Glove Industry Spikes during Covid-19 Pandemic: A Case Study of Comfort Gloves Berhad (CGB)

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Abstract
The glove industry in Malaysia continues to grow with the strong demand from the domestic and international markets. During the Covid-19 pandemic, the worldwide demand for gloves surges to a higher level due to huge demand for the medical and healthcare usage. This creates opportunities for gloves manufacturers to increase their production lines and produce more gloves to fulfil the markets’ demand. The paper studies the glove industry in Malaysia and applies a case study of Comfort Gloves Berhad, which is a glove manufacturer in Malaysia to look in depth the opportunities and threats faced by glove manufacturers during the Covid-19 pandemic. The authors studied the published resources to collect information and further analysed the data and information collected. This paper discusses the SWOT analysis and Porter Five Forces in influencing the markets. The recommendations and conclusion are provided at the end of the paper.

Keywords: glove industry, Covid-19 pandemic, innovation, enterprises

1. Introduction
The Covid-19 pandemic started to spread in January 2020 and increased drastically since February 2020. The United States (US), Brazil, India, Russia, South Africa, Mexico, the United Kingdom (UK), China and nearly all the countries in the world were in the pandemic of Covid-19. China’s Wuhan was the first city to enforce quarantine and lockdown on 23 January 2020 to avoid the spread of the Covid-19. Following Wuhan city’s lockdown, some other countries such as US, Brazil, India, Russia, UK, New Zealand, Australia, Malaysia, Singapore, etc. have also enforced lockdown later on. People are advised to wear gloves and masks and frequently wash their hands with sanitizers. Additionally, the hospitals and healthcare front liners have increased their gloves and masks usage in fighting with the Covid-19 pandemic and curing the patients. All of a sudden, the demand for gloves and masks in the markets have increased drastically. This has boosted up the glove and mask manufacturing industries in the countries, as well as Malaysia (Hutchinson, 2021). Malaysia is one of the top countries which leads the rubber products manufacturing industry, as well as rubber glove industry (Kawano, 2018). During the Covid-19 pandemic, many economic sectors were slow down due to lockdown and many people have lost their jobs. However, there is always opportunities although there are risks surrounded. The glove industry has shown a drastic growth in sales and profit. This is due to the high demand for gloves’ usage in medical, healthcare and personal hygiene awareness during the Covid-19 pandemic. The Financial Times has reported that glove industry has shown over 100% of positive growth of sales and profits in this lucrative industry (Financial Times, 2020). Among all the other industries, such as airlines, crude oil, tourism, electrical and electronic, automobile, finance, chemical, construction and engineering, etc., glove manufacturing industry has led the growth of economy with surge demand of glove from worldwide. This case study looks into the Comfort Gloves Berhad, a manufacturer of rubber gloves in Malaysia to study the strengths, weaknesses, opportunities and threats of this company. The recommendations and conclusion are also provided at the end of the case study.

2. Literature Review
Rubber is one of the main commodities in Malaysia and also the main income source for the country. Natural rubber as the raw material to produce rubber products. Malaysia is among the top producer for natural rubber as well as rubber products manufacturer in the world (NurHazirah et al., 2016). Malaysia became industrialized and moved towards manufacturing sectors since 1980s. One of the growing sectors is the rubber-related manufacturing products, as well as the glove industry (Esah & Paul, 2002).
The glove industry in Malaysia achieved high growing rate since 1980s. As reported by Ong (2001), the glove consumption increased from 18 178 tonnes in1987 to 201 478 tonnes in 1999 had shown the high demand of glove usage in the markets and the potential of glove industry to grow. In 1998, the Malaysian Rubber Board introduced the Standard Malaysian Glove Scheme (SGM) for quality assurance of the gloves produced by Malaysian factories (Ong & Eng, 2001). Through the scheme, it has united the Malaysian glove manufacturers to increase their productivity and expand their local and international markets.

Since 1990s, under the industrialisation trend and some incentives provided by the Malaysian government, the Malaysian glove manufacturers increased. There are more Malaysian glove manufacturers produce rubber gloves and latex gloves. With the growing of the medical and healthcare industries, the demand for the medical and healthcare gloves have surged to high demand. This has provided broader markets and more opportunities for glove manufacturers. Among the rapidly growing glove manufacturers in Malaysia are Top Glove, Hartalega, Kossan, Supermax, Comfort Gloves, Rubberex, etc. The glove manufacturers keep moving forwards by innovating their production and actively involve in research and development (R&D) for their products (Kee et al., 2021). The following sections studied Comfort Glove company which is one of the top glove manufacturers in Malaysia.

3. Comfort Gloves Berhad- The Company Background

Comfort Gloves Berhad history could be traced back to 27 years ago. In 1993, Datuk Lau EngGuang, the founder of the Comfort Rubber Gloves Industries Sdn. Bhd. (CRG) established a rubber glove manufacturing factory in Taiping, Perak to manufacturer rubber gloves. In 1997, Datuk Lau also established the Gallant Quality Sdn. Bhd. which involves in logistics and supply, investment and trading business activities. In 2004, Integrated Rubber Corporation Berhad (IRCB) was listed on the main board of Malaysia’s Stock Exchange. The Comfort Rubber Gloves Industries Sdn. Bhd. (CRG) is one of the subsidiaries of IRCB and has slowly expanded to manufacture a wide range of Nitrile, Latex gloves and powdered and powder free examination gloves for different application in medical and health care industries. In 2015, IRCB proposed name change to the Comfort Gloves Berhad (CGB) and was approved by the Companies Commission of Malaysia (CCM).

The company logo of CRG is a flying bird which is symbolised with two hands’ gloves in blue and green colours. The company’s missions are to uphold the innovation, quality and excellence in their products and management. The factory is equipped with advance machines and technologies to manufacture high quality gloves for domestic and international markets’ demands. Besides supplying to the local markets, the gloves are also exported to the US, UK, Germany, South Africa, New Zealand, Australia, Singapore, Thailand, Vietnam, Indonesia, Philippines, Middle East countries, etc.


The CGB has market capital 3,941 million with number of shares outstanding (NOSH) 583 million (KLSE, 2020). Up till today (03 August 2020), the CGB share price is RM6.76 per unit. As shown in Table 1: The Quarterly Financial Report, the CGB has shown a steady growth of year to year (YoY) performance since October 2019 with 4.88%, Jan to Mar 2020 with 9.12% and a big leap in April to Jun 2020 with 94.26%. The revenue has increased from 134,501 million (Oct-Dec 2019), to 138,645 million (Jan-Mar 2020) and 152, 907 million (Apr-Jun 2020). Thenet profit increased from Oct to Dec 2019, with 7,413 million, Jan to Mar 2020 with 10,242 million to Apr to Jun 2020 with 16,339 million, which has recorded double net profit. The earning per share (EPS) also expanded from 1.30 (Oct-Dec 2019), to 1.78 (Jan-Mar 2020), and 2.80 (Apr-Jun 2020) has shown twice times increment of the EPS (KLSE, 2020).

Table 2 shows the sales per region of CRG from 2019 to April 2020. As shown in the table, the gloves are exported to Asia’s countries, US, Canada,
Table 1. The Quarterly Financial Report (2019-2020)

<table>
<thead>
<tr>
<th>Financial Year: 31-Jan-2021</th>
<th>Revenue</th>
<th>PBT</th>
<th>Net Profit (NP)</th>
<th>NP to SH</th>
<th>NP to SH</th>
<th>QoQ performance</th>
<th>YoY performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Margin</td>
<td>ROE</td>
<td>EPS</td>
<td>DPS</td>
<td>NAPS</td>
<td>PBT</td>
<td>NP</td>
<td>QoQ performance</td>
</tr>
<tr>
<td>12-Jun-2020</td>
<td>30-Apr-2020</td>
<td>152,907</td>
<td>22,242</td>
<td>16,339</td>
<td>16,339</td>
<td>10.69%</td>
<td>5.01%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Year: 31-Jan-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>23-Mar-2020</td>
</tr>
<tr>
<td>16-Dec-2019</td>
</tr>
</tbody>
</table>

*PBT: Profit Before Tax,  *NP to SH: Net Profit Attributable to Shareholder,  *ROE: Return on Equity, *DPS: Dividend Per Share,  
*NAPS: Net asset value per share, *QoQ: Quarter to Quarter, * YoY: Year to Year  
Source: Kuala Lumpur Stock Exchange (KLSE) (2020)

Table 2. Sales per Region (2019- April 2020)

<table>
<thead>
<tr>
<th>Sales per region</th>
<th>2019</th>
<th>2020</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MYR (in Million)</td>
<td>%</td>
<td>MYR (in Million)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>152.89</td>
<td>32.3%</td>
<td>203.07</td>
</tr>
<tr>
<td>Asia (excluding Malaysia)</td>
<td>118.61</td>
<td>25%</td>
<td>173.39</td>
</tr>
<tr>
<td>United States and Canada</td>
<td>162.82</td>
<td>34.3%</td>
<td>105.24</td>
</tr>
<tr>
<td>Europe</td>
<td>31.55</td>
<td>6.7%</td>
<td>23.19</td>
</tr>
<tr>
<td>Others</td>
<td>8.16</td>
<td>1.7%</td>
<td>5.85</td>
</tr>
</tbody>
</table>

Source: Market Screener (2020)

Europe and some other countries. In 2019, the US and Canada were the biggest market for CRG with RM162.82 million (34.3%), followed by the domestic market (Malaysia) with RM152.89 million (32.3%), Asia’s market with RM118.61 million (25%), Europe market with RM31.55 (6.7%) and the other countries with RM8.16 million (1.7%). In 2020, the CRG gloves sold to the domestic market (Malaysia) achieved the highest sales with RM203.07 million (29.8%), followed by the Asia’s market with RM173.39 (33.9%), US and Canada markets with RM105.24 million (20.6%), Europe market with RM23.19 million (4.5%) and the other countries with RM5.85 million (1.1%) (Market Screener, 2020). In 2020, the sales growth in the Malaysia market is 32.82% and in the Asia’s market is 46.18%. It shows a strong demand of the gloves in the markets, especially in 2020 due to the Covid-19 pandemic has increased the usage of gloves for medical and healthcare purposes.

5. Worldwide Markets- Glove Demand During the Covid-19 Pandemic

During the Covid-19 pandemic, the worldwide glove’s demand surges over 100% for the first few months of 2020 to the numbers of more than 200 billion pieces (MARGMA (Malaysian Rubber Glove Manufacturers Association), 2020). This has created a high amount of gloves orders for manufacturers in the glove manufacturing industry. Malaysia has the largest rubber gloves manufacturer and small and medium-sized gloves’ manufacturers to supply nearly 65% of the world’s rubber gloves (Blomberg Markets, 2020). Among the big glove manufacturers in Malaysia are Top Glove, Kossan, Hartalega, Supermax, Rubberex, Comfort Glove, etc. The glove manufacturers have added additional production lines to manufacture more gloves for the world’s demand. There is a huge demand for medical gloves during the Covid-19 pandemic and also increased demand for rubber gloves for the related business and industries sectors, such as skincare salons, barber shops, restaurants, supermarkets, pharmacies, clinics, airlines , hotels, metallic and auto repair workshops, etc. Due to medical and healthcare needs for gloves and awareness of personal protection against the Covid-19 pandemic,
the demand for gloves is forecasted to grow at 15% in 2021 and 10% in 2022 (The Star, 8 Jul 2020). Table 3 shows the global demand of rubber gloves in billion pieces from 2009 to 2020. It shows that from 2009 to 2016, the global demand for rubber gloves increased 10 billion pieces every year averagely. From 2016 onwards, the global demand of rubber gloves increased drastically with additional 20 billion pieces (211 billion pieces in 2016, 232 billion pieces in 2017), from 2017 to 2018 with add on demand for 36 billion pieces (268 billion pieces in 2018), and increment demand for another 32 billion pieces to 300 billion pieces in 2020 (MARGMA, 2020).

Table 3. Global Demand of Rubber Gloves (in billion pieces)

![Table 3](http://ibr.ccsenet.org)

The worldwide markets for gloves demand are mostly come from the pharmaceutical, healthcare and medical industries. These industries have also increased the gloves manufacturers’ production capacity as they expanded their production lines and sales markets to worldwide. As shown in the pie chart as follows (Figure 1: Market Share of Gloves’ End User Industry (2017)), the pharmaceutical, healthcare and medical industries have 35% market share for the worldwide demand on gloves. The food industry has 20% of the worldwide gloves demand and follows by the automobile industry with 16% worldwide market share. Meanwhile the machinery industry has 11% of the gloves market share and the other industries has 18% of the gloves market share respectively (HTF Market Intelligent and Televisory’s Research, 2017). It shows that hygiene and personal protection awareness have also prompted to surge of worldwide gloves demand.

![Figure 1](http://ibr.ccsenet.org)
6. SWOT Analysis of Comfort Gloves Berhad

Comfort Gloves Berhad is among the big five rubber gloves manufacturers in Malaysia which export gloves to many other countries in the world. The Comfort Gloves Berhad has strengths, weaknesses, opportunities and threats (SWOT). The following SWOT analysis presents in detailed every element of Comfort Gloves Berhad’s SWOT in a table format.

Table 4. SWOT analysis- Comfort Gloves Berhad

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. started in 1993, has 27 years’ of experience in gloves production</td>
<td>1. limited production plants</td>
<td>1. gloves demand continues to grow</td>
<td>1. some other gloves manufacturers in the same industry</td>
</tr>
<tr>
<td>2. capable management team</td>
<td>2. insufficient land acres for factories to expand</td>
<td>2. business models expanded to digital platforms</td>
<td>2. price war</td>
</tr>
<tr>
<td>3. strong cash flow</td>
<td>3. limited life-long organisational learning culture</td>
<td>3. good reputation for gloves’ quality and innovation in production have increased sales</td>
<td>3. big companies have brought in advanced technologies for gloves production</td>
</tr>
<tr>
<td>4. advanced machines and equipment for gloves production</td>
<td>4. shortage of workers</td>
<td>4. capable and talented workers available in the job markets</td>
<td>4. company’s stock price exposed to market’s fluctuation</td>
</tr>
<tr>
<td>5. innovative culture in company</td>
<td>5. limited financial support for investments in new projects and product research and development (R&amp;D)</td>
<td>5. government provides financial support and loans for enterprises</td>
<td>5. Production technologies changes very fast</td>
</tr>
</tbody>
</table>

Strengths

The Comfort Gloves Berhad (CGB) has several strengths. First and foremost is the company has 27 years of experience in gloves production. The company started in 1993 to manufacture rubber gloves and has expanded to produce wide range of Nitrile and Latex gloves for different applications and powdered and powder free examination for gloves. The rich experience in gloves production has added on advantages for CBG to identify the potential gloves’ product lines to further expand to increase the production volume.

The CGB has a very strong and capable management team to manage the administration and production of the company. Datuk Lau EngGuangleads the employees to achieve the mission of the company to produce top quality gloves, to be reliable with customers and to be innovative in production. With the effort of the employees, the sales markets have expanded to US, Europe, Middle East and Asia’s counties. The company has profit every year and the sales volumes continue to grow steadily.

With steady growth in production and sales volume, CGB has recorded a positive balance sheet and strong cash flow. The strong cash flow enables CGB to purchase raw materials, machines and equipment, recruit employees, market the finished products, upgrade production technologies, etc. With positive cash flow, CGB also reinvested in some of the production lines to increase the production volumes and also to give dividend to shareholders.

The CGB has advanced machines and equipment for glove production. With the advanced machines and equipment in production enable more product units to be produced and to achieve zero defect. The advanced machines and equipment in production also increase efficiency and effectiveness in production and directly enhances the overall productivity. This indirectly leads to sufficient finished goods’ units in inventory to cope with surge demand for gloves.
Last but not least is the innovative culture in the CGB and encourages employees to think out of the box and share their ideas with others to improve overall company’s performance. The management also rewards employees who participate in sharing their ideas with colleagues and company. With encouragement and rewards from the management, it helps to turn great ideas to reality and benefits the employees and company, and enable the company to grow.

Weaknesses

There are some weaknesses for the CGB too. First of all, the limited production plants due to shortage of workers and insufficient of land acres to expand the factory has prompted to limitation of production plants. Although CGB has plans to enlarge its production plants, due to workers’ and land shortage, CGB has to postpone its expansion plans. This directly influences the total output units and capacity of CGB to be in the top five biggest gloves manufacturers in Malaysia to produce sufficient gloves for worldwide markets.

Secondly, the other weakness of the CGB is the limited land acres for CGB to build new factory for production line expansion. The CGB operates in Taiping, Perak sits on 8 acres of land. In 2018, the CBG bought in 39 acres of land in Kinta area, Perak for future factory expansion. The expansion causes a huge amount of money to invest for the new factory plant and facilities. This will create a huge demand for the current cash flow to be injected in the factory expansion project.

The third weakness is the limited life-long organisational learning culture in the CGB. Although continuously professional development for employees is important for a company to grow, the awareness of life-long learning and involvement in courses, workshops and seminars to upgrade employees’ knowledge and skills seems to be still at the coping up level compare to the multi-nationals corporations (MNCs) where these MNCs have their own training department to train up their employees.

Additionally, the shortage of workers in the CGB also a weakness for production and operation. The labour intensive manufacturing sector has faced insufficient labour for production since ten years ago where most of the labour intensive factories have to hire foreign workers to work at the production sites. Due to hiring foreign workers need to pay for work permit, insurance and minimum labour wage for them, this has creates a burden for labour intensive manufacturing sector to bear for the expenses.

Last but not least is the limited financial support for investments in new projects and product research and development (R&D). The CGB is a medium-sized factory with 900 employees and market capital RM3.941million (up till 03 August 2020). Although the CGB encourages innovative culture in the company, but in term of commercialise the great ideas to product with research and development (R&D) still under exploration. This indirectly has limited up the potential to discover and produce more innovative gloves related products for the company.

Opportunities

There are many opportunities available for the CGB. First and foremost is the surge demand for gloves in the worldwide markets due to the Covid-19 pandemic. The CGB has received many orders from domestic and overseas markets for gloves and achieved high sales volumes since 2019 (as shown in Table 2). The sales has increased drastically in early 2020 due to the Covid-19 pandemic. This has given an opportunity to CGB to expand its production lines and further explore its markets.

The other opportunity for CGB is new business models are available in the markets due to the globalisation and digitalisation. In addition to market CGB products through brick and mortar, CGB can also market its products through its own website or digital platforms, such as Shopee, Lazada, Tmall, 11 Street, Qoo10, Amazon, Taobao, etc. The CGB can access business buyers and consumer end-users through these different business models. It has opened up more opportunities to CGB to connect with its potential customers.

The third opportunity for CGB is the good reputation for its gloves’ quality and innovation in production have increased sales. The CGB’s mission is to produce high quality gloves and emphasise on innovation in production. The mission leads to very strict quality control for CGB gloves quality to achieve zero defect. This in turn helps to improve the production and operation management in CGB to achieve international standard’s glove and has been certified by a few worldwide well-known quality certified associations.

The fourth opportunity for CGB is there are many talented and capable workers available in the markets. Human resource is the asset of a company and capable employees can help the company to grow, bring profit to the company and carry out social responsibilities to the society. The CGB can hire right candidates for the right position in the company. With talented and capable employees can enhance productivity and directly increase the company’s performance.
Last but not least is the Malaysian government provides financial support and loans for enterprises to expand their production and operations through government’s agencies and financial institutions. The CGB can apply financial support and loans from government to expand its production and market the products. Additionally, the CGB also can apply for professional training from government agencies to provide training to its employees to equip them with the updated knowledge and skills in the gloves manufacturing industry.

7. Porter Five Forces Analysis of Comfort Gloves Berhad

Porter Five Forces (1980) mentioned that in order to know about the industry structure, industry life cycle, potential opportunities and competition in the industry, there is a need to study the Porter Five Forces which looks into the bargaining power of buyers, bargaining power of suppliers, threats of new entrants, threats of substitute products and/or services and rivalry among existing competitors. Every force has influence on the industry and these influences directly give impact on the organisation’s strategy. The author applies the Porter Five Forces to analyse the current market situation faced by the Comfort Gloves Berhad.

![Porter Five Forces (1980)](image)

Source: Porter (1980).

**Bargaining power of buyers**

The worldwide buyers for gloves have formed a high bargaining power to purchase the product. The drastically increase of demand for gloves during the Covid-19 pandemic has prompted the buyers from domestic and international markets to place orders to CGB. In order to fulfil the order demand, the CGB has extended its production and operation hours to produce gloves to cope with the production units. Numbers of buyers determine the buying and selling activities in the markets. Due to the increased number of buyers for gloves, it has created a strong bargaining power of buyers in the glove manufacturing industry.

**Bargaining power of suppliers**

The CGB has a few suppliers to supply raw materials such as rubber, chemical, powder materials for glove examination, latex, nitrile, etc. This has formed a moderate power of suppliers where they have significant roles in supplying and determining the level of raw materials inventory in the production warehouse of CGB. The coalition of suppliers to increase or fix the raw materials’ prices will influence the stocks of raw materials available in the markets (Rogetzer et al., 2018). Therefore, to reduce the fluctuation of raw materials prices supplied by the suppliers, the CGB can sign contracts with its raw materials suppliers for agreed prices and terms to reduce the risks.

**Threats of new entrants**

The threats of new entrants have moderate to high powder to enter the glove manufacturing industry. This is because the new entrants may produce disposal gloves which are used for one time and disposed. This disposal
gloves could be produced with lower cost and do not need very advanced technology to produce this product. Additionally, due to new entrants may sell the disposal gloves with cheaper price can cause threats to the market shares. Therefore, the CGB need to emphasise on the quality of products and the goodwill for the brand name to build customers’ loyalty to the CGB’s gloves. On top of that, the CGB can implement marketing strategies to retain the current customers and attract new customers.

**Threats of substitute products and/or services**

Rubberglove industry has substantial and sustainable demand due to other industries, such as medical and healthcare, hotel, restaurants, airlines, manufacturing, etc. continue to grow and use gloves in their industries. There are other substitute products for rubber glove, such as vinyl for preparing food, but not for medical use purpose, cotton glove for valeting and light handling applications, cotton/polyester blend glove for sublimation printing, leather or PVC coated glove for heavy and metallic duties, etc. Although there are many other types of glove available in the markets, but rubber gloves for medical and healthcare purpose are unsubstituted by other types of gloves as the rubber gloves have virus and bacteria protection coat and suitable for surgical and hygiene purposes. Therefore, threats of substitute products are low.

**Rivalry among existing competitors**

There are some competitors who produce rubber gloves in the same industry, such as Top Glove, Kossan, Hartalega, Supermax, Rubberex, etc. The competitors own strong financial supports and cash flow for their companies and also high technologies in production. In term of production capacity and facilities, the competitors have higher production level to produce more units comparing to CGB. Top Glove is the largest rubber gloves manufacturer which supply 26% of the world market share (Wikipedia, 2020). However, CGB also has its strengths and opportunities as mentioned previously in section 5. For example, CGB has capable management team, strong cash flow and innovation in production which in turn can achieve competitive advantage in production and marketing to compete with competitors. With this regard, rivalry among existing competitors has low to moderate power in influencing the market.

**8. Recommendations and Conclusion**

There are some recommendations for the CGB for short term and long term to improve its production, operation and overall company’s performance.

First and foremost, the shortage of workers need to be solved by recruiting more workers to cope with the expansion of production lines to increase productivity. Due to glove manufacturing sector is a labour intensive industry, it requires sufficient human resources to run the production and carry out the operation process. Additionally, the CGB also needs capable management teams to manage the financial flow and investments, administration of human resources, promotional and marketing, supply and logistics, etc. Therefore, the CGB needs to recruit right candidates for the right jobs in CGB.

Secondly, the CGB needs to be alert for opportunities to get financial supports and loans from government or other financial institutions that available in the markets. The rubber glove industry is in the Malaysian’s National Key Economic Areas (NKEA) (Norhanifah & Amir, 2019). The CGB can evaluate its current needs to expand its production lines and also its financial status. If there is a necessary to get a loan from government or other financial institutions, the CGB can appoint a management team to apply the loans and follow up with related government departments and financial institutions. For long term purpose, if CGB can have some investments in production, training for human resources, expansion of market shares, promotional and marketing, etc. will bring benefits to the company.

Thirdly, the CGB can consider to build new production plants and expand its production lines due to high glove demand from worldwide markets. In 2018, the CGB bought 39 acres of land near Kinta area, Perak and planned to expand its production plants. Due to setting up new production plants requires huge amount of capital and human resources, this need to be planned strategically and taken into account carefully to come out with right decisions. It involves operation and financial risk assessments, market situation, production technologies, the readiness of the CGB to cope with larger production plans, etc.

The fourth recommendation to the CGB will be more attention and effort to be put on the research and development (R&D) and innovation production. The CGB promotes innovative organisational culture and encourages employees to be creative and share their ideas with colleagues and management. For R&D purpose, if the innovative ideas could be used for develop and improve the gloves’ quality and production’s efficiency and effectiveness, this in turn helps to improve the overall productivity and sales. Therefore, more attention and effort would need to be put in enhancing R&D and innovation of production.
The fifth recommendation to the CGB will be focusing on the gloves’ high quality and achieve zero defect in production. To achieve high quality production, the CGB needs to bring in high technologies and advanced machines in production, such as automatic machines, computer programming machines, robotics and artificial technologies in production, etc. CGB has started to bring in more advanced technology in production. Additionally, professional trainings such as know-how technologies, digital skills, up-to-date production technologies’ knowledge and skills also need to be imparted to employees through workshops and seminars to equip them with the necessary knowledge and skills.

Last but not least is the expansion to the international markets through new business models, such as digital platforms, chat-bots, direct orders to manufacturerors raw materials suppliers without going through the middle-men or agents, etc. In addition to the US and Canada markets, the CGB expands its markets to more Europe, Middle East, New Zealand, Australia and Asia’s countries, this in turn enlarges its market shares in the worldwide gloves’ demand. Besides that, the globalisation and digitalisation trends also provide opportunities to the CGB to involve in digital marketing and selling gloves through the digital platforms. This helps to increase the sales and bring more profits to the company.

9. Conclusion
In conclusion, gloves industry has its potential to grow due to continuously demand from domestic and international markets. Additionally, the Covid-19 pandemic also has increased the demand for rubber gloves for medical, healthcare and personal protection purposes. The Malaysian government also provides financial supports and loans for enterprises to expand their operation plants and upgrading their production technologies and human resources needs. Therefore, the CGB can take the opportunities to apply financial assistances or expertise consultancy to enhance their production and business activities. “Victory comes from finding opportunities in problems”. With the efforts and commitments from the management team and the employees, the CGB is expected to achieve another higher level of success in the near future.

References


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