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1.0 Introduction

Effective people's management is crucial for an organisation to retain, develop and attract employees while also ensuring that the current and future business objectives do support workforce capabilities. This case study analyzes the people's strategies that are currently used by Toyota and Proton, the two automotive organisations that operate in a rapidly changing and highly competitive industry. This assignment focuses particularly on recruitment and talent management, and training and development for both companies as these areas are crucial in developing the employee skills and capabilities as it is also required for the companies to remain competitive in the market. Toyota is a global automotive company that operates across multiple markets. As of March 2026, Toyota Motor Corporation has 390,927 employees, demonstrating its large scale and complexity of its workforce (Toyota Motor Corporation, 2026). In comparison, Proton is a Malaysia automotive manufacturer operates in a smaller scale compared to Toyota. Proton has recruited more than 3,000 employees around 2019 and 2024 to support its development and organisational growth (PROTON, 2024). The difference in the workforce provides a useful basis for comparing how a global automotive organisation and domestic manufacturer manages their people.

Proton is selected as it provides a relevant Malaysia comparison as a domestic automotive manufacturer that is undergoing a continuous organisational and technological development while Toyota is a counterpart as a global automotive organisation with their approach on the workforce development. The analysis from this assignment evaluates how both organisations implement their people strategies and considers their effectiveness in responding to their respective business context while also examines how these strategies can meet the constant ongoing changing workforce requirement and supporting the future organisational needs.

2.0 Recruitment & Talent Management

2.1 Toyota

Toyota has adopted a strategic approach in their recruitment and talent management as it is to develop a workforce that can support its transformation from an automotive manufacturer into mobility company. Furthermore, the company has revised its recruitment practices to focus on candidates that are proactive, motivated to contribute to the organisation, and willing to work with others (Toyota Motor Corporation, 2025). This shows that Toyota is considering both capabilities and personal qualities during employee selection and does not rely on academic qualification solely.

The crucial significant change is Toyota's shows mid-career recruitment where in the year 2025, mid-career employees are accounted for 48% of Toyota's engineering and administrative recruitment as compared to 10% previously. Toyota intends to maintain this proportion at around 50% to encourage the existing work processes and practices (Toyota Motor Corporation, 2025, p. 132). Overall, this approach allows Toyota to obtain an experienced employee with knowledge that can maintain an existing workforce. However, the recruitment initiatives reported by Toyota mainly show its changes in recruitment practices rather than proving the effectiveness. Therefore, combining both experienced mid-career employees with graduates from different cultural background provides Toyota with a broader talent pool and the effectiveness would depend on whether Toyota employee can be retained and successfully develop to support Toyota's transformation.

2.2 Proton

Proton's recruitment and talent management strategy focuses on developing young Malaysians talent while strengthening its workforce through recruitment. In 2018, a key initiative such as Proton Young Talent (PYT) Programme was introduced to develop and identify young graduates while also provides exposure towards the participant through different areas such as engineering, manufacturing, commercial and human resources, through project-based learning and job attachments (PROTON, n.d.). This approach allows Proton to provide practical experience across different business functions towards potential employee at the early career stage. The PYT programme also contributed towards Proton's long-term talent pipeline. Proton reported that in 2025, 311 young people has been recruited across 27 batches since the programme began, this provides the participants with experience from sales and operations to advanced manufacturing (PROTON, 2025). Moreover, Proton reported that they hired more than 3,000 employees over the last four to five years while aiming for internal promotions to account for 10% to 20% of its workforce at different levels (PROTON, 2024). This shows PROTON combines both internal talent development and external recruitment.

However, the recruitment initiatives and number of recruits do not necessarily demonstrate the effectiveness of the company as Proton's reported that annual attrition rate around 10% to 11% suggests that Proton wants to retain its current employee (PROTON, 2024). Therefore, the effectiveness of Proton's approach depends not only on its ability to retain employee but also on attracting young talent and develop them into future organisational roles.

2.3 Comparative Analysis

Toyota and Proton both recognise the recruitment and talent management should support long-term organisational capability rather than simply hiring to fill vacancies. However, their approach is different as they are filling according to their own organisational context. Toyota emphasis on acquiring external talent, with 48% mid-career recruits in their administrative and engineering recruitment and this allow the company to introduce external capabilities and knowledge (Toyota Motor Corporation, 2025). In contrast, Proton shows a stronger emphasis on developing young Malaysian through their PYT programme while also recruiting externally (PROTON, 2025). Toyota's approach may provide faster access to specialise capabilities, while Proton's supports the development of longer-term internal talent pipeline. Nevertheless, both organisations need to ensure that their recruitment is supported by effective retention and development practices to achieve sustainable workforce capability.

3.0 Training & Development

3.1 Toyota

Toyota has placed training and development at the centre of its workforce strategy as organisational and technological changes require employees to develop new capabilities. Recent research highlights that Industry 4.0 shows an increasing importance of developing digital and technical competencies and changing job requirements to maintain organisational competitiveness (Marlapudi & Lenka, 2024). This is important to Toyota's transformation to a mobility company from an automotive manufacturer, where their employees need to continuously adapt to the changes in technologies and business requirements. Furthermore, Toyota has made changes through practical and experiential training programmes where its Human Capability Development Training programme provides employees with opportunities to understand challenges faced by suppliers and gain external perspective. The programmes have involved more than 900 participants across 300 host companies since its introduction in fiscal year 2021 (Toyota Motor Corporation, 2026). This approach allows employees to think outside of the box where instead of conventional internal training, they gain practical knowledge outside of their usual working environment. Research on the automotive industry also suggests that Industry 4.0 creates demands for both soft skills and technical skills where the skills include innovative thinking, communication, and flexibility (Arruksomboon et al., 2025). Therefore, Toyota's training approach is relevant to its changing business environment. However, Toyota should assess whether employees apply their learning to improve workplace performance as participation figures alone do not provide training effectiveness.

3.2 Proton

Proton also considers training and development an important part of developing its workforce and preparing employees for the future automotive industry. Proton has invested more than RM 9.4 million in training and development since 2022 and provides more than 100,000 training hours annually (PROTON, 2024). This indicates that Proton treats its employee development as a strategic investment rather than only a short-term operational activity.

One of Proton's main development approaches PYT, which combines onboarding, job attachments, classroom learning, job attachments, project work and coaching. Young talents undertake attachments across commercial and HR functions, manufacturing, engineering and technical, while also receiving a structured five-year career development framework (PROTON, n.d.). This provides employees with practical exposure while developing their understanding of different organisational functions. The training and development are relevant to the automotive sector because structured training needs to address both employees' ability and technological skills to adapt to changing work requirements (Saleh et al., 2024). Additionally, research involving automotive employees found that digital learning can contribute to employee performance, especially when employees perceive value in the training and are willing to engage with it (Gajendragadkar et al., 2024). Therefore, Proton's combination of practical development, career exposure, and investment appears aligned with industry requirements. However, financial investment and training hours do not by themselves demonstrates effectiveness, so Proton should also assess outcomes such as career progression, employee performance, and retention.

3.3 Comparative Analysis

Toyota and Proton recognise that training and development are necessary to prepare employees for organisational and technological changes within the automotive industry. However, their approaches differ in emphasis. Proton places greater emphasis on structured development through job attachments, project assignments and coaching (PROTON, n.d.) while Toyota focuses more on strongly on experiential learning through supplier-site training and exposure to external perspective (Toyota Motor Corporation, 2026). Proton's approach provides broader functional exposure for developing young talent while Toyota's approach may strengthen employees' problem-solving and adaptability. Nevertheless, training effectiveness should be assessed through application of learning rather than participation or training volume alone (Gajendragadkar et al., 2024; Saleh & Ainiah, 2024). Thus, both organisations need to demonstrate measurable outcomes from their development investments.

4.0 Effectiveness and Future Organisational Needs

The effectiveness of Toyota and Proton's people strategies can be evaluated based on whether their recruitment, training activities, and talent management develop capabilities that support future organisational requirements. Additionally, both organisations also invested in their employee development, recruitment numbers, training participation, and financial investment alone cannot fully demonstrate effectiveness. Moreover, Kraiger and Ford (2021) argued that training design with learning outcomes, transfer and job performance should be included in the workplace learning. Therefore, Toyota and Proton should evaluate on whether their employees are able to apply newly acquired knowledge and skills within their actual work.

Toyota's approach can support their employees in adaptability and problem solving. The company Human Capability Development Training allows the employees to understand the challenges outside their normal working environment (Toyota Motor Corporation, 2026). Additionally, this can support Toyota's goal in transforming into mobility company by providing their employees with broader operational perspective. However, Toyota's increased use of mid-career requirement also creates a need to integrate external experience with Toyota's continuous improvement culture and existing working practices. Moreover, the future development should combine Toyota-specific learning in new digital and technical skills for their experienced employee. In addition to that, the relationship between organisational and training performance is complex, suggesting that organisations should consider how different the training activities contribute to wider performance outcomes rather than evaluating training independently (Garavan et al., 2021).

Moreover, Proton's has invested in their employee especially in PYT and technical development also provides a foundation for developing their future and current workforce capabilities. However, Proton also should strengthen on how it measures the outcomes of its training activities. The participation and training hours show Proton commitment but do not necessarily demonstrate whether the employees have improved their performance. Training evaluation and transfer are crucial for Proton as their employees should have support and opportunities training in the workplace so Proton could evaluate their employee through retention, competency assessments, internal promotion and improvements in job performance.

Additionally, as the automotive industry continues to advance in technological changes and digitalisation, reskilling, continuous upskilling and development of both human and technical capabilities will be important. Therefore, talent development, recruitment, and measurable performance outcomes will be crucial for Proton and Toyota to maintain a capable and adaptable workforce (Trávníčková et al., 2024). New technologies and digitalisation are important factors that is affecting future workforce requirements with reskilling and upskilling need to address the emerging skill gaps (TRiREME, 2025).

Consequently, Toyota and Proton both should continue develop their existing employee while also recruit individuals with digital and technical capabilities. Overall, both companies have the relevant people strategies, but their effectiveness plan depends on moving from training activities towards performance outcomes and measurable capability. Both organisations therefore should strengthen their competency development, training transfer, and career progression to ensure their workforce remains adaptable to the changing automotive industry.

5.0 Conclusion

In conclusion, Toyota and Proton has adopted different strategies according to their business context, future workforce requirements, and organisational size. Toyota places greater emphasis on acquiring experienced talent through increased mid-career recruitment while using experiential development to prepare employees for organisational and technological transformation. In comparison, Proton places stronger emphasis on developing young talent in Malaysia through PYT programme, supported by career development, practical exposure, and structured training. Moreover, Toyota and Proton approaches can contribute towards the company long-term workforce capability, but their effectiveness should not only be access by their financial investment, recruitment numbers, or training hours. Both organisations should evaluate whether their employees are able to progress within the organisation by applying new knowledge and improve their performance.

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