

ORGANIZATIONAL CAPABILITIES TOWARD  
SUSTAINABLE COMPETITIVE ADVANTAGE

KWAN HAO FENG

BACHELOR OF INTERNATIONAL BUSINESS  
(HONOURS)

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND  
MANAGEMENT  
DEPARTMENT OF INTERNATIONAL BUSINESS

APRIL 2022

**ORGANIZATIONAL CAPABILITIES TOWARD  
SUSTAINABLE COMPETITIVE ADVANTAGE**

**BY**

**KWAN HAO FENG**

**A Final-Year-Project submitted in partial fulfilment of the  
requirement of degree of**

**BACHELOR OF INTERNATIONAL BUSINESS  
(HONOURS)**

**UNIVERSITI TUNKU ABDUL RAHMAN**

**FACULTY OF ACCOUNTANCY AND  
MANAGEMENT  
DEPARTMENT OF INTERNATIONAL BUSINESS**

**APRIL 2022**

Copyright @ 2022

ALL RIGHTS RESERVED. No part of this paper may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, graphic, electronic, mechanical, photocopying, recording, scanning, or otherwise, without the prior consent of the author.

## DECLARATION

I hereby declare that:

- (1) This undergraduate FYP is the end result of my own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this FYP has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) Sole contribution has been made by me in completing the FYP.
- (4) The word count of this research report is 9237.

Name of student:

Student ID:

Signature:

KWAN HAO FENG

19UKB02020



Date: 27/4/2022

## ACKNOWLEDGEMENT

I am grateful because many people were willing to assist me during the progress of my research.

I would like to express my appreciation to my supervisor, Ms. Lim Yee Wui who put a lot of effort into supervising me during these several months. Ms. Lim always generous to share with me her thoughts and her knowledge. Without her supervision, I cannot complete my report confidently

Apart from that, I am grateful that the coordinators of the FYP provided the guideline and the workshop to us. The workshop was helpful when came to the writing of the report.

I would like to thank the course mates that provided information and shared their knowledge with me regarding the research project. The encouragement from them helped to release my stress.

Lastly, appreciate those friends who supported me during the period of data collection. The assistances from them were essential to being able to complete the process.

## Dedication

This research is dedicated to my supervisor, Ms. Lim Yee Wui. Thanks to her support, motivation and supervision, this report was able to be done on time and completed nicely.

Moreover, the outcome of this study will be dedicated to my university, UTAR that educated me over the past 3 years.

Lastly, this study is also dedicated to the respondents who took part in my survey and be a part of the research outcome.

## Table of Contents

	Page
Copyright .....	ii
Declaration .....	iii
Acknowledgement .....	iv
Dedication .....	v
Table of contents .....	vi
List of Tables .....	x
List of Figures .....	xi
List of Abbreviations .....	xii
List of Appendices .....	xiii
Preface .....	xiv
Abstract .....	xv
Chapter 1: RESEARCH OVERVIEW .....	1
1.0 Introduction .....	1
1.1 Research Background .....	1
1.2 Research Problem .....	3
1.3 Research Objective .....	7
1.3.1 General Objective .....	7
1.3.2 Specific Objectives .....	7
1.3.3 Research Questions .....	7
1.4 Research Significance .....	8
1.5 Definition of Terms .....	9
1.6 Chapter Layout .....	9
1.7 Conclusion .....	10
CHAPTER 2: LITERATURE REVIEW .....	11

2.0 Introduction .....	11
2.1 Literature Review .....	11
2.1.1 Resource-based View .....	11
2.1.2 Sustainable Competitive Advantage.....	12
2.1.3 Product Development Capability.....	13
2.1.4 Absorptive Capacity .....	14
2.1.5 Pricing Capability .....	15
2.2 Hypothesis Development .....	16
2.2.1 Product Development Capability.....	16
2.2.2 Absorptive Capacity .....	16
2.2.3 Pricing Capability .....	17
2.3 Research Framework.....	18
2.5 Conclusion.....	18
CHAPTER 3: METHODOLOGY .....	19
3.0 Introduction .....	19
3.1 Research Design.....	19
3.1.1 Quantitative business research.....	19
3.1.2 Survey .....	19
3.1.3 Target Population .....	20
3.1.4 Sampling Technique .....	20
3.1.5 Sampling Size .....	21
3.2. Data Collection Methods.....	21
3.2.1 Primary Data Collection .....	21
3.3 Scale Measurement .....	22
3.3.1 Respondent Details .....	22
3.5.2 Dependent Variable and Independent Variables .....	23
3.5.3 Origin of Construct.....	23



3.3 Pre-test & Pilot Test .....	25
3.3.1 Pre-test .....	25
3.3.2 Pilot Test .....	25
3.4.4 Reliability Test .....	25
3.5 Data Processing .....	26
3.5.1 Data Checking .....	26
3.5.2 Data Cleaning .....	26
3.5.3 Data Coding .....	26
3.6 Data Analysis .....	27
3.6.1 Descriptive Analysis .....	27
3.6.2 Reliability Test .....	27
3.6.3 Pearson Correlation Coefficient Analysis .....	27
3.6.4 Multiple Regression Analysis .....	28
3.8 Conclusion .....	28
CHAPTER 4: DATA ANALYSIS .....	29
4.0 Introduction .....	29
4.1 Descriptive Analysis .....	29
4.1.1 Location of Firm .....	29
4.1.2 Business Owner and Job Position .....	31
4.1.3 Information of the firms .....	33
4.1.4 Perception Towards SCA .....	34
4.3 Inferential Analysis .....	35
4.3.1 Reliability Test .....	35
4.3.2 Pearson Correlation Coefficient .....	36
4.3.3 Multiple Linear Regression Analysis .....	36
4.4 Conclusion .....	37
Chapter 5: DISCUSSION AND CONCLUSION .....	39

5.1 Introduction .....	39
5.2 Summary .....	39
5.2.1 Descriptive Analysis.....	39
5.2.2 Inferential Analysis.....	40
5.3 Discussion .....	40
5.3.1 Product Development Capability.....	40
5.3.2 Absorptive Capacity .....	40
5.3.3 Pricing Capability .....	41
5.4 Implication .....	41
5.4.1 Policy Maker.....	41
5.4.1 Managerial Implication.....	42
5.5 Limitation & Recommendation.....	43
5.5.1 Limitation .....	43
5.5.2 Recommendation .....	43
5.6 Conclusion.....	44
Reference .....	45

## LIST OF TABLES

	Page
Table 1.1: Growth and Contribution of Service and Manufacturing Sectors to The State GDP of NS, 2020 .....	6
Table 3.1: Origin of Measurement Construct of DV, Sustainable Competitive Advantage .....	23
Table 3.2: Origin of Measurement Construct of IV, Product Development Capability.....	24
Table 3.3: Origin of Measurement Construct of IV, Absorptive Capacity.....	24
Table 3.4: Origin of Measurement Construct of IV, Pricing Capability .....	24
Table 3.5: Rule of Thumb of Pearson Correlation Coefficient.....	28
Table 4.1: Location of Firm.....	30
Table 4.2: Job Title of Respondents .....	32
Table 4.3: Information of The Firms .....	33
Table 4.4: Reliability Test.....	35
Table 4.5: Pearson Correlation Coefficient Analysis .....	36
Table 4.6: Model Summary .....	37
Table 4.7: Multiple Regression Result.....	37

## LIST OF FIGURES

	Page
Figure 1.1: Growth and Contribution of State to GDP in Malaysia, 2020 .....	4
Figure 2.1: Research Framework .....	18
Figure 3.1: District Government in NS .....	22
Figure 4.1: Numbers of Respondent from Each Location .....	30
Figure 4.2: Term of Business .....	31
Figure 4.3: Non-business Owner Working Tenure .....	32
Figure 4.4: Sustainable Competitive Advantage Likert Scale .....	35

## LIST OF ABBREVIATIONS

SCA	Sustainable Competitive Advantage
RBV	Resource-based View
PDC	Product Development Capability
AC	Absorptive Capacity
PC	Pricing Capacity
CA	Competitive Advantage
NS	Negeri Sembilan
DV	Dependent Variable
IV	Independent Variable
H1	Hypothesis 1
H2	Hypothesis 2
H3	Hypothesis 3

## LIST OF APPENDICES

	Page
Appendix 1.1: Survey Form.....	58
Appendix 2.1: Calculation of Minimum Sample Size Using G*power.....	88
Appendix 3.1: Record of Data Collection Progress.....	89
Appendix 3.2: Picture with The Respondents Participated in Survey .....	91

## PREFACE

Researcher will bring in the popular topic in the strategic management, the sustainable competitive advantage of a firm. The study focused on the issue in the Negeri Sembilan, one of the states in Malaysia. The relationship between the capabilities and the sustainable competitive advantage of a firm will be tested in this research. This research will contribute to the economic in Negeri Sembilan and assist the managers of the firms in Negeri Sembilan.

## Abstract

The sustainable competitive advantage is the main driver to promise the firm performance. The economics of Negeri Sembilan showed its weakness especially the firms in the states unable to support the economic growth. It is important to determine the factors that influencing the sustainable competitive advantage of a firm to ensure the continuous good performance of the firms. Resource-based View is the theory that supporting the framework in this study. Researcher approached to the respondents and collected 206 data for the analysis through survey. Findings showed the product development capability and the pricing capability have relationship with the sustainable competitive advantage. This study suggested the policy maker and the managers to pay more attention to develop the 2 capabilities among the firms to build their sustainable competitive advantage. The future study should have a wider range of background and longitudinal research design.



# **Chapter 1: RESEARCH OVERVIEW**

## **1.0 Introduction**

This research will start with this chapter to describe the background of this study and discuss the sustainable competitive advantage from different aspects. While in the research problem, researcher evaluated the importance of carrying out this study. This is continued by the research objectives, research objectives, research questions, and significance of this research.

## **1.1 Research Background**

Competitive Advantage (CA) is always a popular topic to be discussed among the scholars and business sector. Some intellectual focus on the study of the sustainable competitive advantage (SCA) which is a derivative of the competitive advantage. The gap in the capabilities to differentiate its product/service from others is the key to the firms ensuring the durability of their competitive advantage (Coyne, 1986).

Countless researchers had linked the sustainable competitive advantage to firm performance. Either as a direct driver or as a mediating factor, the sustainable competitive advantage always plays an important role, in influencing the firm performance (Khan et al., 2019; Kong et al., 2001; López-Gamero et al., 2009; Ma, 2000; O'Shannassy, 2008; Saeidi et al., 2015). A framework to study the relationship between competitive advantage and firm performance was created in the early years. The success and the survival of the firms will be affected by the competitive advantage for those corporates focused on the exporting business. Factors such as environmental uncertainty of the finance and customer result from the unsustainable competitive advantage and direct the firms to perform badly. The different competitive advantages of the firm such as cost advantage and differentiation advantage of the firm will influence the financial performance of the firm. Yet, launching lower price products and differentiating products with other brands had become popular strategy references and study topics by those firm

strategy planners. There was evidence showing that sustainable competitive advantage will mediate the intangible resources towards the firm performance of SMEs.

In the past 20 years, there are much research discussing the competitive advantage and sustainable competitive advantage topics within Malaysia. According to Agus and Sagir in 2001, there is a strong linkage between the total quality management, competitive advantage and financial performance of the Malaysia manufacturing firms. From the aspect of macroeconomics to discuss the competitiveness of Malaysian industries, the government did put effort to create policy to assist the local firms and boost their capabilities, but it seems like never sufficient to increase the competitiveness, especially the lack of R&D activities (Ariff, 2005). Researchers also found that the age of the firms will become the moderator as the competitive advantage is affecting the firm performance in the study of the Malaysian firms (Alimin et al., 2010). Some scholars constructed some methods to help the Malaysian manufacturing companies to examine their sustainable competitive advantage by using measure variables of Effective Supply Chain Management, Organizational Responsiveness, Product Differentiation and Innovation and Cost Leadership (Vinayan et al., 2012). Apart from that, the strategy alignment can mediate the social and technological factors to a sustainable competitive advantage which will influence the sustainable business performance (Haseeb et al., 2019).

We can find out the performance of the firm always has a relationship with the sustainable competitive advantage. Constructing a strategy to build up own sustainable competitive advantage for the firms is an important pathway to lead the corporate to succeed. On the other hand, some other scholars put their attention on the determinants of sustainable competitive advantage, trying to look for the factors which are going to influence the sustainable competitive advantage in the firms.

Researchers discussed the importance of intangible assets toward the sustainable competitive advantage of a firm. As the resources of the firm, the scholars found out the firm which owns its unique intangible assets will gain a competitive advantage (Barney, 2012; Chaharbaghi & Lynch, 1999; Fahy, 2002; Mata, 1995; Krishnan et al., 2020; Oliver, 1997). From the model developed from past studies, a valuable resource or capability which is heterogeneous and imperfectly mobile brings a sustainable competitive advantage to the firm. Besides,

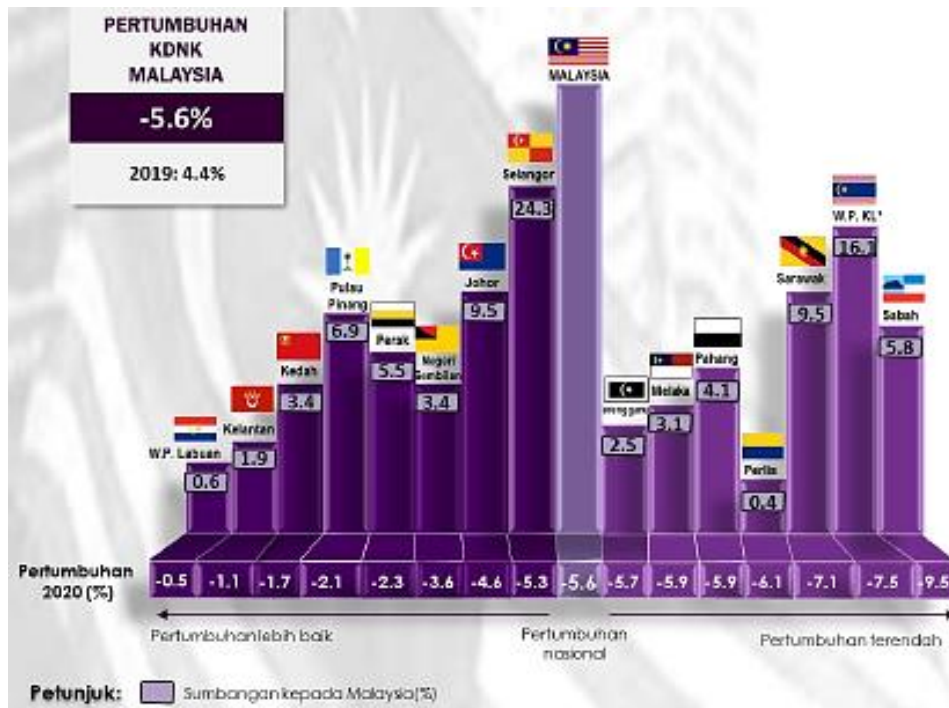
sustainable competitive advantage highly depends on the level of the strategy resources development of the firm. Respecting the challenging global environment, Fahy suggested that managers should be able to identify, protect and deployed the resources which are creating value for the firm. Nevertheless, scholars pointed out that the issue of management of the resource is the starting key for the company to achieve the final goal.

Among those resources, the organizational capability is the one that is often emphasized by the researchers. According to the literature, researchers unearthed many of them discussed the organizational capability of a firm can impact the sustainable competitive advantage and even the performance of the firm (Çağlıyan et al., 2021; Chmielewski & Paladino, 2007; Cui & Jiao, 2011; Foss, 1999; Kamboj & Rahman, 2017; Hall, 1993; Ulrich, 1991; Vanpoucke et al., 2014; Yang et al., 2021). Starting a decade ago, scholars created varieties of models to study the relationship between the capability and the competitive advantage and sustainable competitive advantage. However, some researchers excluded the affection for sustainable competitive advantage and found out capability can directly impact the performance of the firm. Moreover, in the sub-criteria of capability, few kinds of dynamic capabilities were influencing the sustainable competitive advantage, mediated by the firm strategy alliances.

## **1.2 Research Problem**

Referring to Figure 1.1, we can see the distribution of the GDP of Malaysia from each state. Obviously, the developed states and those states which have more rural areas did well in 2020 compared to others. It is understandable for every state with a different status to have different performances in the economy. It really depends on the aggressiveness of the state and the ability of them whether they can keep improving its economy. However, there was a problem if the performance of the state is not tally with the expectation and the aggressiveness of the policy maker.

Figure 1.1: Growth and Contribution of State to GDP in Malaysia,  
2020



Adapted from: Department of Statistics Malaysia Official Portal, (2020).  
Laporan Sosiaekonomi Negeri Sembilan 2020.

Negeri Sembilan (NS) as the state very near the largest GDP contributor, Selangor, it was always a question why the performance is not remarkable among all states. With the linkage of a few highways along Klang Valley and Negeri Sembilan, there is potential growth in the Negeri Sembilan in the future (Butcher, 2021). Whereas the state government of Negeri Sembilan put much expectation on the future performance of NS. The Menteri Besar foresee there will be more contribution from the private sector of NS to the state economy (Bernama, 2021). According to MIDA, Negeri Sembilan will develop to be a high-income state which attracts investment. The direction of NS moving toward is being a high-tech industrial hub and halal-friendly industry area. Yet, the Federation of Malaysian Manufacturers (FMM) believed Negeri Sembilan will be the next area attracting investment (MIDA, 2021).

From the statistic showing every GDP of the state (Figure 1.1), Negeri Sembilan was ranked number 10 among the states. Meanwhile, the states

surrounding NS are all at greater GDP than NS except Melaka which is only 0.2 lower than NS. Obviously, the situation of NS did not like what the policy makers told the public. Malaysia economy needs the supporting from the private sector (The Star, 2021). According to the research from the Department of Statistics Malaysia, the key engine contributing to the NS GDP is mainly the manufacturing and service sector in the state (Lim & Kon, 2020).

Combining the service and manufacturing sector contribution to NS, they occupied the 88% of the total state GDP (Department of Statistics Malaysia Official Portal, 2020). According to Table 1.1, the statistic has shown the Annual growth of the two main sectors in NS. There was an unstable growth trend in the service sector in NS. The growth rate can suddenly soar to a significantly high value, but it also can drop sharply to a negative value. Nevertheless, the manufacturing sector showed weak growth in year 2016 to 2019 compared to the overall performance of Malaysia which fell to about 3.8% to 10.1% (Department of Statistics Malaysia Official Portal, 2020). Yet, it performed even worse in 2020, having an almost 5% of the negative growth rate. To conclude the issue happening in NS, the two main sectors which the state relied on had undesirable performance and showed an unstable growth rate in the past.

Table 1.1: Growth and Contribution of Service and Manufacturing Sectors to The State GDP of NS, 2020

Year	Service Sector Contribution to NS GDP	Annual Growth of the Service Sector Production	Manufacturing Sector Contribution to NS GDP	Annual Growth of the Manufacturing Sector Production
2015	18,951	-	15,678	-
2016	19,976	5.40%	16,133	2.90%
2017	20,916	4.70%	16,654	3.20%
2018	22,126	5.80%	17,208	3.30%
2019	24,035	8.60%	17,630	2.50%
2020	23,780	-1.10%	16,761	-4.90%

Source: Department of Statistics Malaysia Official Portal, (2020). Laporan Sosaiekonomi Negeri Sembilan 2020.

The performance of the service and manufacturing firms will be the successful key to boost the growth of the state GDP. To assist the firms in NS to improve their performance, the firms must build up their own sustainable competitive advantage. sustainable competitive advantage is the core determinant that affects the firm performance and the key for the firm to survive and succeed.

We cannot deny that the policy maker was releasing varieties of policies and programs to assist the firm. To encourage the firms to develop their products, MIDA approved over RM90 million for the investment of R&D. 6 universities were supporting the companies for the knowledge. Those who carry out R&D also can enjoy the double deduction on tax payments (MIDA, 2021). Apart from that, several government institutions provided a lot of programs for entrepreneurs to gain more knowledge for their businesses. Examples, the Entrepreneur Guidance Programme by FAMA, the Entrepreneur Training and Development Program by PUNB, Professional Training and Education for Growing Entrepreneurs by PROTÉGÉ (MyGOV, 2021). On the other hand, policy maker ensures the local companies gain the cost advantage by giving tax allowance for those companies providing technical

and vocational training, firm which manufacture specialized machinery and equipment and small-scale companies (PWC, 2021).

Concerning whether those efforts from the policy maker is effective to bring sustainable competitive advantage to the firms, the researcher included those related organizational capabilities as the independent variables in this study. Those capabilities are product development capability, absorptive capacity and pricing capability.

## **1.3 Research Objective**

### **1.3.1 General Objective**

To investigate the factors influencing the sustainable competitive advantage of business entities.

### **1.3.2 Specific Objectives**

1. To investigate the relationship between the product development capability (PDC) towards Sustainable Competitive Advantage (SCA).
2. To investigate the relationship between the absorptive capacity (AC) towards sustainable competitive advantage (SCA).
3. To investigate the relationship between the pricing capability (PC) towards sustainable competitive advantage (SCA).

### **1.3.3 Research Questions**

1. Is there any relationship between the product development capability (PDC) towards Sustainable Competitive Advantage (SCA)?

2. Is there any relationship between the absorptive capacity (AC) towards sustainable competitive advantage (SCA)?

3. Is there any relationship between the pricing capability (PC) towards sustainable competitive advantage (SCA)?

## **1.4 Research Significance**

In this research, the researcher is looking for a pathway to let the private sector to give a contribution on the growth of the state economy. In term of microeconomic, the firms would like to perform well through strategic management, positioning the firm itself as the best choice for the customer. Researcher would like to emphasize the importance of the sustainable competitive advantage of a firm. There are three capabilities that were pointed out and test the relationship with a sustainable competitive advantage. Understanding the relationship between those variables will ease the managers to understand the determinants of sustainable competitive advantage. Yet, implicating the result of this research and focus on developing the essential capability to boost the sustainable competitive advantage.

Apart from that, the policy maker can bring up some policies or subsidies which will really assist those firms effectively. Helping the firm to grow lead to the state GDP to grow. As the less developed states will take a longer time to converge to the more developed state in terms of GDP, enhancing the growth of the poor state can contribute a lot to the overall Malaysia economic growth (Azura Sanusi et al., 2018). Moreover, among the 17 goals set by the United Nation, this research will contribute to the goal of “decent work and economic growth” (United Nation, 2021). The research problem pointed out the unsustainable growth of the economy of Negeri Sembilan. By evaluating the determinants of sustainable competitive advantage, this research will assist those firms to perform well in the future.



## **1.5 Definition of Terms**

Sustainable competitive advantage (SCA): Competitive advantage to be able to sustain if the competitors are not able to duplicate the competitiveness (Jacobsen, 1988).

Competitive Advantage (CA): Competitive advantage means the superior value for customers, yet not easy for other competitors to duplicate it (Hitt, 2016).

Organizational Capability: The firm's ability to manage people to gain competitive advantage (Ulrich, 1991).

Product Development Capability (PDC): The capabilities of firm to develop new products continuously and successfully in the international market (Subramaniam & Venkatraman, 2001).

Absorptive Capacity (AC): The ability to recognize the value in that new info and able to apply and assimilate it (Cohen & Levinthal, 1990).

Pricing Capability (PC): The ability of the company to set product/service prices considering the costs, competition and customer expectations (Dutta et al., 2002).

Resource-based View (RBV): Sustainable competitive advantage will be driven by the resources which are valuable, rare, imperfectly imitable and unable to be substituted by competitors (J. Barney, 1991).

## **1.6 Chapter Layout**

Chapter 1 contains the research background, research problem and a list of objectives. Research significance will be included as well. Besides, Chapter 2 explains each variable and many points of view from many academicians and provides a review of the previous studies which has similarities with this research. Chapter 3 is illustrating the research design, method of data collection and the

procedure of analyzing data. Apart from that, Chapter 4 will show all the results after data analysis. Lastly, Chapter 5 is concluding the research overall.

## **1.7 Conclusion**

In nutshell, this chapter discussed the research background of the competitive advantage. Given facts and past studies, researcher emphasized the importance of CA and sustainable competitive advantage. Researcher also pointed out the problem in NS. It is necessary to strengthen the firms in NS. The objective of this research is to look for the existence of the relationship between the independent variables and sustainable competitive advantage. Followed by the research significance to enforce the essential of this research. The reader can find the definition of some specific terms in this chapter to prevent misunderstanding in the following report.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.0 Introduction**

This chapter listed down the past studies by the scholars reviewed by the researcher during the research process. The researcher will explain the theory involved in the research, followed by the past research relating to the dependent variable and independent variables. Besides, this part consists of the hypothesis constructed after studying all the results from the scholars. The research framework of this research will be shown in the last part of Chapter 2.

### **2.1 Literature Review**

#### **2.1.1 Resource-based View**

Sustainable competitive advantage will be driven by the resources which are valuable, rare, imperfectly imitable and unable to be substituted by competitors (Barney, 1991). According to the theory of resource-based view (RBV) which will be focused on in this research, scholars found that the sustainable competitive advantage is led by the intangible assets of the firm then bring better performance to the firm (Rajendra K. Srivastava et al., 2001). In the aspect of the resource-based view, the accumulation of the firm resources will lead to a sustainable competitive advantage (Grant, 1991). By implicating the resource-based view, the researcher suggested identifying the firm's resources and capabilities that influence the sustainable competitive advantage. Thus, the firm can construct its strategy by referring its sustainable competitive advantage. However, the improvement of the resources and capabilities is important to maintain the strategy and upgrading.

In the early stage of studying the resource-based view, researchers developed some tools to assist the firm to develop instead of acquiring to gain resources instead of just focusing on products (Wernerfelt, 1984). After

a decade, Wernerfelt support his point of view on the importance of resource-based view in the strategic management of a firm, but more studies should be carried out to have a more specific understanding of the term “resource” (Wernerfelt, 1995).

Resource-based view theory help to build the model of the competitive advantage. Scholars suggested that heterogeneity, ex-post limits, imperfect mobility and ex-ante limits are the 4 main factors to support the competitive advantage of the firm (Peteraf, 1993). However, there was scholars found that resource-based view might be a good tool for studying the competitive advantage, it is not a good theory while researching the firm performance (Ray et al., 2004). From the perception of customers, they placed the capabilities as the most valuable resources, but not all kinds of value provided by the firms will suit the customer needs (Clulow et al., 2007).

Although the resource-based view has broadly been used in many textbooks of Strategic Management nowadays, the business world must aware not every kind of resource brings advantage to the firms. The scholar proposed that the organization should put more attention on its valuable, rare, inimitable, and dynamic capabilities (Newbert, 2007). Besides, managers play an important role to make the strategic choices on which key resources will bring value to the customers, in another word, bring sustainable competitive advantage to the firm (Fahy, 2000). Some researchers suggested the firm integrate the resources-based strategy and the market-based strategy during the strategy process by applying the business process-based approach (Acur & Bititci, 2004).

### **2.1.2 Sustainable Competitive Advantage**

Competitive Advantage (CA) is a common term for scholars or businessmen discussing strategic management. One of the scholars who study about the competitive advantage early, Porter pointed out that competitive advantage is all about what value is created by the company, making the customer willing to buy its product (Morgan & Vorhies, 2009).

Competitive advantage means superior value for customers, yet not easy for other competitors to duplicate it (Hitt, 2016). Value is the key where we identify the existence of the competitive advantage in a firm. To define the Sustainable Competitive Advantage (SCA), some researchers said a competitive advantage that can be sustained is one that can last a long period (Jacobsen, 1988). However, Barney (1991) who explained the relationship between firm resources and the sustainable competitive advantage explained the key to competitive advantage is to be able to sustain if the competitors are not able to duplicate the competitiveness.

According to the resource-based view, sustainable competitive advantage is driven by the resource of the firm. resource-based view is the good fundamental for the researcher to study what influences the sustainable competitive advantage in the firm, the direction of the independent variable should be in the form of intangible resources (Rouse & Daellenbach, 1999). Based on the resource-based view, organizational learning and strategic human resource management can direct the sustainable competitive advantage (Khandekar & Sharma, 2005). There were scholars who argued that employees and managers who are capable were considered as the resource of the firm which is going to influence sustainable competitive advantage to the firm (McWilliams & Siegel, 2011). There is a strong tendency that inter-organizational learning has a significant relationship with the sustainable competitive advantage. Meanwhile, market orientation plays an important role in influencing both variables (Pratono, 2021).

### **2.1.3 Product Development Capability**

Product development capability (PDC) is the capability of the firm to develop new products continuously and successfully in the market (Subramaniam & Venkatraman, 2001). One of the ways to boost the product development of the firm is the strategic alliances, while the mediators are the exploration and exploitation by the moderating role of knowledge sharing (Ferreira et al., 2020). Scholars emphasized the importance of knowledge sharing to enhance the product development capability, shared

knowledge from internal or external the firms will direct the performance of the product development (Hong et al., 2004). From the aspect of the SMEs, the researcher suggested the firm implement the systematic learning and always amend the characteristic of the product referring to the needs of the market (Mosey, 2005). The researcher also found out that in real cases, the external sourcing for product development will lead to low competitive success and slow innovation speed (Kessler et al., 2000).

Some scholars will include product development capability as the component of marketing capability while investigating the causal relationship between capability and firm performance (Morgan & Vorhies, 2009). Besides, service development, one of the components of the service innovation will drive the sustained competitive advantage (Salunke et al., 2011). Apart from that, product development management would become the mediator of the marketing decision-making influencing the sustained competitive advantage in the study in the dynamic capability view (Cao et al., 2019).

#### **2.1.4 Absorptive Capacity**

The previous study regarding absorptive capacity (AC) defined the term as the ability to recognize the value in that new info and able to apply and assimilate it (Cohen & Levinthal, 1990). In the research of Zahra and George (2002), the scholar had created a model for investigating the relationship between absorptive capacity towards competitive advantage. As a dynamic capability of the firm, the components included in AC are assimilation and acquisition of the experience and knowledge, also with the transformation and realizing the experiences and knowledge. Apart from that, the researcher assessed the absorptive capacity by using the knowledge management capacity framework and pointed out the implication for the knowledge management for the firm (Lichtenthaler & Lichtenthaler, 2009). There was a suggestion about absorptive capacity can be one of the intangible assets of the firm, to fit into the resource-based view to study the sustainable competitive advantage (Jiménez-Barrionuevo et al., 2011).

Absorptive capacity is a factor affecting the innovation of the firm which will influence the competitive advantage (Chen et al., 2009).

By changing the ability of management and information quality, absorptive capacity in the firm can have a positive effect on disaster immunity in the firm (Sadeghi et al., 2020). In a highly dynamic market, absorptive capacity plays an important role, in affecting the financial performance of the company (Senivongse et al., 2019). To improve the absorptive capacity in the company, the managers should put effort into updating their IT capability, while absorptive capacity also is the mediator influencing the relationship between IT capability and open innovation performance (Wu et al., 2021). The importance of absorptive capacity is undoubtful, especially in those technology-based companies, scholars found out that greater absorptive capacity brings greater technological entrepreneurship (Petti & Zhang, 2013). The improvement of the absorptive capacity in cloud computing will lead to a firm knowledge accumulation and performance (Chang et al., 2019).

### **2.1.5 Pricing Capability**

Dutta (2003) defined the pricing capability (PC) as the ability of the company to set product/service prices considering the costs, competition and customer expectations. Besides, the center-led pricing management, organizational change capacity and championing behaviours of the corporate are those determinants of pricing capability (Liozu et al., 2014). In the study focused on the SME, pricing information acquisition practices can influence the pricing performance which is related to the firm performance (Achterberg et al., 2018). The market-focused learning and firm innovativeness will influence the pricing capability which is a driver of the business performance (Ranjan & Nayak, 2022).

Pricing capability as one of the components of the marketing capabilities is an important resource for a company to perform well. Nevertheless, it may bring varieties of the competitive advantage to the firm, which are cost advantage, product advantage and service advantage (Keskin

et al., 2021; Murray et al., 2011). The pricing capability of the company will positively impact the firm performance while influencing the trust-building of those companies utilizing social media (Pratono, 2018). From the aspect of the exporting firm, the pricing capability will direct the good performance of the company (Pham, et al., 2017). The company should respond to the market by using pricing capability to achieve the lost-cost advantage over all the competitors.

## **2.2 Hypothesis Development**

### **2.2.1 Product Development Capability**

In the research studying the financial performance of the China exporting companies, it was found product development capability will influence the branding advantage of the firm (Zou et al., 2003). The experience of product development of the firm will lead to better product development capability which brings sustainable competitive advantage to the company (Saranga et al., 2018). Besides, product development capability showed a positive relationship with the sustainable competitive advantage in the study carried out in Indonesia (Pratono, 2021). Hence, the researcher would like to make a hypothesis to investigate whether is there a relationship between product development capability and sustainable competitive advantage.

H1: There is a positive relationship between product development capability and sustainable competitive advantage.

### **2.2.2 Absorptive Capacity**

There is evidence showing the existence of a linkage between absorptive capacity and competitive advantage with the involvement of social capital (Chuang et al., 2016). Besides, a study has shown that there is



a positive effect from absorptive capacity to competitive advantage in those corporates which run the environment proactive strategy (Delmas et al., 2011). absorptive capacity has a relationship with a sustainable competitive advantage with the mediating of the learning capability. Therefore, this research would like to study whether there is a relationship between absorptive capacity and sustainable competitive advantage.

H2: There is a positive relationship between absorptive capacity and sustainable competitive advantage.

### **2.2.3 Pricing Capability**

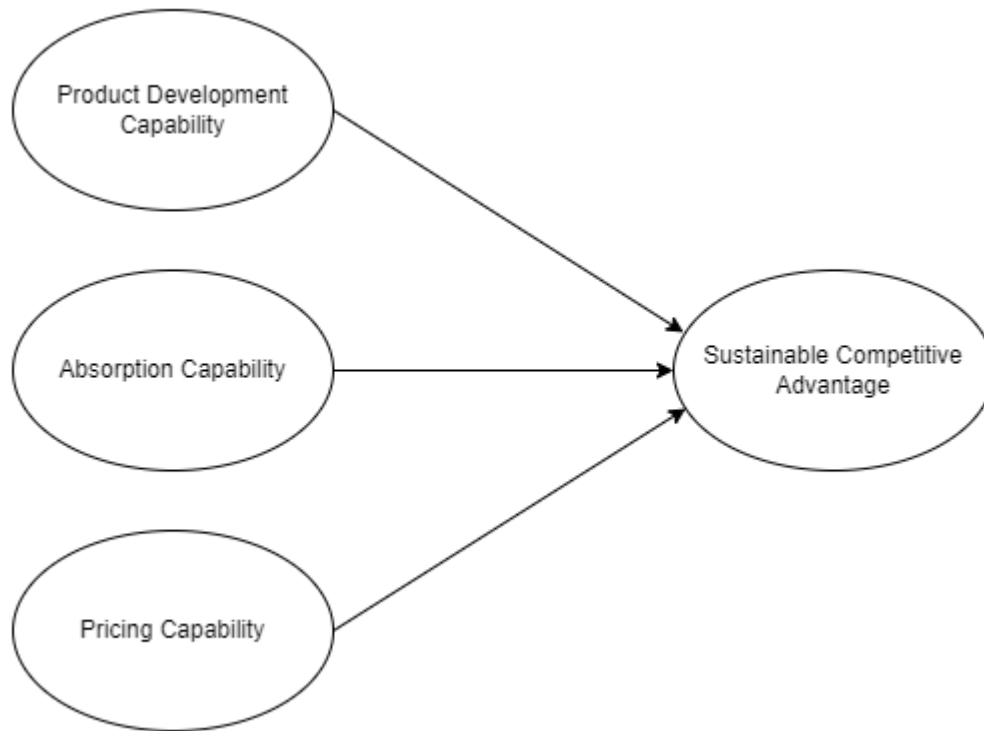
Pricing capability was included in the framework which studied what capabilities provide the sustainable competitive advantage for the firm to perform well overall (Morgan & Vorhies, 2009). Pricing capability act as one of the components of the environmental marketing strategy that will affect the competitive advantage of the firm (Leonidou et al., 2013). The study also pointed out the pricing capability will lead to two different kinds of competitive advantage which are low-cost advantage and differentiation advantage (Tan & Sousa, 2015).

H3: There is a positive relationship between pricing capability and sustainable competitive advantage.

## 2.3 Research Framework

Figure 2.1 shows the research framework developed for this research.

Figure 2.1: Research Framework



Adapted from: Developed for the research.

## 2.5 Conclusion

The literature review inserted the past studies and articles which studies by the researcher. The background of the theory, resource-based view and the four variables was explained in this part. By evaluating the studies done by the scholars in the past, researcher also provided the linkage between the dependent variable and the independent variables as well as the implementation of the resource-based view in this study. From the evidence shown in the articles, researcher is able to construct a research model and develop the hypothesis.

## **CHAPTER 3: METHODOLOGY**

### **3.0 Introduction**

The methodology of this research will be discussed in detail in this chapter. The research design will be reported in this chapter. The sampling method is describing the target population, sampling frame, sampling technique and sampling size. Then, the researcher will explain how the researcher collected the data for this project. The research instrument involved in this research is an online survey, pre-test, pilot test and reliability test. Besides, the content in the measurement will be listed. The following part is the ways of data processing and data analysis.

### **3.1 Research Design**

#### **3.1.1 Quantitative business research**

Quantitative research will be adopted in this research. Quantitative research will quantify the collection and analysis of data (Bryman, 2012). Quantitative data is good to be used to measure the characteristics of something represented by numbers (Hair et al, 2007). This research is descriptive research. The data collected in this research will be tested whether the hypothesis developed are supported. As mentioned in Chapter 1, the researcher would like to figure out is there any relationship between the dependent variable sustainable competitive advantage and the 3 independent variables, product development capability, absorptive capacity and pricing capability respectively.

#### **3.1.2 Survey**

A survey form was used to collect the data for this research. The survey is a common way to associate quantitative research with its findings.

The advantage of using a survey is assessing the information of a population rapidly, effectively, accurately and in a low-cost method (Zikmund et al, 2012). The researcher constructed the questionnaire in the form of an online survey form by using the website of Microsoft Form. Instead of using the survey in a paper form, using the online survey form can save time and avoid close contact during the pandemic period. The survey consists of Sections A, B and C. The branching in the online survey is essential to differentiate the qualification of the respondents and types of respondents for further analysis.

### **3.1.3 Target Population**

This research is studying the firm sustainable competitive advantage in the Malaysia state, Negeri Sembilan. In the past study, to understand the driver of the competitive advantage, the scholars set the target population of the research as the management level in hundreds of enterprises (Li & Liu, 2014). Therefore, the unit of analysis of this research is the management level of the service and manufacturing firms in NS. However, to avoid the situation of the managers, who have limited understanding of the firm, researchers except for the managers who worked in the firm lesser than 1 year.

### **3.1.4 Sampling Technique**

An accurate statistic of the number of service and manufacturing firms in Negeri Sembilan is unavailable. Therefore, the sampling frame of this research is negation. This research is under non-probability sampling. Researcher applied Convenience Sampling as the sampling technique. Convenience sampling is a non-probability sampling where the target population is easy to access, has geographical proximity, is available during the data collection period, willing to take part in the survey (Etikan, 2016). Researcher will visit the firms in Negeri Sembilan that the researcher can

reach. No previous confirmation of which firm the researcher is going to visit.

### **3.1.5 Sampling Size**

The method used by researcher to calculate the minimum sample size of this study is the G-power. The estimated sample size can be calculated using G power, especially the business and social science research (Memon et al., 2020). The minimum sample size for this study is 77 after calculation of the G power.

## **3.2. Data Collection Methods**

### **3.2.1 Primary Data Collection**

Only primary data is included in this quantitative research. Researcher visited the 7 districts in Negeri Sembilan, visiting the service and manufacturing firms to approach the management level of each firm. According to the official website of the NS government (Figure 3.1), there are a total of 7 districts in NS. The districts in NS are Seremban, Port Dickson, Jempol, Tampin, Rembau, Jelebu, Kuala Pilah. However, the Nilai area has its own government office similar to other districts, named Majlis Bandaraya Seremban (Nilai) due to its rapid development (Jalil, 2021). Although it is an area under Seremban, researcher will separate the respondent group from Seremban.

The researcher wore the UTAR t-shirt and the UTAR student id, representing the university student of UTAR when talking to the respondents. To ease the survey data collection, researcher printed out the QR code for the e-survey form. Those who agreed to participate in the survey just had to scan the QR code to fill in using their smartphone.

Researcher had planned the travel pathway and the schedule of the data collection. Researcher visited the firms in the area accordingly.

Researcher would record the data collection process by taking photos with the respondents and the location researcher had been. Besides, the location and timing also would be recorded and saved.

Figure 3.1: District Government in NS



Adapted from: Pihak Berkuasa Tempatan. Portal Rasmi Kerajaan Negeri Sembilan - Utama. <https://www.ns.gov.my/kerajaan/pihak>.

### 3.3 Scale Measurement

#### 3.3.1 Respondent Details

Before asking the respondent their demographic and variable questions, researcher ensured the respondents understand what this survey was about, who was doing the research and why this research would be conducted. Besides, researcher had inserted a notification about the protection of the respondent's information. Researcher would get consent from the respondent before the questionnaire was started.

The first section of the questionnaire is about the respondent demographic. The questionnaire will ask for the information of the respondent regarding his or her position in the organization. If the

respondents are business owners, they would answer the info about the business. Apart from that, the industry and the location of the firm of the respondent will be recorded. If the respondents are not qualified as a respondent, he/she was not able to continue with section B & C which is the dependent variable and independent variable questions.

### **3.5.2 Dependent Variable and Independent Variables**

Section B is the independent variable items regarding the product development capability, absorptive capacity and pricing capability, consisting of 5 questions for each IV. Section C is the Dependent variable item about sustainable competitive advantage consisting of 6 questions. The questions of the variables were adopted from past research and studies. Researcher reviewed all the related articles and adopted the items which were suitable for this study. The questions were set on the 5 Likert scales. The respondents were able to pick one of the answers from “Strongly Agree”, “Agree”, “Neutral”, “Disagree”, and “Strongly Disagree”.

### **3.5.3 Origin of Construct**

Table 3.1: Origin of Measurement Construct of DV, Sustainable Competitive Advantage

Number of items	Adopted from
6	(Li et al., 2006)

Source: Developed for the research.

Table 3.2: Origin of Measurement Construct of IV, Product Development Capability

Number of items	Adopted from
3	(Zou et al., 2003)
2	(Tan & Sousa, 2015b)

Source: Developed for the research.

Table 3.3: Origin of Measurement Construct of IV, Absorptive Capacity

Number of items	Adopted from
2	(Delmas et al., 2011b)
1	(Delmas et al., 2011)
1	(Chen et al., 2009b)
1	(Xie et al., 2018)

Source: Developed for the research.

Table 3.4: Origin of Measurement Construct of IV, Pricing Capability

Number of items	Adopted from
1	(Tan & Sousa, 2015)
3	(Pham, et al., 2017)
1	(Leonidou et al., 2013b)

Source: Developed for the research.



## **3.3 Pre-test & Pilot Test**

### **3.3.1 Pre-test**

Before researcher went for the data collection, researcher did a pre-test. Researcher invited 1 academian who expert in the field of Strategy Management to screen through the questionnaire. Besides, 3 lecturers who were experts in the 3 different languages were asked to fill in the survey and checked the language used was appropriate and understandable. Apart from that, the e-survey form was sent to 2 management levels to examine whether they were able to answer it and understand all questions. Those who took part in this Pre-test had given their opinion on this Questionnaire. Researcher edited the questionnaire after the pre-test to improve the survey.

### **3.3.2 Pilot Test**

After the survey form is finalized, researcher had run a pilot test. Pilot test is small-scale preliminary research carried out before the proper data collection. Researchers run the data collection in Seremban, one of the districts of NS, collected 32 respondent data containing 30 qualified data. The analysis of the pilot test will determine the reliability of the questionnaire.

### **3.4.4 Reliability Test**

To ensure the reliability of the questionnaire designed in the research, researcher determine the Cronbach's Alpha of those variables. Cronbach's Alpha is used to measure the consistency of the item, telling the researcher how the items closely relate to each other as a group. Measurement of Cronbach's alpha will be carried out for the pilot test and the exact data analysis. Variable items are reliable if Cronbach's Alpha is more than 0.7

(Nunnally, 1978). Hence the ideal values of the Cronbach's Alpha for the variables are more than 0.7.

## **3.5 Data Processing**

### **3.5.1 Data Checking**

Since researcher is using the Microsoft Form as a survey tool, it is easy to check whether the questionnaire is completed by every respondent. The respondent was unable to submit the form if there is the uncompleted question. While the data collection was done, the data was transformed into an excel file.

### **3.5.2 Data Cleaning**

Within the excel document, researcher examined the data carefully to determine the qualification of each respondent. Those ambiguous data have also been checked and considered to be set as the qualified data. During data cleaning, the faulty data also can be filtered out. The outcome of this process was concluding there were 206 usable data within the 243 data.

### **3.5.3 Data Coding**

The data was coded into a simplified form to ease the following analysis. For the respondent details, researcher coded those data into a single word. The IV and DV data were coded as numbers according to the 5 Likert scale.

## **3.6 Data Analysis**

### **3.6.1 Descriptive Analysis**

The descriptive data will be separated into a single sheet to show the value, frequency distribution, and percentage from the information given by the respondents. The researcher would further evaluate the data into a clearer picture such as a table and chart. The descriptive data also can be summarized easily by showing the highest or the lowest frequency of each statistic. By blending those interrelated data, researcher was able to find out the interaction between each data. Moreover, the outcome of the demographic and the firm information can be used to test whether there was a linkage with the variable items.

### **3.6.2 Reliability Test**

The internal consistency reliability of the variable item would be tested again for the 206 total data collected. By using the same method during Pilot Test, Cronbach's Alpha would be used. The ideal value for Cronbach's Alpha should be over 0.7.

### **3.6.3 Pearson Correlation Coefficient Analysis**

Pearson Correlation Coefficient would be used to measure the linear correlation between the product development capability, absorptive capacity, pricing capability and the sustainable competitive advantage. Researcher will determine the correlation between the variables according to the rule of thumb set by the scholars.

Table 3.5: Rule of Thumb of Pearson Correlation Coefficient

Correlation Coefficient	Interpretation
0.00–0.10	Negligible correlation
0.10–0.39	Weak correlation
0.40–0.69	Moderate correlation
0.70–0.89	Strong correlation
0.90–1.00	Very strong correlation

Source: Schober, P., & Schwarte, L. A. (2018). Correlation coefficients: Appropriate use and interpretation. *Anesthesia and Analgesia*, 126(5), 1763–1768. <https://doi.org/10.1213/ANE.0000000000002864>.

### **3.6.4 Multiple Regression Analysis**

Multiple Regression would be used to determine whether there is a positive relationship between the IVs and DV. The hypothesis would be tested in this part. Researcher would check the relationship of capabilities toward Sustainable Competitive Advantage.

## **3.8 Conclusion**

In nutshell, this business quantitative research involved the survey research and management level of Negeri Sembilan. Researcher designed the questionnaire in e-survey form to ease the data collection. Researcher went physically to collect the data with convenience sampling technique after the pre-test and pilot test. There data would be checked, cleaned and coded. This study would present the descriptive data, the reliability of the variable, correlation and the hypothesis testing through multiple regression.

## **CHAPTER 4: DATA ANALYSIS**

### **4.0 Introduction**

In Chapter 4, researcher will analyze the data collected. The descriptive analysis is showing the demographic statistic for the respondent. Besides, researcher will analyze the information of the respondent firms. The inferential analysis included the reliability test, Pearson Correlation Coefficient and Multiple Linear Regression which is important for the overall outcome of the research.

### **4.1 Descriptive Analysis**

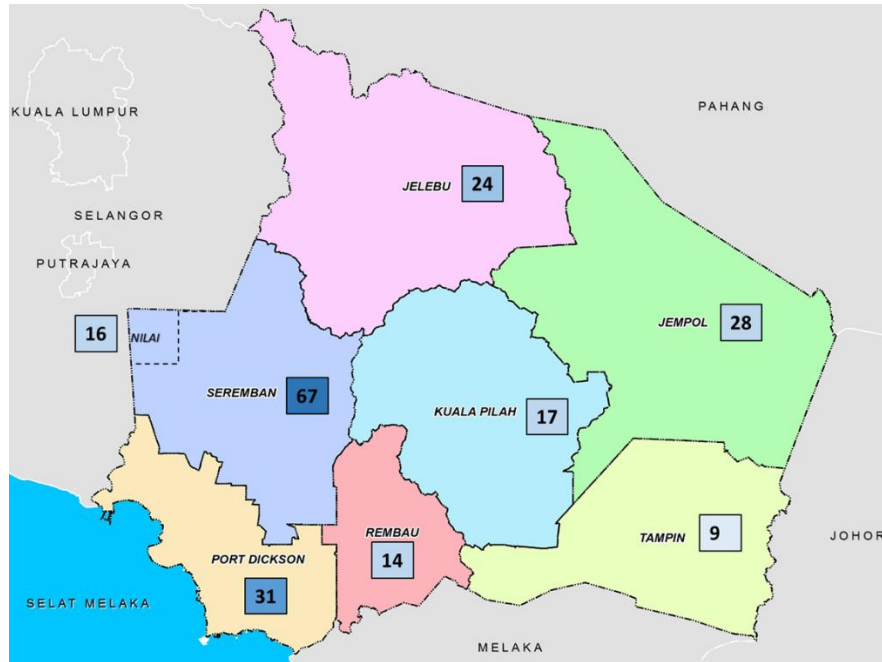
#### **4.1.1 Location of Firm**

During data collection, researcher successfully collected 243 total data. There were only 206 qualified data that would be included in the following data analysis.

From Table 4.1, the Seremban area consisted of most of the respondents compared to other areas, followed by Port Dickson and Jempol. Tampin consisted of only 9 respondents, less than 5% overall, which is the least amount respectively.

According to the Department of Statistics Malaysia in 2020, Seremban was the district that has the most residents in Negeri Sembilan. Followed by Jempol and Port Dickson which have about 130 thousand residents. The other 4 districts have fewer residents compared to the top 3 districts.

**Figure 4.1: Numbers of Respondent from Each Location**



Source: Developed from the research.

**Table 4.1: Location of Firm**

<b>Location</b>	<b>Number of respondents (Unit)</b>	<b>Number of Respondent (%)</b>
Seremban	67	32.5%
Port Dickson	31	15.0%
Jempol	28	13.6%
Jelebu	24	11.7%
Kuala Pilah	17	8.3%
Nilai	16	7.8%
Rembau	14	6.8%
Tampin	9	4.4%
<b>Total</b>	<b>206</b>	<b>100.0%</b>

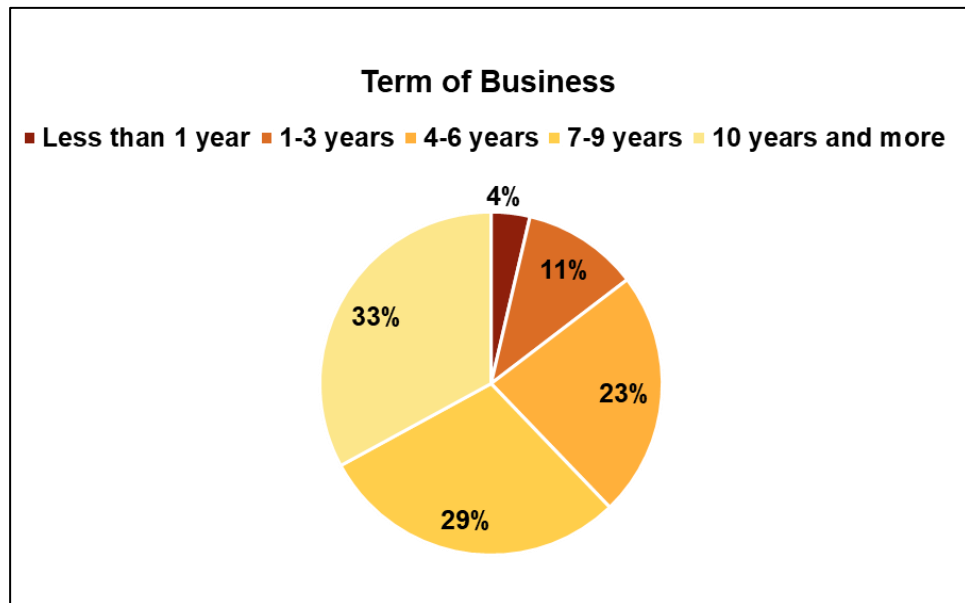
Source: Developed from the research.

### 4.1.2 Business Owner and Job Position

Researcher was studying the relationship between DV and IVs through the perception of management level. Therefore, it was important for the researcher to know the job position of the respondents.

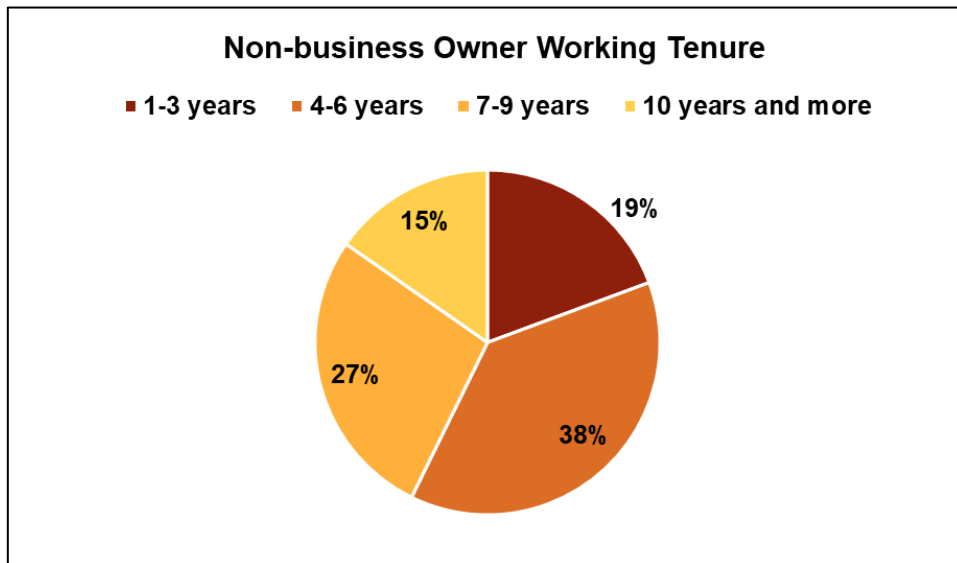
The majority of the respondents were not owning a business, the ratio of the business owners to non-business owners is about 4:6. As shown in Figure 4.2, most of the respondents started their business more than 7 years. Yet, about one-third of them have a business over 10 years. On the other hand, the non-business owner respondents were mostly serviced in their firms for more than 4 years. No more than 20% of them are only in their company for 1 to 3 years. This statistic is shown in Figure 4.3

Figure 4.2: Term of Business



Source: Developed from the research.

Figure 4.3: Non-business Owner Working Tenure



Source: Developed from the research.

According to Table 4.2, we can see the position of “Assistant Director” among the respondents was significantly less than others. “Manager” was the most position held by the respondents, it was more than one-quarter of them.

Table 4.2: Job Title of Respondents

<b>Job Title</b>	<b>Number of Respondent (Unit)</b>	<b>Number of Respondent (%)</b>
Director	38	18.4%
Assistant Director	4	1.9%
Manager	59	28.6%
Assistant Manager	33	16.0%
Head of Department	43	20.9%
Head of Division	29	14.1%
<b>Total</b>	<b>206</b>	<b>100.0%</b>

Source: Developed from the research



### 4.1.3 Information of the firms

Researchers had focused the study on the service and manufacturing firms in Negeri Sembilan. As shown in Table 4.3, the respondents from service companies occupied 59.2% of the overall, meanwhile, respondents from manufacturing companies were 40.8%. The ratio of service firms to manufacturing firms is roughly 7:10, which is RM16,761 million and RM23,780 million respectively in 2020 (Department of Statistics Malaysia, 2020).

For the service sector, business is the main category of the respondent group, while 20.2% of the respondents in the food category were the largest group of the respondents in manufacturing firms. On the other hand, a major part of the firm size is SME. In more detail, micro SMEs and small SMEs were over 90% of the service sector firm. In the manufacturing sector, small SME is the majority, having 69% of them in total.

Table 4.3: Information of The Firms

Sector & Categories	Number of Respondents (%)	Firm Size	Number of Respondents (%)
Service (59.2%)			
Business	57.4%	Micro SME	52.5%
Health Related & Social Services	14.8%	Small SME	40.2%
Communication	7.4%	Medium SME	4.9%
Distribution	7.4%	Non- SME	2.5%
Construction & Related Engineering	6.6%		
Transport	3.3%		
Education	1.6%		
Tourism & Related Travel	1.6%		
Manufacturing (40.8%)			
Food	20.2%	Micro SME	17.9%
Textile Apparel & Footwear	15.5%	Small SME	69.0%

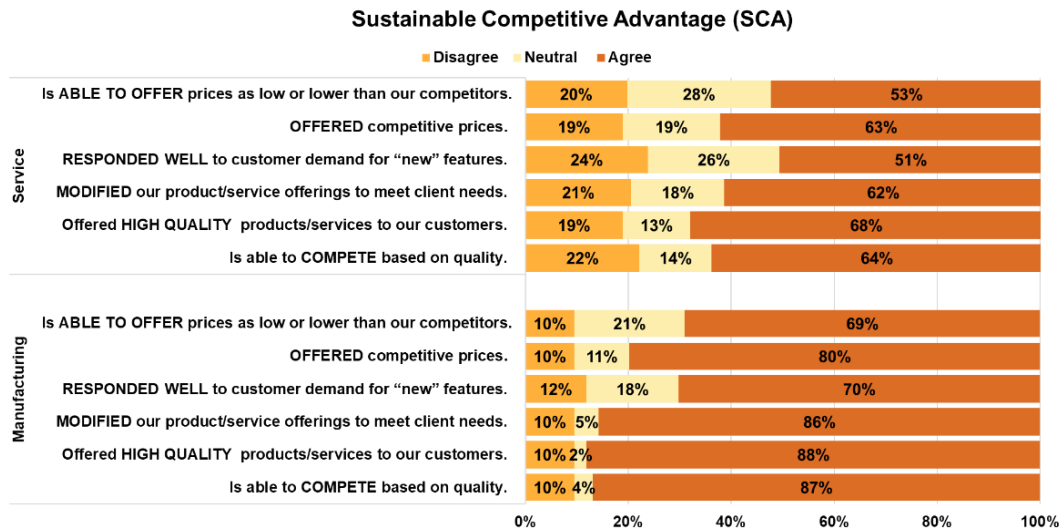
Wood Based	10.7%	Medium SME	8.3%
Automotive	10.7%	Non-SME	4.8%
Electrical & Electronics	9.5%		
Rubber	9.5%		
Iron Steel	9.5%		
Machinery & Equipment	8.3%		
Chemical & Petrochemical	4.8%		
Building Materials	1.2%		

Source: Developed from the research.

#### **4.1.4 Perception Towards SCA**

Researcher separated the perception between both sector respondents towards the sustainable competitive advantage items which are shown in Figure 4.4. Obviously, both of them mostly agree and strongly agree they have a sustainable competitive advantage in their firms. However, among those firms, manufacturing tended to have more confidence in their competitive advantage. Especially, above 85% of them agreed that they were able to compete based on quality, offered high-quality products/services to their customers and modified their product/service offerings to meet client needs.

Figure 4.4: Sustainable Competitive Advantage Likert Scale



Source: Developed from this research.

## 4.3 Inferential Analysis

### 4.3.1 Reliability Test

Researcher used Cronbach Alpha to test the overall reliability of the variable items. The internal consistency reliability is higher, when the Cronbach's Alpha is closer to 1 (Sekaran & Bougie, 2016). According to Table 4.4, the values of all the 4 variables are above 0.9. Therefore, the items in the variables are reliable.

Table 4.4: Reliability Test

Variables	Cronbach's alpha
Product Development Capability	0.954
Absorptive Capacity	0.953
Pricing Capability	0.952
Sustainable Competitive Advantage	0.944

Source: Developed from this research.

### 4.3.2 Pearson Correlation Coefficient

Under the two-tail test and with a significance level of 0.01. According to Table 4.5, the result had shown there are correlations between all variables. 3 of the independent variables have positive coefficient values, so there is correlation to each other. Moreover, the coefficient values of the sustainable competitive advantage to the 3 IVs are positive. Hence, there is correlation between sustainable competitive advantage to product development capability, absorptive capacity and pricing capability.

Table 4.5: Pearson Correlation Coefficient Analysis

	PDC	AC	PC	SCA
PDC	1.000			
AC	0.667	1.000		
PC	0.510	0.555	1.000	
SCA	0.519	0.516	0.646	1.000

Source: Developed from this research.

### 4.3.3 Multiple Linear Regression Analysis

The  $R^2$  value of the study outcome is 0.47, which is a moderate value.  $R^2$  values of 0.75, 0.50, or 0.25 is as substantial, moderate, or weak, respectively (Hair et al., 2011). In another word, the  $R^2$  value tells, 47% of the variance if the sustainable competitive advantage can be explained by the 3 different IVs, product development capability, absorptive capacity and pricing capability in this regression model.

Table 4.6: Model Summary

Multiple R	0.69
<b>R Square</b>	<b>0.47</b>
Adjusted R Square	0.47
Standard Error	0.70
Observations	206.00

Source: Developed from this research.

On the other hand, in this two-tail test, researcher will test the hypothesis developed by the indicator of the P-value. The hypothesis is supported if the p-value is less than 0.05 (Kock, 2016). According to the results generated from the research, the P-value of product development capability and pricing capability is less than 0.05. Meanwhile, the P-value of absorptive capacity is more than 0.05 which is 0.099. Therefore, the outcome of the analysis is supporting H1 and H3, but H2 is not supported.

Table 4.7: Multiple Regression Result

	Coefficients	Standard Error	t Stat	P-value
Intercept	1.110	0.194	5.723	0.000
Product Development Capability	0.164	0.060	2.750	0.006
Absorptive Capacity	0.105	0.064	1.658	0.099
Pricing Capability	0.463	0.061	7.631	0.000

Source: Developed from this research.

## **4.4 Conclusion**

Researcher analysed the data and reported them in an organized way. Respondents and the firm details were analysed and discussed. There were some

linkages between the descriptive data shown in the report. From the DV and IVs data, researcher found those items are reliable through Cronbach's Alpha. The outcome can be concluded as H1 and H3 are supported and H2 is not supported.

## **Chapter 5: DISCUSSION AND CONCLUSION**

### **5.1 Introduction**

Researcher would like to discuss the outcome of the study. Referring to the data analysed and the past studies, the similarity and the differences among them would be pointed out. Besides, the implication for the policy maker and managers were included in the following content. Last but not least, there were some limitations in this research and researcher would try to recommend further study on the relevant topics.

### **5.2 Summary**

#### **5.2.1 Descriptive Analysis**

The majority of the respondents were from the district of Seremban which included the Nilai area, Port Dickson and Jempol. This statistic was similar to the structure of the citizen distribution in Negeri Sembilan. The residents were mainly concentrated in these three districts.

Apart from that, the non-business owners formed beyond half of the respondent group. However, either business owners or non- business owners, were most experienced in their organizations. Most of them serviced in their firm for more than 4 years.

The ratio of the manufacturing firm and service firm of the respondents was alike to the overall ratio of both sectors of the whole Negeri Sembilan. However, only a small portion of the data was provided by the big firms. Over 90% of the survey participants were from different sizes of SMEs.

On the other hand, researcher gained a different point of view regarding the sustainable competitive advantage of the firm. The respondents from the service and manufacturing sectors presented a different level of belief when showing their sustainable competitive

advantage. Obviously, respondents from manufacturing firms were more confident when mentioning their sustainable competitive advantage.

### **5.2.2 Inferential Analysis**

The 4 variables in this research were showing its sufficient internal consistency reliability due to the value of Cronbach alpha being closed to 1. Meanwhile, all the 3 IVs are showing a positive correlation coefficient with the sustainable competitive advantage. The product development capability, absorptive capacity and pricing capability have a correlation with the sustainable competitive advantage respectively.

With a moderate R-square value for the multiple regression analysis, the p-value was used to test the hypothesis. The results showed that H1 and H3 were supported and H2 was not supported.

## **5.3 Discussion**

### **5.3.1 Product Development Capability**

The research provided evidence to prove there is a positive relationship between product development capability and sustainable competitive advantage. This result is similar to the outcome of Saranga (2018), which showed the role played by product development capability influencing the sustainable competitive advantage. In the latest past study, scholars also found out product development capability has a relationship to the sustainable competitive advantage (Pratono, 2021). Besides, Zou (2003) evaluated the importance of the product development capability more specifically, it can influence the branding competitive advantage of the firm.

### **5.3.2 Absorptive Capacity**



From the outcome of the research, the absorptive capacity is the only capability that has no support to the relationship between it with a sustainable competitive advantage. This research outcome is not meeting the expectation of the researcher as most of the past studies showed there was a relationship between both variables (Chuang et al., 2016; Delmas, 2011). However, this phenomenon was explained by some scholars in past studies. There is no relationship between absorptive capacity and sustainable competitive advantage if there is the involvement of knowledge transfer between them (Liao et al, 2016).

### **5.3.3 Pricing Capability**

This study shows the support for the pricing capability which has a relationship with a sustainable competitive advantage. The outcome was supported by past studies. Leonidou (2013) has a similar result when testing the relationship between pricing capability and the competitive advantage of the firm. Apart from that, pricing capability presented its importance while the competitive advantage is divided into differentiation advantage and low-cost advantage (Tan & Sousa, 2015). The research outcome tally with the research framework developed by Morgan et al. (2009).

## **5.4 Implication**

### **5.4.1 Policy Maker**

This research has several policy implications. Policy maker should aware that the importance of sustainable competitive advantage of the service and manufacturing firms will directly influence the performance of the firm performance and the economy. Policies and programs should be released to contribute to the competitive advantage of the firms. As shown in the result the absorption capacity is unlikely to have an impact on the sustainable competitive advantage. Instead of putting effort into the

programs to boost the knowledge of the entrepreneur, policy maker can pay more attention to the product development capability and the pricing capability of the firm.

The research suggests the policy maker provides guidelines and invests more in the firm for enhancing their product development capability. The power of the local institution should be joined and ease the managers to gain the product developing guidelines in different fields of those sectors. Besides, the policy maker should reduce the cost of spending on the knowledge delivered to the firm but invest more in the R&D of the local firm. The subsidy is one of the easy ways to achieve it. For example, China government released subsidies for electrical vehicles manufacturer, assisting them to develop the new-to-market product.

Apart from that, a direct way to enhance the pricing capability of the firm is to provide them the advantage of the low cost. Policy maker can offer the tax allowance and tax exemption to the firm. It will ease to firm while planning its pricing strategy. With a lower tax payment, the company has space to reduce the price of the product or service.

#### **5.4.1 Managerial Implication**

This research provided the reason for the managers to improve their product development capability. To secure the competitive advantage of the firm for the long term, companies should be able to develop their own product or services. Either the external or internal knowledge sharing occurring in the firm and the systematic learning will bring a positive impact on the product development capability (Ferreira et al., 2020; Hong et al., 2004; Mosey, 2005). Managers should engage the learning culture among the employees and arrange a regular training schedule to enhance the knowledge of the overall firm. Besides, in-house R&D is essential for sustaining the ability of product development.

On the other hand, pricing capability is an issue for the company to put their attention on. The outcome of this study suggested that firms to improve their pricing capability which can drive a sustainable competitive

advantage. Market-focused learning enables the firm to monitor the market trend and the movement of competitors, which can allow them to adjust their prices (Ranjan et al., 2022). The firms should beware of the market trend and be sensitive to the market movement. Besides, the cost control will be a way to secure the pricing capability. A low operating cost will bring room for the managers to control the pricing.

## **5.5 Limitation & Recommendation**

### **5.5.1 Limitation**

The difficulty of the generalisability is the limitation of this research. The research problem found was specified in the state of Negeri Sembilan. According to the issue and fact-finding in NS, researcher designed the research which fit to the problem happening in NS. The outcome of the research is not suitable to apply all around the world or to other state in Malaysia. This study is useful only when the status of the area is like NS.

On the other hand, the cross-sectional research design was applied. Researcher assessed the relationship between the 3 different capabilities and the sustainable competitive advantage by taking the data one point at a time. The researcher carried out the data collection in January of 2022 and it ended within a few weeks.

### **5.5.2 Recommendation**

To solve the generalisability limitation, researcher recommends carrying out the future research by designing the research referring to the local situation. The research also can be done to be generalized in another area by including wider research background and problem. By considering more relevant components in the research, the outcome of the research can be implicated in the wider area.

Apart from that, a longitudinal research design is recommended in future study. By studying a group of people over a period, the result can explain the patterns of the relationship between the capabilities and sustainable competitive advantage better. Especially, when researcher can include past financial data to examine the firm performance to further prove the competitive advantage within the firm.

## **5.6 Conclusion**

The outcome of the study had been summarized. The overall result showed the support for the positive relationship between the product development capability and pricing capability with the sustainable competitive advantage. There were past studies supporting the discussion of the different independent variables. The policy maker and the managers are suggested to release the program or strategy to improve the capabilities of product development and pricing. With the limitation of generalisability and cross-sectional research design, the researcher provided some recommendations for future study.

## REFERENCE

- Achterberg, L. H., Omar, M., Ambituuni, A., & Roll, O. (2018). Facts or gut feelings: analysis of external pricing antecedents for SMEs in Germany. *Journal of Small Business and Enterprise Development*, 25(6), 886–901. <https://doi.org/10.1108/JSBED-12-2017-0398>.
- Acur, N., & Bititci, U. (2004). A balanced approach to strategy process. *International Journal of Operations and Production Management*, 24(3–4), 388–408. <https://doi.org/10.1108/01443570410524659>.
- Agus, A., & Sagir, R. M. (2001). The structural relationships between total quality management, competitive advantage and bottom line financial performance: An empirical study of Malaysian manufacturing companies. *Total Quality Management*, 12(7–8), 1018–1024. <https://doi.org/10.1080/09544120100000029>.
- Alimin, ', Ismail, I., Rose, R. C., Abdullah, H., & Uli, J. (2010). The relationship between organisational competitive advantage and performance moderated by the age and size of firms. *Asian Academy of Management Journal*, 15(2), 157–173.
- Ariff, M. (2005). The Drivers of Competitiveness in Malaysia. *The Australian APEC Studies Centre Conference on an Australia/Malaysia Free Trade Agreement*. <https://www.researchgate.net/publication/265399533>.
- Azura Sanusi, N., Abdullah, L., Kusairi, S., Shah Habibullah, M., Ali Golam Hassan, A., & Azura Ghazali, N. (2018). Modeling the greening economy for Malaysia using asymmetric application View project Industrial Revolution 4.0 and Work-Life-Balance: Towards a Theoretical Model of Digital Technology Use with Ugahari Concept View project HOW LONG DOES IT TAKES FOR A POOR STATE TO CATCH-UP TO A RICHER STATE IN MALAYSIA? A NOTE. In *International Journal of Business and Society* (Vol. 19, Issue 2). <https://www.researchgate.net/publication/327672282>.

- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>.
- Barney, J. B. (2012). Purchasing, supply chain management and sustained competitive advantage: The relevance of resourcebased theory. *Journal of Supply Chain Management*, 48(2), 3–6.
- Çağlıyan, V., Attar, M., & Abdul-Kareem, A. (2021). Assessing the mediating effect of sustainable competitive advantage on the relationship between organisational innovativeness and firm performance. *Competitiveness Review*. <https://doi.org/10.1108/CR-10-2020-0129>.
- Cao, G., Duan, Y., & el Banna, A. (2019). A dynamic capability view of marketing analytics: Evidence from UK firms. *Industrial Marketing Management*, 76, 72–83. <https://doi.org/10.1016/j.indmarman.2018.08.002>.
- Chaharbaghi, K., & Lynch, R. (1999). Sustainable competitive advantage: Towards a dynamic resource-based strategy. *Management Decision*, 37(1), 45–50. <https://doi.org/10.1108/00251749910252012>.
- Chang, Y., Wong, S. F., Eze, U., & Lee, H. (2019). The effect of IT ambidexterity and cloud computing absorptive capacity on competitive advantage. *Industrial Management and Data Systems*, 119(3), 613–638. <https://doi.org/10.1108/IMDS-05-2018-0196>.
- Chen, Y. S., Lin, M. J. J., & Chang, C. H. (2009a). The positive effects of relationship learning and absorptive capacity on innovation performance and competitive advantage in industrial markets. *Industrial Marketing Management*, 38(2), 152–158. <https://doi.org/10.1016/j.indmarman.2008.12.003>.
- Chen, Y. S., Lin, M. J. J., & Chang, C. H. (2009b). The positive effects of relationship learning and absorptive capacity on innovation performance and competitive advantage in industrial markets. *Industrial Marketing*

*Management*, 38(2), 152–158.  
<https://doi.org/10.1016/j.indmarman.2008.12.003>.

Chmielewski, D. A., & Paladino, A. (2007). Driving a resource orientation: Reviewing the role of resource and capability characteristics. In *Management Decision* (Vol. 45, Issue 3, pp. 462–483).  
<https://doi.org/10.1108/00251740710745089>.

Chuang, M. Y., Chen, C. J., & Lin, M. ji J. (2016). The impact of social capital on competitive advantage: The mediating effects of collective learning and absorptive capacity. *Management Decision*, 54(6), 1443–1463.  
<https://doi.org/10.1108/MD-11-2015-0485>.

Clulow, V., Barry, C., & Gerstman, J. (2007). The resource-based view and value: The customer-based view of the firm. *Journal of European Industrial Training*, 31(1), 19–35.  
<https://doi.org/10.1108/03090590710721718>.

Cohen, W. M., & Levinthal, D. A. (1990a). Absorptive Capacity: A New Perspective on Learning and Innovation. *Administrative Science Quarterly*, 35(1), 128–152.

Cohen, W. M., & Levinthal, D. A. (1990b). Absorptive Capacity: A New Perspective on Learning and Innovation. *Administrative Science Quarterly*, 35(1), 128–152.

Cui, Y., & Jiao, H. (2011). Dynamic capabilities, strategic stakeholder alliances and sustainable competitive advantage: Evidence from China. *Corporate Governance*, 11(4), 386–398.  
<https://doi.org/10.1108/14720701111159235>.

Delmas, M., Hoffmann, V. H., & Kuss, M. (2011a). Under the tip of the iceberg: Absorptive capacity, environmental strategy, and competitive advantage. *Business and Society*, 50(1), 116–154.  
<https://doi.org/10.1177/0007650310394400>.

- Delmas, M., Hoffmann, V. H., & Kuss, M. (2011b). Under the tip of the iceberg: Absorptive capacity, environmental strategy, and competitive advantage. *Business and Society*, 50(1), 116–154. <https://doi.org/10.1177/0007650310394400>.
- Dutta, S., Bergen, M., Levy, D., Ritson, M., & Zbaracki, M. (2002). Absorptive capacity in high-technology markets: The competitive advantage of the haves. In *Marketing Science* (Vol. 25, Issue 5, pp. 510–524). <https://doi.org/10.1287/mksc.1060.0219>.
- Etikan, I. (2016). Comparison of Convenience Sampling and Purposive Sampling. *American Journal of Theoretical and Applied Statistics*, 5(1), 1. <https://doi.org/10.11648/j.ajtas.20160501.11>.
- Fahy, J. (2000). The resource-based view of the firm: some stumbling-blocks on the road to understanding sustainable competitive advantage. *Journal of European Industrial Training*. [http://www.mcbsp.com/research\\_registers/tdev.asp](http://www.mcbsp.com/research_registers/tdev.asp).
- Fahy, J. (2002). A resource-based analysis of sustainable competitive advantage in a global environment. *International Business Review*, 11, 57–78. [www.elsevier.com/locate/ibusrev](http://www.elsevier.com/locate/ibusrev).
- Ferreira, J., Coelho, A., & Moutinho, L. (2020). Strategic alliances, exploration and exploitation and their impact on innovation and new product development: the effect of knowledge sharing. *Management Decision*, 59(3), 524–567. <https://doi.org/10.1108/MD-09-2019-1239>.
- Foss, N. J. (1999). Networks, capabilities, and competitive advantage\*. *Scandinavian Journal of Management*, 14(3), 1–15.
- Francisco J. Mata. (1995). Information technology and sustained competitive advantage- resource-based analysis. *MIS Quarterly* , 487–505.
- Grant, R. M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. In *Knowledge and Strategy* (pp. 3–



- 24). Taylor and Francis. <https://doi.org/10.1016/b978-0-7506-7088-3.50004-8>.
- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, 19(2), 139–152. <https://doi.org/10.2753/MTP1069-6679190202>.
- Haseeb, M., Hussain, H. I., Kot, S., Androniceanu, A., & Jermstittiparsert, K. (2019). Role of social and technological challenges in achieving a sustainable competitive advantage and sustainable business performance. *Sustainability (Switzerland)*, 11(14). <https://doi.org/10.3390/su11143811>.
- Hong, P., Doll, W. J., Nahm, A. Y., & li, X. (2004). Knowledge sharing in integrated product development. *European Journal of Innovation Management*, 7(2), 102–112. <https://doi.org/10.1108/14601060410534393>.
- Jacobsen, R. (1988). The persistence of abnormal returns. *Strategic Management Journal*, 9(5), 415–430.
- Jiménez-Barrionuevo, M. M., García-Morales, V. J., & Molina, L. M. (2011). Validation of an instrument to measure absorptive capacity. *Technovation*, 31(5–6), 190–202. <https://doi.org/10.1016/j.technovation.2010.12.002>.
- Kamboj, S., & Rahman, Z. (2017). Market orientation, marketing capabilities and sustainable innovation: The mediating role of sustainable consumption and competitive advantage. *Management Research Review*, 40(6), 698–724. <https://doi.org/10.1108/MRR-09-2014-0225>.
- Keskin, H., Ayar Şentürk, H., Tatoglu, E., Gölgeci, I., Kalaycioglu, O., & Etliloglu, H. T. (2021). The simultaneous effect of firm capabilities and competitive strategies on export performance: the role of competitive advantages and competitive intensity. *International Marketing Review*, 38(6), 1242–1266. <https://doi.org/10.1108/IMR-09-2019-0227>.

- Kessler, E. H., Bierly, P. E., & Gopalakrishnan, S. (2000). Internal vs. external learning in new product development: effects on speed, costs and competitive advantage. *R&d Management* , 30(3), 213–224.
- Kevin P. Coyne. (1986). Sustainable Competitive Advantage What It Is, What It Isn't. *Business Horizons* , 29(1), 54–61.
- Khan, S. Z., Yang, Q., & Waheed, A. (2019). Investment in intangible resources and capabilities spurs sustainable competitive advantage and firm performance. *Corporate Social Responsibility and Environmental Management*, 26(2), 285–295. <https://doi.org/10.1002/csr.1678>.
- Khandekar, A., & Sharma, A. (2005). Organizational learning in Indian organizations: A strategic HRM perspective. In *Journal of Small Business and Enterprise Development* (Vol. 12, Issue 2, pp. 211–226). <https://doi.org/10.1108/14626000510594610>.
- Kock, N. (2016). Hypothesis testing with confidence intervals and P values in PLS-SEM. *International Journal of E-Collaboration* , 12(3), 1–6.
- Kong, H., Albaum, G., & Tse, D. K. (2001). American Marketing Association Adaptation of International Marketing Strategy Components, Competitive Advantage, and Firm Performance: A Study of. *Source: Journal of International Marketing*, 9(4), 59–81. <http://www.jstor.orgURL:http://www.jstor.org/stable/25048869>.
- Krishnan, D., Islam, R., & Sarif, S. M. (2020). A hierarchical model to enhance financial and strategic performance of an oil and gas company in Malaysia. *International Journal of Energy Sector Management*, 14(2), 482–503. <https://doi.org/10.1108/IJESM-01-2019-0001>.
- Leonidou, L. C., Leonidou, C. N., Fotiadis, T. A., & Zeriti, A. (2013a). Resources and capabilities as drivers of hotel environmental marketing strategy: Implications for competitive advantage and performance. *Tourism Management*, 35, 94–110. <https://doi.org/10.1016/j.tourman.2012.06.003>.

- Leonidou, L. C., Leonidou, C. N., Fotiadis, T. A., & Zeriti, A. (2013b). Resources and capabilities as drivers of hotel environmental marketing strategy: Implications for competitive advantage and performance. *Tourism Management*, 35, 94–110. <https://doi.org/10.1016/j.tourman.2012.06.003>.
- Li, D. yuan, & Liu, J. (2014). Dynamic capabilities, environmental dynamism, and competitive advantage: Evidence from China. *Journal of Business Research*, 67(1), 2793–2799. <https://doi.org/10.1016/j.jbusres.2012.08.007>.
- Li, S., Ragu-Nathan, B., Ragu-Nathan, T. S., & Subba Rao, S. (2006). The impact of supply chain management practices on competitive advantage and organizational performance. *Omega*, 34(2), 107–124. <https://doi.org/10.1016/j.omega.2004.08.002>.
- Lichtenthaler, U., & Lichtenthaler, E. (2009). A capability-based framework for open innovation: Complementing absorptive capacity. *Journal of Management Studies*, 46(8), 1315–1338. <https://doi.org/10.1111/j.1467-6486.2009.00854.x>.
- Lim, K. H., & Kon, M. H. (2020). Science Stays True Here. *Journal of Mathematics and Statistical Science*, 6, 18–32.
- Liozu, S., Hinterhuber, A., & Somers, T. (2014). Organizational design and pricing capabilities for superior firm performance. *Management Decision*, 52(1), 54–78. <https://doi.org/10.1108/MD-05-2013-0279>.
- López-Gamero, M. D., Molina-Azorín, J. F., & Claver-Cortés, E. (2009). The whole relationship between environmental variables and firm performance: Competitive advantage and firm resources as mediator variables. *Journal of Environmental Management*, 90(10), 3110–3121. <https://doi.org/10.1016/j.jenvman.2009.05.007>.
- Ma, H. (2000). Competitive advantage and firm performance. *Competitiveness Review*, 10(2), 15–32. <https://doi.org/10.1108/eb046396>.

- McWilliams, A., & Siegel, D. S. (2011). Creating and capturing value: Strategic corporate social responsibility, resource-based theory, and sustainable competitive advantage. *Journal of Management*, 37(5), 1480–1495. <https://doi.org/10.1177/0149206310385696>.
- Memon, M. A., Ting, H., Cheah, J.-H., Thurasamy, R., Chuah, F., & Cham, T. H. (2020). Sample Size for Survey Research: Review and Recommendations. *Journal of Applied Structural Equation Modeling*, 4(2), i–xx. [https://doi.org/10.47263/jasem.4\(2\)01](https://doi.org/10.47263/jasem.4(2)01).
- Morgan N A, & Vorhies D W. (2009). Market orientation, marketing capabilities, and firm performance. *Strategic Management Journal*, 30(8), 909–920.
- Mosey, S. (2005). Understanding new-to-market product development in SMEs. *International Journal of Operations and Production Management*, 25(2), 114–130. <https://doi.org/10.1108/01443570510576994>.
- Murray, J. Y., Gao, G. Y., & Kotabe, M. (2011). Market orientation and performance of export ventures: The process through marketing capabilities and competitive advantages. *Journal of the Academy of Marketing Science*, 39(2), 252–269. <https://doi.org/10.1007/s11747-010-0195-4>.
- Newbert, S. L. (2007). Empirical research on the resource-based view of the firm: An assessment and suggestions for future research. *Strategic Management Journal*, 28(2), 121–146. <https://doi.org/10.1002/smj.573>.
- Oliver, C. (1997). Sustainable Competitive Advantage: Combining Institutional and Resource-Based Views. *Source: Strategic Management Journal*, 18(9), 697–713. <http://www.jstor.org>URL:<http://www.jstor.org/stable/3088134>[http://www.jstor.org/stable/3088134?seq=1&cid=pdf-reference#references\\_tab\\_contents](http://www.jstor.org/stable/3088134?seq=1&cid=pdf-reference#references_tab_contents).

- O'Shannassy, T. (2008). Sustainable competitive advantage or temporary competitive advantage: Improving understanding of an important strategy construct. *Journal of Strategy and Management*, *1*(2), 168–180. <https://doi.org/10.1108/17554250810926357>.
- Peteraf, M. A. (1993). The Cornerstones of Competitive Advantage: A Resource-Based View. *Strategic Management Journal*, *14*(3), 179–191. <http://www.jstor.org/about/terms.html>.
- Petti, C., & Zhang, S. (2013). Technological entrepreneurship and absorptive capacity in Guangdong technology firms. *Measuring Business Excellence*, *17*(2), 61–71. <https://doi.org/10.1108/13683041311329447>.
- Pham, T. S. H., Lien Le Monkhouse, & Bradley R. Barnes. (2017). The influence of relational capability and marketing capabilities on the export performance of emerging market firms. *International Marketing Review*. <http://shura.shu.ac.uk/11763/>.
- Pham, T. S. H., Monkhouse, L. le, & Barnes, B. R. (2017). The influence of relational capability and marketing capabilities on the export performance of emerging market firms. *International Marketing Review*, *34*(5), 606–628. <https://doi.org/10.1108/IMR-07-2014-0235>.
- Pratono, A. H. (2018). From social network to firm performance: The mediating effect of trust, selling capability and pricing capability. *Management Research Review*, *41*(6), 680–700. <https://doi.org/10.1108/MRR-03-2017-0080>.
- Pratono, A. H. (2021). Reinterpreting excellence for sustainable competitive advantage: the role of entrepreneurial culture under information technological turbulence. *Measuring Business Excellence*. <https://doi.org/10.1108/MBE-04-2021-0056>.
- R Hall. (1993). A framework linking intangible resources and capabilities to sustainable competitive advantage. *Strategic Management Journal*, *14*(8), 607–618.

- Rajendra K. Srivastava<sup>a</sup>, Liam Fahey<sup>b</sup>, & H. Kurt Christensen. (2001). The Resource-Based View and Marketing: The Role of Market- Based Assets in Gaining Competitive Advantage. *Corporate Reputation Review*, 27(6), 777–802.
- Ranjan, P., & Nayak, J. K. (2022). Examining the antecedents and consequences of pricing capability: Evidence from SMEs. *Journal of Business and Industrial Marketing*. <https://doi.org/10.1108/JBIM-09-2021-0451>.
- Ray, G., Barney, J. B., & Muhanna, W. A. (2004). Capabilities, business processes, and competitive advantage: Choosing the dependent variable in empirical tests of the resource-based view. In *Strategic Management Journal* (Vol. 25, Issue 1, pp. 23–37). <https://doi.org/10.1002/smj.366>.
- Rouse, M. J., & Daellenbach, U. S. (1999). Rethinking research methods for the resource-based perspective: isolating sources of sustainable competitive advantage. In *Strategic Management Journal Strat. Mgmt. J* (Vol. 20).
- Sadeghi, J. K., Struckell, E., Ojha, D., & Nowicki, D. (2020). Absorptive capacity and disaster immunity: the mediating role of information quality and change management capability. *Journal of Knowledge Management*, 25(4), 714–742. <https://doi.org/10.1108/JKM-06-2020-0404>.
- Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saeidi, S. A. (2015). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*, 68(2), 341–350. <https://doi.org/10.1016/j.jbusres.2014.06.024>.
- Salunke, S., Weerawardena, J., & McColl-Kennedy, J. R. (2011). Towards a model of dynamic capabilities in innovation-based competitive strategy: Insights from project-oriented service firms. *Industrial Marketing Management*, 40(8), 1251–1263. <https://doi.org/10.1016/j.indmarman.2011.10.009>.

- Saranga, H., George, R., Beine, J., & Arnold, U. (2018). Resource configurations, product development capability, and competitive advantage: An empirical analysis of their evolution. *Journal of Business Research*, 85, 32–50. <https://doi.org/10.1016/j.jbusres.2017.11.045>.
- Schober, P., & Schwarte, L. A. (2018). Correlation coefficients: Appropriate use and interpretation. *Anesthesia and Analgesia*, 126(5), 1763–1768. <https://doi.org/10.1213/ANE.0000000000002864>.
- Sekaran U, & Bougie R. (2016). *Research methods for business: A skill building approach*. John Wiley & Sons. [www.wileypluslearningspace.com](http://www.wileypluslearningspace.com).
- Senivongse, C., Bennet, A., & Mariano, S. (2019). Clarifying absorptive capacity and dynamic capabilities dilemma in high dynamic market IT SMEs. *VINE Journal of Information and Knowledge Management Systems*, 49(3), 372–396. <https://doi.org/10.1108/VJIKMS-11-2018-0105>.
- Subramaniam, M., & Venkatraman, N. (2001a). Determinants of transnational new product development capability: Testing the influence of transferring and deploying tacit overseas knowledge. *Strategic Management Journal*, 22(4), 359–378. <https://doi.org/10.1002/smj.163>.
- Subramaniam, M., & Venkatraman, N. (2001b). Determinants of transnational new product development capability: Testing the influence of transferring and deploying tacit overseas knowledge. *Strategic Management Journal*, 22(4), 359–378. <https://doi.org/10.1002/smj.163>.
- Tan, Q., & Sousa, C. M. P. (2015a). Leveraging marketing capabilities into competitive advantage and export performance. *International Marketing Review*, 32(1), 78–102. <https://doi.org/10.1108/IMR-12-2013-0279>.
- Tan, Q., & Sousa, C. M. P. (2015b). Leveraging marketing capabilities into competitive advantage and export performance. *International Marketing Review*, 32(1), 78–102. <https://doi.org/10.1108/IMR-12-2013-0279>.

- The Star. (2021). *Roles for private sector and youth in restoring prosperity*. (2021, September 15). The Star. <https://www.thestar.com.my/news/nation/2021/08/23/roles-for-private-sector-and-youth-in-restoring-prosperity>.
- Ulrich, D. (1991). Organizational capability: creating competitive advantage. *Academy of Management Perspectives*, 5(1), 77–92.
- Vanpoucke, E., Vereecke, A., & Wetzels, M. (2014). Developing supplier integration capabilities for sustainable competitive advantage: A dynamic capabilities approach. *Journal of Operations Management*, 32(7–8), 446–461. <https://doi.org/10.1016/j.jom.2014.09.004>.
- Vinayan, G., Jayashree, S., & Marthandan, G. (2012). Critical Success Factors of Sustainable Competitive Advantage: A Study in Malaysian Manufacturing Industries. *International Journal of Business and Management*, 7(22). <https://doi.org/10.5539/ijbm.v7n22p29>.
- Wernerfelt B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171–180.
- Wernerfelt, B. (1995). The Resource-Based View of the Firm: Ten Years After. *Strategic Management Journal*, 16(3), 171–174.
- Wu, S., Ding, X., Liu, R., & Gao, H. (2021). How does IT capability affect open innovation performance? The mediating effect of absorptive capacity. *European Journal of Innovation Management*, 24(1), 43–65. <https://doi.org/10.1108/EJIM-02-2019-0043>.
- Xie, X., Zou, H., & Qi, G. (2018). Knowledge absorptive capacity and innovation performance in high-tech companies: A multi-mediating analysis. *Journal of Business Research*, 88, 289–297. <https://doi.org/10.1016/j.jbusres.2018.01.019>.
- Yang, M., Wang, J., & Yang, J. (2021). Boundary-spanning search, knowledge integration capability and sustainable competitive advantage. *Baltic*



*Journal of Management*, 16(3), 446–464. <https://doi.org/10.1108/BJM-08-2020-0314>.

Zahra, S. A., & George, G. (2002). ABSORPTIVE CAPACITY: A REVIEW, RECONCEPTUALIZATION, AND EXTENSION. \* *Academy of Management Flevue ZDOZ*, 17(2), 185–203.

Zou S, Fang E, & Zhao S. (2003). The Effect of Export Marketing Capabilities on Export Performance- An Investigation of Chinese Exporters. *Journal of International Marketing*, 11(4), 32–55.

# APPENDIX

## Appendix A: Survey Form

🌐 English (United King... ▾



COMPETITIVENESS!!! 🦵



BERSAING!!! 🦵 🦵

竞争力!!! 🦵 🦵

\* Required

4/26/2022

1

Dear Sir/Madam

Good day!

I am Kwan Hao Feng (1902020), a final year undergraduate student pursuing Bachelor of International Business (Hons) in Universiti Tunku Abdul Rahman (UTAR).

I am conducting my final year project (FYP). The topic of my research is **Organizational Capabilities towards Sustainable Competitive Advantage**.

Criteria: Management level in a private organization located in **Negeri Sembilan**.

I would like to invite you to participate in this questionnaire survey. This is on a voluntary basis.

This questionnaire only will take you **5 to 10 minutes**.

Your answers will be kept **private** and **confidential**, and will only be used for academic purpose.

If you have any questions, please do not hesitate to contact me at [shawnkwan0703@1utar.my](mailto:shawnkwan0703@1utar.my) (<mailto:shawnkwan0703@1utar.my>).

Tuan / Puan selamat sejahtera!

Saya Kwan Hao Feng (19UKB02020), pelajar tahun akhir Sarjana Muda Perniagaan Antarabangsa (Kepujian) di Universiti Tunku Abdul Rahman (UTAR).

Saya sedang menjalankan projek tahun akhir (FYP). Topik kajian saya ialah **Keupayaan Organisasi ke arah Kelebihan Daya Saing Mampan**.

Kriteria: Peringkat pengurusan di sebuah organisasi swasta yang terletak di **Negeri Sembilan**.

Saya ingin menjemput anda untuk mengambil bahagian dalam tinjauan soal selidik ini. Ini adalah atas dasar sukarela.

Soal selidik ini hanya akan membawa anda **5 hingga 10 minit**.

Jawapan anda akan **dirahsiakan**, dan hanya akan digunakan untuk tujuan akademik.

4/26/2022 Jika anda mempunyai sebarang pertanyaan, jangan teragak-agak untuk menghubungi saya di [shawnkwan0703@1utar.my](mailto:shawnkwan0703@1utar.my).

(mailto:shawnkwan0703@1utar.my).

尊敬的先生/女士 你好!

我是 Kwan Hao Feng (19UKB02020), 是在东姑阿都拉曼大学 (UTAR) 攻读国际商务 (荣誉) 学士学位的最后一年本科生。

我正在进行我的最后一年项目 (FYP)。我的研究主题是**面向可持续竞争优势的组织能力**。

需求: 位于**森美兰州**的私人机构的管理层。

本问卷只需 **5 到 10 分钟**。

您的回答将**保密**, 仅用于学术目的。

如果您有任何疑问, 请随时通过 [shawnkwan0703@1utar.my](mailto:shawnkwan0703@1utar.my) (mailto:shawnkwan0703@1utar.my) 与我联系。

4/26/2022

Section A

4/26/2022

Your answers will be kept private and confidential, and will only be used for academic purpose. All the data received will be only used for this research only.

Any personal information retained by UTAR shall be destroyed and/or deleted in accordance with our retention policy applicable for us in the event such information is no longer required.

Consent:

1. By agree this question you hereby authorize and consent to us processing (including disclosing) your personal data and any updates of your information, for the purposes and/or for any other purposes related to the purpose.

2. If you do not consent or subsequently withdraw your consent to the processing and disclosure of your personal data, UTAR will not be able to fulfill our obligations or to contact you or to assist you in respect of the purposes and/or for any other purposes related to the purpose.

Jawapan anda akan dirahsiakan dan dirahsiakan, dan hanya akan digunakan untuk tujuan akademik. Semua data yang diterima hanya akan digunakan untuk penyelidikan ini sahaja.

Sebarang maklumat peribadi yang disimpan oleh UTAR akan dimusnahkan dan/atau dipadamkan mengikut dasar pengekalan kami yang terpakai untuk kami sekiranya maklumat tersebut tidak diperlukan lagi.

Persetujuan:

1. Dengan setuju soalan ini, anda dengan ini membenarkan dan membenarkan kami memproses (termasuk mendedahkan) data peribadi anda dan sebarang kemas kini maklumat anda, untuk tujuan dan/atau untuk sebarang tujuan lain yang berkaitan dengan tujuan tersebut.

2. Jika anda tidak bersetuju atau kemudiannya menarik balik persetujuan anda terhadap pemrosesan dan pendedahan data peribadi anda, UTAR tidak akan dapat memenuhi kewajipan kami atau menghubungi anda atau untuk membantu anda berkenaan dengan tujuan dan/atau untuk mana-mana yang lain. tujuan yang berkaitan dengan tujuan.

您的回答将保密，仅用于学术目的。收到的所有数据将仅用于本研究。

如果不再需要此类信息，UTAR 保留的任何个人信息将根据适用于我们的保留政策销毁和/或删除。

同意:

1. 通过同意此问题，您特此授权并同意我们处理（包括披露）您的个人数据和您的信息的任何更新，用于目的和/或与该目的相关的任何其他目的。

4/26/2022

2. 如果您不同意或随后撤回您对我们处理和披露您的个人数据的同意，UTAR 将无法履行我们的义务或与您联系或为您提供任何帮助。如果您不同意我们处理您的个人信息，我们将无法履行我们的义务或与您联系或为您提供任何帮助。



5

My organization located in...  
Organisasi saya terletak di...  
我的组织位于...

\*

- Nilai
- Seremban
- Port Dickson
- Jempol
- Jelebu
- Tampin
- Rembau
- Kuala Pilah

6

Do you own a business currently?  
Adakah anda memiliki perniagaan sendiri kini?  
你现在拥有生意吗?

\*

- Yes/ Ya/ 是的
- No/ Tidak/ 不是

4/26/2022



7

How long did you start your business?  
Berapa lama anda memulakan perniagaan anda?  
你创业多久了?

\*

- Less than 1 year/ Kurang dari setahun/ 少于一年
- 1-3 years/ 1-3 tahun/ 1-3年
- 4-6 years/ 4-6 tahun/ 4-6年
- 7-9 years/ 7-9 tahun/ 7-9年
- 10 years and more/ 10 tahun ke atas/ 10年以上

8

Do you have a full-time job?  
Adakah anda mempunyai pekerjaan sepenuh masa?  
你有全职工作吗?

\*

- Yes/ Ya/ 有
- No/ Tidak/ 没有

9

Organization Sector  
Sektor Organisasi  
组织类别 \*

- Private/ Swasta/ 私人
- Public/ Awam/ 公共

4/26/2022

10

How many years did you work in your current organization?  
Berapa tahun anda bekerja dalam organisasi semasa anda?  
您在目前的组织工作了多少年?

\*

- Less than 1 year/ Kurang dari setahun/ 少于一年
- 1-3 years/ 1-3 tahun/ 1-3年
- 4-6 years/ 4-6 tahun/ 4-6年
- 7-9 years/ 7-9 tahun/ 7-9年
- 10 years and more/ 10 tahun ke atas/ 10年以上

4/26/2022

## Section B

11

Industry  
Industri  
行业  
\*

- Manufacturing/ Pembuatan/ 制造业
- Service/ Perkhidmatan/ 服务业

4/26/2022

Manufacturing sectors  
Sektor pembuatan  
制造业

\*

- Chemical & Petrochemical Industry/ Industri Kimia & Petrokimia/ 化工和石化行业
- Automotive Industry/ Industri automotif/ 汽车行业
- Wood Based Industry/ Industri Kayu/ 木工业
- Textile Apparel & Footwear Industry/ Industri Pakaian & Kasut Tekstil/ 纺织服装和鞋类行业
- Rubber Industry/ Industri Getah/ 橡胶工业
- Electrical & Electronics Industry/ 电气和电子行业/ Industri Elektrik & Elektronik
- Machinery & Equipment Industry/ Industri Jentera & Peralatan/ 机械设备行业
- Aerospace Industry/ Industri Aeroangkasa/ 航天工业
- Iron Steel Industry/ Industri Keluli Besi/ 钢铁工业
- Cement Industry/ Industri Simen/ 水泥行业
- Food Industry/ Industri Makanan/ 食品工业
- Medical Devices Industry/ Industri Peranti Perubatan/ 医疗器械行业
- Pharmaceutical Industry/ Industri Farmaseutikal/ 医药行业
- 
- Other

13

Service sectors  
Sektor perkhidmatan  
服务行业

\*

- Business/ perniagaan/ 商业
- Communication/ Komunikasi/ 沟通
- Construction & Related Engineering/ Pembinaan & Kejuruteraan Berkaitan/ 建筑及相关工程
- Distribution/ Pengagihan/ 分配
- Education/ Pendidikan/ 教育
- Environment/ Persekitaran/ 环境
- Health Related & Social Services/ Perkhidmatan Berkaitan Kesihatan & Sosial/ 健康相关和社会服务
- Tourism & Related Travel/ Pelancongan & Perjalanan Berkaitan/ 旅游及相关旅游
- Transport/ Pengangkutan/ 运输
- 
- Other

14

Number of employee in your organization (Manufacturing).  
Bilangan pekerja dalam organisasi anda (Pembuatan).  
您组织中的员工人数 (制造业)。

\*

- Less than 5/ Kurang daripada 5/ 少于5
- 5 - 74
- 75 - 200
- Above 200/ Melebihi 200/ 多过200

4/26/2022

15

Number of employee in your organization (Service).  
Bilangan pekerja dalam organisasi anda (Perkhidmatan).  
您组织中的员工人数（服务）。

\*

- Less than 5/ Kurang daripada 5/ 少于5
- 5 - 29
- 30 - 75
- Above 75/ Melebihi 75/ 多过75

16

Annual sales turnover of your organization. (Manufacturing)  
Pendapatan tahunan organisasi anda. (Pembuatan)  
贵组织的年销售额。（制造业） \*

- Less than RM300,000/ Kurang daripada RM300,000/ 少于RM300,000
- RM300,000 - RM15,000,000
- RM15,000,000 - RM 50,000,000
- Above RM50,000,000/ Lebih daripada RM50,000,000/ 多过RM50,000,000

17

Annual sales turnover of your organization. (Service)  
Pendapatan tahunan organisasi anda. (Perkhidmatan)  
贵组织的年销售额。（服务业） \*

- Less than RM300,000/ Kurang daripada RM300,000/ 少于RM300,000
- RM300,000 - RM3,000,000
- RM3,000,000 - RM 20,000,000
- Above RM20,000,000/ Lebih daripada RM20,000,000/ 多过RM20,000,000

4/26/2022

Section B(i)

18

Industry  
Industri  
行业  
\*

- Manufacturing/ Pembuatan/ 制造业
- Service/ Perkhidmatan/ 服务业

4/26/2022

Manufacturing sectors  
Sektor pembuatan  
制造业

\*

- Chemical & Petrochemical Industry/ Industri Kimia & Petrokimia/ 化工和石化行业
- Automotive Industry/ Industri automotif/ 汽车行业
- Wood Based Industry/ Industri Kayu/ 木工业
- Textile Apparel & Footwear Industry/ Industri Pakaian & Kasut Tekstil/ 纺织服装和鞋类行业
- Rubber Industry/ Industri Getah/ 橡胶工业
- Electrical & Electronics Industry/ 电气和电子行业/ Industri Elektrik & Elektronik
- Machinery & Equipment Industry/ Industri Jentera & Peralatan/ 机械设备行业
- Aerospace Industry/ Industri Aeroangkasa/ 航天工业
- Iron Steel Industry/ Industri Keluli Besi/ 钢铁工业
- Cement Industry/ Industri Simen/ 水泥行业
- Food Industry/ Industri Makanan/ 食品工业
- Medical Devices Industry/ Industri Peranti Perubatan/ 医疗器械行业
- Pharmaceutical Industry/ Industri Farmaseutikal/ 医药行业
- 
- Other



20

Service sectors  
Sektor perkhidmatan  
服务行业

\*

- Business/ perniagaan/ 商业
- Communication/ Komunikasi/ 沟通
- Construction & Related Engineering/ Pembinaan & Kejuruteraan Berkaitan/ 建筑及相关工程
- Distribution/ Pengagihan/ 分配
- Education/ Pendidikan/ 教育
- Environment/ Persekitaran/ 环境
- Health Related & Social Services/ Perkhidmatan Berkaitan Kesihatan & Sosial/ 健康相关和社会服务
- Tourism & Related Travel/ Pelancongan & Perjalanan Berkaitan/ 旅游及相关旅游
- Transport/ Pengangkutan/ 运输
- 
- Other

21

Number of employee in your organization (Manufacturing).  
Bilangan pekerja dalam organisasi anda (Pembuatan).  
您组织中的员工人数 (制造业)。

\*

- Less than 5/ Kurang daripada 5/ 少于5
- 5 - 74
- 75 - 200
- Above 200/ Melebihi 200/ 多过200

4/26/2022

22

Number of employee in your organization (Service).  
Bilangan pekerja dalam organisasi anda (Perkhidmatan).  
您组织中的员工人数（服务）。

\*

- Less than 5/ Kurang daripada 5/ 少于5
- 5 - 29
- 30 - 75
- Above 75/ Melebihi 75/ 多过75

23

Annual sales turnover of your organization. (Manufacturing)  
Pendapatan tahunan organisasi anda. (Pembuatan)  
贵组织的年销售额。（制造业） \*

- Less than RM300,000/ Kurang daripada RM300,000/ 少于RM300,000
- RM300,000 - RM15,000,000
- RM15,000,000 - RM 50,000,000
- Above RM50,000,000/ Lebih daripada RM50,000,000/ 多过RM50,000,000

24

Annual sales turnover of your organization. (Service)  
Pendapatan tahunan organisasi anda. (Perkhidmatan)  
贵组织的年销售额。（服务业） \*

- Less than RM300,000/ Kurang daripada RM300,000/ 少于RM300,000
- RM300,000 - RM3,000,000
- RM3,000,000 - RM 20,000,000
- Above RM20,000,000/ Lebih daripada RM20,000,000/ 多过RM20,000,000

4/26/2022

## Section C

Please read the question and choose the answer to indicate the extent to which you agree or disagree with the given range (5 - **Strongly Agree**, 4 - **Agree**, 3 - **Neutral**, 2 - **Disagree**, 1 - **Strongly Disagree**).

Sila baca soalan dan pilih jawapan untuk menunjukkan anda bersetuju atau tidak bersetuju dengan julat yang diberikan (5 - **Sangat Setuju**, 4 - **Setuju**, 3 - **Neutral**, 2 - **Tidak Setuju**, 1 - **Sangat Tidak Setuju**).

请阅读问题并选择答案以表明您在范围的程度表示同意或不同意 (5 - **非常同意**, 4 - **同意**, 3 - **中立**, 2 - **不同意**, 1 - **非常不同意**)。

4/26/2022

Organization's Product/Services Development Capability  
 Keupayaan Pembangunan Produk/Perkhidmatan Organisasi  
 组织的产品/服务开发能力

\*



5 - Strongly Agree/ Sangat Setuju/ 非常同 意	4 - Agree/ Setuju/ 同意	3 - Neutral/ Neutr al/ 中立	2 - Disagree/ Tida k Setuju/ 不同 意	1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不 同意
---	-----------------------------	---------------------------------	--	---

My organization had  
 DEVELOPED new  
 product/services.  
 / Organisasi saya telah  
 MEMBANGUNKAN  
 produk/perkhidmatan  
 baharu. / 我的组织开发  
 了新产品/服务。

My organization  
 SUCCESSFULLY  
 LAUNCH new  
 product/services.  
 / Organisasi saya  
 BERJAYA  
 MELANCARKAN  
 produk/perkhidmatan  
 baharu. / 我的组织成功  
 推出新产品/服务。

5 - Strongly Agree/ Sangat Setuju/ 非常同意  
 4 - Agree/ Setuju/ 同意  
 3 - Neutral/ Neutr al/ 中立  
 2 - Disagree/ Tida k Setuju/ 不同意  
 1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不同意

My organization was FAST in developing new product/services.  
 / Organisasi saya PANTAS dalam membangunkan produk/perkhidmatan baharu. / 我的组织在开发新产品/服务方面做得很快。

My organization IMPROVED & MODIFIED existing product/service.  
 / Organisasi saya BERTAMBAH BAIK & MENGUBAH SUAI produk/perkhidmatan sedia ada. / 我的组织改进和修改了现有的产品/服务。

My organization ADOP TED NEW IDEAS in the product/service process.  
 / Organisasi saya MENGGUNAKAN IDEA BARU dalam proses produk/perkhidmatan / 我的组织在产品/服务流程中采用了新的想法。

4/26/2022

Organization's Absorption Capacity Capability  
 Keupayaan Kapasiti Penyerapan organisasi  
 组织的吸收能力

\*



5 - Strongly Agree/ Sangat Setuju/ 非常同 意	4 - Agree/ Setuju/ 同意	3 - Neutral/ Neutr al/ 中立	2 - Disagree/ Tida k Setuju/ 不同 意	1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不 同意
---	-----------------------------	---------------------------------	--	---

People in my organization STRONGLY INTERACTED with each other to acquire new knowledge. / Orang dalam organisasi saya BERINTERAKSI KUAT antara satu sama lain untuk memperoleh pengetahuan baharu. / 我的组织中的人们相互密切互动以获取新知识。

5 - Strongly Agree/ Sangat Setuju/ 非常同意  
 4 - Agree/ Setuju/ 同意  
 3 - Neutral/ Neutr al/ 中立  
 2 - Disagree/ Tida k Setuju/ 不同意  
 1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不同意

My organization collected industry information through INFORMAL MEANS (e.g., lunch with industry friends, talks with trade partners). / Organisasi saya mengumpul maklumat industri melalui CARA TIDAK FORMAL (cth., makan tengah hari dengan rakan industri, perbincangan dengan rakan kongsi perdagangan). / 我的组织通过非正式方式收集行业信息（例如，与行业朋友共进午餐，与贸易伙伴交谈）。

My organization quickly RECOGNIZED SHIFTS & CHANGES in our market (e.g., competition, regulation, demography). / Organisasi saya MENGHUBUNGI SEMULA ANJAKAN & PERUBAHAN dengan pantas dalam pasaran kami (cth., persaingan, peraturan, demografi). / 我的组织很快就调整了我们市场中的转变和变化（例如，竞争、监管、人口统计）。

4/26/2022

5 - Strongly Agree/ Sangat Setuju/ 非常同 意	4 - Agree/ Setuju/ 同意	3 - Neutral/ Neutr al/ 中立	2 - Disagree/ Tida k Setuju/ 不同 意	1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不 同意
---	-----------------------------	---------------------------------	--	---

My organization has the ability to UNDERSTAND, ANALYSE & INTERPRET information from external knowledge.  
/ Organisasi saya mempunyai kebolehan untuk MEMAHAMI, MENGANALISIS & MENTAFSIR maklumat daripada pengetahuan luar. / 我的组织有能力从外部知识中理解、分析和解释信息。

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

My organization REGULARLY adapt technologies with new knowledge.  
/ Organisasi saya SENTIASA menyesuaikan teknologi dengan pengetahuan baharu. / 我的组织经常使用新知识来调整技术。

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

4/26/2022



Organization's Pricing Capability  
 Keupayaan Harga Organisasi  
 组织的定价能力

\*



5 - Strongly Agree/ Sangat Setuju/ 非常同 意	4 - Agree/ Setuju/ 同意	3 - Neutral/ Neutr al/ 中立	2 - Disagree/ Tida k Setuju/ 不同 意	1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不 同意
---	-----------------------------	---------------------------------	--	---

My organization has the ability to QUICKLY RESPOND to competitors' pricing actions. / Organisasi saya mempunyai keupayaan untuk MEMBALAS SEGERA kepada tindakan penetapan harga pesaing. / 我的组织有能力快速响应竞争对手的定价行为。

5 - Strongly Agree/ Sangat Setuju/ 非常同意  
 4 - Agree/ Setuju/ 同意  
 3 - Neutral/ Neutr al/ 中立  
 2 - Disagree/ Tida k Setuju/ 不同意  
 1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不同意

My organization QUICKLY RESPONDED to customer demand in term of price considerations.  
 / Organisasi saya CEPAT MEMBALAS permintaan pelanggan dari segi pertimbangan harga.  
 / 我的组织在价格考虑方面迅速响应了客户的需求。

My organization has the ability to EFFECTIVELY COMMUNICATE pricing information to customers. / Organisasi saya mempunyai keupayaan untuk BERKESAN BERKOMUNIKASI maklumat harga kepada pelanggan. / 我的组织有能力向客户有效地传达定价信息。

My organization QUICKLY RESPOND to competitors' products/service pricing strategies/tactics. / Organisasi saya BERTINDAK CEPAT kepada strategi/taktik harga produk/perkhidmatan pesaing. / 我的组织快速响应竞争对手的产品/服务定价策略/策略。

4/26/2022

5 - Strongly Agree/ Sangat Setuju/ 非常同 意	4 - Agree/ Setuju/ 同意	3 - Neutral/ Neutr al/ 中立	2 - Disagree/ Tida k Setuju/ 不同 意	1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不 同意
---	-----------------------------	---------------------------------	--	---

My organization TOOK  
ADVANTAGE of  
financial success to  
reduce  
products/services  
prices. / Organisasi saya  
MENGAMBIL  
KELEBIHAN kejayaan  
keuangan untuk  
mengurangkan harga  
produk/perkhidmatan.  
/ 我的组织利用财务成  
功来降低产品/服务价  
格。

○                      ○                      ○                      ○                      ○

4/26/2022

## Section D

Please read the question and choose the answer to indicate the extent to which you agree or disagree with the given range (5 - **Strongly Agree**, 4 - **Agree**, 3 - **Neutral**, 2 - **Disagree**, 1 - **Strongly Disagree**).

Sila baca soalan dan pilih jawapan untuk menunjukkan anda bersetuju atau tidak bersetuju dengan julat yang diberikan (5 - **Sangat Setuju**, 4 - **Setuju**, 3 - **Neutral**, 2 - **Tidak Setuju**, 1 - **Sangat Tidak Setuju**).

请阅读问题并选择答案以表明您在范围的程度表示同意或不同意 (5 - **非常同意**, 4 - **同意**, 3 - **中立**, 2 - **不同意**, 1 - **非常不同意**)。

4/26/2022

Organization's Sustainable Competitive Advantage  
 Kelebihan Persaingan Mampan Organisasi  
 组织的可持续竞争优势

\*



5 - Strongly Agree/ Sangat Setuju/ 非常同意	4 - Agree/ Setuju/ 同意	3 - Neutral/ Netral/ 中立	2 - Disagree/ Tidak Setuju/ 不同意	1 - Strongly Disagree/ Sangat Tidak Setuju/ 非常不同意
---	-----------------------	-------------------------	---------------------------------	---

My organization is able to COMPETE based on quality. / Organisasi saya mampu BERSAING berdasarkan kualiti. / 我的组织能够根据质量进行竞争。

5 - Strongly Agree/ Sangat Setuju/ 非常同意  
 4 - Agree/ Setuju/ 同意  
 3 - Neutral/ Neutr al/ 中立  
 2 - Disagree/ Tida k Setuju/ 不同意  
 1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不同意

My organization offered HIGH QUALITY products/services to our customers. / Organisasi saya menawarkan produk/perkhidmatan BERKUALITI TINGGI kepada pelanggan kami. / 我的组织为我们的客户提供高品质的产品/服务。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization MODIFIED our product/service offerings to meet client needs. / Organisasi saya MENGUBAH SUAI tawaran produk/perkhidmatan kami untuk memenuhi keperluan pelanggan. / 我的组织修改了我们的产品/服务来满足客户的需求。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization RESPONDED WELL to customer demand for "new" features. / Organisasi saya BERTINDAK BAIK kepada permintaan pelanggan untuk ciri "baharu". / 我的组织很好地响应了客户对“新”功能的需求。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization OFFERED competitive prices. / Organisasi saya MENAWARKAN harga yang kompetitif. / 我的组织提供有竞争力的价格。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4/26/2022

5 - Strongly Agree/ Sangat Setuju/ 非常同 意	4 - Agree/ Setuju/ 同意	3 - Neutral/ Neutr al/ 中立	2 - Disagree/ Tida k Setuju/ 不同 意	1 - Strongly Disagree/ Sang at Tidak Setuju/ 非常不 同意
---	-----------------------------	---------------------------------	--	---

My organization is  
ABLE TO OFFER prices  
as low or lower than  
our competitors.  
/ Organisasi saya  
MAMPU  
MENAWARKAN harga  
serendah atau lebih  
rendah daripada  
pesaing kami. / 我的组  
织能够提供与竞争对手  
一样低或更低的价格。

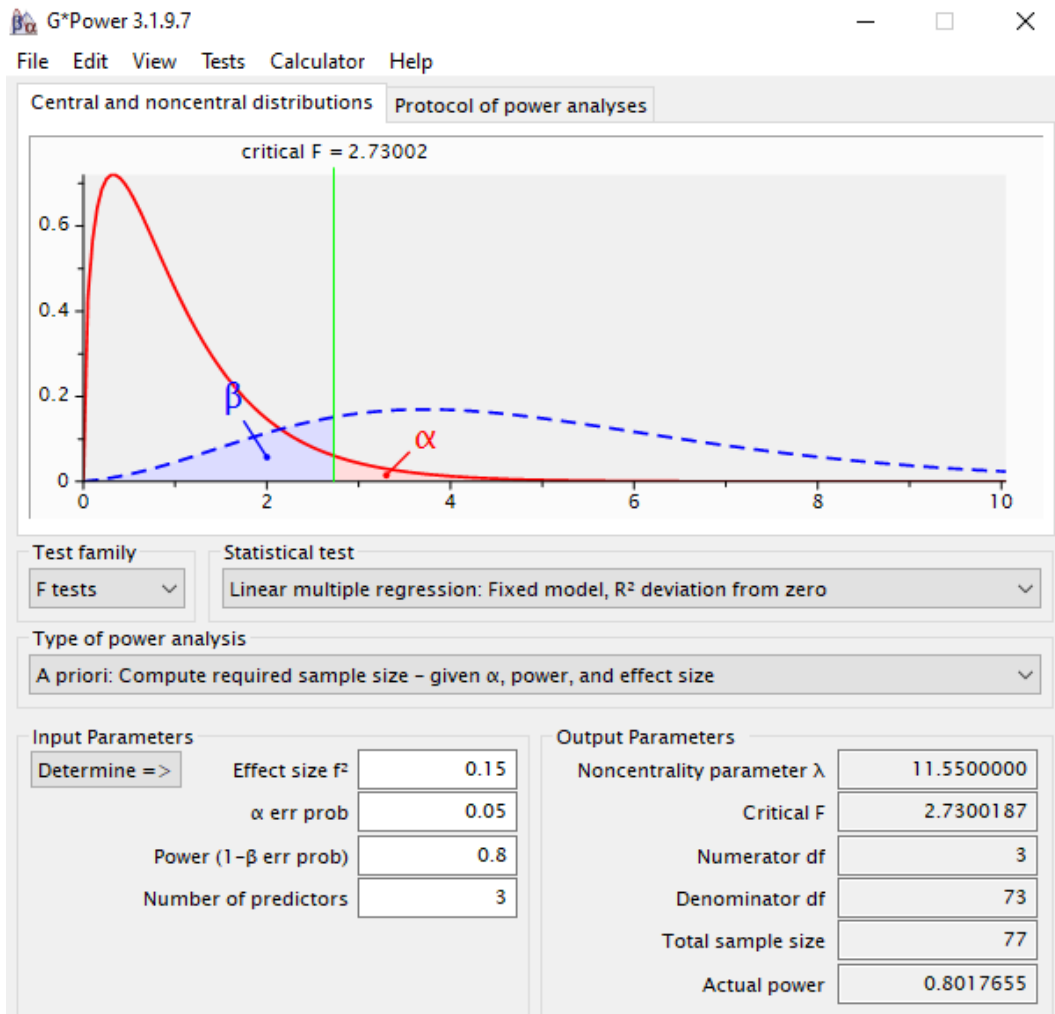
---

This content is neither created nor endorsed by Microsoft. The data you submit will be sent to the form owner.

Microsoft Forms

4/26/2022

## Appendix 2.1: Calculation of Minimum Sample Size Using G\*power

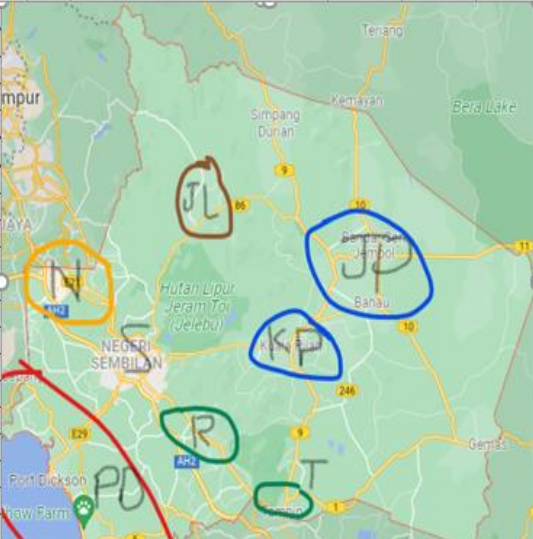
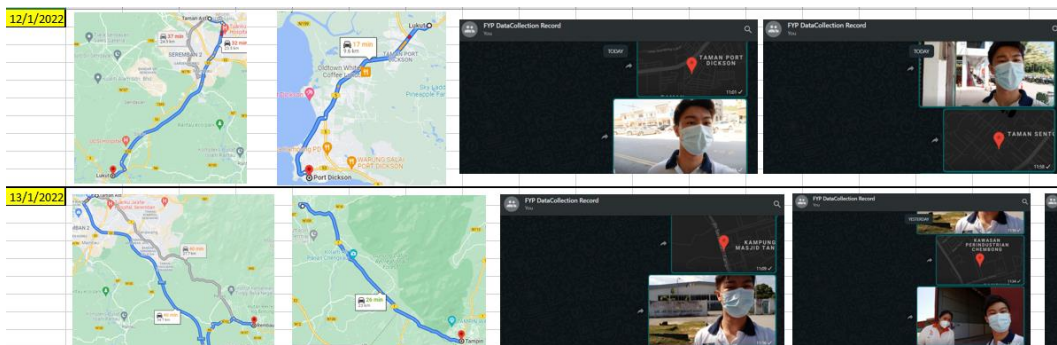


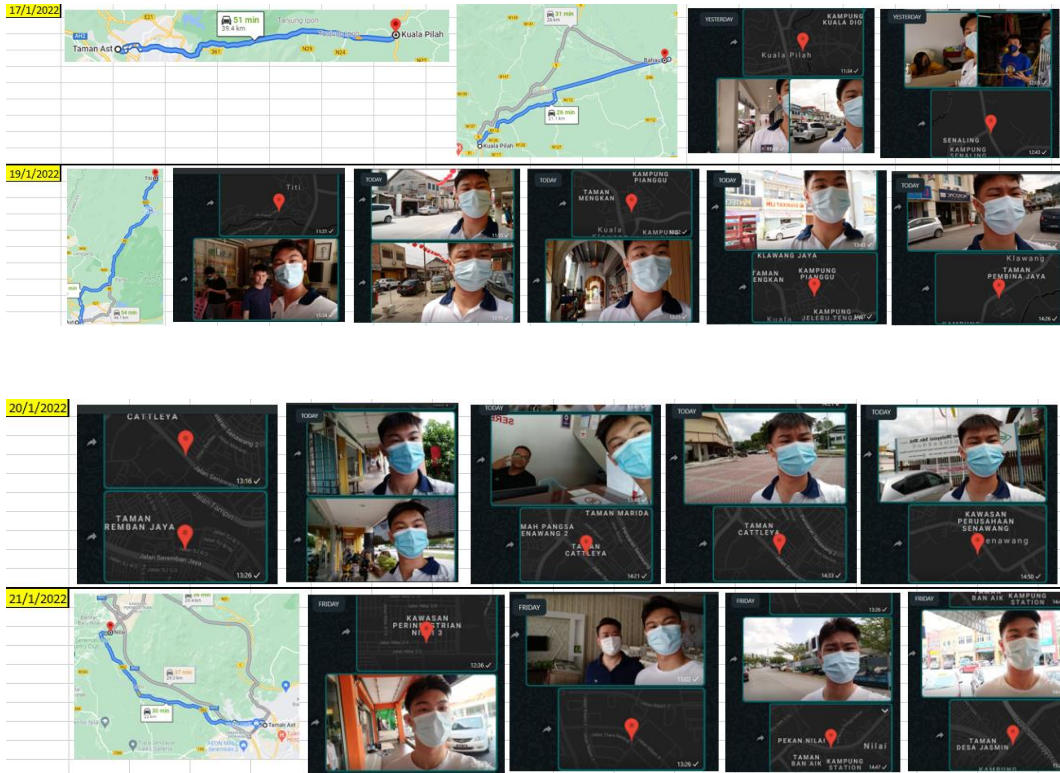


### Appendix 3.1: Record of Data Collection

date	Total data collected	Valid Data	Invalid Data	Location 1	Time	people approached (Approximate)
6/1/2022	17	6	11	Senawang/Seremban	2pm-4.30pm	35
7/1/2022	21	18	3	Galena/ Seremban	2.30pm	38
8/1/2022	8	7	1	Centerpoint/Seremban	4pm	22
		31				
date	Total data collected	Usable	Unusable	Location 1	Time	people approached (Approximate)
11/1/2022	35	22	13	S2/ Seremban	1pm-4.45pm	55
12/1/2022	36	31	5	Lukut/ Port Dickson	11am	65
13/1/2022	32	32	0	Rembau	11am	30
-	-					
-	-					
17/1/2022	52	46	6	Kuala Pilah	11.30am	30
-	-					
19/1/2022	35	31	4	Jelevu	1130am	35
20/1/2022	21	20	1	Senawang/Seremban	1.15pm	35
21/1/2022	32	28	4	Nilai/ Seremban	1230	50
22/1/2022						
23/1/2022						

Location 2	Time	people approached (Approximate)
Location 2	Time	people approached (Approximate)
Port Dickson	2.30pm	
Tampin	2pm	25
-		
Bahau/Jempol	12.45pm	45
Oakland/Seremba	3.45pm	15



Appendix 3.2: Picture with The Respondents Participated in Survey

