

EXAMINING THE RELATIONSHIP BETWEEN STAKEHOLDERS FOCUS AND COMPANY PERFORMANCES: SOME EMPIRICAL EVIDENCES FROM MALAYSIAN BUSINESS FIRMS

(Meneliti Hubungan di antara Fokus Pihak Berkepentingan dengan Prestasi Syarikat:
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ABSTRACT

This paper investigates the relationship between stakeholder focus capability; an important internal organisational capability with company performances. Stakeholder theory reflects that the firms' performance will depend on how organisations balance the needs of their stakeholders. Meanwhile, TQM model, while recognising the stakeholders needs, limits the scope to only few vital groups. Furthermore, TQM model specifies the internal capability to focus on important stakeholders and therefore we shall use TQM as our research framework. This study focuses on three important stakeholders; customer, employee, and community because of their direct relationship with business outcomes. An instrument is developed to measure the related constructs and is found to be reliable. Using exploratory factor analysis, we found that the items clearly group into the three factors; customer focus, employee focus, and community focus. Another factor analysis on the company performance measure results in a single factor. We proceed with the multiple regression analysis to test the relationship between the dependent, company performances and the independent factors, the three dimensions of stakeholder focus capability. The percentage variance explained by the three factors is 68 percent. Customer, community and employee focus significantly influence the company performances with beta coefficient of 0.563, 0.465, and 0.424 respectively. The relationship is moderated by the company size with large companies is observed to have a higher ability to focus. We conclude that emphasis on these three groups are important thus developing the capability to focus on them must be given due consideration. Theoretical and practical implications are discussed.

Keywords: stake holders; TQM; performance

ABSTRAK

Kajian ini menyelidik hubungan di antara keupayaan untuk fokus kepada pihak berkepentingan dengan prestasi syarikat. Teori Pihak Berkepentingan menyarankan bahawa prestasi syarikat adalah bergantung kepada sejauhmana sesebuah organisasi mengimbangi kehendak pihak-pihak yang berkepentingan. Walaupun pendekatan Pengurusan Kualiti Menyeluruh (TQM) mengiktiraf kehendak pihak berkepentingan, ianya terhad kepada beberapa kumpulan yang utama sahaja. TQM juga memperjelaskan setiap keupayaan dalaman tersebut. Kerana hubungan ini, kami menggunakan TQM sebagai rangka kajian. Kajian ini tertumpu kepada tiga pihak berkepentingan yang utama; pelanggan, pekerja, dan komuniti kerana hubungan mereka secara langsung dengan kejayaan perniagaan. Satu instrumen untuk mengukur konstruk kajian telah dibangunkan dan didapati mempunyai tahap kebolehpercayaan yang sesuai. Dengan menggunakan analisa faktor (EFA), kami mendapati kesemua item pengukur dikecilkan kepada tiga faktor yang sesuai dinamakan fokus pelanggan, fokus pekerja dan fokus komuniti. Satu lagi analisa faktor dijalankan untuk item pengukur prestasi syarikat dengan menghasilkan satu faktor. Seterusnya kami menggunakan analisa regresi berbilang untuk menguji hubungan di antara pembolehubah bersandar, prestasi syarikat dan pembolehubah bebas, iaitu tiga faktor keupayaan untuk fokus kepada pihak berkepentingan. Peratusan varian yang diterangkan oleh pembolehubah bebas adalah sejumlah 68%. Keupayaan untuk fokus kepada pelanggan, komuniti dan pekerja secara signifikan

mempengaruhi prestasi syarikat dengan ko-efisien beta 0.563, 0.465, dan 0.424. Hubungan tersebut di moderasikan oleh faktor saiz syarikat dengan syarikat bersaiz besar telah didapati mempunyai lebih keupayaan untuk memfokus. Kami menyimpulkan bahwa penekanan kepada ketiga-tiga pihak ini adalah penting dan peningkatan keupayaan untuk fokus kepada mereka mestilah diberi perhatian. Implikasi kepada teori dan praktik dibincangkan.

Kata kunci: pihak berkepentingan; TQM; prestasi

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