

**THE MEDIATING EFFECT OF COMPETITIVE
CAPABILITIES ON THE RELATIONSHIP
BETWEEN KNOWLEDGE SHARING AND
ORGANIZATIONAL PERFORMANCE AMONG
MANUFACTURING COMPANIES IN
MALAYSIA**



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UMS
UNIVERSITI MALAYSIA SABAH

**FACULTY OF BUSINESS, ECONOMICS AND
ACCOUNTANCY
UNIVERSITI MALAYSIA SABAH
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BORANG PENGESAHAN STATUS TESIS

JUDUL : **THE MEDIATING EFFECT OF COMPETITIVE CAPABILITIES ON THE RELATIONSHIP BETWEEN KNOWLEDGE SHARING AND ORGANIZATIONAL PERFORMANCE AMONG MANUFACTURING COMPANIES IN MALAYSIA**

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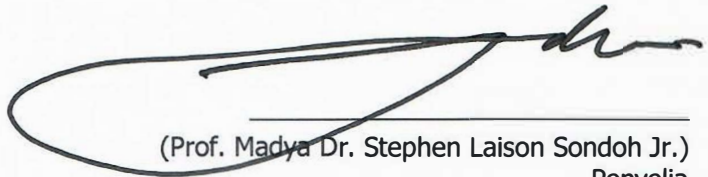
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DECLARATION

I hereby declare that the material in this dissertation is my own except for quotations, excerpts, equations, summaries and references, which have been duly acknowledged.

1 October 2020



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ABSTRACT

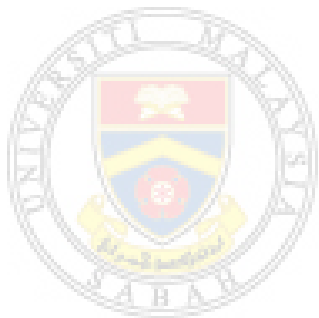
The purpose of this study is to examine the mediating effect of competitive capabilities on the relationship between knowledge sharing and organizational performance among manufacturing companies in Malaysia. Malaysia's manufacturing companies have shown lower performance in terms of quality, innovative, and financial performance. Prior research have emphasized that manufacturing sector in Malaysia has suffered the worst business conditions since 2012 due to the companies are practicing conventional production systems, which lead to less competitive in connection with higher cost, lower quality, and lack of innovativeness. Thus, this study has investigated competitive capabilities and they are conceptualized as a multidimensional construct which consist six dimensions of competitive capabilities (i.e. quality, cost, delivery, flexibility, innovation, and environment). The respondents of this study are 145 Malaysia's manufacturing companies which have high responsive on improving organizational performance and make their organizations' competitive capabilities effective. Quantitative approach was applied in this study. The data were collected using the disproportionate stratified random sampling method and analyzed by using the statistical analysis of Partial Least Square Structural Equation Modeling. Measurement model, structural model, and mediating analysis were employed to test the relationships between tacit and explicit knowledge sharing, competitive capabilities, and organizational performance. Overall, the results have showed that competitive capabilities have the mediated the relationship between knowledge sharing and organizational performance among manufacturing companies in Malaysia, which served to demonstrate the importance of assessing competitive capabilities as a multidimensional construct. For direct relationships, tacit and explicit knowledge sharing were shown to have significant positive influence on organizational performance (i.e. financial, quality, and innovative performance). However, tacit knowledge sharing did not have a significant relationship with innovative performance. Furthermore, only cost, delivery, innovation, and environment had significant positive relationships with tacit knowledge sharing. For explicit knowledge sharing, it was shown to have a positive relationship with competitive capabilities. On the other hand, quality and cost are found to have positive relationships with financial performance. The capabilities of quality, delivery, and flexibility also found to be positively related to quality and innovative performance. In the discussion part, this study has justified the unsupported relationships that there is a need for companies to break away from the conventional ways of producing products and developing production processes, and try out a different one by setting up competitive capabilities and knowledge sharing practices to achieve higher organizational performance and sustainable competitive advantage. Overall, the present work has provided empirical data to describe the mediating effect of competitive capabilities and the influence of tacit and explicit knowledge sharing on organizational performance among manufacturing companies. The findings may serve to develop better understanding and guideline for Malaysia's manufacturing companies to accommodate current business environment and improve organizational performance.

ABSTRAK

KESAN PENGANTARAAN KEUPAYAAN PERSAINGAN DALAM HUBUNGAN DI ANTARA KESAN PERKONGSIAN PENGETAHUAN DAN PRESTASI ORGANISASI DI KALANGAN SYARIKAT PEMBUATAN DI MALAYSIA

Tujuan kajian ini adalah untuk mengkaji kesan pengantaraan keupayaan persaingan dalam hubungan di antara kesan perkongsian pengetahuan dan prestasi organisasi di kalangan syarikat pembuatan di Malaysia. Syarikat-syarikat pembuatan di Malaysia telah menunjukkan prestasi yang lebih rendah dari segi kualiti, inovatif, dan prestasi kewangan. Penyelidikan sebelumnya telah menekankan bahawa sektor pembuatan di Malaysia telah mengalami keadaan perniagaan yang teruk sejak 2012 disebabkan kalangan syarikat masih mengamalkan sistem pengeluaran konvensional yang mengakibatkan kekurangan kompetitif berkaitan dengan kos yang lebih tinggi, kualiti yang lebih rendah, dan kekurangan inovasi. Oleh itu, kajian ini telah meneliti keupayaan persaingan yang berkonsepkan sebagai kepelbagaian dimensi yang terdiri daripada enam dimensi keupayaan persaingan iaitu kualiti, kos, penghantaran, fleksibiliti, inovasi dan persekitaran. Peserta responden kajian ini adalah sebanyak 145 syarikat pembuatan di Malaysia yang mempunyai responsif yang tinggi dalam memperbaiki prestasi organisasi dan menambah-baik keupayaan persaingan secara berkesan. Pendekatan kuantitatif digunakan dalam kajian ini. Data telah dikumpulkan dengan menggunakan pendekatan persampelan rawak berstrata yang tidak seimbang dan dianalisis dengan menggunakan Partial Least Squares sebagai aplikasi statistik analisis dalam kajian ini. Model pengukuran, model struktur dan pengantaraan analisis telah digunakan untuk menguji hubungan di antara perkongsian pengetahuan tersirat dan tersurat, keupayaan persaingan, dan prestasi organisasi. Secara keseluruhan, hasil kajian menunjukkan bahawa prestasi organisasi mempunyai kesan pengantaraan dalam hubungan di antara perkongsian pengetahuan dan prestasi organisasi di kalangan syarikat-syarikat pembuatan di Malaysia. Hubungan tersebut telah mengukuhkan lagi kepentingan menilai keupayaan persaingan sebagai konstruk yang mengandungi pelbagai dimensi. Bagi hubungan langsung, perkongsian pengetahuan tersirat dan tersurat telah ditunjukkan ia mempunyai perkaitan positif yang signifikan dengan prestasi organisasi. Walau bagaimanapun, perkongsian pengetahuan tersirat tidak mempunyai perkaitan yang signifikan dengan prestasi inovatif. Di samping itu, hanya kos, penghantaran, inovasi dan persekitaran mempunyai perkaitan positif yang signifikan dengan perkongsian pengetahuan tersirat. Bagi perkongsian pengetahuan tersurat, ia terbukti mempunyai hubungan yang positif dengan keupayaan persaingan. Selain itu, kualiti dan kos mempunyai pengaruh yang kuat terhadap prestasi kewangan. Kualiti, penghantaran dan fleksibiliti juga mempunyai hubungan yang positif dengan prestasi kualiti dan inovatif. Di bahagian perbincangan, kajian ini telah menjustifikasikan hubungan-hubungan yang tidak disokong bahawa ada keperluan dalam kalangan syarikat untuk mengubah kaedah konvensional dalam penghasilan produk dan pengembangan proses pengeluaran, dan mencuba cara kompetitif yang lain untuk memperkukuhkan keupayaan persaingan dan amalan perkongsian pengetahuan untuk mencapai prestasi organisasi yang lebih tinggi dan kelebihan daya saing yang mampan.

Keseluruhan, kajian ini menyediakan data empirikal mengenai kesan pengantaraan keupayaan persaingan dan dipengaruhi oleh perkongsian pengetahuan tersirat dan tersurat dalam menentukan prestasi organisasi di kalangan syarikat-syarikat pembuatan di Malaysia. Maklumat yang diperoleh menerusi kajian ini boleh digunakan bagi menawarkan penerangan dan garis panduan yang lebih baik di kalangan syarikat-syarikat pembuatan di Malaysia menyesuaikan persekitaran perniagaan semasa dan memperbaiki prestasi organisasi.



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