification Control team achieving only 61.54% of labour productivity with being allocated about 8 labours. Nevertheless, the team can achieve higher labour percentage by applying the optimization technique which is up to 76.92% with the number of labour allocation of 10. On the other hand, the Certification team can achieve much better labour productivity with the application of the optimization technique that is up to 84.62% with the number of labour allocation of 11. This is a huge gap of percentage when compared with the current practice that allocating only 5 labours that generated about 38.46% of labour productivity.

This has showed that the application of the optimization technique generating better labour productivity at the planning stage for each of the team of the engineering group. The optimization technique is suggesting for the planning stage to allocate the least number of labour allocation that is optimum with the consideration of the four constraints and objective function that set individually for each team. The set objective function and constraints from the formulation of LP problem model have made the Simplex algorithm to run and produce the optimum solution within those circumstances at the planning stage.

B. Labour Productivity at Development Stage

The result of the labour productivity at development stage for all the task level of the engineering group is computed and tabulated in Table V. Based on the result, with the usage of the current practice, the Quality team has been allocated 8 labours with the percentage of labour productivity of 70.36%. However, with the application of the optimization technique, the Quality team is recommended to be allocated of 10 labours with better labour productivity of 83.33%. While the Cost team has achieved only 33.33% of labour productivity via the current practice that has allocated only 1 labour to perform 3 tasks. Instead, with the application of the optimization technique, the Cost team able to be allocated 3 labours which eventually generate 100.00% of labour productivity.

Table V: Comparison of labour productivity at development stage between current practice and optimization technique

| Team               | No. of task performed | Total no. of working g hour per task (Note: 1 = 10 hours of work per task) | Labour productivity (%) | Total no. of working g hour per task (Note: 1 = 10 hours of work per task) | Labour productivity (%) |
|--------------------|-----------------------|--------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------|--------------------------|
| Quality            | 12                    | 8.44 ≈ 8                                                                | 76.92                    | 10                                                                     | 83.33                    |
| Cost               | 3                     | 1.00 ≈ 1                                                                | 83.33                    | 3                                                                      | 100.00                   |
| Delivery           | 8                     | 8.00 ≈ 8                                                                | 100.00                   | 8                                                                      | 100.00                   |
| Specification      | 8                     | 8.00 ≈ 8                                                                | 100.00                   | 8                                                                      | 100.00                   |
| Certification      | 8                     | 6.01 ≈ 6                                                                | 75.15                    | 8                                                                      | 100.00                   |

Whereas, the current practice has already generated 100.00% of labour productivity for both Delivery and Specification Control team with both teams have been allocated the same number of labour which is 8 labours. While the optimization technique is also generating the same number of labour allocation that is 8 labours with 100.00% labour productivity. This situation implies that, with all the set objective function and constraints from the formulation of LP problem model, both teams are permitted to have full allocation of labour whereby each of the labour is assignale to focus on one task at one time. On the other hand, the Certification team is also capable to achieve 100.00% of labour productivity with also full allocation of labour in spite of the current practice that producing 75.15% of labour productivity with the number of labour allocation of 6 labours.

This has showed that the application of the optimization technique generating better labour productivity at the development stage for each of the team of the engineering group. At the same time, this optimization technique can be looked up as a tool to confirm a decision as what situation happens to the Delivery and Specification Control team. Yet, the optimization technique is suggesting for the development stage to allocate the least number of labour allocation that is optimum with the consideration of the four constraints and objective function that set individually for each team. The set objective function and constraints from the formulation of LP problem model have made the Simplex algorithm to run and produce the optimum solution within those circumstances at the development stage.
V. CONCLUSION

Labour productivity is one of all-important factor that will portray on the ability of a company to undertake their target which manoeuvre with optimum expenditure of resources. While the optimization technique can be seen as one of available methods that manager or decision maker can play with to foresee impact of particular suggestions towards the company’s operations without biased and in an optimal way. Thus, in this paper, the application of the optimization technique has assisted the engineering group in allocating number of labour for each teams (Quality, Cost, Delivery, Specification Control and Certification). The steps in the optimization technique were framed in three steps which are the problem identification, formulation of LP model and computation using Simplex algorithm. The result has showed that the application does contribute to the enhancement of the percentage of the labour productivity compared to their current practice.

ACKNOWLEDGEMENT

The authors would like to thank to the Ministry of Education Malaysia for the concession of financial assistance through the program of MyPhd scholarship scheme and the Faculty of Manufacturing Engineering, Universiti Teknikal Malaysia Melaka (UTeM) for facilities which brought to the completion of this study.

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