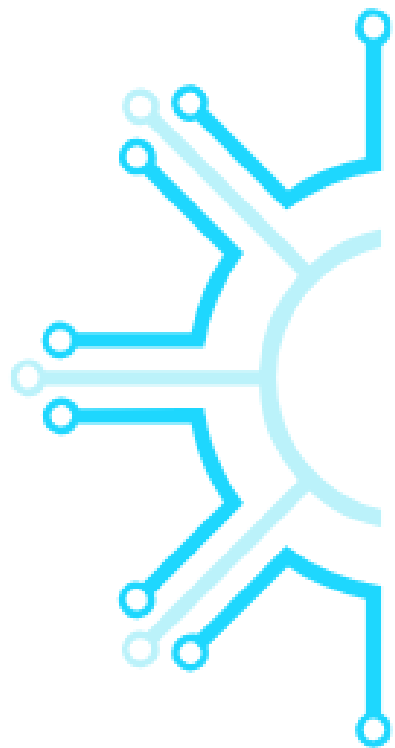




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ISBAC 2024
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PROCEEDINGS

INTERNATIONAL SYMPOSIUM ON BUSINESS & ACCOUNTING

Navigating The Future

Shaping Business Strategies In A Dynamic World

EDITORS

NORKHAIRUL HAFIZ BAJURI
AHMAD SHARIFUDDIN SHAMSUDDIN
SARIATI AZMAN



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Norkhairul Hafiz Bajuri



Ahmad Sharifuddin Shamsuddin

FOREWARD

The New Business Playbook

In today's whirlwind of tech breakthroughs, shifting markets, and ever-picky consumers, staying ahead feels like running a marathon with no finish line. That's why *Navigating the Future: Shaping Business Strategies in a Dynamic World* is here to spark ideas and offer real solutions for tackling these challenges.

This collection is a treasure trove of wisdom from sharp minds—academics, industry pros, and thought leaders—united by a mission to help us thrive in this fast-paced era. They dive into the big stuff: how Artificial Intelligence is shaking things up, the magic of digital transformation, and what consumers really want (spoiler: it's always changing).

From sustainable business practices to taming global supply chain chaos, the focus is clear—be bold, be smart, and think ahead. These insights don't just inform; they inspire. So grab a coffee, dive in, and discover how to craft a business future that's as exciting as it is resilient.

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Norkhairul Hafiz Bajuri

Ahmad Sharifuddin Shamsuddin



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**PSEUDO-INTELLECTUALISM IN MALAYSIAN PUBLIC UNIVERSITIES: A THREAT TO
ACADEMIC INTEGRITY AND NATIONAL DEVELOPMENT**

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ABSTRACT

This article critically examines the rise of pseudo-intellectualism within the Malaysian public university system, exploring its roots, manifestations, and the detrimental impacts on academic integrity, intellectual growth, and the country's long-term educational development. By prioritizing bureaucratic loyalty, conformity, and superficial scholarly achievements over genuine intellectual contributions, Malaysian universities increasingly cultivate an environment that stifles academic freedom and discourages critical thought. This system disproportionately favours administrators who lack a substantive commitment to knowledge and scholarship, resulting in diminished research quality, a decline in global competitiveness, and the production of graduates who are unprepared for the challenges of a knowledge-driven economy. The article argues for systemic reforms aimed at promoting meritocratic leadership, protecting academic autonomy, and re-establishing educational quality as the primary benchmark within Malaysian public universities. Without such measures, pseudo-intellectual dominance may irreversibly hinder Malaysia's ambitions for academic excellence and economic advancement.

Keywords: Pseudo-Intellectualism, Malaysian Universities, Academic Integrity, Intellectual Freedom, Public University Administration, Higher Education Reform, Academic Merit, Educational Quality

**OPTIMISING INTERNATIONAL MARKETING FOR SOCIAL BUSINESSES IN THE
E-COMMERCE ERA: A CASE STUDY OF ATHENA HOLDING BERHAD**

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ABSTRACT

The rapid growth of e-commerce offers unique opportunities and challenges for social businesses aiming to balance social impact and financial goals. This study examines the international marketing strategies of Athena Holding Berhad, a Malaysian social enterprise producing eco-friendly menstrual hygiene products. This research uses qualitative methods such as interview and document analysis to identify key strategies like leveraging e-commerce platforms, forming strategic partnerships, and adopting data-driven marketing. Findings highlight challenges like resource limitations and market adaptation, while revealing opportunities for global reach and sustainable growth. The study provides actionable insights for social businesses seeking to thrive in e-commerce.

Keywords: Social Business, E-commerce, International Marketing, Case Study

**DOES ACCOUNTING EXPERTISE MODERATE THE RELATIONSHIP BETWEEN
EARNINGS MANAGEMENT AND ASYMMETRIC COST BEHAVIOUR?: EVIDENCE
FROM IRAQI-LISTED COMPANIES**

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ABSTRACT

The current study aims to examine how earnings management impacts asymmetric cost behaviour in non-financial companies. Its primary objective is to ascertain whether accounting expertise modifies the association between earnings management and asymmetric cost behaviour. The data utilised in this study came from 276 firm-year observations from 46 non-financial sector businesses registered on the Iraqi Stock Exchange between 2017 and 2022. To take care of potential endogeneity and reverse causality, the study employed the system generalised method of moments (SGMM) estimate model. The expected results of this reveal earnings management do not reduce asymmetric cost behaviour. Conversely, the results expect that accounting expertise is negatively associated with asymmetric cost behaviour. Thus, the study fills the gap in the literature.

Keywords: Iraq, Earnings Management, Asymmetric Cost Behaviour

**THE RELATIONSHIP BETWEEN VERTICAL PAY DISPERSION AND FIRM
PRODUCTIVITY AMONG THE TOP 30 PUBLIC-LISTED COMPANIES IN MALAYSIA**

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ABSTRACT

The disparity in earnings between top executives and the workforce is believed to be a source of discontent among lower-level workers, which leads to reduced satisfaction and ultimately hampers firm productivity. The aim of this research is to explore and analyse the complex dynamics related to the correlation between pay disparity among CEOs, who serve as prominent representatives of high-income earners, and employees. This research examines the disclosure of employee benefits in the annual reports of the top 30 companies listed in the FTSE Bursa Malaysia EMAS index, covering the period between 2017 and 2021. The outcomes of this study reveal a substantial association between vertical pay dispersion and company productivity.

Keywords: Income Inequality, Satisfaction, Firm Productivity, Pay Gap

**DRIVING SUCCESS: HOW TOYOTA'S STRATEGIC POSITIONING SEEK TO
DOMINATE THE MALAYSIAN AUTOMOTIVE MARKET**

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ABSTRACT

This article explores Toyota's brand positioning strategy in Malaysia, with a focus on the "Move Your World" tagline. It examines how this tagline reflects Toyota's commitment to innovation, sustainability, and personal empowerment, and evaluates its effectiveness in maintaining Toyota's market leadership amidst competition from Honda, Mazda, and the rejuvenated Proton. The discussion includes an analysis of Toyota's market leadership, product lineup, customer experience, and adaptability to future trends. Additionally, the article assesses the impact of Proton's resurgence on Toyota's positioning strategy. Through a comprehensive review of Toyota's strategic initiatives and competitive dynamics, this article provides insights into how Toyota continues to drive innovation and shape the Malaysian automotive market. The findings highlight the brand's success in fostering consumer loyalty and adapting to evolving market conditions, ensuring its continued relevance and dominance in the industry.

Keywords: Brand Positioning, Positioning Strategy, Automotive Market

**A LITERATURE REVIEW ON THE COMPARABILITY OF ACCOUNTING
INFORMATION**

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ABSTRACT

The comparability of accounting information is a critical quality characteristic of financial reporting, exerting a significant influence on investor decision-making and the efficiency of capital markets. This review synthesizes existing research on the definition, measurement methods, influencing factors, and economic implications of accounting information comparability. The findings highlight that comparability enhances the quality of financial information and contributes to more efficient resource allocation. Future research opportunities include advancing measurement methodologies, exploring the underlying mechanisms of influencing factors in greater depth, and expanding the scope of comparability's applications across different contexts and industries.

Keywords: Comparability, Accounting Information, Financial Reports, Financial Information Quality

**INTEGRATING TOTAL QUALITY MANAGEMENT AND CORPORATE SOCIAL
RESPONSIBILITY: A STRATEGIC BLUEPRINT FOR ETHICAL EXCELLENCE AND
SUSTAINABLE GROWTH**

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ABSTRACT

This conceptual research explores the intricate convergence of Total Quality Management (TQM) and Corporate Social Responsibility (CSR) to establish a unified approach for cultivating ethical and sustainable business practices. Focusing on research directions and the multifaceted challenges encountered in global, ASEAN, and Malaysian contexts, the study navigates the intricate landscape of business management. In the realm of research direction, the paper ventures into uncharted territories, shedding light on the harmonization of TQM and CSR practices, offering a holistic perspective for organizations on a global scale. The comparative analysis within the ASEAN region uncovers distinct best practices, emphasizing the role of government initiatives and the adaptability of cultures in shaping responsible business endeavours. Moreover, the examination of Malaysian-specific challenges delves into the dynamic interaction between a diverse society and evolving governmental policies, demanding precise navigation. These findings provide a foundation for comprehending the theoretical and contextual contributions within this evolving landscape. In addressing challenges that surface in global, ASEAN, and Malaysian dimensions, this research serves as a valuable guide for organizations striving to harmonize TQM and CSR. It acknowledges the complexities arising from cultural diversity, regulatory variations, and the intricacies of global supply chains. This study also highlights resource constraints faced by SMEs and sector-specific intricacies within industries like palm oil and manufacturing. As the business landscape continues to evolve, this research lays a crucial foundation for future inquiries. The research directions unveiled here inspire further investigation, encompassing the assessment of the impact of harmonized TQM and CSR, the development of cross-cultural frameworks, strategies for regulatory compliance, exploration of stakeholder perspectives, and an examination of the long-term sustainability of these practices. The study underscores the importance of embracing emerging trends and conducting industry-specific analyses, offering guidance for governments seeking to facilitate responsible business practices. In summation, this conceptual paper charts the course for the harmonization of TQM and CSR, delivering a blueprint for organizations and policymakers to navigate the intricate journey towards ethical and sustainable business practices across the global, ASEAN, and Malaysian landscapes.

Keywords: Corporate Social Responsibility, Total Quality Management, Corporate Social Responsibility, CSR, TQM, Sustainable Business Practices

**INTEGRATING GAMIFICATION ELEMENTS TO ENHANCE DONATION COLLECTION
AND USER EXPERIENCE IN CROWDFUNDING SUCCESS**

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ABSTRACT

Crowdfunding, an innovative fundraising approach facilitated by the Internet, has fundamentally altered the manner in which people and organizations obtain financial support for diverse projects. Notwithstanding its increasing popularity, difficulties such as declining success rates in contribution collection endure. Gamification, which incorporates game design principles into non-gaming environments, has emerged as an effective method to augment user engagement and motivation. This study analyses the convergence of crowdfunding and gamification, emphasizing community-oriented crowdfunding models and their capacity to utilize gamified elements such as prizes, leaderboards, and competitive dynamics. The paper highlights the significance of gamification in improving user experience, trust, and behavioral results on crowdfunding platforms, based on theoretical and empirical observations. It underscores the dual capacity of gamification to enhance community involvement and augment contributions, while also acknowledging its limitations and the imperative for a balanced integration of tactics to accommodate varied user preferences.

Keywords: Crowdfunding, Donation, Gamification, Intention, User Experience, Trust

DEVELOPING “NEW QUALITY PRODUCTIVITY”: M&A AND INNOVATION

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ABSTRACT

Developing “New Quality Productivity”, technological innovation is the core driving force, and mergers and acquisitions (M&A) play a very important role in the generation and transformation of technological innovation. M&A is an important “lever” for enhancing enterprise innovation capabilities. Mergers and acquisitions can achieve convenient and low-cost acquisition of R&D talents and technology resources, promote the clearance of existing resource bottlenecks in R&D for enterprises, enrich their innovative knowledge and improve it, and achieve economies of scale and synergy in R&D activities. This paper will be based on the background of China’s strategy of “New Quality Productivity”, explore the impact mechanism of corporate mergers and acquisitions on the improvement of corporate innovation capabilities, systematically construct the role path of corporate mergers and acquisitions on the improvement of corporate innovation capabilities, and provide reference for the more efficient and high-quality development of corporate mergers and acquisitions in the current context.

Keywords: New Quality Productivity, Mergers and Acquisitions, Innovation

A LITERATURE REVIEW ON THE DIGITAL TRANSFORMATION

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ABSTRACT

Digital transformation (DT) has emerged as a pivotal force in reshaping the landscape of modern enterprises and societies. This paper offers a comprehensive review of the existing literature on digital transformation, providing an in-depth analysis of its conceptualization, key influencing factors, measurement approaches, and implementation frameworks. Specifically, the paper identifies six core domains that are central to the current discourse on DT. Also, the paper aims to contribute valuable insights to both academic scholarship and practical applications, guiding organizations in their digital transformation and informing future research directions in this rapidly evolving field.

Keywords: Digital Transformation, Digital Technology, Organization Evolution

FINANCING THE FUTURE: ADDRESSING FINANCIAL CONSTRAINTS TO DRIVE GREEN INNOVATION IN CHINA

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ABSTRACT

Green innovation is a cornerstone of sustainable development, fostering economic growth and mitigating environmental challenges. In China, the A-share market, home to domestically listed companies, plays a pivotal role in driving green technological advancements. However, financial constraints pose significant barriers, particularly for private and small-to-medium enterprises, which face limited access to affordable financing and higher borrowing costs compared to state-owned enterprises. These systemic barriers hinder research and development investments, slow the adoption of green technologies, and limit China's global competitiveness in sustainability markets. This study examines the intersection of financial constraints and green innovation within China's A-share market, identifying structural inefficiencies and regulatory inconsistencies as critical challenges. It proposes a multifaceted approach, including government reforms, diversified financing mechanisms, and collaborative innovation hubs, to address these barriers. By overcoming these challenges, China may drive sustainable economic growth, enhance its competitiveness, and contribute significantly to global environmental goals.

Keywords: Financial Constraints, Green Innovation, Sustainability, China's A-share Market

CORPORATE MALAYSIA: THE STATE OF BUMIPUTERA CORPORATE CONTROL

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ABSTRACT

New Economic Policy of 1970 aims to alleviate the participation of the Bumiputera in the corporate sector. In this aspect, corporate equity ownership of listed companies in Bursa Malaysia has been the perennial focus with 30 percent often cited as the divine target. In this study, we shifted the focus to corporate control, seeking to analyse the percentage of companies that are managed by the Bumiputera instead of the total worth of the investments. In the inaugural study conducted based on 2005 data, the Bumiputera controlled some 7.4 percent of the companies. We seek to update this finding. Shockingly, the Bumiputera have not made any progress. The percentage of companies controlled, by the community remains similar to our first study.

Keywords: Corporate Equity Ownership, Corporate Control, Bumiputera

EXPLORING THE LEVEL OF KNOWLEDGE ON HALAL INTEGRITY IN KOREAN FOOD RESTAURANTS IN MALAYSIA: PERSPECTIVES OF THE YOUNGER GENERATION

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ABSTRACT

The Korean Wave, also known as *Hallyu* in Chinese, represents the global embrace of Korean culture and enterprises. Originating in the 1990s, this phenomenon has grown into a significant cultural force worldwide, influencing diverse aspects of modern life. In Malaysia, the Korean Wave has significantly impacted the youth, shaping their lifestyle choices in areas such as cuisine, cosmetics, entertainment, and technology. The rising popularity of Korean cuisine in Malaysia has led to a growing number of Korean food restaurants. However, while some of these establishments hold halal certification from Jabatan Kemajuan Islam Malaysia (JAKIM), many continue to operate without official Malaysian Halal Certification. The concept of halal food has gained global recognition as a standard for ensuring food safety, cleanliness, and quality. Meals prepared in accordance with halal principles appeal to both Muslim and non-Muslim consumers alike. This study investigates the factors influencing the younger generation's knowledge of halal integrity in Korean food restaurants in Malaysia. The research focuses on undergraduate students at Universiti Teknologi Malaysia, Johor Bahru. Data will be collected through surveys and analyzed using Statistical Package for Social Sciences (SPSS) software, with mean and frequency used to assess the level of knowledge regarding halal integrity. Key factors such as halal exposure, religious beliefs, health concerns, and the presence of halal certification logos are considered. The findings aim to provide valuable insights for Malaysian authorities and stakeholders, supporting efforts to enhance halal integrity in Korean food establishments across the country.

Keywords: Halal and Haram, Integrity, Halal Issues, Korean Food, Halal in Malaysia

DO STUDENTS USE CHATGPT UNETHICALLY?

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ABSTRACT

The purpose of this study is to look into the perception of university students of using ChatGPT for learning, as well as the ethical issues that arise and their frequency of using it. An online survey was issued to 100 students among UTM students. This study finds the students are well aware of the existence of the application, and think it is beneficial; it minimises errors, eases the process of obtaining information, offers personalised coaching and feedback, and increases the quality of their writing leading to better grades for assignments and examinations. Interestingly, they think many students have used the app unethically.

Keywords: Chatgpt, Education, Perception, Ethical Issue, Frequency

**CORPORATE MALAYSIA: CONTROL IN THE BANKING SECTOR AND THE
CONSUMER PRODUCT AND SERVICES SECTOR.**

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ABSTRACT

It has been the aim of New Economic Policy of 1970 to 'eradicate poverty' and 'restructure' Malaysian society to create conditions that are more conducive to national unity. One of the policies is to increase the corporate equity ownership of the Bumiputera to around 30 percent – the often-cited benchmark. Against this backdrop our study has shifted the focus of discussion from 'corporate equity' to 'corporate control' – the two terms are not mutually exclusive but are markedly dissimilar. How many companies are in reality under the control of the Bumiputera community? This is the focus of this study. The answer – in the banking sector and the consumer product and services sector – is far and few in between. It has remained stagnant since our inaugural study.

Keywords: Corporate Control, Corporate Equity, Bumiputera, Voting Power, NEP



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**THE RELATIONSHIP BETWEEN ENVIRONMENTAL, SOCIAL, AND GOVERNANCE
(ESG) PERFORMANCE ON FINANCIAL PERFORMANCE**

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ABSTRACT

This research investigates the relationship between Environmental, Social and Governance (ESG) performance and financial performance of companies listed on the Bursa Malaysia FTSE4Good Index. These findings reveal a positive correlation between ESG performance and financial performance of the companies, with higher ESG scores associated with increased Return on Assets (ROA) and increased Tobin's Q. Specifically, a one percent increase in ESG performance is equivalent to an increase in ROA of 0.002 and an increase of 0.135 in Tobin's Q. Underscoring the financial benefits of sustainable and ethical business practices. This study supports the hypothesis that ESG performance improves current and future financial health, highlighting its strategic importance to a company's success. Recommendations for future research include comparative analyzes across regions and industries, longitudinal studies to establish cause and effect relationships, and evaluation of stakeholder perspectives. Overall, this study advocates the incorporation of ESG factors into corporate strategies to improve financial performance and sustainable growth.

Keywords: ESG Performance, Financial Performance, FTSE4Good Bursa Malaysia Index

**ADAPTING INSTITUTIONAL THEORY FOR THE FRAMEWORK
OF LEGAL ENFORCEMENT OF HALAL LOGISTICS**

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ABSTRACT

The research aims to evaluate the effectiveness of Halal logistics enforcement in safeguarding the integrity of operations. The theoretical framework outlines the responsibilities of the personnel within the enforcement units, detailing the process flow of legal enforcement. This begins with a consumer's complaint and progresses through investigations conducted by agencies such as JAKIM, JAIN, KPDNHEP, and other relevant bodies. The study employed interviews and document reviews as its primary research methodologies, with raw data analyzed using NVivo 12 Plus software to derive meaningful narratives. The analysis highlights the challenges faced by legal officers in managing the daily tasks associated with criminal proceedings. The findings reveal that factors such as limited experience, insufficient skills, diverse educational backgrounds, and constraints related to time and facilities significantly contribute to delays in prosecuting offenders.

Keywords: Halal Logistics, Legal Enforcement, Institutional Theory

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**PSEUDO-INTELLECTUALISM IN MALAYSIAN PUBLIC UNIVERSITIES: A
THREAT TO ACADEMIC INTEGRITY AND NATIONAL DEVELOPMENT**

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ABSTRACT

This article critically examines the rise of pseudo-intellectualism within the Malaysian public university system, exploring its roots, manifestations, and the detrimental impacts on academic integrity, intellectual growth, and the country's long-term educational development. By prioritizing bureaucratic loyalty, conformity, and superficial scholarly achievements over genuine intellectual contributions, Malaysian universities increasingly cultivate an environment that stifles academic freedom and discourages critical thought. This system disproportionately favours administrators who lack a substantive commitment to knowledge and scholarship, resulting in diminished research quality, a decline in global competitiveness, and the production of graduates who are unprepared for the challenges of a knowledge-driven economy. The article argues for systemic reforms aimed at promoting meritocratic leadership, protecting academic autonomy, and re-establishing educational quality as the primary benchmark within Malaysian public universities. Without such measures, pseudo-intellectual dominance may irreversibly hinder Malaysia's ambitions for academic excellence and economic advancement.

Keywords: Pseudo-Intellectualism, Malaysian Universities, Academic Integrity, Intellectual Freedom, Public University Administration, Higher Education Reform, Academic Merit, Educational Quality

INTRODUCTION

In recent years, pseudo-intellectualism has quietly spread through Malaysian public universities, undermining academic integrity and impeding genuine intellectual progress. Pseudo-intellectuals—those who mask shallow understanding and self-interest behind a veneer of scholarly expertise—have found fertile ground in Malaysia's academic and administrative landscape. Far from being benign, this trend poses a serious threat to the nation's higher education system and, by extension, its capacity for sustainable national development. This article explores the dangers of pseudo-intellectualism, especially in management roles within Malaysian universities, and argues that the country's administrative structures inadvertently promote pseudo-intellectualism, perpetuating a culture that threatens academic standards and intellectual freedom.

DEFINING PSEUDO-INTELLECTUALISM IN ACADEMIA

The pseudo-intellectual is a familiar figure in academia: an individual who mimics the characteristics of an intellectual—jargon, scholarly posturing, and superficial engagement—without the accompanying rigor, originality, or depth. In Malaysia's universities, pseudo-intellectuals often project authority through inflated academic credentials, politicized alliances, and bureaucratic power, effectively replacing meaningful scholarship with mere appearance (Saleh, 2019; Abdullah, 2022). Such individuals thrive in environments that prioritize metrics over merit, compliance over creativity, and administrative power over scholarly contribution (Aziz, 2023).

This trend has serious implications. Genuine intellectualism is essential for a vibrant academic community, while pseudo-intellectualism breeds mediocrity and fosters environments hostile to independent thought and critical inquiry. The presence of pseudo-intellectuals not only weakens academic standards but also leads to a homogenized and risk-averse intellectual environment, stifling genuine progress and innovation (Hashim & Wong, 2021).

THE DANGERS OF PSEUDO-INTELLECTUALISM IN HIGHER EDUCATION

The infiltration of pseudo-intellectualism into Malaysian universities has far-reaching consequences. First and foremost, it undermines the essential mission of higher education: to foster critical thinking, independent research, and social responsibility (Shafie, 2020). In an environment dominated by pseudo-intellectuals, students receive a narrow, superficial education that prioritizes conformity over questioning and compliance over curiosity. As a result, graduates lack the critical skills required in a global knowledge economy, leaving them unprepared for complex, real-world challenges (Lim & Tan, 2021).

Pseudo-intellectualism also devalues academic achievements by reducing scholarship to a matter of quantity rather than quality. With pseudo-intellectuals at the helm, there is a pervasive emphasis on easily measurable metrics, such as publication counts and citation indices, which pseudo-intellectuals exploit to create a façade of productivity (Rajendran, 2022). By focusing on these metrics, universities de-emphasize originality, impact, and critical thought, ultimately lowering the institution's academic standards and producing research of questionable value (Mokhtar, 2021).

More troubling, however, is the ethical degradation pseudo-intellectualism fosters. Pseudo-intellectual administrators tend to prioritize self-promotion over ethical scholarship, leading to practices such as favouritism, plagiarism, and intellectual nepotism (Zainal, 2023). Nepotism, in particular, is rife within Malaysian university administrations, where pseudo-intellectuals tend to reward loyalty over competence. As these administrators promote ideologically aligned but often underqualified individuals, they create a self-perpetuating cycle of intellectual mediocrity that discourages independent thinking and innovation (Othman & Lee, 2023).

THE INFLUENCE OF PSEUDO-INTELLECTUALISM ON UNIVERSITY MANAGEMENT

Malaysian public universities are increasingly plagued by pseudo-intellectuals who dominate management roles, often as a result of administrative and political manoeuvring. Scholars argue that many top positions in Malaysian universities are held by administrators

with minimal academic backgrounds, chosen more for their bureaucratic acumen than for their scholarly merit (Amin & Chen, 2022). This shift from merit-based leadership to bureaucratic and political appointments has encouraged pseudo-intellectuals to take over university governance, leading to a culture that values personal ambition over academic progress (Rahman, 2020).

In effect, pseudo-intellectual university administrators prioritize institutional visibility and personal gain over substantive academic goals. Decisions on resource allocation frequently reflect this misguided focus, with significant funding often funnelled into high-profile, low-impact projects designed to bolster the reputation of those in power. As a result, core academic programs and research initiatives suffer from chronic underfunding, weakening the institution's overall academic standing and reducing its ability to contribute meaningfully to Malaysia's social and economic needs (Farid, 2021).

A notable manifestation of this trend is the emphasis on bureaucratic visibility rather than educational outcomes. Pseudo-intellectuals often sponsor grandiose projects—such as elaborate campus buildings or high-profile public events—that may enhance their profiles but provide little educational benefit (Hashim, 2022). While such projects may give the appearance of institutional success, they ultimately drain resources away from research, teaching, and other critical academic functions, leaving Malaysian universities less capable of contributing to intellectual and societal advancement.

HOW UNIVERSITY ADMINISTRATIVE SYSTEMS PROMOTE PSEUDO-INTELLECTUALISM

The administrative structure of Malaysian public universities appears designed to promote pseudo-intellectualism, often unwittingly. With leadership appointments frequently subject to political influence, many top positions go to individuals chosen more for their alignment with bureaucratic or political goals than for their academic expertise (Ismail, 2023). The university management system's focus on administrative compliance over academic excellence effectively creates a hierarchy that rewards pseudo-intellectual behaviour (Mahmood & Said, 2023).

The metrics by which academics are evaluated also foster pseudo-intellectualism. Publication counts and citation indices, while useful as supplementary data, fail to account for the quality or impact of an individual's scholarship. As pseudo-intellectuals exploit these metrics to build up superficially impressive profiles, they ultimately diminish the value of academic contributions by prioritizing quantity over quality (Lai & Mahathir, 2020). Furthermore, this reliance on numerical assessments encourages a culture where compliance with bureaucratic standards outweighs meaningful contributions, discouraging faculty members from pursuing innovative or controversial research (Zaki, 2022).

This culture of compliance reduces academic autonomy and discourages intellectual risk-taking. In an environment that prioritizes conformity, academics are less likely to engage in groundbreaking research, fearing reprisals from pseudo-intellectual administrators more concerned with maintaining the status quo than with fostering genuine intellectual growth (Rahman, 2021). As pseudo-intellectuals perpetuate this cycle, the intellectual vibrancy and competitiveness of Malaysian universities continue to erode, ultimately hampering the country's educational and economic development.

IMPLICATIONS FOR ACADEMIC FREEDOM AND NATIONAL DEVELOPMENT

The pseudo-intellectual's dominance within Malaysian universities has dire implications for academic freedom, institutional integrity, and national development. When pseudo-intellectuals hold power, they often suppress dissent and stifle the diversity of thought that is essential for academic innovation and progress. This creates a culture of intellectual conformity that restricts academic freedom and limits the scope of inquiry, thereby diminishing the educational experience for both students and faculty (Azman & Noor, 2023).

The impact on students is particularly concerning. Malaysian public universities should be spaces for intellectual exploration, critical thinking, and societal contribution. However, under pseudo-intellectual leadership, students are often deprived of this environment, forced instead into a system that emphasizes rote learning and discourages independent thought (Idris & Aisyah, 2022). Graduates of such institutions emerge ill-prepared for the complexities of a competitive global economy, lacking the skills to engage in innovative problem-solving or thoughtful debate (Fadzil & Yusof, 2021).

Malaysia's global academic reputation also suffers from this trend. As international universities compete for talent and funding, institutions perceived as fostering superficial scholarship or tolerating intellectual mediocrity will struggle to attract high-calibre students, researchers, and faculty. The nation's ability to build a knowledge-based economy—an essential component of sustainable development—is thereby compromised (Jamaluddin, 2022).

STRATEGIES FOR COMBATING PSEUDO-INTELLECTUALISM IN MALAYSIAN UNIVERSITIES

Addressing the prevalence of pseudo-intellectualism in Malaysian universities requires systemic reforms focused on restoring academic merit, autonomy, and accountability. First, leadership criteria must prioritize academic achievement and intellectual integrity over political alignment and bureaucratic skill (Salleh & Lai, 2023). University administrators should be individuals with genuine scholarly backgrounds and a commitment to fostering an intellectually open environment (Abdul, 2022).

Second, evaluation metrics need to shift from a quantity-based to a quality-based model. Rather than relying solely on publication counts or citation indices, institutions should incorporate qualitative assessments that account for research impact, peer evaluations, and contributions to the academic community. Such a system would make it more difficult for pseudo-intellectuals to rise through the ranks based on superficial achievements (Lim, 2022).

A commitment to academic freedom is also essential for eradicating pseudo-intellectualism. Universities should actively promote diverse viewpoints, encourage interdisciplinary collaboration, and protect the rights of faculty members to pursue unconventional research. By creating an environment where intellectual freedom is respected, institutions can encourage genuine scholarship and foster a culture that values independent thought over compliance (Tan, 2021).

Finally, rigorous accountability measures are necessary to hold university leaders to the highest standards of integrity and academic responsibility. Transparent governance practices, annual evaluations, and clear channels for addressing grievances can help prevent pseudo-intellectuals from occupying or retaining influential positions. By establishing a system of checks and balances, Malaysian universities can ensure that their administrators are accountable to the academic community and the public at large (Farid & Amin, 2023).

CONCLUSION

The dominance of pseudo-intellectualism within Malaysian public universities represents a critical threat to the nation's higher education system, undermining academic standards, stifling intellectual freedom, and compromising the country's future development. To reverse this trend, Malaysian universities must embrace reforms that prioritize genuine intellectual contributions over superficial displays of scholarship, promoting a culture that values academic integrity, creativity, and independent thought. Failure to do so will not only erode the nation's educational foundations but also jeopardize its aspirations for a knowledge-driven economy.

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**OPTIMISING INTERNATIONAL MARKETING FOR SOCIAL BUSINESSES IN
THE E-COMMERCE ERA: A CASE STUDY OF ATHENA HOLDING BERHAD**

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ABSTRACT

The rapid growth of e-commerce offers unique opportunities and challenges for social businesses aiming to balance social impact and financial goals. This study examines the international marketing strategies of Athena Holding Berhad, a Malaysian social enterprise producing eco-friendly menstrual hygiene products. This research uses qualitative methods such as interview and document analysis to identify key strategies like leveraging e-commerce platforms, forming strategic partnerships, and adopting data-driven marketing. Findings highlight challenges like resource limitations and market adaptation, while revealing opportunities for global reach and sustainable growth. The study provides actionable insights for social businesses seeking to thrive in e-commerce.

Keywords: Social Business, E-commerce, International Marketing, Case Study

INTRODUCTION

The development of e-commerce has transformed cross-border trade, creating new channels for companies to connect with customers throughout the world (Tu & Shangguan, 2018). This trend has a special bearing on social business, which combines economic objectives with a social mission. Social business can reach a wider audience, engage with clients worldwide (Rayne et al, 2024), and support the Sustainable Development Goals (SDG) of Decent Work and Economic Growth (Diaz-Sarachaga & Ariza-Montes, 2022) by utilising e-commerce platforms.

Social businesses can generate new employment prospects inside their company and across participating chains by participating in the global e-commerce marketplace. Furthermore, by giving excluded groups and small producers a platform to sell their goods directly to customers worldwide, e-commerce can promote financial inclusion and economic progress (Zainea et al., 2020).

As a result, a win-win scenario enables social businesses to fulfil their social goals and foster long-term economic growth. It is crucial to recognise that e-commerce presents some difficulties for social business. Social business, in contrast to regular firms, frequently functions with restricted resources and might not possess the specialist knowledge necessary for efficient international e-commerce marketing and logistics (Yunus, 2010). With their dual focus on social impact and financial sustainability, social businesses always seek new and creative ways to accomplish their objectives and attract a larger audience. With the ability to reach a wider audience outside regional boundaries, e-commerce has become an effective instrument for social companies.

However, there are opportunities, challenges, and requirements for best practices when integrating e-commerce into a global marketing strategy for social businesses. The case study, therefore, aims to explore international marketing strategies for social businesses in e-commerce using Athena Holding Berhad (henceforth, Athena).

RESEARCH OBJECTIVE

The main objective of this paper is to explore Athena's current international marketing strategies and identify areas for improvement in e-commerce. The research questions of the study are:

- i. How does e-commerce create new opportunities for social businesses to reach international markets compared to traditional marketing strategies?
- ii. What are the benefits of doing business outside Malaysia?
- iii. What are the key challenges faced by social businesses when integrating e-commerce into their international marketing strategies?
- iv. What e-commerce marketing strategies has Athena Holding Berhad implemented to reach international markets?
- v. How has Athena Holding Berhad addressed the challenges of e-commerce for international marketing in its approach?

LITERATURE REVIEW

The intersection of e-commerce, social businesses, and sustainable development represents a critical area of contemporary international marketing research. Globally, companies are increasingly leveraging digital platforms to promote sustainable consumption patterns, recognising the transformative potential of electronic commerce in driving social and environmental change (Oláh et al., 2018; Tiwari, 2024). Digital platforms have emerged as powerful mechanisms for social businesses to connect with mission-aligned consumers, enabling these organisations to establish dedicated consumer bases characterised by shared values and passionate advocacy (McNutt, 2020; Santos, 2012).

Businesses now rely extensively on sophisticated data analytics to decode complex consumer behaviour patterns, identify emerging market trends, optimise marketing interventions, and measure campaign effectiveness with unprecedented precision. These analytical approaches provide critical insights that enable organisations to develop more targeted and effective marketing strategies in the digital age. The strategic importance of data-driven decision-making has become paramount in contemporary international marketing strategies (Hossain et al., 2024).

Social Business is defined as a "non-loss, non-dividend" organisation that follows the seven Yunus' principles:

- i. The business objective is to overcome poverty, or one or more problems (such as education, health, technology access, and environment) that threaten people and society - not profit maximisation;
- ii. The company will attain financial and economic sustainability;
- iii. Investors get back their investment amount only. No dividend is given beyond the return of the original investment;
- iv. When the investment amount is paid back, profit stays with the company for expansion and improvement;
- v. The company will be environmentally conscious;
- vi. The workforce gets market wages with better-than-standard working conditions;
- vii. Do it with joy!!! (Yunus, 2010, p. 3).

Social businesses operating in the international e-commerce landscape encounter multifaceted challenges requiring nuanced market engagement approaches. The alignment of social businesses with Sustainable Development Goals (SDGs) represents a sophisticated approach to market engagement. These organisations are positioned as change agents in sustainable consumption ecosystems by offering eco-friendly products and services. They go beyond traditional commercial objectives, promoting holistic lifestyle transformations and addressing critical social and environmental challenges (Irene et al., 2016).

Athena Holding Berhad exemplifies the innovative social business model emerging in the Malaysian context. The company addresses multiple critical dimensions by producing environmentally friendly sanitary products, including women's health and hygiene, menstrual poverty awareness, environmental sustainability, and SDG advancement. The organisation strategically utilises e-commerce channels to advocate for sustainable menstrual hygiene management, challenge traditional stigmas surrounding menstruation, and provide accessible, eco-friendly feminine hygiene solutions.

The convergence of e-commerce, social entrepreneurship, and sustainable development suggests a transformative paradigm in international marketing (Cheng, 2018). Social businesses are evolving beyond traditional commercial entities, emerging as critical stakeholders in broader societal and environmental transformation processes. This approach demonstrates the potential of digital platforms to drive meaningful social change while simultaneously meeting consumer needs and market demands (Ramaškienė & Šumskienė, 2020).

As the field continues to develop, researchers and practitioners must explore the complex interactions between digital technologies, social entrepreneurship, and sustainable development. Future investigations could beneficially focus on comparative analyses of social business e-commerce strategies across different cultural contexts, long-term impact assessments of digital platforms on social business sustainability, and comprehensive studies of consumer perceptions regarding mission-driven e-commerce enterprises.

RESEARCH METHODOLOGY

This study employs a qualitative single-case study design, utilising an interpretive approach to explore the e-commerce strategies of Athena. The qualitative methodology allows for examining the complex interactions between social business practices and e-commerce platforms, providing rich, contextual insights that quantitative methods cannot capture.

Using theoretical sampling, Athena represents a critical or unique case in social business e-commerce. The company's innovative approach to menstrual hygiene products and social impact provides a rich research context and offers potential for theoretical insights applicable to other social enterprises.

A semi-structured interview was conducted with Ms. Anja Juliah Abu Bakar, founder of Athena Holdings Berhad. The interview lasted approximately 90 minutes and was guided by a pre-developed interview protocol. The interview questions were designed to explore e-commerce strategies, challenges in international marketing, social impact considerations and strategic decision-making processes. Secondary data was also collected from Athena's official website, press releases, Industry reports, academic and professional publications related to social businesses and e-commerce.

Narrative analysis was employed to analyse and report the interview data. The method was aligned with the study's objective and focused on understanding how individuals construct and communicate meaning through stories. It examines narratives' content, structure, and context to gain insights into human experiences, perspectives, and social interactions. Narrative analysis places the story at the centre of research, recognising that people make sense of their lives and experiences through storytelling (Baldwin, 2010).

The research adhered to stringent ethical protocols throughout the investigative process. Informed consent was obtained from the primary participant, Ms. Anja Juliah Abu Bakar, with explicit communication of research objectives and participant rights. The interview was conducted with complete transparency, ensuring the participant fully understood the study's purpose and potential implications.

The study acknowledges inherent methodological limitations, primarily stemming from its single case study design. This approach constrains the generalizability of findings, introduces the risk of researcher interpretative bias, and relies on a limited scope of data sources. Recognising these constraints is crucial for maintaining academic integrity and providing a balanced scholarly perspective.

A multifaceted approach was implemented to mitigate these limitations and enhance research trustworthiness. Data triangulation was achieved through integrating multiple sources, including in-depth interviews, documentary analysis, and archival research. The research process incorporated a peer review of initial findings and participant validation of interview interpretations, strengthening the study's methodological rigour and analytical credibility.

By transparently addressing potential limitations and implementing robust validation strategies, the research seeks to provide a nuanced and reliable exploration of social business e-commerce strategies while maintaining the highest standards of academic research ethics.

CASE STUDY: ATHENA HOLDINGS BERHAD

Social Entrepreneurship Leader

Ms. Anja Juliah Abu Bakar, a 48-year-old dynamo in social entrepreneurship, has carved a remarkable path through Malaysia's professional landscape over the past decade. As the founder and Impact and Outreach Director of Athena Holdings Berhad, she has established herself as a pivotal figure in advancing entrepreneurial ecosystems that prioritise social impact. Her professional journey is marked by extensive leadership roles across several influential organisations, including serving as the president of the Chamber of Social Entrepreneur Development (CSED Malaysia) and holding key positions in the Women's Entrepreneurs Network Association (WENA), Business Network International Malaysia, and PENIAGAWATI.

Since 2016, she has distinguished herself as a dedicated mentor and catalyst for social enterprise development. Her mentorship approach has been notably successful, with over half of the ten-plus enterprises she has guided achieving accreditation as Impact Driven Enterprises from the Malaysian government. Her international credentials are equally impressive, having been an alumna of the prestigious Cherie Blair Foundation and the SE Forum in Sweden, which have further enhanced her global perspective on social entrepreneurship.

As a passionate advocate for the United Nations Sustainable Development Goals (SDGs), she transcends traditional entrepreneurial boundaries. Her work goes beyond mere business development, focusing instead on creating meaningful social and economic transformations. Through her leadership at Athena Holdings Berhad and her various professional affiliations, she has consistently demonstrated a commitment to empowering entrepreneurs, particularly women, and driving sustainable change through innovative business models.

Her multifaceted approach to social entrepreneurship reflects a deep understanding of how business can be a powerful tool for addressing societal challenges. By mentoring emerging enterprises, championing women's entrepreneurship, and aligning her work with global sustainable development objectives, she has positioned herself as a significant change-maker in Malaysia's entrepreneurial ecosystem.

Athena Holdings Berhad Company Background

The company is a social enterprise company established in 2015 that manufactures and distributes eco-friendly sanitary products and promotes an eco-friendly lifestyle. Athena is an innovative social enterprise that produces and sells washable and eco-friendly cloth pads made from high-quality absorbent fabrics and other environmentally friendly products (Ethis Malaysia, 2024).

The products eliminate the experience of physical discomforts, such as rashes and itching. Through Athena's products and programs, they seek to empower women by promoting healthy menstrual hygiene management and raising awareness on the issue of menstrual poverty. Athena has been significantly impacted since its establishment in 2015 (Formerly known as Bluebear Holdings Sdn. Bhd.).

By distributing over 3,600 products, they have benefited more than 1,500 individuals and diverted an estimated 477,600 units from landfills. Athena's commitment to social impact extends beyond product distribution. They collaborate with partners on impactful programs such as Athena Empowers, a girl's empowerment initiative, and Big Girls Talk, which educates the public and women about menstrual poverty. Their Athena Reach and Athena Engage initiatives further amplify their positive influence.

Athena's groundbreaking social enterprise is dedicated to revolutionising menstrual hygiene management for women. Their mission is twofold: to provide eco-friendly, reusable cloth pads that prioritise women's comfort and well-being and to empower women through education and awareness programs that address the critical issue of menstrual poverty.

Athena's cloth pads are meticulously crafted from high-quality, absorbent fabrics, offering a comfortable and effective alternative to disposable pads. These reusable pads eliminate the risk of rashes and itching, ensuring a more pleasant menstrual experience for women. By choosing Athena's products, women actively contribute to reducing their environmental footprint and promoting sustainable practices.

Athena recognises the significant impact of menstrual poverty on women's lives. They actively engage in educational programs and awareness campaigns to break the silence surrounding menstruation and provide women with the knowledge and resources they need to manage their menstrual hygiene effectively. By addressing the stigma and taboos associated with menstruation, Athena empowers women to take control of their health and well-being.

Through their innovative products and comprehensive programs, Athena champions healthy menstrual hygiene management for all women. They advocate for access to safe and affordable menstrual products, promoting a sense of dignity and empowerment among women. By addressing the physical and social challenges associated with menstruation, Athena contributes to a more equitable and inclusive society.

Athena's products are positioned with a premium pricing approach that aligns with their high-quality ingredients and dedication to sustainable and ethical sourcing. Because the items are made to be affordable for low-income women, individuals who cannot buy disposable sanitary products find them to be a compelling alternative. Eco-aware customers who are prepared to pay more for goods that share their values are drawn to the company's emphasis on sustainability and eco-friendliness.

Products distributed by Athena used a variety of outlets, such as their website, a few boutiques that focus on organic goods, upscale spas and salons. This distribution plan

makes natural skincare products accessible to individuals who care about the environment. The firm also collaborates with associations and governmental bodies to advertise its goods and services, especially in rural regions where access to sanitary items is restricted.

RESULT AND DISCUSSION

The findings of this study are presented based on in-depth interviews with Ms. Anja Juliah Abu Bakar, the founder of Athena, and supported by secondary data from the company's official website, press releases, and online media coverage. Direct quotes from the interview are used to illustrate key insights and authenticate the findings. The results are organized according to the five research questions that guided this study, examining how Athena has leveraged e-commerce for international market expansion while maintaining its social business mission. Each finding is triangulated with secondary sources to ensure validity and reliability of the data. The following sections present detailed analyses of how this social business navigates the challenges and opportunities of international e-commerce marketing.

RQ1: How does e-commerce create new opportunities for social businesses to reach international markets compared to traditional marketing strategies?

"The competitors are in mass production locally and internationally"

Based on the website, Athena now has also ventured into International Business. The product has been sold overseas through agents in Germany, the United Kingdom, and France, as well as through the Middle Eastern e-commerce portal eRomman (<https://www.eromman.com/>). The cloth for export comes from the same source, but it is made at a plant outsourced to China. The business has more than 30 program partners to date, such as the AirAsia Foundation, DHL, Bank Islam, AIA, Malaysia Global Innovation & Creativity Centre, and other notable organisations. The Athena Empowers program is a paid initiative that has received positive feedback from businesses and organisations in the United States and abroad.

Athena Holdings Berhad has several avenues for growth and expansion. Athena capitalises on their manufacturing expertise in production capacity, and diversity in new product lines that align with emerging market trends and penetrate deeper into untapped global regions. Additionally, vertical integration along the supply chain or strategic acquisitions and mergers could present opportunities to strengthen their competitive position, streamline operations, and reduce costs. As sustainability becomes increasingly crucial, Athena could explore innovations in eco-friendly manufacturing practices and environmentally conscious product offerings, appealing to socially responsible consumers and stakeholders.

RQ2: What are the benefits of doing business outside Malaysia?

"Athena Holdings Berhad is expanding our operations and sells internationally, and we are focusing particularly on the UAE market. By generating revenue in US dollars, our company can effectively increase our profit margins, enhance its competitiveness, and potentially reinvest those gains into further growth and expansion"

The fact that it sells in US dollars can provide a significant advantage due to favourable exchange rates. As a Malaysian company, Athena likely incurs most of its operational costs, such as labour, materials, and overhead expenses, in Malaysia Ringgit. However, by selling in US dollars, the company generates revenue in a stronger currency. When the company converts US dollar earnings back into Malaysia Ringgit, it effectively benefits from the exchange rate differential. The exchange rate advantage can benefit Athena Holdings Berhad as it expands its operations in the UAE and other international markets.

RQ3: What are the key challenges faced by social businesses when integrating e-commerce into their international marketing strategies?

"Social businesses face many challenges when integrating e-commerce into their international marketing plans"

According to her, the major challenges are preparation, market research, and research itself. Preparation is essential as it involves selecting the appropriate e-commerce platform, handling logistics, and guaranteeing cultural adaptation. Understanding customer preferences and behaviours across various areas depends on market research, which greatly affects sales and brand reputation. The research includes ongoing observation and analysis of consumer feedback, market trends, and competitor strategies to keep ahead in the highly competitive international market. Through overcoming these obstacles, social businesses can properly present themselves internationally and have long-term e-commerce success.

RQ4: What specific e-commerce marketing strategies has Athena Holding Berhad implemented to reach international markets?

"Athena Holdings Berhad, led by Madam Anja, has successfully executed a complete e-commerce marketing plan to target international markets"

The company mainly generates corporate revenue by utilising its corporate partnerships to achieve international growth. This strategy includes creating strategic alliances with companies and organisations to advance the promotion and distribution of Athena's products. In addition, Athena has devised a comprehensive marketing plan that utilises many channels, encompassing both digital and traditional platforms, to interact with customers actively. This includes using social media marketing, email marketing, and targeted advertising to reach a wider demographic effectively. Athena has achieved significant market expansion by prioritising corporate revenue, cultivating strong partnerships with key stakeholders, and developing a solid international presence.

RQ5: How has Athena Holding Berhad addressed the challenges of e-commerce for international marketing in its approach?

"Athena Holdings is a local business doing marketing outside Malaysia, particularly in the UAE market. Athena Holdings Berhad remains committed to contributing to the sustainable development of our home country, Malaysia"

The company recognises the importance of giving back to the local community. It plans to engage in strategic collaborations that will positively impact the nation's community outreach and human development initiatives. These collaborations could involve partnerships with non-governmental organisations, educational institutions, government agencies, and industry associations. Such collaborations would allow Athena to leverage our resources, expertise, and network to support education, skill development, poverty alleviation, and environmental conservation initiatives.

RECOMMENDATION

Based on the case study of Athena Holdings Berhad, several key recommendations emerge for social businesses seeking to expand internationally through e-commerce. First, companies should prioritize comprehensive market research to understand local consumer preferences, cultural nuances, and regulatory requirements before entering new markets (Pereira et al., 2023). This foundation enables the development of targeted strategies that resonate with diverse international audiences.

Strategic partnerships emerge as a critical success factor. Social businesses should actively seek collaborations with local e-commerce platforms, NGOs, and corporate partners to enhance market penetration and establish credibility (Lee et al., 2021). These partnerships can provide valuable distribution channels and local market insights.

Digital marketing strategy should focus on creating compelling narratives that highlight both social impact and product value. This includes developing culturally sensitive content marketing and strategic social media campaigns that effectively communicate the organization's mission across borders (Dwivedi et al., 2021). Additionally, businesses must invest in robust e-commerce platforms with multilingual support and international shipping capabilities to ensure seamless customer experience.

Financial sustainability requires careful consideration of pricing strategies that balance premium positioning with market accessibility. Companies should implement sophisticated currency management techniques and develop multi-currency payment options to optimize revenue streams (Oláh et al., 2023). Furthermore, establishing clear metrics for measuring and communicating social impact becomes crucial for differentiation in competitive international markets.

Future research opportunities include exploring longitudinal studies of social business e-commerce adaptation across cultures, investigating the role of emerging technologies in scaling social impact, and examining consumer behavior specifically related to social enterprise digital platforms. Such research could provide valuable insights for developing more effective strategies in the evolving digital marketplace.

CONCLUSION

The case study of Athena Holdings Berhad provides a basis exploration of e-commerce strategies for social businesses in the global marketplace, revealing the complex interplay between digital technologies and mission-driven entrepreneurship. By examining Athena's international marketing approach, the research illuminates how social enterprises can leverage e-commerce platforms to transcend geographical limitations while maintaining

their core social objectives. The findings demonstrate that successful international digital marketing requires more than technological infrastructure; it demands a nuanced understanding of cultural contexts, strategic partnerships, and a holistic approach to value creation. Athena's experience highlights the delicate balance social businesses must strike between economic viability and social impact, showcasing the critical challenges of market research, cultural adaptation, and strategic positioning in diverse international markets. Despite the limitations of a single case study, the research offers valuable insights into how purpose-driven organisations can develop targeted strategies that resonate with global audiences, ultimately contributing to our understanding of digital platforms as powerful mechanisms for sustainable development and social transformation. The study underscores the importance of social businesses remaining agile, technologically adept, and unwavering in their commitment to creating meaningful societal change through innovative entrepreneurial approaches as global markets continue to evolve.

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**DOES ACCOUNTING EXPERTISE MODERATE THE RELATIONSHIP
BETWEEN EARNINGS MANAGEMENT AND ASYMMETRIC COST
BEHAVIOUR? EVIDENCE FROM IRAQI-LISTED COMPANIES**

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ABSTRACT

The current study aims to examine how earnings management impacts asymmetric cost behaviour in non-financial companies. Its primary objective is to ascertain whether accounting expertise modifies the association between earnings management and asymmetric cost behaviour. The data utilised in this study came from 276 firm-year observations from 46 non-financial sector businesses registered on the Iraqi Stock Exchange between 2017 and 2022. To take care of potential endogeneity and reverse causality, the study employed the system generalised method of moments (SGMM) estimate model. The expected results of this reveal earnings management does not reduce asymmetric cost behaviour. Conversely, the results expect that accounting expertise is negatively associated with asymmetric cost behaviour. Thus, the study fills the gap in the literature.

Keywords: Iraq, Earnings Management, Asymmetric Cost Behaviour

INTRODUCTION

The corporate board of directors incapacity to fulfil its duties and the rise in global financial scandals have led to several critiques (Abdullah, 2021). However, asymmetric cost behaviour is a topic that has drawn a lot of attention from scholars, particularly in America and Europe and is regarded as a problem by investors. It is influenced by a variety of factors, chief among them being board characteristics (Li & Sun, 2023). Earnings management is another topic that worries investors (Usman et al., 2022). Recent business failures and financial scandals at South Korea's SK Networks and India's Satyam demonstrate how corporate governance cannot enhance earnings management (Abdullah, 2021).

According to Hammadi and Jassim (2022), the majority of board directors in the Iraqi context suffer from a glaring lack of accounting knowledge. The resource dependency hypothesis states that directors are essential because they supply important human capital, including knowledge and experience (Ferreira et al., 2010) (Alodat et al., 2023). Empirical research also indicates that the influence of directors may differ based on their professional backgrounds; for instance, it has been confirmed (Lee and Park, 2019) that board members

with financial and accounting backgrounds may efficiently supervise the financial report preparation process. According to (Bimo et al., 2022), board members who lack enough financial knowledge are also unable to counsel other board members. According to Alzoubi (2019), the board's accounting expertise is important and has a negative correlation with EM. This suggests that board members with experience in accounting and finance are effective at restricting earnings management and reducing costs.

While emerging market businesses have received less attention, organisations in the US and other developed nations have been the subject of a significant amount of published research on asymmetric cost behaviour (Ibrahim et al., 2022). Although industrialised countries have examined the connection between earnings management and asymmetric cost behaviour, they have not examined the moderating effect of accounting expertise. Thus, there is an urgent need for more research on ACs in emerging nations with unique economic situations, like Iraq. Therefore, by investigating the moderating effect of accounting expertise on the link between earnings management and asymmetric cost behaviour in the context of Iraq, this study aims to fill a research vacuum.

LITERATURE REVIEW

Earnings Management and Asymmetric Cost Behaviour

The (ABJ) Model was the first to define cost stickiness, even though the work of Soderstrom and Noreen (1997), revealed the existence of asymmetrical cost behaviour. According to research by Anderson, Banker, and Janakiraman (2003), asymmetrical cost behaviour is characterised by a pattern of cost behaviour in which costs rise more than they fall, even when the company's activities vary by an identical amount. stating that cost stickiness results from the best choices made with reference to adjustment costs, or attributing it to intentional managerial choices made in the context of adjustment costs Priantana and Sayuthi (2020).

The primary distinction between cost stickiness and traditional cost categories is that the latter takes into account the direction of the change, while the former is based on the link between the change in activity level Magheed and El-Issa (2017). This is due to the fact that expenses show stickiness, rising more sharply as sales revenue rises than when costs fall proportionately with a drop in sales revenue He et al. (2020). However, according to agency theory, these managers may take advantage of opportunities, which would force shareholders to install a system that could keep an eye on company managers. This would also result in agency costs (ICAEW, 2005) Boakye et al. (2019). Since managers purposefully alter costs in response to shifts in sales, agency difficulties may result in the sticky behaviour of costs (Anderson et al., 2003).

In addition to encouraging the sound growth of businesses, earnings management also contributes to the division of management and ownership rights inside businesses, which exacerbates the conflict of interest between the two Dao and Ngo (2020). Cost stickiness results from managers' tendency to use unethical earnings management techniques to cut expenses and hide self-serving activity in order to avoid paying fines and harming their reputations if profits drop off quickly Saputra and Fauzi (2022). Indeed, a few studies indicate that Earnings Management tends to influence asymmetric cost negatively, for example, (Li & Sun, 2023; Martusa et al., 2022). On the contrary, some studies have

confirmed that there is no negative effect of earnings management on asymmetric cost, for example (Boakye et al., 2019; Bolortuya and Koo, 2022).

Research by Yang (2022), titled *The Influence Mechanism of Executive Compensation Incentives on the Relationship Between Real Earnings Management and Expense Stickiness*. according to statistics from China between 2018 and 2020. The empirical findings demonstrate a negative correlation between cost stickiness and the real earnings management level of Chinese manufacturing firms. In a similar vein, Martusa et al. (2022) examined earnings quality and asymmetric cost behaviour on the Jakarta (JKSE). Earnings quality has negative influences on asymmetric cost behaviour, according to this study. In contrast to Ghanaian research by Boakye et al. (2019) titled *The Relationship between Real Earnings Management and Cost Behaviour*. According to this analysis, REM raises sticky SG&A costs through manufacturing costs and discretionary spending. In a similar vein, Xue and Hong (2016) discovered data suggesting that sticky costs and earnings management move in the other direction, meaning that as earnings management rises, cost stickiness falls. In accordance with agency theory, this study proposes the following hypothesis in light of the inconsistent findings of earlier research and the imperfections in Iraq's present legal system:

H1: There is no significant association between earnings management and asymmetric cost behaviour.

The modulating role of accounting expertise

According to SEC regulations, a financial expert is someone who possesses all five of the following characteristics: a thorough grasp of accounting concepts, financial statements, internal control, and audit committee duties. However, as stated in the Eighth Paragraph of Article 117 of 2004, the Iraqi Corporate Governance Law stipulates that the board must have at least one person with financial competence (Hammadi and Jassim, 2022). Depending on their professional backgrounds, directors may have different effects according to empirical studies. For example, Alzoubi (2019) discovered that the board's accounting expertise is important and inversely related to EM, which limits and reduces costs.

The resource dependency hypothesis states that directors are essential because they supply significant human capital, such as knowledge and experience Ferreira et al. (2010). Lei et al. (2023) conducted a study in China between 2008 and 2017 to determine if variations in the background features of the chairperson-EO vertical dyad lower management costs. The study discovered that management agency expenses often go down when the chairperson has expertise. Contrary, Golden et al. (2020) looked into how labour adjustment costs and asymmetric cost behaviour affected US-listed companies between 1999 and 2016. According to the findings, depending more on seasoned employees raises the expense of adjusting resources, especially when sales are down.

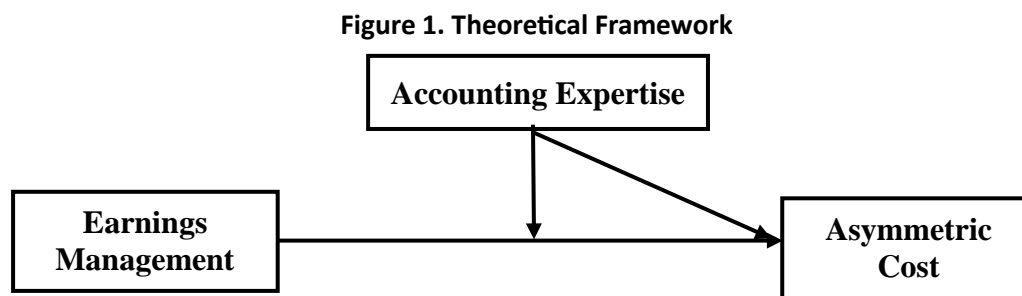
Building on the findings of Resource Dependency Theory and the shown correlation between accounting expertise and asymmetric cost behaviour in the aforementioned research, it is critical to highlight the board's significant contribution, especially their

experience. Thus, the hypothesis below is the result of this study's proposal of a meaningful and influential link between accounting expertise and asymmetric cost behaviour.

H2: There is a significant association between accounting expertise and asymmetric cost behaviour.

H3. Accounting expertise does significantly moderate the relationship between earnings management and asymmetric cost behaviour.

The theoretical framework of the study is shown in Figure 1.



CONCLUSION

The expected results show that earnings management has little effect on reducing asymmetric cost behaviour. On the other hand, the findings anticipate a strong correlation between accounting expertise and asymmetric cost behaviour. Finally, the association between asymmetric cost behaviour and earnings management will be considerably moderated by accounting expertise.

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**THE RELATIONSHIP BETWEEN VERTICAL PAY DISPERSION AND FIRM
PRODUCTIVITY AMONG THE TOP 30 PUBLIC-LISTED COMPANIES IN
MALAYSIA**

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ABSTRACT

The disparity in earnings between top executives and the workforce is believed to be a source of discontent among lower-level workers, which leads to reduced satisfaction and ultimately hampers firm productivity. The aim of this research is to explore and analyse the complex dynamics related to the correlation between pay disparity among CEOs, who serve as prominent representatives of high-income earners, and employees. This research examines the disclosure of employee benefits in the annual reports of the top 30 companies listed in the FTSE Bursa Malaysia EMAS index, covering the period between 2017 and 2021. The outcomes of this study reveal a substantial association between vertical pay dispersion and company productivity.

Keywords: Income Inequality, Satisfaction, Firm Productivity, Pay Gap.

INTRODUCTION

Extreme inequality is thought to weaken trust in political and economic systems by eroding fairness values, with those in positions of enormous power and influence having little accountability (Sumar, 2022). In the context of income disparity, it is common for people to take the wage difference between CEOs and average employees as an indicator. The larger the gap, the wider the disparity.

Regardless, human capital is unquestionably the core engine of a company. Therefore, a company may offer training as part of its corporate strategic plan to build human capital (Obiekwe, 2018). If this training is properly conducted and developed, it can result in higher performance, increased productivity, and innovation. Companies may even provide more incentives, bonuses, and benefits. –However, what employees receive cannot be compared to that of CEOs. According to Human Resources Online (2019), globally, the average annual salary of CEOs stands at £5.2 million, which starkly contrasts with the average annual salary of workers, amounting to £32,489. In Malaysia, the average CEO salaries are 148 times higher than the average salaries of workers (Human Resources Online, 2019).

Considerable scholarly research has been dedicated to investigating the connections between the CEO wage disparity compared to employee compensation and firm productivity in various countries. However, a comprehensive exploration of the differential in pay between CEOs and workers and its effects on firm productivity in Malaysia is limited, especially in the recent years. Hence, the primary goal of this study is to scrutinise the disparity in compensation between CEOs and employees on the firm productivity of Malaysia's Top 30 Publicly Listed Companies.

LITERATURE REVIEW

The first section discusses the relevant disclosure requirements, concepts and theories associated with the CEO income discrepancy against staff remuneration and corporate productivity. The second section delves into previous research conducted in related areas. In the third section, this chapter defines dependent and independent variables before establishing hypothesis testing by evaluating previous studies.

Disclosure of Directors' Compensation

Despite the Securities Commission Malaysia's (2021) encouragement for disclosure, some companies avoid publishing compensation for each CEO and other executives and non-executives, just the total sum, citing companies' proprietary and sensitive information. Malaysian publicly traded firms tend to reveal their directors' compensation when they engage the services of the Big 4 audit firms (Jaafar et al., 2019). This finding can be attributed to the esteemed reputation and established credibility of the Big 4 audit firms worldwide. Companies perceive that by associating with these reputable firms, they can enhance their image of reliability, trustworthiness, accountability, and fairness, which in turn leads to a heightened willingness to provide more extensive information to stakeholders.

Tournament Theory & Equity Theory

According to Elsayed and Elbardan (2018), the pay of CEOs and executive board members wields a significant influence in shaping the operational outcomes of the organisation under the tournament theory compared to the performance-related pay framework proposed by the agency theory. On the other hand, according to Bawa (2017), equity is fundamental to employee work happiness, motivation, and higher production. Employees can determine if their job contributions (inputs) and economic exchange (outcomes) are equal by comparing discretionary rewards with referent firms or persons (Balkin & Werner, 2023). If they are dissatisfied with the return expectations, they will acquire a sense of injustice and become demotivated to continue working hard, or even seek retaliation against customers.

Relationship between CEO-to-Worker Pay Gap and Firm Productivity

The Securities Commission Malaysia (2021) through the Malaysian Code of Corporate Governance requires publicly traded firms in Malaysia to disclose director remuneration. A company is also required to form a committee that determines the compensation of its directors and key management. The main idea is to ensure the pay rise commensurate with productivity. In other countries, the interplay between the dispersion of CEO-employee pay and firm productivity has been investigated. Nevertheless, in Malaysia, there has been limited research on this topic, leading to some restrictions. Past empirical studies found both positive and negative associations between these two variables.

In particular, corporations can get concrete benefits from a highly qualified workforce that is well compensated, leading to increased salary differences (Przychodzen & Gómez-Bezares, 2021; Taherifaret et al., 2021).

H1: There is a significant relationship between the CEO-employee pay gap and firm productivity.

Dependent Variable

Firm productivity measures a company’s performance. A firm’s human capital, particularly its core employees, plays a significant role in its competitiveness and productivity (Chowdhury et al., 2014).

Independent Variables

Pay Dispersion Between CEO and Ordinary Employees - is based on the disparity in compensation between the CEO and the average staff (CEOTOT_OE). That is, the total remuneration awarded to the CEO is divided by the average ordinary employee’s compensation. The computation of the latter involves dividing the aggregate staff expenditures by the employee headcount, excluding that of the board of directors.

Control Variables

To minimise the impact of external variables and confounding factors, this study incorporates control variables such as firm performance, firm size, leverage ratio, growth potential, CEO duality, CEO gender and CEO age.

RESEARCH METHODOLOGY

The data were compiled from the annual reports or corporate governance reports of FTSE Bursa Malaysia EMAS index-listed companies from 2017 to 2021. The sample size for this study comprised 30 firms, resulting in 129 observations at the firm-year level.

FINDINGS

The analysis revealed that the number of companies that disclosed CEO compensation increased from 2017 (n=22) to 2020 (n=28) and remained steady in 2021 (Table 1). The average CEO-worker wage discrepancy in 2017 was 223.97 times (SD = 457.69). The average CEO-worker wage difference peaked in 2018 at 272.58 times, the highest over the previous five years. The average CEO-worker compensation discrepancy decreased gradually over the five years, reaching a low of 167.67 in 2021. Over a five-year period, descriptive statistics on the salary discrepancy between CEOs and workers reveal an overall mean of 207.75 times.

Table 1: CEO-worker salary disparity over time

YEAR	N	Mean	Median	Std. Deviation
2017	22	223.969605	58.987800	457.6909105
2018	26	272.581538	64.049350	549.5473456
2019	27	194.434993	59.611800	381.4814153
2020	28	187.698743	47.168550	422.1389228
2021	28	167.674432	45.874100	291.0529296
Total	131	207.745382	56.804700	420.6919496

The average company within the sample exhibited an individual employee generating approximately RM1.7 million in annual revenue. In the same period, the CEO average annual compensation was RM16.52 million, with a median of RM6.2 million.

Regarding OEDNED's total compensation, it was observed that the mean value amounted to RM860,645 accompanied by a median of RM460,625. In contrast, the average wage earned by ordinary employees was found to be RM115,526, with a median of RM121,908. As a result, the computed mean (median) for the ratio of CEO compensation to employee wages was approximately 207.75 (56.80), while the proportion of pay for other executive and non-executive directors compared to worker earnings stood at 13.68 (4.13). This finding suggests that the average CEO could achieve the equivalent of an average worker's annual salary by dedicating mere 1.8 days (365 days divided by 207.74) of work. Similarly, for OEDNED, this period amounts to 26.7 days (365 days divided by 13.68). In the realm of the average company, the proportion of debt relative to their overall assets was observed to surpass 22.73%. Within the sample, it was discerned that a mere 5.48% of CEOs assumed the dual role of serving as board chairs, underscoring the limited prevalence of such a corporate structure. Furthermore, the average age of chief executive officers stood at 55 years, while it is noteworthy to mention that all CEOs of the 30 companies analysed in this study were male throughout the period.

Table 2: Summary of descriptive analysis for major variables

	N	Min	Max	Mean	Median	SD
REVENPE	146	68,614	22,373,391	1,707,066.62	738,415.00	3,354,599.877
ROE	146	-.2169	2.8468	.215349	.096800	.4357499
CEOTOT	131	901,448	183,070,000	16,522,906.10	6,195,000.00	31,335,017.610
OEDNEDTOT	145	85,625	8,766,625	860,645.10	460,625.00	1,238,818.357
OETOT	146	13,324	260,767	115,526.36	121,908.00	61,265.905
CEOTOT_OE	131	4.3541	2439.3332	207.745382	56.804700	420.6919496
OEDNEDTOT_OE	146	0.5455	334.6763	13.681850	4.134600	31.4782
lnTA	146	20.9084	27.5124	24.210484	23.997500	1.6414092
BV_MV	146	.0131	3.1750	.633238	.503800	.5496367
LEV	145	.0006	.6660	.227282	.220500	.1417581
CEODUAL	146	0	1	.05	.00	.228
GENDER	146	0	0	.00	.00	.000
CEOAGE	146	41	79	55.78	54.00	7.498

The correlation matrix in Table 3 illustrates the interrelationships between the independent variables, dependent variables, and control variables for the Top 30 publicly listed companies. The significance level is as follows:

- ** . Correlation is significant at the 0.01 level (2-tailed).
- * . Correlation is significant at the 0.05 level (2-tailed).
- c. Cannot be computed because at least one of the variables is constant.

Table 3: Pearson’s Correlation Coefficients among top 30 public listed companies

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
lnREVENPE (1)	1												
ROE (2)	.256**	1											
CEOTOT (3)	-.206*	-.185*	1										
OEDNEDTOT (4)	-.174*	-.083	.397**	1									
OETOT (5)	.703**	.040	-.143	-.229**	1								
CEOTOT_OE (6)	-.299**	-.152	.944**	.473**	-.296*	1							
OEDNEDTOT_OE (7)	-.266**	-.030	.203*	.783**	-.373**	.420**	1						
lnTA (8)	-.044	-.358**	.183*	.125	.368**	.078	-.102	1					
BV_MV (9)	-.229**	-.380**	.596**	.117	.099	.562**	-.014	.610**	1				
LEV (10)	-.027	.322**	.242**	.001	-.086	.260**	.047	-.066	-.062	1			
CEODUAL (11)	-.161	-.107	.882**	.212*	-.117	.818**	.088	.096	.566**	.168*	1		
GENDER (12)	.c	.c	.c	.c	.c	.c	.c	.c	.c	.c	.c	1	
CEOAGE (13)	-.097	-.286**	.465**	.395**	-.107	.387**	.077	.270**	.352**	.079	.382**	.c	1

Analysis of CEO-to-worker wage differential (CEOTOT_OE) and corporate productivity (lnREVENPE) (Table 3) reveal a weak relationship ($0.10 \leq r \leq 0.39$).

On the control variables, analysis demonstrates that firm performance, as indicated by return on equity (ROE), growth potential, represented by the market valuation (BV_MV) and CEO duality, exhibit a weak correlation ($0.10 \leq r \leq 0.39$) with corporate productivity. On the other hand, firm size (lnTA), leverage ratio (LEV), and CEO age display a negligible relationship ($0 \leq r \leq 0.10$) with productivity. Additionally, companies with a higher return on equity demonstrate higher levels of productivity, as measured by the natural logarithm of revenue per employee. Surprisingly, companies with larger asset bases and higher market valuations experience a decrease in productivity. In addition, the findings indicate that younger CEOs exhibit a heightened capacity to positively impact firm productivity. Paradoxically, as the CEO’s age increases, it becomes detrimental to productivity while concurrently boosting market valuation.

Table 4: Collinearity statistics between variables

Model	Coefficients ^a						Collinearity Statistics	
	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Tolerance	VIF	
	B	Std. Error	Beta					
(Constant)	11.287	1.842		6.129	.000			
ROE	.615	.247	.245	2.487	.014	.691	1.446	
lnTA	.097	.080	.146	1.220	.225	.470	2.126	
BV_MV	-.454	.305	-.228	-1.490	.139	.286	3.496	
LEV	-.642	.748	-.083	-.858	.392	.714	1.401	
CEODUAL	.648	.804	.135	.806	.422	.238	4.202	
CEOAGE	.007	.014	.051	.537	.592	.749	1.335	
CEOTOT_OE	.000	.001	-.176	-.837	.404	.152	6.560	
OEDNEDTOT_OE	-.006	.004	-.185	-1.680	.096	.552	1.811	

Table 4: the coefficients encompassing collinearity diagnostics, the tolerance values for CEOTOT_OE (0.152) and OEDNEDTOT_OE (0.552) exceed the threshold of 0.1, implying the absence of multicollinearity concerns in the regression model. In this study, the VIF value for CEOTOT_OE is 6.560 and for OEDNEDTOT_OE is 1.811, both significantly below the threshold of 10.

CONCLUSION

The study investigated the impact of the pay gap between CEOs and employees, on productivity of the top 30 publicly listed companies. The finding indicates a substantial negative relationship between the CEO-to-employee wage differential and corporate productivity. This study however focuses exclusively on these top companies hence might not be generalised to the whole listed companies in the country. More studies are needed for this purpose.

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DRIVING SUCCESS: HOW TOYOTA'S STRATEGIC POSITIONING SEEK TO DOMINATE THE MALAYSIAN AUTOMOTIVE MARKET

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ABSTRACT

This article explores Toyota's brand positioning strategy in Malaysia, with a focus on the "Move Your World" tagline. It examines how this tagline reflects Toyota's commitment to innovation, sustainability, and personal empowerment, and evaluates its effectiveness in maintaining Toyota's market leadership amidst competition from Honda, Mazda, and the rejuvenated Proton. The discussion includes an analysis of Toyota's market leadership, product lineup, customer experience, and adaptability to future trends. Additionally, the article assesses the impact of Proton's resurgence on Toyota's positioning strategy. Through a comprehensive review of Toyota's strategic initiatives and competitive dynamics, this article provides insights into how Toyota continues to drive innovation and shape the Malaysian automotive market. The findings highlight the brand's success in fostering consumer loyalty and adapting to evolving market conditions, ensuring its continued relevance and dominance in the industry.

Keywords: Positioning, Strategy, Brand Positioning, Automotive Market

INTRODUCTION

In the highly competitive automotive market of Malaysia, brands constantly strive to differentiate themselves and capture consumer loyalty. Toyota, a global automotive leader, has strategically positioned itself in Malaysia with the tagline "Move Your World." This tagline reflects Toyota's vision of empowering individuals and communities through innovation, technology, and personal growth. This article delves into Toyota's brand positioning strategy in Malaysia, evaluating the effectiveness of the "Move Your World" tagline, its impact on the market amidst competition from Honda and Mazda, and the challenges posed by the rejuvenated Proton.

Market positioning involves establishing a brand or product in the minds of consumers relative to competitors. It encompasses the strategic efforts to create a distinct image and identity, aligning with consumer needs and preferences. Effective positioning requires a deep understanding of the target market, competitive landscape, and unique value propositions. For Toyota Malaysia, this means comprehensively analysing the Malaysian automotive market and identifying key factors that influence consumer decision-making. For context, the appointed Toyota distributor and assembler in Malaysia is UMW Toyota

and is a 51: 39: 10 joint venture between UMW (of Malaysia) and Toyota Motor Corporation (of Japan) and Toyota Tshusho (of Japan). Clearly, with such high stakes coming from Japan, the local crafting of Toyota Malaysia positioning should only be a pragmatic extension and localisation of the overarching Toyota global direction.

As such, similar to Toyota across all the world, one of the foundational elements of Toyota Malaysia's positioning strategy is market segmentation. The company segments the market based on various criteria, including demographics, psychographics, and behavioural patterns. In Malaysia, this involves catering to diverse customer segments such as urban commuters, families, young professionals, and environmentally conscious consumers. This is one most of the important disciplines as it is the basis of Toyota product planning. Models and characteristics of each Toyota cars stems from this nucleus.

Malaysia recognizes the importance of demographic segmentation in understanding the needs of different age groups, income levels, and geographic locations. By offering a range of models from affordable compact cars to luxury sedans and SUVs, Toyota ensures that it meets the requirements of various customer segments. For instance, the Toyota Vios is positioned as a practical and reliable option for young professionals, while the Toyota Alphard caters to affluent families seeking comfort and luxury.

Psychographic segmentation considers lifestyle, values, and attitudes, allowing Toyota to align its offerings with the preferences of different consumer groups. In Malaysia, there is a growing trend towards eco-consciousness and sustainability. Toyota capitalizes on this by promoting its hybrid and electric vehicles, such as the Toyota Prius and Toyota Camry Hybrid, appealing to environmentally aware consumers. This positioning not only addresses consumer concerns but also enhances Toyota's brand image as an innovator in green technology. While these models may have variants and permutations, the general classifications are rather generic like for example people mover vs goods-carrier, sedan vs SUV, ICE (internal combustion engine vs hybrid) and so on.

Creating a strong brand perception is crucial for successful positioning. Toyota Malaysia invests seriously in building a brand identity that resonates with Malaysian consumers. The brand is synonymous with reliability, quality, and innovation. Toyota's commitment to continuous improvement and customer satisfaction is communicated through various channels, including advertising, public relations, and social media. In stamping their dominance in the local market and further strengthening their brand presence, Toyota Malaysia has been spending extensively in organising in one of the most anticipated street racing event; The Toyota Gazoo Racing Malaysia. Already in its sixth year edition, the past five events has gained more than 10million views and more than 300,000 attendees; a strong sign of how Toyota Malaysia is serious in curating their brand positioning.

UNDERSTANDING TOYOTA'S "MOVE YOUR WORLD" TAGLINE

The Essence of "Move Your World"

Toyota's tagline "Move Your World" encapsulates a multifaceted message aimed at resonating with the Malaysian market. At its core, the tagline emphasizes Toyota's commitment to enhancing mobility and providing innovative solutions that cater to the evolving needs of consumers. The tagline signifies empowerment, progress, and

connectivity, aligning with Toyota's broader vision of sustainable and inclusive mobility (Toyota Malaysia Official Website, n.d.).

Empowering Mobility

"Move Your World" reflects Toyota's dedication to enabling mobility beyond traditional transportation. It encompasses the idea of facilitating personal and societal progress, offering vehicles that serve as tools for pursuing dreams, expanding horizons, and navigating life's journeys with confidence. This approach highlights Toyota's focus on creating a seamless and inclusive mobility ecosystem that caters to diverse consumer needs (Toyota Malaysia Official Website, n.d.). Again, Toyota Malaysia's tagline resonates strongly with Toyota global direction i.e. mobility where the vision is to provide solutions that serve mobility needs of their customers to enhance their quality of life.

Innovation and Adaptability

The tagline underscores Toyota's continuous pursuit of innovation and adaptability. By encouraging individuals to "Move Your World," Toyota positions itself as a leader in technological advancements, safety enhancements, and sustainable practices. This forward-thinking approach ensures that Toyota remains relevant and competitive in the face of evolving market dynamics and consumer expectations (Toyota Malaysia Official Website, n.d.).

EVALUATING TOYOTA'S POSITIONING STRATEGY IN MALAYSIA

Market Leadership and Brand Perception

Toyota has established itself as a market leader in Malaysia, consistently ranking among the top automotive brands. The "Move Your World" tagline reinforces Toyota's reputation for reliability, quality, and innovation. The brand's emphasis on advanced safety features, eco-friendly technologies, and superior driving experience resonates with Malaysian consumers who prioritize safety, sustainability, and value for money (Toyota Safety Sense, n.d.).

Product Lineup and Consumer Appeal

Toyota's diverse product lineup caters to various consumer segments, from compact cars and sedans to SUVs and hybrid vehicles. This diversity allows Toyota to appeal to a broad audience, offering vehicles that meet different needs, preferences, and budgets. The introduction of models like the Toyota Corolla, Toyota Camry, and Toyota RAV4, equipped with cutting-edge technologies and eco-friendly options, reinforces Toyota's commitment to innovation and sustainability (Toyota Malaysia Official Website, n.d.).

Customer Experience and Service Excellence

Toyota's focus on customer experience and service excellence further strengthens its market position. The brand's extensive dealership network, after-sales service, and commitment to customer satisfaction enhance brand loyalty and trust. Initiatives like the Toyota Care program, which offers comprehensive maintenance and support services, exemplify Toyota's dedication to providing a seamless and rewarding ownership experience (Toyota Malaysia Official Website, n.d.).

COMPETITIVE LANDSCAPE: HONDA AND MAZDA

Honda's Market Positioning

Honda, a key competitor, has a strong presence in the Malaysian market with its emphasis on performance, innovation, and sporty design. Honda's positioning strategy revolves around delivering a dynamic driving experience, advanced safety features, and cutting-edge technology. Models like the Honda Civic, Honda CR-V, and Honda HR-V have garnered significant consumer interest and loyalty (Honda Malaysia Official Website, n.d.).

Mazda's Market Positioning

Mazda, another formidable competitor, differentiates itself with its distinctive design philosophy, driving dynamics, and premium features. The brand's "Kodo: Soul of Motion" design language and SkyActiv technology appeal to consumers seeking stylish, efficient, and enjoyable vehicles. Models like the Mazda3, Mazda CX-5, and Mazda6 highlight Mazda's commitment to aesthetics, performance, and innovation (Mazda Malaysia Official Website, n.d.).

Comparative Analysis

While Toyota, Honda, and Mazda each have unique positioning strategies, Toyota's "Move Your World" tagline sets it apart by emphasizing a holistic approach to mobility, innovation, and personal empowerment. Toyota's focus on sustainability, safety, and a diverse product lineup caters to a wide range of consumer preferences and needs. This comprehensive strategy positions Toyota favourably against its competitors, appealing to both practical and aspirational consumers (Frost & Sullivan, 2021).

Toyota's "Move Your World" tagline is more than a marketing slogan; it embodies a comprehensive vision that integrates various aspects of modern life and transportation. Unlike Honda, which often highlights the thrill of driving, or Mazda, which emphasizes the beauty and joy of driving, Toyota's tagline speaks to a broader, more inclusive concept of mobility. This includes not only the physical act of moving from one place to another but also the emotional and psychological empowerment that comes with it. Toyota aims to be a part of the consumer's life journey, offering vehicles that support personal growth, community connections, and societal progress.

The "Move Your World" tagline resonates with consumers who are increasingly conscious of their environmental impact. Toyota's commitment to sustainability is demonstrated through its extensive lineup of hybrid and electric vehicles, which offer environmentally friendly alternatives without compromising on performance or comfort. This aligns with global trends towards greener transportation solutions and positions Toyota as a leader in the shift towards sustainable mobility.

In contrast, while Honda and Mazda also offer hybrid models, their branding does not place as strong an emphasis on sustainability as a core value. Toyota's clear and consistent message about environmental stewardship appeals to eco-conscious consumers and differentiates the brand in a crowded market.

Toyota's extensive and diverse product lineup caters to a wide range of consumer preferences and needs. From the compact Toyota Yaris and the popular Toyota Corolla to the rugged Toyota Hilux and the luxurious Toyota Alphard, Toyota offers vehicles for every segment of the market. This diversity ensures that Toyota can meet the varied demands of Malaysian consumers, whether they are looking for fuel efficiency, reliability, family-friendly features, or luxury.

This comprehensive strategy contrasts with Honda's focus on sporty, performance-oriented vehicles and Mazda's niche in stylish, driving-focused cars. By offering a broad spectrum of products, Toyota can appeal to both practical and aspirational consumers, ensuring that there is a Toyota vehicle for every lifestyle and budget.

By addressing a wide range of consumer needs and preferences, Toyota ensures its relevance across different market segments. This broad appeal not only helps Toyota maintain a strong market share but also fosters brand loyalty and long-term customer relationships.

THE IMPACT OF THE REJUVENATED PROTON

Proton's Resurgence

Proton, Malaysia's national automaker, has experienced a resurgence in recent years, thanks to strategic partnerships, new product launches, and improved quality. The introduction of models like the Proton X70 and Proton X50, developed in collaboration with Geely, has revitalized Proton's brand image and market presence. These models offer modern design, advanced features, and competitive pricing, appealing to a new generation of Malaysian consumers (Lye, 2021).

Market Dynamics and Consumer Preferences

Proton's resurgence has intensified competition in the Malaysian automotive market. The brand's focus on affordability, local heritage, and value-for-money propositions resonates with cost-conscious consumers and those who prefer supporting a homegrown brand. Proton's improved quality and technology further enhance its appeal, making it a strong contender in the market (Lye, 2021).

Challenges and Opportunities for Toyota

The rejuvenated Proton presents both challenges and opportunities for Toyota. On one hand, Proton's competitive pricing and renewed popularity pose a threat to Toyota's market share. On the other hand, Toyota can leverage its strengths in innovation, quality, and customer service to differentiate itself and reinforce its premium positioning. By emphasizing the unique benefits of "Move Your World," Toyota can appeal to consumers seeking advanced technologies, safety, and reliability, areas where Proton may still be perceived as lacking (Frost & Sullivan, 2021).

ASSESSING THE SUCCESS OF TOYOTA'S POSITIONING STRATEGY

Market Share and Sales Performance

Toyota's market share and sales performance in Malaysia are key indicators of the success of its positioning strategy. Despite increased competition, Toyota has maintained a strong market presence and continues to be a preferred choice for many Malaysian consumers. While Toyota is the world's number one carmaker, Toyota also holds the number one in Malaysia in the non-national car category. The consistent demand for models like the Toyota Vios, Toyota Hilux, and Toyota Corolla underscores the effectiveness of the "Move Your World" positioning in attracting and retaining customers (Toyota Malaysia Official Website, n.d.).

Brand Loyalty and Customer Satisfaction

High levels of brand loyalty and customer satisfaction further validate Toyota's positioning strategy. Toyota's reputation for reliability, durability, and exceptional after-sales service fosters trust and loyalty among its customers. The brand's commitment to continuous improvement and customer-centric initiatives ensures that it remains responsive to consumer needs and preferences.

Adaptability and Future Readiness

Toyota's adaptability and future readiness are critical factors in the success of its positioning strategy. The brand's investment in hybrid and electric vehicles, autonomous driving technology, and smart mobility solutions demonstrates its preparedness for future trends and challenges. By staying ahead of technological advancements and evolving consumer expectations, Toyota can sustain its competitive edge and market leadership (Toyota Environmental Challenge 2050, n.d.).

CONSLUSION

Toyota's "Move Your World" tagline encapsulates a comprehensive and forward-thinking brand positioning strategy in Malaysia. By emphasizing empowerment, innovation, sustainability, and personal growth, Toyota differentiates itself in a highly competitive market. The brand's ability to maintain market leadership amidst competition from Honda, Mazda, and the rejuvenated Proton is a testament to the effectiveness of its positioning strategy. As Toyota continues to innovate and adapt to changing market dynamics, its commitment to moving Malaysia forward remains steadfast, ensuring continued success and relevance in the automotive industry. The emphasis on personal and societal empowerment, combined with a commitment to cutting-edge technology and environmental stewardship, positions Toyota as a brand that not only meets but exceeds consumer expectations, driving both practical and aspirational value.

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**A LITERATURE REVIEW ON THE COMPARABILITY OF ACCOUNTING
INFORMATION**

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ABSTRACT

The comparability of accounting information is a critical quality characteristic of financial reporting, exerting a significant influence on investor decision-making and the efficiency of capital markets. This review synthesizes existing research on the definition, measurement methods, influencing factors, and economic implications of accounting information comparability. The findings highlight that comparability enhances the quality of financial information and contributes to more efficient resource allocation. Future research opportunities include advancing measurement methodologies, exploring the underlying mechanisms of influencing factors in greater depth, and expanding the scope of comparability's applications across different contexts and industries.

Keywords: Comparability, Accounting Information, Financial Reports, Financial Information Quality

INTRODUCTION

Accounting information has been a central focus of economic and management research due to its crucial role in enhancing resource allocation and facilitating capital flows (Hann et al., 2020; Choi, 2021). The seminal works of Ball and Brown (1968) and Beaver (1968) are considered foundational in the field, as their pioneering empirical studies established a quantitative theoretical framework for understanding the value of information in decision-making, thereby influencing both economics and management. However, in the era of the digital economy, the avenues through which information is acquired have expanded significantly, posing new challenges for the reliability and relevance of accounting information disclosed in corporate financial reports. While much of the current research on accounting information quality centers on internal metrics such as reliability and relevance, which have garnered substantial attention, comparability, defined as the ability to compare accounting information across multiple entities, remains under explored, particularly within empirical studies. This paper identified five key domains from the literature and represent them in a conceptual model centred on: (1) Meanings of AIC, (2) Influencing

Factors of AIC, (3) Measurements of AIC,(4) (2) Economic Consequences of AIC,and (5) Impacts on future study.

MEANINGS OF COMPARABILITY OF ACCOUNTING INFORMATION

As one of the most important qualities of accounting information, the comparability of accounting information, refers to the ability to compare accounting information across different accounting entities, irrespective of whether their economic activities are similar or not (Barth, 2013). High comparability implies the availability of extensive information sources (De Franco et al., 2011), that is, information users are not confined to collecting data solely from the target enterprise; they can also refer to information from competitors to make optimal decisions. On the contrary, low comparability of accounting information can potentially transmit misleading data to stakeholders, which hampers stakeholders' ability to accurately compare the financial position, operating results, and cash flow of enterprises, leading to unreliable decision-making. Consequently, it diminishes the efficiency of market resource allocation and hinders the implementation of related economic development strategies (Fang et al., 2017).

In recent years, the research on comparability of accounting information has achieved significant advances, mainly including the following aspects: influencing factors, measurement methods and economic consequences.

Table 1: Literature Framework of AIC

Influencing Factors of AIC	Measurement of AIC	Economic Consequences of AIC
<p>1.International Accounting Standards and Methods</p> <p>2.External Supervision Mechanism</p> <p>Auditors&Product Market Competition</p> <p>3. Internal Corporate Governance</p> <p>Motivation of Disclosure CEO &</p>	<p>1.Measurement of AIC based on National level</p> <p>2.Measurement of AIC based on Company level</p>	<p>1.Managerial behaviors</p> <p>2.Analysts behaviors</p> <p>3.Investors behaviors</p> <p>4.Earning Management</p>

INFLUENCING FACTORS OF COMPARABILITY OF ACCOUNTING INFORMATION

Regarding to influencing factors, there are mainly three aspects including international accounting standards and methods converge, external supervision mechanism and internal corporate governance. From the perspective of international accounting standards and methods, research on the convergence of accounting standards and methods shows different results on the comparability of accounting information. Earlier Studies revealed

that a higher degree of coordination between accounting standards and methods in different countries results in smaller disparities in accounting information (Brochet et al. ,2013; Petaibanlue et al. ,2015). However, it is important to note that the adoption of International Financial Reporting Standards (IFRS) allows companies the flexibility to choose accounting policies in several areas. As a result, many companies may not experience significant changes in their accounting treatment after implementing IFRS and limited comparability of accounting information would be enhanced (Cascino and Gassen, 2015). From the perspective of external supervision mechanism, existing literature has explored two perspectives: auditors and product market competition. In terms of auditor style, different auditor styles can significantly influence the comparability of accounting information, that is, the comparability of accounting information among companies is notably higher when they are audited by the same accounting firm (Francis et al. 2014; Xie and Liu,2016). In terms of auditing efficiency, Kang et al. (2015) employed auditing samples of South Korean listed companies and found a significant negative correlation between audit efficiency (measured by total audit working hours) and comparability of a company's accounting information. Furthermore, product market competition acts as an external governance mechanism that affects accounting information comparability. Yuan et al. (2017) proposed opposing hypotheses based on the effects of earnings pressure from product market competition and corporate governance. Empirical findings revealed that intense product market competition exerts earnings pressure on the management of firms, increasing their motivation to engage in earnings manipulation, thereby reducing the comparability of accounting information.

Currently, the research literature on the influencing factors of accounting information comparability from the perspective of corporate internal governance is relatively scattered. For example, the motivation of information disclosure plays a crucial role in influencing the comparability of accounting information, that is, how management implements accounting standards and the effectiveness of their implementation are significant factors that determine the comparability of accounting information (Ball et al., 2003). Also, De Franco et al. (2011) found that the better the internal information environment of a company, the higher the comparability of disclosed accounting information. Moreover, several scholars have examined the impact of executive characteristics on accounting information comparability from the perspective of top management. Zhang (2017) suggested that changes in Chief Executive Officer (CEO) can have a significant impact on the consistency of information disclosure motives, the implementation of accounting standards, and accounting policy choices, thus undermining the stability of accounting policies and methods, leading to a negative effect on accounting information comparability. Also, Chen and Yin (2018) found that the experience of a company's Chief Financial Officer (CFO) plays a crucial role in enhancing comparability.

MEASUREMENT METHODS OF COMPARABILITY OF ACCOUNTING INFORMATION

Unlike other accounting quality characteristics such as relevance, reliability, prudence, timeliness, which can be calculated using a company's own data, comparability is more complicated. Currently, the measurement methods of the comparability of accounting information (AIC) can be carried out from the national level and the company level. Regarding to the harmonization of accounting standards, Rahman et al. (1996) were the

first researchers to utilize the Mahalanobis distance method in multivariate discriminant analysis for assessing the level of coordination between the accounting standards of Australia and New Zealand. Subsequently, Fontes et al. (2005) employed three different methods, namely Euclidean distance, Jaccard's coefficient, and Spearman's coefficient, to evaluate the degree of success in achieving convergence between two sets of accounting standards. Regarding to the harmonization of accounting methods, Van der Tas (1988) proposed the use of H, I, and C indices as an index method to assess the level of coordination in accounting methods. Archer et al. (1995) introduced a new state called "distributional harmony", that is, the expected distribution of accounting policy choices is the same in each country when all conditions are equal. Jaafar and McLeay (2007) examined the level of accounting harmonization in Europe before adopting of IFRS, and used logistic regression to predict the likelihood of using alternative accounting methods and found that the effects of country-specific factors are much stronger than sector-specific factors in accounting harmonization. It is evident that these methods hold significant value in examining the overall comparability of accounting standards and methods for a particular item. However, it is not without its limitations when employed to assess the comparability of accounting information. Firstly, accounting standards convergence is a necessary but not sufficient condition for achieving comparability of accounting information, which means that convergence is only a prerequisite for international accounting information comparability. Secondly, the utilization of accounting methods for research purposes often entails substantial costs, primarily due to manual data collection.

Regarding to the measurement of AIC based on company level, De Franco, Kothari, and Verdi (2011) defined the accounting information system as the transformation process through which enterprises generate financial statements. They used f_i (Economic Events_i) to represent the accounting system of company i , and the smaller the difference in the conversion of accounting information between two companies, the stronger the comparability of the accounting systems. After De Franco, Kothari, and Verdi (2011) proposed earning income regression model, scholars quickly recognized its significance, and this model becomes a widely accepted and frequently utilized method for measuring comparability in empirical research. However, this model is not perfect as well. De Franco et al. (2011) employed stock price return as a substitute for economic substance, but this substitution is more suitable for efficient capital markets in developed countries, disregarding the poor performance of capital markets and irrational investors. Therefore, a future research direction involves modifying the De Franco et al. model to enhance the measurement of accounting information comparability, particularly in countries with less effective capital markets.

ECONOMIC CONSEQUENCES OF COMPARABILITY OF ACCOUNTING INFORMATION

The research on the economic consequences of the comparability of accounting information can be classified into three distinct areas of literature: the impact on managerial behaviors, analysts' behaviors, investors behaviors and earning management. Regarding to the impact on managerial behaviors, when the comparability of accounting information is low and the corporate information environment is compromised, managers tend to voluntary disclosure to enhance the information environment and gain a competitive edge in obtaining financing (Gong et al.,2011). Also, Chen et al. (2015) further demonstrated

the positive relationship between comparability and the accuracy of management's performance forecasts, emphasizing the importance of a robust internal environment and a favorable external environment in reinforcing this association. Regarding to investors behaviors, the proportion of investment by foreign investment funds increased significantly when the comparability of accounting information improved. Also, the expected risk of a stock price crash is significantly and negatively correlated with the comparability of accounting information (Kim et al.,2016). To uphold the comparability of the company's financial reporting, management may exercise control over earnings management, considering various factors including the expectations and actions of external information users as well as external regulatory pressures (Xu and Liu, 2014; Yuan and Wu, 2015; Sohn ,2016).

IMPACTS ON FUTURE STUDY

Based on the preceding review, it is evident that the existing methods for measuring accounting information comparability (AIC) are subject to significant limitations, hindering their ability to fully and accurately capture the underlying complexities of this construct. Additionally, the factors influencing AIC are numerous and interrelated, making it challenging for current research to comprehensively uncover their intricate interdependencies. Furthermore, there is a notable gap in the literature regarding the effects of AIC on stakeholders, such as creditors and suppliers, who are directly impacted by variations in the comparability of accounting information. Considering these gaps, future research could benefit from integrating a broader spectrum of non-financial data and market information to refine the measurement techniques of AIC, thereby enhancing both the precision and reliability of these metrics. Further investigation is also needed into the dynamic interactions between the various influencing factors, as well as the effects of these interactions on the comparability of accounting information over time. Additionally, there is a need for more focused research on the impact of AIC on a wider range of stakeholders, particularly in the context of emerging economic sectors and evolving market conditions.

CONCLUDING REMARKS

While significant strides have been made in advancing the theory and practice of accounting information comparability, important gaps remain. Future research should focus on deepening our understanding of the factors influencing comparability, improving measurement techniques, and examining the broader economic and stakeholder implications, particularly in dynamic and emerging market contexts. Such efforts will contribute to a more comprehensive and nuanced understanding of the role of accounting information comparability in modern financial systems.

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**INTEGRATING TOTAL QUALITY MANAGEMENT AND CORPORATE
SOCIAL RESPONSIBILITY: A STRATEGIC BLUEPRINT FOR ETHICAL
EXCELLENCE AND SUSTAINABLE GROWTH**

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ABSTRACT

This conceptual research explores the intricate convergence of Total Quality Management (TQM) and Corporate Social Responsibility (CSR) to establish a unified approach for cultivating ethical and sustainable business practices. Focusing on research directions and the multifaceted challenges encountered in global, ASEAN, and Malaysian contexts, the study navigates the intricate landscape of business management. In the realm of research direction, the paper ventures into uncharted territories, shedding light on the harmonization of TQM and CSR practices, offering a holistic perspective for organizations on a global scale. The comparative analysis within the ASEAN region uncovers distinct best practices, emphasizing the role of government initiatives and the adaptability of cultures in shaping responsible business endeavours. Moreover, the examination of Malaysian-specific challenges delves into the dynamic interaction between a diverse society and evolving governmental policies, demanding precise navigation. These findings provide a foundation for comprehending the theoretical and contextual contributions within this evolving landscape. In addressing challenges that surface in global, ASEAN, and Malaysian dimensions, this research serves as a valuable guide for organizations striving to harmonize TQM and CSR. It acknowledges the complexities arising from cultural diversity, regulatory variations, and the intricacies of global supply chains. This study also highlights resource constraints faced by SMEs and sector-specific intricacies within industries like palm oil and manufacturing. As the business landscape continues to evolve, this research lays a crucial foundation for future inquiries. The research directions unveiled here inspire further investigation, encompassing the assessment of the impact of harmonized TQM and CSR, the development of cross-cultural frameworks, strategies for regulatory compliance, exploration of stakeholder perspectives, and an examination of the long-term sustainability of these practices. The study underscores the importance of embracing emerging trends and conducting industry-specific analyses, offering guidance for governments seeking to

facilitate responsible business practices. In summation, this conceptual paper charts the course for the harmonization of TQM and CSR, delivering a blueprint for organizations and policymakers to navigate the intricate journey towards ethical and sustainable business practices across the global, ASEAN, and Malaysian landscapes.

Keywords: Corporate Social Responsibility, Total Quality Management, Corporate Social Responsibility, CSR, TQM, Sustainable Business Practices

INTRODUCTION

In a rapidly evolving global business landscape, the pursuit of success no longer hinges solely on financial metrics and profit margins. Instead, modern organizations are increasingly recognizing the importance of aligning their operations with ethical and sustainable practices to thrive in the long run. Two key paradigms have emerged as fundamental to achieving this objective: Total Quality Management (TQM) and Corporate Social Responsibility (CSR). This paper delves into the synergistic relationship between TQM and CSR, shedding light on how these concepts can be combined to foster ethical and sustainable business practices.

Total Quality Management, often abbreviated as TQM, is a comprehensive management philosophy that gained prominence in the latter half of the 20th century. Rooted in principles of continuous improvement and customer satisfaction, TQM emphasizes the need to optimize all aspects of an organization's processes. By doing so, TQM seeks to reduce defects, minimize waste, and enhance operational efficiency (Tyagi et al., 2019; Alzoubi, In'airat, & Ahmed, 2022). Organizations embracing TQM are driven by the pursuit of delivering high-quality products or services consistently, meeting and exceeding customer expectations, and fostering a culture of continuous improvement. While TQM primarily focuses on internal operations and product quality, its implications for CSR are profound. On the other hand, Corporate Social Responsibility, or CSR, is a broader and more outward-looking concept. It encompasses an organization's commitment to ethical, social, and environmental responsibility beyond profit maximization. CSR encompasses various dimensions, including environmental sustainability, ethical business conduct, community engagement, and employee well-being. Companies that embrace CSR take into account the interests of all stakeholders, not just shareholders, and aim to create value not only for their bottom line but for society and the planet as a whole (Brin & Neme, 2019; Freeman & Velamuri, 2021).

The relationship between TQM and CSR lies in their shared commitment to excellence and ethical behaviour (Martín-Gaitero, & Escrig-Tena, 2018). While TQM primarily focuses on improving operational processes and product or service quality, it inherently contributes to CSR objectives. The enhanced quality and efficiency achieved through TQM reduce waste and resource consumption, which aligns with CSR's emphasis on environmental sustainability (Abbas, 2020). Moreover, the customer-centric approach of TQM ensures that products or services meet or exceed customer expectations, thereby enhancing customer satisfaction, a critical component of CSR (Hussain, Wang & Benqian, 2023). Happy customers are more likely to support companies that demonstrate responsible and ethical behaviour.

In practice, the integration of TQM and CSR results in a virtuous circle. TQM principles drive operational efficiency, which can lead to cost savings, improved product quality, and greater customer satisfaction (Ming, 2023). These, in turn, enhance a company's reputation and attractiveness to customers, investors, and employees, which are all essential components of CSR. Furthermore, CSR initiatives can inspire employees and create a positive corporate culture, which is vital for the successful implementation of TQM. For example, consider a company that focuses on reducing waste in its manufacturing processes through TQM. By doing so, it not only cuts operational costs but also minimizes its environmental footprint, contributing to its core CSR objectives. Similarly, a company that adopts TQM practices to enhance the quality of its products not only satisfies its customers but also fulfils its commitment to delivering safe and reliable products, aligning with CSR principles.

Therefore, this paper aims to contextually explore the intricate relationship between TQM and CSR by examining their theoretical underpinnings and it aims to bridge the gap between these two essential concepts by offering insights into how they can be harmonized and directed at various levels of the global, regional, and country-specific contexts. By understanding how TQM principles can bolster CSR initiatives and vice versa, organizations can develop a holistic approach to ethical and sustainable business practices. In doing so, they can better position themselves to meet the challenges of the modern business environment, create value for all stakeholders, and contribute positively to society and the planet. The journey to harmonizing TQM and CSR is not only a path to excellence but also a roadmap to ethical and sustainable success in the 21st century.

RESEARCH DIRECTION ON TQM AND CSR

TQM and CSR represent two vital dimensions of contemporary business management, each addressing distinct yet interrelated aspects of organizational operations. TQM centres on the quest for quality, efficiency, and continuous improvement, while CSR emphasizes ethical, social, and environmental responsibilities. As businesses worldwide navigate a rapidly evolving global landscape, the confluence of TQM and CSR practices has gained prominence, offering a pathway towards sustainable and responsible business conduct.

This introduction seeks to explore potential research directions concerning the interplay between TQM and CSR, considering varying global, regional, and national contexts. These research directions are aimed at uncovering the synergies, challenges, and opportunities within this multifaceted domain and guiding organizations towards more ethical, sustainable, and competitive practices.

In the global context, research endeavours encompass cross-cultural implications, global supply chain dynamics, and emerging trends, acknowledging the diverse cultural, economic, and regulatory settings in which organizations operate. Investigations into the ASEAN context delve into regional comparisons, examining the role of government policies, and evaluating the impact on economic growth. The Malaysian context, specifically, offers insights into local business practices, government initiatives, and the unique challenges and opportunities facing Malaysian organizations. This research landscape is dynamic and ever-evolving, with ramifications for various industries, institutions, and societal stakeholders. It seeks to address critical questions, such as how TQM and CSR practices can be effectively integrated, the influence of cultural and regional

variations, and the role of government and policies in promoting these practices. Ultimately, this exploration aims to contribute to the ongoing evolution of TQM and CSR, fostering sustainable and ethical business practices in a globalized world.

Theoretical Underpinning

Deming's Theory of TQM, also known as the Deming System of Profound Knowledge, is a comprehensive management philosophy that focuses on continuous improvement, systemic thinking, and statistical control of processes (Deming, 1986). Deming emphasized that quality improvement requires a holistic approach involving all aspects of an organization. His theory is often encapsulated in the 14 Points for Management and the Plan-Do-Check-Act (PDCA) cycle. Key elements of this theory include the continuous improvement of processes, the importance of a systemic understanding of variation, and the critical role of management in driving quality improvement (Deming, 1993). Foundational texts such as Deming's "Out of the Crisis" and "The New Economics for Industry, Government, Education" provide detailed explanations of these principles (Deming, 1986; Deming, 1993). Additional literature, including Kilmann's "A Total Quality Management Process" and Walton's "The Deming Management Method," further elaborate on the application of Deming's TQM principles in business contexts (Kilmann, 1989; Walton, 1986). These works collectively highlight the significance of systemic thinking, statistical control, and management commitment in achieving high-quality outcomes.

Stakeholder Theory, developed by R. Edward Freeman, posits that organizations should create value for all stakeholders, not just shareholders. This includes employees, customers, suppliers, communities, and the environment (Freeman, 1984). The theory emphasizes that businesses have ethical obligations to consider the interests and well-being of all stakeholders in their decision-making processes. By engaging with stakeholders and addressing their concerns, organizations can build sustainable and ethical business practices that benefit both the company and society (Freeman et al., 2010). Key elements of this theory include stakeholder identification, active engagement, balancing interests, and ethical management. Foundational literature, such as Freeman's "Strategic Management: A Stakeholder Approach" and "Stakeholder Theory: The State of the Art," provides comprehensive overviews of these principles (Freeman, 1984; Freeman et al., 2010). Additional important works include Donaldson and Preston's analysis in "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications," Phillips' "Stakeholder Theory and Organizational Ethics," and Freeman and Velamuri's "A New Approach to CSR: Company Stakeholder Responsibility" (Donaldson & Preston, 1995; Phillips, 2003; Freeman & Velamuri, 2021). These texts collectively highlight the importance of ethical stakeholder engagement and the need for businesses to balance diverse interests to achieve sustainable outcomes.

Integrating Deming's Theory of TQM with Stakeholder Theory provides a robust conceptual framework for harmonizing TQM and CSR. This integration aligns continuous improvement with ethical management, systemic thinking with stakeholder engagement, and operational efficiency with sustainability (Deming, 1986; Freeman, 1984). By combining these theories, organizations can adopt a comprehensive approach to quality and responsibility, ensuring that processes are continuously improved while simultaneously addressing the needs and concerns of all stakeholders (Deming, 1993;

Freeman et al., 2010). This integrated framework is relevant at various levels, including global, regional (ASEAN), and national (Malaysian) contexts. At the global level, it emphasizes adapting practices to diverse cultural norms and regulatory frameworks, ensuring global supply chain integrity and effective sustainability reporting (Donaldson & Preston, 1995). At the regional level, particularly within ASEAN, it focuses on comparative studies to identify best practices, assess economic impacts, and explore government policies and SME engagement (Phillips, 2003). At the national level, with a focus on Malaysia, it involves detailed case studies of successful companies, evaluations of government initiatives, and explorations of sector-specific challenges and stakeholder perceptions (Freeman & Velamuri, 2021).

By grounding the conceptual framework in Deming's Theory of TQM and Stakeholder Theory, the paper provides a theoretically sound foundation for harmonizing TQM and CSR. This synergistic approach offers valuable insights into integrating quality management with CSR, fostering ethical and sustainable business practices (Deming, 1986; Freeman, 1984). The integration of these theories highlights the importance of continuous improvement, systemic thinking, stakeholder engagement, and ethical management. It offers a roadmap for organizations to balance quality and responsibility, ensuring that their operations not only meet high standards of quality but also address the needs and concerns of all stakeholders (Deming, 1993; Freeman et al., 2010). This approach provides a comprehensive strategy for achieving ethical and sustainable business practices, emphasizing the need for adaptability, cultural sensitivity, and a deep understanding of the regulatory environment. By aligning TQM and CSR, organizations can enhance their reputation, build stronger relationships with stakeholders, and contribute positively to society and the environment (Donaldson & Preston, 1995). This conceptual framework thus serves as a valuable guide for researchers and practitioners, offering a structured approach to harmonizing TQM and CSR for ethical and sustainable business success.

Global Context

In the dynamic and interconnected global business landscape, the integration of TQM and CSR practices has become a pivotal endeavour for organizations aspiring to adopt a more holistic approach to sustainability. This journey is marked by several key research directions that offer profound insights into the challenges and opportunities that transcend borders and cultural boundaries in particularly from the global perspective.

One of the primary research directions in the global context pertains to the integration of TQM and CSR practices on a worldwide scale. This avenue of investigation seeks to uncover how organizations across the globe are weaving together the principles of TQM and CSR to cultivate a comprehensive and unified approach to sustainability (Tasleem, Khan & Nisar, 2019; Singh, 2021 ; Khalil & Muneenam, 2021). It acknowledges the imperative of addressing the diverse cultural and regional variations that shape business practices. By doing so, organizations aim to achieve not only operational excellence but also a responsible and sustainable impact on a global scale. This global integration is an intricate and multifaceted challenge, as it necessitates the alignment of practices with a plethora of cultural norms, expectations, and regional nuances. Flexibility and customization of these principles to fit local circumstances are vital for achieving global

success, despite the fact that the influence of diverse cultural norms on the execution of TQM and CSR remains an area with room for further exploration.

A second fundamental research direction explores the influence of cultural diversity on the implementation of TQM and CSR. This dimension delves into the intricate fabric of cross-cultural perspectives, recognizing that what constitutes quality and responsible behaviour can differ significantly from one region to another. The impact of cultural differences is profound, as it shapes not only the perception of quality but also the interpretation of ethical and social responsibility (He & Harris, 2020). This research direction is aimed at unravelling the complexities of how organizations navigate these differences and adapt TQM and CSR principles within diverse global regions. It underscores the need for organizations to demonstrate cultural sensitivity and adeptness in aligning their practices with local values and expectations, thereby fostering harmonious relationships with stakeholders across the globe.

Moving beyond the organizational level, the integration of TQM and CSR practices extends its influence to the expansive domain of global supply chains. Here, it explores how organizations ensure quality and ethical practices across international supplier networks. In an era where supply chains are increasingly global, it becomes essential to maintain the integrity of these principles throughout the supply chain. (Castillo et al., 2018; Ivanov & Dolgui, 2020). This involves rigorous oversight and assurance of quality and ethicality at every juncture. Ensuring that suppliers and partners align with TQM and CSR standards is paramount for organizations seeking to maintain their reputation and the ethical integrity of their products or services (Singh & Misra, 2022)

Sustainability reporting plays a vital role in bridging TQM and CSR practices with the global audience, shaping how an organization's dedication to ethical, social, and environmental responsibility is perceived. This research direction aims to evaluate the quality of sustainability reporting on a global scale and how well it mirrors an organization's TQM and CSR initiatives. It also explores the influence of reporting standards and regulations, which impact the comprehensiveness and accuracy of the information presented. Effective sustainability reporting not only conveys an organization's commitment to its stakeholders but also promotes accountability and ongoing improvement. Interestingly, this area is often underemphasized in academic research, offering potential for further exploration, and uncovering new dimensions in this field.

Lastly, the global perspective extends to the exploration of emerging trends in the realms of TQM and CSR. As the world undergoes rapid transformations particularly in the post Covid-19 era, these trends pave the way for innovative approaches to sustainable and responsible business practices. For instance, the adoption of advanced technologies like blockchain for enhanced supply chain transparency, the embrace of circular economy practices to minimize waste and maximize resource utilization, and the profound influence of global agreements such as the United Nations Sustainable Development Goals (SDGs) are shaping the future of TQM and CSR (Yeung, 2019; Zimon, Tyan & Sroufe, 2020). Investigating these emerging trends is essential for organizations and researchers seeking to remain at the forefront of responsible and sustainable business conduct on a global scale.

ASEAN Context

In the context of the Association of Southeast Asian Nations (ASEAN), a vibrant and diverse regional landscape gives rise to a set of compelling research directions that illuminate the dynamic interplay between TQM and CSR. These directions encapsulate the uniqueness and intricacies of the ASEAN region, offering valuable insights into the challenges and opportunities within this distinctive context.

The comparative examination of TQM and CSR practices among ASEAN member countries represents a crucial avenue for research. This direction aims to undertake comprehensive comparative studies to uncover how these practices are put into action across the diverse nations of the ASEAN region. It involves a deep dive into the differences and similarities that characterize the implementation of TQM and CSR within ASEAN, thereby illuminating regional best practices. By delving into these distinctions, organizations operating in the ASEAN context can find inspiration in the successes of specific regions. This underscores the importance of adapting their strategies to harmonize with the unique dynamics of individual ASEAN countries, an area where there is a notable scarcity of literature contributions, making it a promising avenue for further research.

A second vital research direction investigates the profound link between TQM, CSR, and economic growth within ASEAN countries (Do, Huang & Do, 2021; Azam et al., 2023). As the region continues to experience economic development and transformation, this research avenue assesses how TQM and CSR practices contribute to sustainable development. It scrutinizes the economic impact of these practices, offering insights into how they foster not only growth but also long-term sustainability. By comprehending this linkage, organizations and policymakers can craft strategies that not only drive economic progress but also nurture the region's socio-economic and environmental well-being. Within the ASEAN context, the regulatory framework plays a vital role. It is imperative to investigate how the policies and regulations put forth by governments in each member country either encourage or impede the adoption of TQM and CSR practices. It's worth noting that this particular area of research appears to be underexplored, with the exception of a study on Thailand by Jermsittiparsert, Namdej, and Somjai (2019). This research direction aims to unveil the regulatory landscape across ASEAN nations, recognizing the pivotal impact of government initiatives. By gaining insights into how regulations can either facilitate or obstruct the adoption of TQM and CSR, organizations can effectively navigate the intricate relationship between their business operations and government policies within the region.

Small and medium-sized enterprises (SMEs), often the backbone of ASEAN's economic landscape, form the core focus of the fourth research direction (Ion, 2020). This avenue delves into the extent to which SMEs engage in TQM and CSR activities and how these engagements impact their competitiveness and sustainability. SMEs play a crucial role in the region's economic growth (Khalil & Muneeman, 2021), and their involvement in TQM and CSR practices can significantly influence their resilience and long-term viability. Investigating these dimensions offers essential guidance to SMEs aiming to enhance their competitiveness and contribute to the region's sustainability goals.

Lastly, supply chain resilience, takes centre stage within the context of ASEAN. This research avenue may assess the capacity of ASEAN supply chains to withstand disruptions

and adapt to changing circumstances. It focuses on how TQM and CSR strategies contribute to supply chain adaptability and recovery, recognizing their importance in ensuring the region's continued economic stability. While there have been some notable discoveries by Jermsittiparsert, Namdej & Somjai (2019), Hamdan & Alheet (2021), and Mita, Silalahi & Hamastussadiah (2018), there is still room for further exploration in this research area. To enhance supply chain resilience in the ASEAN context, researchers should expand the academic focus to gain a broader perspective. This includes investigating the impact of digitalization, emerging technologies, and international collaborations on supply chain resilience. By enhancing supply chain resilience through TQM and CSR practices, organizations in the ASEAN context can better navigate the challenges posed by an ever-evolving global landscape.

Malaysian Context

In the Malaysian context, the fusion of TQM and CSR practices unveils a captivating tapestry of research directions that reflect the country's distinctive business environment. These directions epitomize the significance of addressing the specific challenges and opportunities that define Malaysia's role in the global economy and its aspirations for responsible and sustainable business practices. One of the foremost research directions centres around the examination of case studies involving Malaysian companies that have not only embraced TQM and CSR practices but have also achieved remarkable success in their implementation. These in-depth case studies may illuminate the strategies (Nazar et al., 2019) these companies have employed and the tangible outcomes they have realized. By delving into these success stories, the research may also provide a promising blueprint for other Malaysian organizations, offering insights into how to effectively implement TQM and CSR and reap the associated benefits. A second pivotal research direction involves the evaluation of government initiatives in Malaysia. This direction seeks to assess the effectiveness of governmental policies and initiatives in promoting TQM and CSR practices within the nation (Abbas, 2020;). Furthermore, it aims to unveil the influential role of government-driven endeavours in shaping business practices. By comprehending the impact of government initiatives, the research assists organizations in navigating the intricate relationship between regulatory dynamics and TQM and CSR adoption within the Malaysian context.

The other recommended research direction delves into consumer and stakeholder perceptions in Malaysia (Khurshid, Amin & Ismail, 2018; Nazar et al., 2019). This avenue of investigation seeks to unravel how Malaysian consumers and stakeholders perceive and respond to TQM and CSR efforts. Furthermore, it examines how these perceptions influence business performance. Malaysia, like many countries, is witnessing an increasing emphasis on responsible and sustainable business practices. TQM and CSR have become integral aspects of corporate strategies, and the extent to which they are embraced by consumers and stakeholders can shape the competitive landscape and long-term success of businesses. In this research avenue, it's crucial to consider the diverse range of stakeholders, including government bodies, local communities, non-governmental organizations, and employees, who all play a role in shaping the business environment (Nazar et al., 2019). These stakeholders have varying expectations and levels of engagement with TQM and CSR practices. Understanding how these different groups perceive and react to these efforts is instrumental in creating strategies that align with societal values and expectations. Understanding the intricacies of these perceptions is paramount for Malaysian

organizations, as they strive to not only meet the expectations of their stakeholders but also drive their business success through responsible and sustainable practices.

The final research direction scrutinizes sector-specific TQM and CSR practices in Malaysia. This avenue calls for an exploration of how TQM and CSR principles manifest within specific industries, such as the palm oil sector, electronics, or healthcare. Each sector in Malaysia faces distinct challenges and requirements when implementing TQM and CSR initiatives (Khurshid, Amin & Ismail, 2018). For instance, in the palm oil sector, sustainability and responsible practices are critical concerns due to environmental and social impacts. Investigating how TQM and CSR are integrated into palm oil production (Hassis, Othman & Salleh, 2023) can reveal best practices for sustainable land use, responsible sourcing, and community engagement. Furthermore, it can provide insights into the sector's contribution to national and global sustainability goals, including reducing deforestation and greenhouse gas emissions. Within the healthcare sector, TQM principles can be applied to enhance patient care and safety, while CSR initiatives may involve community health programs and responsible pharmaceutical manufacturing (Gopi et al., 2019). Investigating TQM and CSR in healthcare can provide insights into the sector's role in public health and sustainable healthcare delivery. It aims to uncover the implications of these sector-specific practices for the nation's broader sustainability goals. By investigating these sectoral nuances, the research informs organizations and policymakers about the intricacies of TQM and CSR implementation within Malaysia's diverse economic sectors.

CHALLENGES PRESENTED

Linking TQM and CSR in the global, ASEAN, and Malaysian contexts presents various challenges that organizations and researchers must consider. These challenges can be multifaceted, ranging from cultural differences to regulatory hurdles. These challenges reflect the intricate and multifaceted nature of TQM and CSR, which encompass cultural, legal, logistical, and resource-related dimensions. Understanding these challenges is crucial for organizations aiming to harmonize TQM and CSR practices effectively. The challenge of cultural diversity is a central concern when it comes to the global implementation of TQM and CSR practices, as noted by researchers like Frolova and Lapina in 2015 and Khurshid, Amin, and Ismail in 2018. Across different regions, diverse cultural norms, values, and perceptions can exert a profound influence on what is deemed as quality and responsible behaviour. What constitutes quality, ethical conduct, and social responsibility can exhibit stark variations from one geographical area to another. Successfully addressing this challenge requires an in-depth comprehension of the intricate cultural nuances and the diverse expectations of stakeholders worldwide.

Operating globally means navigating a complex web of international and local regulations. TQM and CSR practices may need to adapt to different legal requirements and reporting standards (Frolova & Lapina, 2015; Faeq, Ali & Akoi, 2022). Organizations must remain compliant with a multitude of legal frameworks, from labour and environmental laws to corporate governance and reporting standards. This legal complexity requires vigilant oversight and adaptability. For organizations with global supply chains, ensuring that TQM and CSR standards are upheld consistently across different countries can be a formidable task (Sin et al., 2021). Achieving alignment with suppliers and partners in various regions becomes crucial to maintaining the integrity of these principles. Discrepancies in supply chain practices can have significant implications for an organization's reputation and the

ethical integrity of its products or services (Mohamed, Abdul Rahim & Ma'aram, 2020). Balancing resources for effective TQM and CSR practices across a global network of operations can be resource-intensive. Allocating budgets, personnel, and other resources appropriately becomes a complex endeavour. Organizations must determine the right allocation of resources while considering competing priorities, often requiring careful planning and resource management.

ASEAN region, encompassing diverse cultures and languages, presents challenges related to effective communication and coordination of TQM and CSR efforts. Effective engagement with stakeholders requires overcoming linguistic and cultural barriers, emphasizing the need for tailored approaches to suit the unique characteristics of each country. Economic development levels differ significantly among ASEAN countries (Haini, 2020), ranging from emerging markets to highly developed economies. Implementing uniform TQM and CSR practices across these varying economic contexts poses a challenge. Organizations need to consider the economic disparities in their strategies, recognizing that some countries may have more resources and infrastructure to invest in these practices than others.

In the ASEAN region, despite efforts towards regulatory harmonization, there remain notable disparities in regulations. Adapting TQM and CSR practices to align with these varying regulatory frameworks poses a considerable challenge. Organizations must deftly navigate these complexities, often requiring a nuanced approach to compliance. The diverse regulatory environments within the region necessitate careful consideration and adaptability to ensure that TQM and CSR practices are in accordance with the specific legal requirements of each ASEAN member country. Furthermore, government support for TQM and CSR varies across ASEAN nations, as highlighted by Liakh and Spigarelli in 2020. While some governments actively encourage and incentivize these practices, others provide limited assistance. This disparity in governmental support results in variations in the adoption and promotion of TQM and CSR. Consequently, organizations must be strategic in their approach, considering the level of government backing as they shape their strategies and initiatives within the ASEAN context. Balancing compliance with regulations and government expectations is a complex yet essential aspect of successful TQM and CSR implementation in the region.

Malaysia's rich cultural tapestry, encompassing a diverse array of ethnic groups and religions, presents distinctive challenges when it comes to aligning TQM and CSR practices with cultural and religious values (Abumandila et al., 2020). Adapting these practices to resonate with the values of a multicultural and multi-faith society can be a complex and demanding task. Organizations operating in Malaysia must be exceptionally sensitive to the cultural nuances and religious beliefs of the various communities they serve. This requires not only an understanding of these diverse values but also a commitment to tailoring their TQM and CSR strategies to align with them. In addition to cultural and religious considerations, the Malaysian government plays an active role in promoting TQM and CSR (Abbas, 2020). While this government support is crucial for advancing responsible business practices, the ever-evolving landscape of policies and expectations can present challenges for organizations. Navigating these changes, understanding new regulations, and aligning their practices with evolving governmental expectations can be both complex and resource-intensive. Organizations must remain

vigilant in staying informed about government initiatives, ensuring that their strategies and operations remain compliant and responsive to the evolving regulatory environment.

SMEs are a significant and vital component of Malaysia's business landscape. Encouraging these enterprises to embrace TQM and CSR practices can be particularly challenging, especially given their resource constraints. The challenge is further compounded by the post-COVID-19 recovery context, which has stretched resources thin. SMEs often lack the financial and human resources necessary for the comprehensive implementation of TQM and CSR principles (AlQershi et al., 2023; Azam et al., 2023), making it a daunting task for them to adhere to these standards. To address this issue, it becomes imperative for both organizations and government initiatives to concentrate on finding practical and feasible solutions to support SMEs in adopting TQM and CSR practices. This support can come in various forms, such as providing guidance, sharing best practices, and potentially offering financial incentives or resources to help SMEs align with these principles. In addition to the challenges faced by SMEs, certain industries in Malaysia, like palm oil and manufacturing, present their specific TQM and CSR complexities (Azam et al., 2023). While adhering to these principles, companies in these sectors must also manage industry-specific concerns. For instance, sustainability in palm oil production and labour conditions in manufacturing are sector-specific issues that require careful attention. To navigate these sector-specific challenges, organizations must develop tailored approaches and sector-specific strategies. This includes not only meeting the TQM and CSR standards but also addressing the unique concerns of each industry. It's a complex task that requires a deep understanding of the intricacies of each sector and the ability to strike a balance between adherence to standards and addressing industry-specific issues.

In summary, the challenges related to implementing TQM and CSR practices vary in nature and complexity, depending on the global, regional, or national context. Each context brings its unique set of challenges, necessitating adaptability, cultural sensitivity, compliance with local regulations, and a nuanced approach to resource allocation. Successful integration of TQM and CSR practices in these contexts requires organizations to recognize and navigate these challenges effectively while leveraging opportunities for responsible and sustainable business practices.

CONCLUSION AND FURTHER RESEARCH

In conclusion, the pursuit of harmonizing TQM and CSR represents a multifaceted journey towards ethical and sustainable business practices. Our exploration has taken us through the diverse landscapes of the global, ASEAN, and Malaysian contexts, shedding light on the implementations and challenges that organizations face in embracing these principles. At the global level, this paper has unveiled the rich tapestry of cultural diversity and the imperative of adapting TQM and CSR to accommodate varying cultural norms, values, and regulations. In this expansive arena, organizations must navigate the intricate web of international and local laws while striving to meet the evolving expectations of a diverse global audience. In the ASEAN context, this conceptual paper has underscored the importance of comparative studies to reveal regional best practices and the varying degrees of government support for TQM and CSR. These insights illuminate the path forward for organizations, emphasizing the need for cultural sensitivity and adaptability in this diverse and economically heterogeneous region. In the Malaysian landscape, this paper has explored the challenges posed by a multicultural society and the need to align TQM and

CSR with cultural and religious values. Moreover, the dynamic government policies and industry-specific challenges require organizations to maintain a delicate balance between responsible practices and sector-specific intricacies. The harmonization of TQM and CSR is not a one-size-fits-all endeavour but a dynamic and context-specific journey. It demands a deep understanding of the intricacies of each setting, a commitment to adaptability, and an unwavering dedication to responsible and sustainable business practices. As organizations continue to embark on this journey, it is clear that success lies in the ability to embrace diversity, navigate complex regulatory environments, and develop tailored approaches that align with the specific dynamics of each region. Ultimately, the synergistic approach of harmonizing TQM and CSR stands as a beacon for ethical and sustainable business practices, reflecting a commitment to responsible corporate citizenship on a global scale.

Future research directions in the harmonization of TQM and CSR offer a promising landscape for expanding our understanding and guiding practical applications. These research avenues can significantly contribute to the enhancement of ethical and sustainable business practices. A crucial area for future exploration is the rigorous assessment of the impact of harmonizing TQM and CSR on organizational performance. This requires both quantitative and qualitative approaches, including in-depth case studies, surveys, and empirical studies. By measuring outcomes such as improved customer satisfaction, increased employee engagement, and enhanced financial performance, researchers can provide tangible evidence of the benefits of this harmonization.

Given the global scope of the study, developing comprehensive cross-cultural frameworks is essential. These frameworks should serve as practical guidelines for organizations seeking to adapt TQM and CSR practices to diverse cultural contexts. By providing a roadmap for a more culturally sensitive integration of these management approaches, future research can enable businesses to navigate the challenges presented by different cultural norms and values. The complex regulatory landscape discussed in the paper calls for in-depth research into aligning TQM and CSR with international and local regulations. Investigating best practices for ensuring compliance and managing legal challenges is critical. Future studies can shed light on effective strategies for navigating the intricate web of legal requirements.

SMEs face resource limitations that present unique challenges in adopting TQM and CSR practices. Future research should focus on identifying cost-effective methods and government support programs that facilitate SMEs' effective integration of these practices. Understanding how various stakeholders, including customers, employees, and investors, perceive and respond to organizations' efforts to harmonize TQM and CSR is fundamental. Future research can delve into stakeholder perspectives and their significant influence on business performance. This would provide invaluable insights for organizations aiming to build meaningful relationships with their stakeholders. Investigating the long-term sustainability and resilience of organizations that have successfully integrated TQM and CSR practices is a promising direction. Longitudinal studies can assess the enduring impact of ethical and sustainable business practices, offering a comprehensive view of the benefits and challenges over time. As the business landscape evolves rapidly, research into emerging trends in TQM and CSR is vital. This includes the integration of innovative technologies like AI and blockchain, the adoption of circular economy practices, and

alignment with global sustainability agendas such as the United Nations Sustainable Development Goals (SDGs). These trends are at the forefront of responsible business practices and warrant in-depth exploration.

Building on the paper's emphasis on industry-specific challenges, future research can provide in-depth analyses of particular sectors within Malaysia, ASEAN, and the global context. Such studies can yield sector-specific strategies for industries like palm oil, manufacturing, healthcare, and more, addressing their unique sustainability and ethical concerns. An exploration of the evolving role of government policies and initiatives in promoting TQM and CSR at global, ASEAN, and Malaysian levels is essential. Research can uncover how governments either facilitate or hinder responsible business practices, offering insights into the role of public policy in shaping ethical and sustainable business landscapes. Comparative studies among ASEAN member countries and with other regions can provide valuable insights into best practices, cultural adaptability, and the role of governments in different economic and cultural contexts. These cross-regional comparisons can illuminate the contextual nuances and global variations in harmonizing TQM and CSR practices. These research directions collectively represent a roadmap for advancing the harmonization of TQM and CSR, paving the way for a more ethical and sustainable business landscape across the global, ASEAN, and Malaysian contexts. Researchers, organizations, and policymakers can utilize these avenues to drive meaningful change and progress in the field.

THEORETICAL AND CONTEXTUAL CONTRIBUTION

This conceptual paper makes significant contributions to the existing knowledge in business management by offering a novel theoretical integration of CSR and TQM. The paper addresses a key gap in the literature, which often treats CSR and TQM as separate entities, by presenting a cohesive framework that demonstrates how these two essential business dimensions can complement one another. This integration promotes a more holistic and sustainable approach to business operations, adding theoretical depth to our understanding of organizational practices. By providing a structured approach to the convergence of TQM and CSR, the paper enhances existing frameworks that lack comprehensive models for such integration. The paper's significance is further amplified through its exploration of cultural adaptability. It underscores the need for organizations to customize their TQM and CSR strategies to fit diverse cultural contexts, which is often underexplored in existing studies. This focus on cultural adaptability enriches the theoretical landscape by introducing cultural considerations as a critical factor in successful TQM and CSR implementation.

Additionally, the paper provides valuable insights into the relationship between government regulations and the adoption of TQM and CSR practices. By analysing how organizations navigate various legal requirements across different regions, it contributes to a deeper understanding of the regulatory challenges involved. This exploration is particularly significant as it fills an important gap in the literature concerning how regulatory environments shape and influence the adoption and implementation of TQM and CSR. In sum, this paper advances existing knowledge by presenting a more integrated, culturally sensitive, and regulation-aware understanding of TQM and CSR. It offers both a theoretical and contextual framework that organizations can use to navigate the complexities of implementing these principles in a globalized business environment.

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INTEGRATING GAMIFICATION ELEMENTS TO ENHANCE DONATION COLLECTION AND USER EXPERIENCE IN CROWDFUNDING SUCCESS

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ABSTRACT

Crowdfunding, an innovative fundraising approach facilitated by the Internet, has fundamentally altered the manner in which people and organizations obtain financial support for diverse projects. Notwithstanding its increasing popularity, difficulties such as declining success rates in contribution collection endure. Gamification, which incorporates game design principles into non-gaming environments, has emerged as an effective method to augment user engagement and motivation. This study analyses the convergence of crowdfunding and gamification, emphasizing community-oriented crowdfunding models and their capacity to utilize gamified elements such as prizes, leaderboards, and competitive dynamics. The paper highlights the significance of gamification in improving user experience, trust, and behavioral results on crowdfunding platforms, based on theoretical and empirical observations. It underscores the dual capacity of gamification to enhance community involvement and augment contributions, while also acknowledging its limitations and the imperative for a balanced integration of tactics to accommodate varied user preferences.

Keywords: Crowdfunding, Donation, Gamification, Intention, User Experience, Trust

INTRODUCTION

Crowdfunding is a growing sector, driven by the advent of the Internet and Web 2.0 technology. It improves traditional fundraising by employing digital platforms to connect individuals worldwide who are interested in a cause, allowing them to pool their funds collectively. These platforms enable the linkage between project creators seeking funding and individuals willing to support innovative ideas. Crowdfunding platforms reduce the costs often associated with conventional banking by facilitating initiatives (Galuszka & Brzozowska, 2017). Despite the growing popularity of crowdfunding, there has been a substantial drop in the success rate of donation collection, signifying challenges in maintaining interest and securing consistent contributions.

Gamification, defined as the incorporation of game-design features and concepts in non-gaming environments, has become an effective instrument for engaging and motivating individuals in various activities. Gamification, by including aspects like rewards, challenges, and competition, has been effectively employed across various domains, including education, marketing, and healthcare, to augment user engagement and boost overall results. The intentional implementation of these gamified elements enhances user engagement and promotes more advantageous behaviors and outcomes.

The convergence of crowdfunding and gamification presents a promising avenue for further investigation, notwithstanding their respective strengths. The integration of gamification strategies into crowdfunding platforms has demonstrated a significant rise in user engagement, augmented financial contributions, and fostered a sense of community among supporters. Utilizing mechanisms like social influence, rewards systems, and interactive experiences, gamified crowdfunding campaigns can attain increased success rates and promote enhanced participant engagement, ultimately resulting in more sustainable outcomes. Therefore, this paper reviews the theoretical foundations of crowdfunding and gamification while examining the synergies between the two. It explores the underlying mechanisms of each concept to provide a deeper understanding of their integration and impact.

OVERVIEW OF CROWDFUNDING

A crowdfunding platform conceptualised as a two-sided market because it connects two populations (Figure 1): the first population is the population of project owners. These are the individuals or companies who present a project and solicit funds from the crowd (Tomczak & Brem, 2013). Contributors, the second population of the platform, are funders who give money to projects in exchange for a tangible or intangible reward (Tomczak & Brem, 2013). The platform allows the project creators to use the Internet web site to collect funds. In exchange, the platform charges a commission on the amounts of money collected if and when the campaign is successful. In addition to these services, the attractiveness of Internet-based crowdfunding platforms is the value associated with the social capital offered by the contributor’s community associated with the platform users (Colombo et al., 2015).

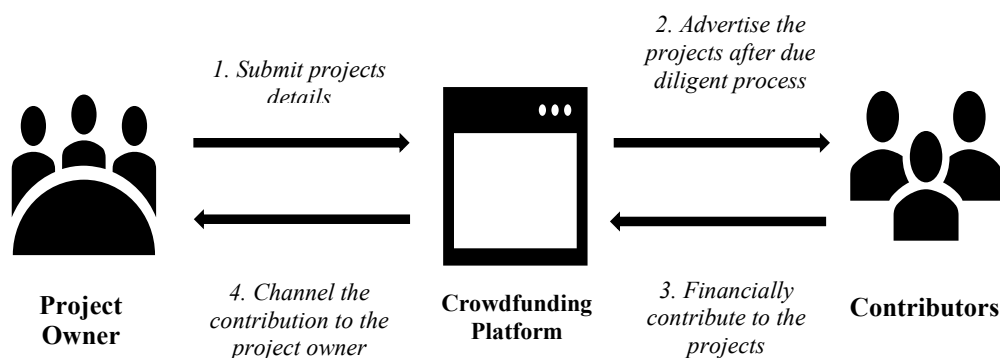


Figure 1 The Mechanism of Crowdfunding

Therefore, if the users choose to be a project owner, they need to provide all the details regarding the project including the ideas, expected outcomes and most importantly the amount requested and how they will utilise the money collected. The project then undergoes a verification process, the strictness of which depends on the crowdfunding model. Donation and reward-based platforms establish very low entry barriers to project owners, but lending and equity-based platforms perform due diligence to comply with the regulation and mitigate risks. Meanwhile, on the contributors' side, individuals subscribe to a given platform and choose the projects they want to support (Viotto, 2015).

In addition, crowdfunding platforms may operate under two models. The first is referred to as “all or nothing” which means project owners will only have access to the capital raised on the condition of reaching the financing threshold within the campaign duration. In case the project owner failed to raise the requested amount, the crowdfunding platform operator will inform and suggest the existing contributors to fund other projects. Meanwhile, the second model is “keep what you raise” which allows project owners to be financed even if they do not reach the financing goal (Cumming, Lebouef, & Schwienbacher 2019).

Generally, there are four different models of crowdfunding, namely, donation-based crowdfunding, reward-based crowdfunding, equity-based crowdfunding and peer-to-peer crowdfunding or sometimes called as debt-based crowdfunding (Belleflamme et al., 2015). Researchers have also categorised these four types of crowdfunding into two major categories which are 1) community-based crowdfunding which comprises of donation and reward-based crowdfunding and 2) investment-based crowdfunding which encompasses equity-based crowdfunding and peer-to-peer crowdfunding (Adhikary et al., 2018). The first category refers to the activities to sustain the well-being of the community with no intention of seeking a financial return. The second category is focused on the investment opportunity. The current research will focus on community-based crowdfunding. Table 1 provides a simple explanation, particularly on this matter.

Table Error! No text of specified style in document. The categorisation of crowdfunding

Model	Contribution	Return	Category
Donation-based	Full Donation	Intangible benefits	Community based
Reward-based	Donation and Pre-Purchase	Gift and intangible benefits	
Lending-based	Loan	Return with interest rate; and with no interest rate	Investment based
Equity-based	Investment	Return of investment	

Source: Adhikary et al. (2018); Collins & Pierrakis (2012)

Fundraising using the crowdfunding platform is unique and has a bigger impact than traditional fundraising activities. First, the crowdfunding platform will promote transparency by showing the progress bar of the total targeted collection fund so that contributors can make an informed decision (Mejia et al., 2019). Besides, every project

owner is obligated to update their activities until they achieved the objective of the campaign (Kuppuswamy & Bayus, 2018). Second, the mechanism of crowdfunding will allow individuals to be a proactive contributor (Lam & Law 2016). All the campaigns raised will be featured in a platform and potential contributors can easily access and choose the available campaigns for them to contribute. Compared to traditional fundraising, information regarding the current total collection and the latest update of the project will only be available if informed by the fundraiser. Besides, people can only donate if the project reaches them via text messages or other means of communication.

THE CONCEPT OF GAMIFICATION

The phrase was initially introduced by Nick Pelling in 2004. He endeavored to enhance the electronic transaction user interface by using gamified aspects which made the activities fun and efficient. The word was originally documented by Brett Terrill in 2008 in a blog post. He characterized the term as the application of game elements to various web platforms to enhance participation. The word began to gain widespread recognition in the industry and academia in 2010 (Mora et al., 2015).

Deterding et al. (2011a) characterized gamification as the application of game design features in non-gaming environments. This definition is the most frequently referenced because of its generality. The definition differentiates gamification from complete games by emphasizing the use of the "element" in a non-gaming situation. Certain scholars characterize gamification as the application of game components, mechanics, features, design, and structure inside a non-game context (Attali & Arieli-Attali 2015; Bruder 2015; Dale 2014; Hamari et al. 2014; Hanus & Fox 2015; Powers et al. 2013).

Various definitions emerged according to the domain of implementation and there are some definitions where online and marketing application of gamification is emphasize. Huotari & Hamari (2011) posited that gamification should be understood as motivational affordances and change in behaviour as an outcome. Burke (2014) considered that the behaviour can be influenced by enabling people to digitally engage in achieving their goals. In the eyes of Hofacker et al. (2016), the purpose of incorporating game design elements in non-game products and service environment is to increase the overall customer value including maximising their consumption, encouraging loyalty and engagement, and advocating products. The most recent definition was by Koivisto & Hamari (2019) which postulated that gamification is a design approach of enhancing services and systems with affordances for experiences similar to those created by games. The definitions share similarities which stated that gamification is a process of adding a game layer to a non-game activity to make it more enjoyable. Most researchers depict that the gamified approach creates impacts such as motivation, engagement and specific positive behavioural outcomes.

Researchers have examined the differences between gamification and an actual game environment. Darejeh & Salim (2016) highlight that gamification and actual games can be differentiated by the incorporation of game mechanics into existing entities, thereby increasing engagement, enjoyment, and user performance. Gamification serves as an added component in the form of a game, integrated into the existing context to improve user performance and behavior. Following the discussion, gamification in this study refers to

the application of game elements such as progress bars, badges, and leaderboards to encourage users to engage with the crowdfunding platform. (Cózar-Gutiérrez & Sáez-López 2016; Deterding et al. 2011a; Kontogiannidis et al. 2017; Rodrigues et al. 2017). Gamification can be conceptualized by categorizing its elements into two primary groups, which also relate to the layer of gamification (Liu, Santhanam, & Webster 2017). The initial layer is the gamification object, which pertains to the visual and non-visual elements integrated into the website. Examples include images, audio clips, avatars, virtual items, artificial characters, narratives, badges, and leaderboards. These features are the essential components of gamification design and are most frequently included into a website (Landers et al., 2017; Mekler et al., 2013). Simultaneously, the second layer comprises gamification mechanisms, representing a more advanced degree of design necessitating an appropriate framework for implementation. Features include a leveling system, point system, quests, competitiveness and collaboration, in-game economy, and social networking functionalities.

Additionally, Hamari et al. (2014) categorized gamification into three primary components: motivational affordances, psychological outcomes, and behavioral outcomes, as seen in Figure 2. Affordance refers to the aspects and features integrated into the website to elicit gameful experiences. The psychological outcome encompasses psychological experiences such as engagement (Hamari et al., 2016), attitude (Hsu et al. 2017), and sense of enjoyment and flow (Bittner & Shipper, 2014; Cardador et al., 2017). The introduction of gamification could enhance behavioral outcomes such as participation intention. This study identifies the progress bar and leader board as motivating affordances, user experience and trust in the platform as psychological outcomes, and intention to participate in the crowdfunding platform as a behavioral consequence.

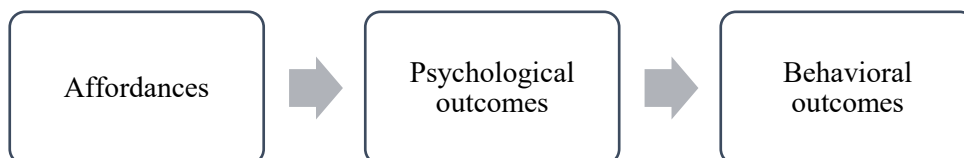


Figure 2 Conceptualisation of Gamification
 Source: Hamari et al. (2014) and Huotari & Hamari (2017)

THE ROLE OF GAMIFICATION IN CROWDFUNDING

Crowdfunding platforms are progressively implementing gamification strategies to improve user engagement, motivate donations, and foster more participatory experiences. These platforms seek to cultivate a feeling of community and enhance participation by incorporating gamified aspects, like prizes, challenges, and competition. Gamification techniques sometimes incorporate reward systems wherein contributors accumulate points or badges for their donations, which may be exchanged for benefits or acknowledgment. These platforms have demonstrated an enhancement in user engagement and investment in the crowdfunding process (Pratt, 2015). Moreover, competitive features like leaderboards motivate contributors to pursue elevated rankings, hence enhancing their engagement and contributions (Soderstrom, 2015).

Research indicates that gamification enhances user experience and trust, which are crucial for promoting sustained engagement in crowdfunding initiatives. An improved user experience can bolster trust in the platform and promote recurring contributions, despite gamification not directly influencing donation intentions (Anim et al., 2024; Suffarruddin & Sabarudin, 2023). This indicates that although gamification enhances user engagement, its influence on real contribution behavior may necessitate a balanced incorporation with additional measures to guarantee sustained donor involvement.

Gamification fulfills critical psychological requirements, including autonomy, competence, and relatedness, which are vital for sustaining user engagement and enjoyment (Suh et al., 2018). The integration of game dynamics and competitive features enhances user engagement by motivating users to surpass their peers (Yang et al., 2021). Moreover, gamification utilizes principles from behavioral science to develop user experiences that attract attention and shape behavior, fostering a captivating and interactive engagement with the platform (Lai & Langley, 2023).

Although gamification significantly improves engagement and participation, it possesses inherent limitations. Certain users may favor conventional and direct methods of engagement, rejecting the additional intricacies of gamified components. This underscores the necessity for a balanced methodology that intelligently incorporates gamification with other tactics to accommodate varied user preferences and enhance the efficacy of crowdfunding campaigns.

CONCLUSION

The incorporation of gamification into crowdfunding platforms suggests a significant advancement in improving user engagement and promoting successful campaigns. Incorporating game elements like reward systems, leaderboards, and interactive experiences can effectively motivate contributors, foster a sense of community, and enhance trust in crowdfunding initiatives. Although gamification has shown considerable advantages in enhancing user experience and increasing participation, its direct effect on long-term donation behavior necessitates additional research. Furthermore, the variety of user preferences highlights the importance for a balanced strategy that integrates gamification alongside traditional engagement methods. This study establishes a basis for future research aimed at enhancing gamified mechanisms in crowdfunding to attain sustainable and inclusive fundraising results.

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DEVELOPING “NEW QUALITY PRODUCTIVITY”: M&A AND INNOVATION

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ABSTRACT

Developing “New Quality Productivity”, technological innovation is the core driving force, and mergers and acquisitions (M&A) play a very important role in the generation and transformation of technological innovation. M&A is an important “lever” for enhancing enterprise innovation capabilities. Mergers and acquisitions can achieve convenient and low-cost acquisition of R&D talents and technology resources, promote the clearance of existing resource bottlenecks in R&D for enterprises, enrich their innovative knowledge and improve it, and achieve economies of scale and synergy in R&D activities. This paper will be based on the background of China’s strategy of “New Quality Productivity”, explore the impact mechanism of corporate mergers and acquisitions on the improvement of corporate innovation capabilities, systematically construct the role path of corporate mergers and acquisitions on the improvement of corporate innovation capabilities, and provide reference for the more efficient and high-quality development of corporate mergers and acquisitions in the current context.

Keywords: New Quality Productivity, Mergers and Acquisitions, Innovation

INTRODUCTION

On March 5, 2024, the Chinese government proposed a strategy to develop “New Quality Productivity”. The “New Quality Productivity” emphasizes “new”, pursues “quality”, and is based on “productivity”. It relies on strategic emerging industries and future industries, highlights new types, new driving forces, and new advantages, pursues high technology, high efficiency, and high quality, and is based on the deep upgrading of industries to give birth to high-level modern productivity that is different from traditional productivity. Mergers and acquisitions, as an important means of external development for enterprises and an important way for industries to achieve transformation and upgrading, can run through the integration of technological innovation, element configuration, and industrial integration, profoundly affecting the organic integration of the entire process of industrial development. It is an important path for the comprehensive development of New Quality Productivity. According to statistics from the Qingke Research Center, the activity of mergers and acquisitions transactions involving Chinese enterprises in 2023 has steadily increased, with a total of 2654 M&A cases, a year-on-year increase of 4.7%; The total transaction amount involved is nearly 1 trillion yuan, with a slight year-on-year decrease

of 2.7% due to fluctuations in large cases. Behind this data, central state-owned enterprises still dominate in mergers and acquisitions to enhance their core competitiveness, integrate leading enterprises' industries, and transform and upgrade traditional industries. With the adjustment and upgrading of domestic industries, the possibility of mergers and acquisitions between enterprises is gradually increasing. In recent years, global M&A activities have continued to be active, and some scholars have begun to explore the impact of M&A on technology research and development based on their own national conditions (Phillips and Zhdanov, 2013). However, in response to China's increasingly booming M&A market and industrial transformation and upgrading, there are currently few literatures exploring the relationship between M&A and innovation based on China's national conditions. Therefore, research in this field will help serve the strategy of developing New Quality Productivity at the national level.

This paper identifies three domain areas from the literature and integrates them into the overall research framework of the paper: (1) The Relationship between M&A and Corporate Innovation Capability, (2) M&A under different ownership, (3) Mechanism for enhancing innovation capability through M&A.

THE RELATIONSHIP BETWEEN M&A AND CORPORATE INNOVATION CAPABILITY

As an important means of resource allocation, what impact does mergers and acquisitions have on promoting corporate innovation and facilitating the transformation and upgrading of China's productivity? Regarding whether mergers and acquisitions promote or inhibit innovation, existing research focuses on examining changes in corporate R&D investment after the occurrence of mergers and acquisitions, and scholars' research conclusions are inconsistent. Developing "New Quality Productivity", technological innovation is the core driving force, and mergers and acquisitions play a very important role in the generation and transformation of technological innovation, and are an important "lever" for enhancing enterprise innovation capabilities. Cheng Xin and Wang Xiangqian (2023) believe that technology mergers and acquisitions can achieve convenient and low-cost acquisition of R&D talents and technology resources, promote the unblocking of existing R&D resource bottlenecks for enterprises, enrich their innovative knowledge and improve it, and achieve economies of scale and synergy in R&D activities. Prashant Kale (2017) and Ren Shuming et al. (2017) found that there is a significant positive correlation between industry mergers and acquisitions and corporate innovation. This is because innovation can make companies attractive acquisition targets. When companies have the motivation to be acquired, they will send positive signals to the acquirer by improving their innovation level. Mergers and acquisitions have a significant impact on the excess returns of both parties. On the other hand, Yao Yi et al. (2022) pointed out that due to the inherent implicit and complex nature of technology, the transfer of technical knowledge is relatively difficult. In addition, the differences between the two parties involved in mergers and acquisitions, as well as the difficulty and uncertainty of mergers and acquisitions, may inhibit the efficiency of integrating technology resources and reduce the efficiency of knowledge transfer in mergers and acquisitions. In addition, some scholars have explored the boundary conditions and other factors of technology mergers and technological innovation. Karim (2010) and Yu Pengyi (2022) pointed out that the technological knowledge foundation of the acquiring enterprise and its integration level with existing technological knowledge, as

well as the unique institutional environment, will have a certain impact on the effectiveness of technology mergers and acquisitions. In addition, from the perspective of the impact of mergers and acquisitions on the productivity of enterprises. The research of scholars such as Stiebale (2018) and Liu Liya (2018) points out that, from the perspective of the direct effects of mergers and acquisitions, when the M&A market is more active, high productivity enterprises are more likely to initiate M&A with low productivity enterprises, and productivity is more likely to transfer from the relatively high side to the relatively low side. This is particularly important for the transformation and upgrading of the industry. Wang Hongjian, Wang Jingru, and Wu Dingwen (2023) believe that the activity of industry mergers and acquisitions significantly improves the total factor productivity of enterprises through "technology channels" and "efficiency channels", which is specifically reflected in the improvement of total factor productivity of target enterprises and non participating enterprises.

M&A UNDER DIFFERENT OWNERSHIP

In relevant research, Shleifer et al. (1994) proposed the "government plundering hand theory" and "government supporting hand theory". They found that in the process of state-owned enterprise mergers and acquisitions, the government will actively provide a large amount of financial support, which makes them have a high success rate due to their large scale and abundant resources. Fang Junxiong's (2008) study indicates that government departments have a direct impact on the M&A decisions of state-owned enterprises, playing both "predatory" and "supportive" roles in the intervention process of M&A. On the one hand, state-owned enterprises have a strong ability to bear risks, effectively resist various risks in the merger and acquisition process, reduce merger and acquisition uncertainty, integrate technical knowledge, and thus achieve technological innovation and upgrading (Boubakri et al., 2013; Bai Jun et al., 2022). On the other hand, state-owned enterprises in China usually belong to the risk avoidance type. Due to information asymmetry, managers tend to choose to avoid risks and engage in conservative economic activities based on their judgment of unknown situations (He Weifeng et al., 2016). In the process of enterprise technology transfer and resource integration, the willingness to take risks also plays an important role. A certain willingness to take risks helps managers avoid giving up high-risk, long-term investment opportunities based on personal interests, and promotes the improvement of enterprise innovation capabilities and efficiency (Feng Bing et al., 2023; Gao Mengjie et al., 2023); In addition, some scholars believe that managers tend to avoid and control corporate risks. When conducting mergers and acquisitions, managers focus more on short-term performance and are unwilling to take on long-term risks, which may make it difficult to achieve the technological innovation goals of mergers and acquisitions (Qi Yong, Song Hancheng, 2021). Zhu Song and Xia Donglin (2009) found that managers of state-owned enterprises are more constrained, and face stricter performance evaluations compared to non-state-owned enterprises, which means they face greater regulatory pressure. Therefore, in state-owned enterprises, managers will comply more with relevant laws, regulations, and accounting standards, which also enhances the robustness of enterprise decision-making; After making large-scale activity decisions such as mergers and acquisitions, state-owned enterprises need to obtain approval documents from the State-owned Assets Supervision and Administration Commission. In addition, in state-owned enterprises, managers mostly hold political titles. They usually consider their political career and make relatively conservative decisions when facing major decisions.

MECHANISM FOR ENHANCING INNOVATION CABILITY THROUGH M&A

In an industry, competition between enterprises often relies on research and development innovation. However, R&D not only requires huge capital and manpower investment, but also has characteristics such as asset specificity, uncertainty, and weak exclusivity (Zhang Jie et al., 2012). Once the R&D funding chain breaks and key technical personnel are lost, it will lead to R&D interruption, loss, or even failure. On the one hand, mergers and acquisitions, as a market mechanism, can help participating companies obtain the equipment, factories, and personnel needed for research and development from external sources, which is conducive to the acquisition and formation of R&D assets and enhances their R&D willingness; On the other hand, participating companies in enhancing research and development means intensified market competition, which forces non participating companies to utilize internal resource accumulation and improve their research and development capabilities. Therefore, the stronger the possibility of mergers and acquisitions, the stronger the motivation for participating and non-participating companies to improve their research and innovation levels. Thanks to the establishment and rapid development of China's multi-level capital market in recent years, empirical research using listed companies as data samples is gradually being carried out. Some scholars, using listed manufacturing companies as samples, have revealed the mechanism by which mergers and acquisitions affect a company's research and development by changing its expectations of changes in market competition conditions from the dimensions of merger and acquisition likelihood and average bargaining power. They have examined the impact of manufacturing industry merger and acquisition activity on a company's productivity and productivity dispersion from the perspective of resource allocation (Ren Shuming et al., 2017; Wang Hongjian et al., 2023). Furthermore, using Chinese high-tech listed companies as samples and risk bearing capacity as moderating variables, the impact of technology mergers and acquisitions on innovation in high-tech enterprises was examined (Peng et al., 2023).

CONCLUDING REMARKS

Faced with the complex and severe economic situation of domestic industrial transformation and upgrading, as well as the continuous geopolitical policy conflicts abroad, based on the overall tone of "solidly promoting high-quality development" for the comprehensive development of "New Quality Productivity", we vigorously promote the construction of a modern industrial system, actively develop and cultivate new and future industries, lead the comprehensive revitalization of industries with technological innovation, and drive the continuous emergence of new economic growth points. Focusing on the mechanism design and major risk prevention in the process of enhancing the innovation capability of enterprises based on mergers and acquisitions, analyzing the current difficulties and challenges, identifying the main constraining factors, and building an effective path for improving the quality and efficiency of enterprise innovation and fully leveraging the "leverage" role of mergers and acquisitions based on the optimized operational mechanism constructed in the previous text, from multiple aspects such as strengthening top-level design, innovative concepts, expanding scope and content, and enriching technological means. Fully leverage the efficient allocation of resources through mergers and acquisitions, strengthen policy support and risk prevention for market-oriented mergers and acquisitions activities, effectively play a role in assisting industrial transformation and upgrading, comprehensively build a modern industrial system, and

effectively maintain the health and stability of economic development order. Mergers and acquisitions, as an important means of external development for enterprises and an important way for industries to achieve transformation and upgrading, can run through the integration of technological innovation, factor allocation, and industrial integration, profoundly affecting the organic integration of the entire process of industrial development. It is an important path for China to comprehensively develop the New Quality Productivity.

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A LITERATURE REVIEW ON THE DIGITAL TRANSFORMATION

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ABSTRACT

Digital transformation (DT) has emerged as a pivotal force in reshaping the landscape of modern enterprises and societies. This paper offers a comprehensive review of the existing literature on digital transformation, providing an in-depth analysis of its conceptualization, key influencing factors, measurement approaches, and implementation frameworks. Specifically, the paper identifies six core domains that are central to the current discourse on DT. Also, the paper aims to contribute valuable insights to both academic scholarship and practical applications, guiding organizations in their digital transformation and informing future research directions in this rapidly evolving field.

Keywords: Digital Transformation, Digital Technology, Organization Evolution

INTRODUCTION

In the digital era, the digital transformation of companies primarily entails a comprehensive process of leveraging digital technologies to bring about significant changes in the company's business model and production processes, which aims to optimize operational modes and ultimately generate greater value for the company (He and Liu, 2019). Although the concept of digital transformation has gradually been widely accepted, there are still many controversies and challenges in its connotation and implementation path. This paper identified six key domains from the literature and represented them in a conceptual model centred on: (1) Meanings of Digital Transformation, (2) Influencing Factors of Digital Transformation, (3) Measurements of Digital Transformation, (4) Implementation Framework of Digital Transformation, (5) Consequences of Digital Transformation, and (6) Impacts on future study.

MEANINGS OF DIGITAL TRANSFORMATION

Digital transformation (DT), as a multidimensional concept, is typically understood as the profound reconfiguration of traditional business processes, models, organizational structures, and cultures through the application of advanced information technologies such as the Internet, artificial intelligence, and big data. This transformation can be broadly categorized into two main dimensions: technical support and organizational change. From

a technical support perspective, Westerman et al. (2011) posited that digital transformation involves leveraging information technology to enhance organizational performance and expand market influence. Fitzgerald et al. (2014) further defined it as the strategic deployment of emerging digital technologies to achieve significant improvements in business operations, optimize operational models, and enhance customer experiences. Scholars adopting this perspective primarily focus on the specific role of digital technologies in driving organizational efficiencies and expanding technological capabilities. Conversely, from an organizational change perspective, digital transformation is primarily viewed as a series of changes occurring at the level of business models and value creation processes. Hess et al. (2016) defined it as the strategic use of digital technologies to drive changes in an organization's business model, leading to innovations in operational processes or organizational structures. Similarly, Vial (2019) described digital transformation as the process by which organizations employ digital technologies to adapt their value creation mechanisms in response to environmental shifts. From this standpoint, digital transformation involves the deep integration of digital technologies with a company's core business functions, driving significant shifts in business models and organizational structures, and ultimately resulting in transformative organizational outcomes. In summary, digital transformation is not solely a technical or technological process but a holistic, multifaceted change that necessitates both technological innovation and organizational adaptation. This dual focus—on both the technical and organizational dimensions—has been central to shaping the way scholars and practitioners understand and navigate the digital transformation journey.

INFLUENCING FACTORS OF DIGITAL TRANSFORMATION

Digital transformation is driven by a complex interplay of internal and external factors that compel organizations to adopt and integrate digital technologies. From an internal perspective, several key elements contribute to a company's ability to successfully undergo digital transformation. Financial resources, a skilled workforce, and flexible organizational structures are crucial enablers. Hess et al. (2016) examined the digital transformation efforts of three media companies in Germany and found that financial constraints were a significant barrier to the adoption of digital technologies. In parallel, Colbert et al. (2016) emphasized that effective integration of digital technologies into business operations requires not only attracting IT talent but also fostering digital literacy across all departments. This approach is vital for solving complex business challenges and building a digitally proficient workforce that can drive the transformation process. Furthermore, Karimian and Walter (2015) illustrated how dynamic capabilities, such as the ability to build and scale digital platforms, can accelerate digital transformation. Eggers and Park (2018) also noted that a flexible organizational structure is essential for rapidly adapting to an ever-changing environment, a critical factor for the success of digital transformation initiatives. Externally, technological advancements and industry developments play a crucial role in pushing organizations toward digital transformation. Industrial digitalization, in particular, profoundly influences industrial structure, competitive dynamics, and consumer behavior, creating significant pressure for companies to adapt. Kahre et al. (2017) argue that industrial development is an essential driver of digital transformation, as it reshapes both the competitive landscape and market demands. In addition, Wu et al. (2021) underscored the importance of external foundational conditions—such as regulatory frameworks, infrastructure, and technological ecosystems—in determining the

effectiveness of digital transformation efforts. Moreover, the rapid evolution of financial technology and digital finance has amplified the impact of digital transformation, particularly in enhancing corporate liquidity and market responsiveness. Thus, both internal and external factors interact to shape the trajectory of digital transformation, with financial, organizational, and technological influences acting as key determinants of success.

MEASUREMENT METHODS OF DIGITAL TRANSFORMATION

The rapid integration of emerging digital technologies has significantly advanced the methodologies for measuring digital transformation, with three key approaches gaining prominence: information technology (IT) capability assessment, digital investment evaluation, and text analysis of annual reports. The first method involves assessing a company's IT capabilities. Bayo-Moriones et al. (2013) conducted interviews with small and medium-sized enterprises (SMEs) in the Spanish manufacturing sector, identifying three key dimensions of informatization: general office automation, communication systems, and market orientation. Li and Gao (2013) expanded upon this by categorizing IT investment into hardware and software components, using items from annual reports, specifically those related to fixed and intangible assets, as metrics for evaluating digital investment. The second method employs quantitative analysis of the proportion of digital assets in the notes to the annual report. Qi et al. (2020) highlighted that the inclusion of specific items related to emerging digital technologies in the intangible assets section of annual financial reports is indicative of a high level of digital transformation. Building on this, Huang et al. (2021) further categorized digital resources within fixed and intangible assets in the annual report's notes. They assessed the digital transformation of Chinese listed companies by calculating the ratio of digital-related assets to total assets, providing a clear metric for measuring digital maturity. The third method focuses on text analysis, particularly through keyword frequency statistics in annual reports. This approach acknowledges that digital transformation is not only reflected in financial investment but also in strategic shifts and changes to business models. He and Liu (2019) noted that a company's development strategy is often articulated in its corporate announcements, and digital transformation can be effectively tracked through keyword analysis. Qi and Cai (2020) utilized big data crawling technology to extract and analyze the frequency of terms related to digital transformation, creating proportional indicators as a measure of digital progress. Wu et al. (2021) innovatively applied Python-based crawler technology to count the occurrence of keywords like "digital transformation" in the annual reports of listed companies, using the frequency of these terms as a proxy for digital transformation intensity.

In conclusion, these three measurement approaches—assessing IT capabilities, analyzing digital asset investment, and conducting keyword frequency analysis—provide comprehensive tools for evaluating the extent and impact of digital transformation within organizations. These methods offer valuable insights into how companies are navigating and measuring their digital journeys, both in terms of technology adoption and strategic realignment.

Table 1: 3 Methods to measure the degree of digital transformation

Method	Authors	Measurement
Method 1	He and Liu (2019)	Use dummy variables to measure
Method 2	Zhang et al. (2021)	Use the proportion of digital technology intangible assets to intangible assets to measure
Method 3	Wu et al. (2021)	Use text analysis method to extract the frequency of words related to digital transformation from the annual report

IMPLEMENTATION FRAMEWORK OF DIGITAL TRANSFORMATION

Various studies have proposed a range of implementation frameworks for digital transformation. Two prominent frameworks in the literature are those developed by Westerman et al. (2011) and Fitzgerald et al. (2014). Westerman et al. (2011) introduced a framework that highlights three key areas of digital transformation: customer experience, operational processes, and business models. This framework emphasizes that the core focus of digital transformation should be on leveraging technology to enhance customer experience, streamline operational processes, and foster business model innovation. On the other hand, Fitzgerald et al. (2014) proposed a five-stage model of digital transformation, which includes: initial exploration, extended technology application, digital optimization, technology-driven innovation, and digital-led transformation. This model underscores that digital transformation is not a singular, one-time event, but rather a continuous, evolving process that deepens over time. Together, these frameworks provide valuable perspectives on the strategic implementation of digital transformation within organizations, emphasizing both the incremental nature and the multidimensional impact of technology adoption.

ECONOMIC CONSEQUENCES OF DIGITAL TRANSFORMATION

The key advantages of digital transformation is its ability to efficiently and transparently process and transmit information(Zaheer and Zaheer, 1997;Hansen and Sia,2015;Tan et al. 2016;Zhang et al., 2021). Firstly, the application of digital transformation liberates businesses from the constraints of time and space, thereby facilitating access to an abundance of information. Zaheer and Zaheer (1997) assert that companies equipped with extensive information networks tend to exhibit greater adaptability in navigating environmental changes. Secondly, digital transformation expedites business model innovation and fosters novel forms of collaboration among companies.Parida et al. (2016) conducted a survey of 219 small high-tech companies in Sweden, revealing that those with information technology advantages can enhance their dynamic capabilities by streamlining internal efficiency and forging deeper connections with customers and suppliers. Within the production process, digital technology empowers companies to delve into customer preferences, design and develop novel products, deliver higher-value added services to customers, enhance user experience, and ultimately create augmented value (Pagani and Pardo, 2017). Significantly, Wu et al. (2021) conducted a comprehensive investigation encompassing data from listed companies in China spanning the period from 2007 to 2018. The study rigorously examined the empirical ramifications of enterprise digital

transformation on stock liquidity dynamics and revealed that digital transformation initiatives within enterprises had a marked and statistically significant impact on augmenting stock liquidity.

IMPACTS ON FUTURE STUDY

Despite the fact that digital transformation has emerged as a prominent research focus within both academic and practical spheres, numerous areas yet remain ripe for in-depth exploration. Future research trajectories are likely to encompass the following salient aspects. Primarily, the industry-specific characteristics of digital transformation warrant closer scrutiny. Varying industries encounter disparate sets of challenges and opportunities during the implementation of digital transformation initiatives. Therefore, devising differentiated transformation strategies that are finely attuned to the idiosyncrasies of different industries represents a crucial avenue for future research endeavors. This would entail a detailed analysis of industry structures, value chains, and regulatory landscapes to formulate bespoke approaches that optimize the benefits and mitigate the risks associated with digital transformation. Secondly, the role of dynamic capabilities in the context of digital transformation is an area of burgeoning interest. In an environment characterized by rapid technological flux, understanding how the dynamic capabilities of enterprises shape the sustainability and profundity of their digital transformation efforts will constitute a novel and significant research topic. This necessitates an exploration of how organizations can cultivate and leverage capabilities such as adaptability, learning agility, and innovation to not only keep pace with but also anticipate and drive technological change, thereby ensuring the long-term viability and competitiveness of their digital transformation initiatives. Finally, the intricate relationship between artificial intelligence and digital transformation is a subject that demands further elucidation. The application of artificial intelligence technologies within the realm of digital transformation is witnessing an ever-expanding scope. Consequently, comprehending the profound and far-reaching impact of artificial intelligence on transformation strategies and operating models remains an area in need of extensive and in-depth discussion. This would involve an examination of how artificial intelligence can be harnessed to enhance decision-making, optimize processes, and redefine customer experiences, as well as the associated ethical, legal, and social implications that accompany its integration into digital transformation initiatives. By delving into these aspects, future research can contribute to a more comprehensive and nuanced understanding of digital transformation and its multifaceted implications for organizations and society at large.

CONCLUDING REMARKS

As a critical driver of innovation and development across enterprises and industries, digital transformation is increasingly becoming the new standard in global corporate competition. While its implementation presents numerous challenges—ranging from technological and organizational obstacles to cultural shifts—the ongoing advancement of technology and the deepening of theoretical research are enabling companies to accumulate valuable insights throughout their digital transformation journeys. These experiences, in turn, will enrich academic discourse in related fields. Future research should prioritize investigating the sustainability of digital transformation, the industry-specific adaptability of transformation strategies, and the profound impact of emerging technologies on the trajectory of digital transformation.

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**FINANCING THE FUTURE: ADDRESSING FINANCIAL CONSTRAINTS TO
DRIVE GREEN INNOVATION IN CHINA**

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ABSTRACT

Green innovation is a cornerstone of sustainable development, fostering economic growth and mitigating environmental challenges. In China, the A-share market, home to domestically listed companies, plays a pivotal role in driving green technological advancements. However, financial constraints pose significant barriers, particularly for private and small-to-medium enterprises, which face limited access to affordable financing and higher borrowing costs compared to state-owned enterprises. These systemic barriers hinder research and development investments, slow the adoption of green technologies, and limit China's global competitiveness in sustainability markets. This study examines the intersection of financial constraints and green innovation within China's A-share market, identifying structural inefficiencies and regulatory inconsistencies as critical challenges. It proposes a multifaceted approach, including government reforms, diversified financing mechanisms, and collaborative innovation hubs, to address these barriers. By overcoming these challenges, China may drive sustainable economic growth, enhance its competitiveness, and contribute significantly to global environmental goals.

Keywords: Financial Constraints, Green Innovation, Sustainability, China's A-share Market

INTRODUCTION

In recent years, green innovation has emerged as a cornerstone of sustainable development, fostering economic growth while mitigating environmental degradation. As global climate challenges intensify, governments and industries increasingly recognize the necessity of green technologies to reduce carbon emissions and achieve long-term sustainability goals (Acheampong et al., 2020). In China, the A-share market—comprising domestically listed companies—plays a critical role in driving technological innovation, particularly in the environmental domain (Liu, Choo, et al., 2023). However, during this fast running routine, financial constraints often serve as significant roadblocks to achieving green innovation. As recognized by Abbas et al. (2024) and Akram et al. (2024), developing green technologies demanded substantial upfront investments, long gestation periods, and carried inherent risks, deterring firms with limited financial resources. This challenge is particularly pronounced in China's capital markets, where structural inefficiencies and

uneven access to funding exacerbate these constraints. This paper delves into the interplay between financial constraints and green innovation within China's A-share market. It examines the systemic barriers faced by firms, evaluates their impact on innovation initiatives, and proposes actionable solutions to alleviate these challenges. By addressing these issues, the research aims to contribute to the ongoing discourse on fostering a sustainable and innovation-driven economy in China.

FINANCIAL CONSTRAINTS IN CHINA

Financial constraints remain a critical barrier to green innovation in China, particularly reflected by the listed companies in the A-share market. China's financial system is heavily skewed toward state-owned enterprises (SOEs), which are favored in credit allocation due to their perceived stability and government backing (Chen & Chen, 2023; Yue et al., 2024a). Private firms, despite contributing significantly to technological innovation, often face high borrowing costs and limited access to credit facilities, creating a dual-track financial system that undermines their ability to invest in green projects (Li et al., 2022; Liao et al., 2023). This disparity is exacerbated by the short-term focus of many investors, who are reluctant to fund long-term, high-risk green innovation projects. As indicated by Yue et al. (2024b), unlike traditional ventures, green innovation usually required substantial upfront investments and extended periods for returns, which did not align with the risk-return profiles of most financiers. Furthermore, according to Chen (2023), China's financial markets relied heavily on collateral-based lending practices, where loans were secured against physical assets. This model is particularly unfriendly for green technology developers, as they often lack tangible assets to pledge as collateral, further limiting their ability to secure funding. Although the Chinese government has introduced various initiatives to address these challenges, including green bonds, green credit guidelines, and dedicated funds for environmental projects, the adoption and implementation of these policies remain uneven across regions and industries. Besides, evidence from Liu et al. (2023) showed that, regulatory inconsistencies and limited awareness further hinder the effective utilization of these resources. For instance, while green bonds have gained traction in recent years, their issuance is still dominated by large, well-established companies, leaving smaller firms with minimal opportunities to benefit. Additionally, a lack of standardized criteria for assessing green projects complicates the process for firms to qualify for green financing, leading to delays and inefficiencies (Banga, 2019). It has to say, addressing these challenges require a concerted effort to reform China's financial ecosystem, not just improving access to funding channels, but also enhancing regulatory frameworks to ensure equitable support for all firms to pursue green innovation.

In summary, China's financial ecosystem poses challenges for firms seeking to pursue green innovation, particularly companies listed in the A-share market. It is generally reflected as followings, the systemic bias toward SOEs, limits other kinds of firms' access to affordable financing, despite their significant contributions to technological advancement. Then, high costs, long payback periods, and risks associated with green innovation further deter investment. What's more, collateral-based lending practices and a lack of standardized criteria for green project financing exacerbate these constraints. While government initiatives like green bonds and credit guidelines offer potential solutions, their uneven implementation and limited accessibility for smaller firms hinder their effectiveness. Therefore, addressing these systemic barriers is crucial to fostering a more

inclusive and sustainable innovation environment in China.

THE IMPACTS ON GREEN INNOVATION

From the perspective of green innovation performance, financial constraints significantly impede it in China's A-share market, influencing firms' ability to develop and adopt sustainable technologies. These constraints primarily manifest in reduced research and development (R&D) investments, limited adoption of advanced green technologies, and broader economic and environmental repercussions. As stated by Akram et al. (2024) and Yue et al. (2024b), green innovation typically required significant upfront investments, extended timeframes for returns, and an inherent level of risk, making it difficult for financially constrained firms to allocate resources effectively. As a result, firms often prioritize immediate operational needs over long-term innovation goals, leading to stagnation in the development of eco-friendly technologies (Chang et al., 2024). Additionally, the lack of dedicated funds for green R&D projects compounded the issue, as pointed by Bakhtiari et al. (2020), smaller enterprises in particular were forced to scale back or abandon their innovation efforts. Beyond R&D, financial barriers hinder the adoption of cutting-edge green technologies, which often involved high initial costs and uncertain returns. Thus, firms constrained by limited financial resources were less likely to upgrade to energy-efficient equipment or adopt cleaner production methods, perpetuating reliance on outdated technologies. This inertia not only affects the individual firms but also hampers broader industrial transformation toward sustainability. The ripple effects of these constraints are evident in the slower adoption of renewable energy solutions, sustainable supply chain practices, and green manufacturing techniques across industries. Furthermore, financially constrained firms are often unable to meet increasingly stringent environmental regulations, exposing them to penalties and reducing their overall market competitiveness.

What's more, the economic and environmental consequences of limited green innovation extend far beyond individual firms, impacting both China's global competitiveness and its ability to achieve sustainable development goals. Based on the viewpoints of Coussa et al. (2024), green innovation is a critical driver of economic growth and industrial transformation, especially in sustainability markets where competition is increasingly driven by technological advancement. Let's just say, if China cannot adequately address financial constraints, especially for green innovation, it would undermine its position in these emerging markets, limiting its ability to compete with nations that have more robust green financing mechanisms and innovation ecosystems. The ripple effects of this stagnation also include missed opportunities for global market leadership in green technologies and diminished economic resilience in the face of evolving international environmental standards. At the same time, the continued reliance on pollutive technologies exacerbates environmental challenges within China. This can be evidenced from Farooq et al.'s (2023) findings, like key issues such as air and water pollution still remained prevalent, with industries unable to transition to cleaner production methods due to financial limitations. This reliance not only perpetuates environmental degradation but also hinders progress toward China's national carbon neutrality goals, which are vital for mitigating climate change and fulfilling international commitments such as the Paris Agreement (Zhai et al., 2022). Moreover, firms struggling to meet stringent environmental regulations due to their inability to innovate face increasing penalties and reputational risks, further compromising their market competitiveness and financial stability.

Addressing these financial barriers is essential to fostering a vibrant green economy in China. Targeted reforms in financial systems, such as improving access to green bonds, creating innovative funding channels, and incentivizing private investment in green technologies, are critical. Additionally, stronger government support through subsidies and regulatory reforms can enhance firms' ability to innovate sustainably. By overcoming these challenges, China can not only strengthen its industrial competitiveness but also position itself as a global leader in sustainable development and green technology innovation, driving economic growth while achieving long-term environmental benefits.

SUGGESTIONS FOR IMPROVEMENT

All in all, to overcome financial constraints and foster green innovation in China's A-share market, a comprehensive strategy is required that should combine government support, diversified financing options, enhanced awareness, and collaborative efforts. First and foremost, the government could expand subsidies, tax incentives, and dedicated funds for green innovation projects, particularly for A-share listed companies who are not stated backing, while simplifying access to green bonds through standardized qualification criteria. Secondly, it is suggested, diversifying financing channels, such as promoting venture capital, private equity, and crowdfunding platforms focused on green technologies, may provide firms with alternative funding sources. Then, encouraging public-private partnerships can also help mitigate risks and pool resources for large-scale green innovation initiatives. Additionally, improving financial literacy and awareness among firms through workshops and training programs can enable businesses to better navigate and utilize green financing opportunities. Lastly, establishing innovation hubs and collaborative platforms where firms, research institutions, and larger corporations can share expertise and resources would further reduce the costs and risks associated with green projects, fostering an ecosystem conducive to sustainable development. Together, these measures can help address systemic financial barriers and accelerate the adoption of green technologies across industries in China.

CONCLUDING REMARKS

In conclusion, financial constraints remain a critical barrier to fostering green innovation in China's A-share market. These limitations disproportionately affect the public listed companies, which play a vital role in driving sustainable technologies but struggle to secure funding due to structural biases in financial markets and the high-risk nature of green innovation. The resulting stagnation in R&D and adoption of advanced green technologies hampers both corporate and national efforts to transition toward sustainability. Furthermore, the broader economic and environmental repercussions of limited green innovation, including reduced global competitiveness and persistent environmental degradation, highlight the urgency of addressing these financial barriers.

To overcome these challenges, a multifaceted approach is essential. Government interventions such as expanding subsidies, streamlining access to green bonds, and standardizing green financing criteria can significantly alleviate financial burdens for firms. Diversifying financing channels through venture capital, crowdfunding, and public-private partnerships offers additional opportunities for innovation. Enhancing financial literacy and fostering collaboration through innovation hubs can further equip firms to navigate the green economy effectively. By implementing these measures, China may

create a conducive ecosystem for green innovation, enabling firms to align profitability with sustainability. Ultimately, addressing financial constraints in China's A-share market is not just an economic imperative but a necessary step toward achieving long-term environmental and social objectives. By bridging the gap between financial systems and green innovation, China can strengthen its industrial competitiveness, lead global sustainability markets, and contribute meaningfully to global efforts to combat climate change.

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CORPORATE MALAYSIA: THE STATE OF BUMIPUTERA CORPORATE CONTROL

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ABSTRACT

New Economic Policy of 1970 aims to alleviate the participation of the Bumiputera in the corporate sector. In this aspect, corporate equity ownership of listed companies in Bursa Malaysia has been the perennial focus with 30 percent often cited as the divine target. In this study, we shifted the focus to corporate control, seeking to analyse the percentage of companies that are managed by the Bumiputera instead of the total worth of the investments. In the inaugural study conducted based on 2005 data, the Bumiputera controlled some 7.4 percent of the companies. We seek to update this finding. Shockingly, the Bumiputera have not made any progress. The percentage of companies controlled, by the community remains similar to our first study.

Keywords: Corporate Equity Ownership, Corporate Control, Bumiputera

INTRODUCTION

Sixty decades after independence economic gains accruing to each ethnic group in Malaysia remains a controversial issue. Distribution of wealth, income, professional employment, graduate employability, corporate equity ownership, level of education and corporate control amongst others have been the constant subject of scrutiny and deliberations (Abdul Khalid, 2014). This study is part of this inquiry. The objective is straight forward to update the state of the Bumiputera control of corporations listed in Bursa Malaysia i.e. corporate control as of 2022. The last study was based on 2005 data (Bajuri & Chakravarty, 2011). How has the Bumiputera fared today? Have they made the much-demanded progress?

BACKGROUND OF STUDY

But what is corporate control? Business management studies broadly categorise control from the level the decision-making is formulated i.e. strategic or operational; or from the type of control exercised: either objective control such as salary, role and responsibility or normative control such as beliefs and values. Both categories are vital to the company in their own way. Normative control, for example – to a varying degree (see Hechter, 2008) – can seriously influence an employee's work performance. If she views a business dealing as *haram* she may exude sub-optimal work ethics hence risking bottom line. Normative control is vital for a company, as is objective control.

This study, however, looks at corporate control from where the level of decision-making is formulated, in particular, its distribution: the more companies with higher levels of decision-making the more desirable the outcome. Regardless, having even limited form of control of the company is better than no control.

At the broad level, this kind of control is defined by Investopedia (2021). as [i] “... having a sufficient amount of voting shares of a company to make all corporate decisions.” In practice, these corporate decisions can be further subdivided into strategic and operational. Both business management textbooks (e.g. University of Minnesota, 2015) and the accounting profession (Malaysia Financial Reporting Standard [MFRS] 10) recognise this dichotomy. Although the details may vary depending on the details in the company’s charter i.e. Memorandum of Association and Article of Association, typically holding more than two-thirds of the shares and half of the shares will confer the owner strategic control and operational control respectively of which the main right for the former often include the power to amend the constitution while the latter to run the various departments in the company – in that order.

So, what is the implication of this focus on control? Simple. It will offer us information on who manages the company and its distribution. The Bumiputera or the Chinese or other group of investors? This is a vital statistic in the government's effort to eradicate inter-ethnic economic inequality in the country.

The success of the New Economic Policy and its iterations has been perennially measured this way – vis-à-vis ethnic groups. In 2005 only 7.4 percent of the companies were controlled i.e. managed by the Bumiputera (Bajuri and Chakravarty, 2011). Have they since made meaningful progress? Let us find out.

Corporate Equity Ownership

But let us first briefly elaborate on the term corporate equity ownership. The term, when used in discussion about Bumiputera progress and NEP refers to the aggregate market value of share capital of the various listed companies in Bursa Malaysia owned by a group i.e. the total wealth. Therefore, when the government announced the Bumiputera equity ownership of 17.2 percent in 2019 (Ministry of Economy, n.d), they were simply declaring the group’s percentage of the total value of Bursa Malaysia i.e. the wealth that is attributed to the Bumiputera. That is the focus – wealth. It does not inform the reader the percentage of companies that are controlled by the group. The figure can be much higher or lower than 17.2 percent suggests. Technically, if the Bumiputera are passive investors then none of the companies will be managed or controlled by the community. The companies that are controlled by the Bumiputera are nil or zero percent.

Corporate Equity Ownership – the issue

As a brief history, the term began to gain prominence after the promulgation of New Economic Policy of 1970, which aims to alleviate the Bumiputera share of the economy. Today, the term is still widely employed as a yardstick of the Bumiputera economic progress, especially in the corporate sector. Nevertheless, a point worth noting – the NEP has never explicitly stated 30 percent equity ownership as the target, though the figure is

often widely used as a reference point. Speaking of which equally worth noting is the Bumiputera equity ownership has been hovering at around 16 to 23 percent in the last fifteen years (see Table 1).

Table 1: Selected Bumiputera Corporate Equity Ownership over the Years

Year	Equity Ownership	Source
2004	18.9%	Prime Minister Office (n.d)
2008	22.0%	as cited in Shanmugam (2021)
2011	23.4%	Ministry of Economy (2019).
2015	16.2%	Ministry of Economy (2019).
2018	16.9%	Ministry of Finance (2021)
2019	17.2%	Ministry of Economy (no date).

(Source: Authors' compilations)

These are the statistics that we managed to compile. The figure for 2022 has also not been officially disclosed by the relevant authority. All that was disclosed by Anwar Ibrahim, Malaysia's 10th Prime Minister in the Dewan Rakyat is it has yet to reach 30 percent.

And herein arises the debate. Are these figures realistic? Centre for Public Policy Studies in 2006 (CPPS, 2006) claimed that Bumiputera equity ownership is in reality much higher than formally announced by the government. The centre classifies Government Linked Companies (GLCs) as owned by the Bumiputera. That was the game-changing point of analysis. By this account, they claimed corporate equity ownership by the Bumiputera has exceeded 30 percent and for that reason, they called for the promotion of Bumiputera equity ownership focus to be revisited. Is GLC owned by the Bumiputera-owned? That is the crux of the debate, the outcome of which will determine the group's real share of corporate equity and the fate of NEP policy itself. Regardless, the percentage of corporate equity ownership offers little information on the percentage of companies that are controlled i.e. managed by the Bumiputera.

Seeking answer to this corporate control question matters because the ability to professionally manage a company is as important as the wealth itself. If more companies are managed by the Bumiputera this should augur well for the community's future. It indicates some level of self-reliance, expertise and even entrepreneurial ability. The last time we conducted the study (employing 2005 data) the Bumiputera controlled some 7.4 percent of the companies in Bursa Malaysia (Bajuri and Chakravarty, 2011). Have they made any significant progress? We seek to answer this delicate question.

METHODOLOGY

A similar methodology as that of Bajuri and Chakravarty (2011) has been adopted of which some 350 companies listed in Bursa Malaysia have been randomly selected and their annual reports for the year ended 2022 analysed. Precisely, in this content analysis kind of study, the section of focus is "list of largest 30 largest shareholders", "list of substantial

shareholders” and “board of directors’ profile”. The identity of the shareholders – based on their names – and their size of shareholdings are readily available in this section of the annual report while the type of control of interest is operational i.e. holding more than 50 percent of the shares.

FINDINGS

The summary of the findings, after a thorough analysis is listed in Table 2.

Table 2: Corporate Control in Malaysia

	Percentage
Chinese	70.6
Government	10.6
Foreign/others	10.0
Bumiputera	7.4
Indians	1.4
Total	100.0

This table explains itself: the majority of the companies in Malaysia (70.6 percent) are controlled by Chinese tycoons and family groups. The government controls around 10 percent of companies so do foreign investors. Ethnic Indian businessmen control some 1.4 percent of the companies. The Bumiputera only control 7.4 percent of the companies.

CONCLUDING REMARKS

This study indicated that the Bumiputera have made little progress in expanding the community controls over companies listed in Bursa Malaysia. It was 7.4 percent in 2005 and remains at the same level today. The opponents of NEP may highlight this statistic as another vital proof to end this affirmative policy. But that is beside the point. Any policies will still have to grapple with issues that extend beyond this crude statistic. Abdul Khalid (2014) pointed out that the Chinese business communities have an established advantage in income and wealth that is difficult to match. One possible reason is the struggle of the Bumiputera to make any meaningful savings from their salary. Listing out evidence in (Milanovic, 2006) and (Schafgans, 1998) he highlighted how Chinese employees in the private sector are often paid more than the Bumiputera or any other group – sometimes up to 40 percent. In the end – together with “old money” in the family – some groups will always be economically ahead: their status quo as men of commerce remains. The cliché that money creates money prevails. Perpetuating this sluggish economic progress is also the possibility of rent-seeking practice and deceit by the Bumiputera (see Wook et al., 2022). The practice, though not wantonly rampant, is not uncommon; the enforcement effort of which has been wrought from the start due to the political and business nature of the country (Jones, 2022). It has become an inextricable part of Malaysia. Can the Bumiputera today outrightly shift the blame on the less-than-stellar economic performance to another entity when this is primarily their undoing? Perhaps the success on the corporate front, NEP or any future policies hinges on addressing this factor more than anything else – the Bumiputera's dearth of spiritual strength and dignity.

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**EXPLORING THE LEVEL OF KNOWLEDGE ON HALAL INTEGRITY IN
KOREAN FOOD RESTAURANTS IN MALAYSIA: PERSPECTIVES OF THE
YOUNGER GENERATION**

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ABSTRACT

The Korean Wave, also known as *Hallyu* in Chinese, represents the global embrace of Korean culture and enterprises. Originating in the 1990s, this phenomenon has grown into a significant cultural force worldwide, influencing diverse aspects of modern life. In Malaysia, the Korean Wave has significantly impacted the youth, shaping their lifestyle choices in areas such as cuisine, cosmetics, entertainment, and technology. The rising popularity of Korean cuisine in Malaysia has led to a growing number of Korean food restaurants. However, while some of these establishments hold halal certification from Jabatan Kemajuan Islam Malaysia (JAKIM), many continue to operate without official Malaysian Halal Certification. The concept of halal food has gained global recognition as a standard for ensuring food safety, cleanliness, and quality. Meals prepared in accordance with halal principles appeal to both Muslim and non-Muslim consumers alike. This study investigates the factors influencing the younger generation's knowledge of halal integrity in Korean food restaurants in Malaysia. The research focuses on undergraduate students at Universiti Teknologi Malaysia, Johor Bahru. Data will be collected through surveys and analyzed using Statistical Package for Social Sciences (SPSS) software, with mean and frequency used to assess the level of knowledge regarding halal integrity. Key factors such as halal exposure, religious beliefs, health concerns, and the presence of halal certification logos are considered. The findings aim to provide valuable insights for Malaysian authorities and stakeholders, supporting efforts to enhance halal integrity in Korean food establishments across the country.

Keywords: Halal and Haram, Integrity, Halal Issues, Korean Food, Halal in Malaysia

INTRODUCTION

Malaysia's Industrial Master Plan, specifically the Halal Industry Master Plan 2030 (HIMP 2030), aims to establish Malaysia as a global leader in the halal industry. This plan sets out enhancing halal-friendly policy and legislation. According to Bohari, Hin, & Fuad (2013), governments advocate for raising Muslim consumers' awareness of Shariah conformity in their eating, drinking, and usage habits. Companies that invest in halal foods must obtain halal certification from the Department of Islamic Development Malaysia (JAKIM). One major obstacle to establishing a halal centre is the lack of halal certifications and emblems,

particularly for brands outside Malaysia but marketed locally. The problem is compounded further because of the absence of a standardized Halal authority in all Korean Food restaurants. Nowadays, if the marketing of the Korean restaurant has great power and becomes viral on social media, the food premises will be supported by Muslims and non-Muslims especially among the younger generation. This opportunity has been taken by a few entrepreneurs by exploiting signs using the term 'no pork, no lard, muslim friendly, pork free' (Berita Harian, 2016). The customer will not consider checking the halal integrity of the restaurant first due to the trust on the signs.

Several issues have been raised related to the menu served in some Korean food restaurants around Kuala Lumpur and Selangor such as the use of soup based on pork meat and bones, the use of mirin vinegar in the preparation of kimbap, mixed kitchen use between halal and haram food, etc. (Utusan Malaysia, 2019). Therefore, this study helps the issue non-halal food in Korean restaurants to be addressed immediately considering the revolution in modern diet causes dumping issues and new food products that have an element of suspicion. Indeed halal certification should be a goal mainly on all premises operators Korean food while on the consumer side Muslims, nature emphasizes the need to be alert when choosing a premise Korean food because of product norms Korean food is based on ingredients which are doubtful and not halal.

LITERATURE REVIEW

Concept of Halal

The concept of halal extends beyond food, encompassing clothing, commerce, finance, social interactions, and other areas aligned with Islamic principles. Muslims are required to seek halal products to honor Allah SWT, ensuring the wholesomeness of what they consume benefits both body and spirit. While consumer awareness of halal has grown, many fail to realize that improper preparation or unsanitary conditions can render halal food non-compliant (Fun, 2007). The rise of the Korean Wave in Malaysia has amplified these concerns, as trends often lead to neglecting halal standards. Islamic law defines halal as permissible, covering food and products free of impurities, with specific prohibitions on pork, improperly slaughtered animals, and intoxicants (Riaz & Chaudry, 2004). A debated concept in halal certification is *istihalah*, which involves the transformation of a substance's essential properties (Mohamad & A.B., 2012). This is relevant for Korean cuisine, which relies heavily on fermented ingredients. Some Malaysian Korean restaurants modify recipes to meet halal standards, potentially altering the original taste. Others secretly violate halal regulations, causing confusion, particularly among younger consumers.

Halal Certification

In Malaysia, halal food items are certified by the Department of Islamic Development (JAKIM), ensuring adherence to Islamic dietary standards. The certification is valid for two years, requiring renewal upon expiration. Halal certification enhances consumer trust, attracting both Muslim and non-Muslim customers. Malaysia is unique in offering government-issued halal certification, unlike other countries where it is managed by local Islamic societies (Nasaruddin, 2012). The Malaysian Halal Standard MS 1500:2004 established clear compliance processes, strengthening the country's commitment to halal certification. Certified products prioritize hygiene, safety, and nutrition, meeting the needs

of Muslim consumers while ensuring competitive market differentiation. The certification process involves multiple stakeholders, including applicants, officers, and panels (Noordin et al., 2014). JAKIM enforces the Malaysian Halal Certification Application Manual 2020, with a 120-day approval timeline. Manufacturers can access detailed application procedures on JAKIM's website.

Halal Logo

Once certified, companies can display the halal logo on packaging or premises, signaling compliance with Islamic standards. Malaysia, as a model Islamic nation and OIC member, promotes its JAKIM halal certification as a global benchmark (Rahman, 2014). Recognized worldwide, JAKIM's halal mark is trusted by Muslim consumers, who prioritize halal-certified products for religious, health, cleanliness, environmental, and animal welfare reasons. The rising demand for halal products makes the halal logo essential for offering better options to Muslim consumers.

Regulations

Consumer Protection Act 1999

Halal indirectly addresses consumerism by focusing on consumer rights while purchasing Halal goods or services. Malaysian consumers have challenges with consumption, including concerns about Halal items. This legal framework monitors consumer rights regarding the supply of products against suppliers and producers. This is because in terms of sales legislation, halal items are treated similarly to other products. This Act implicit warranties apply to the sale and supply of fraudulent Halal items. A violation of a contract between a supplier and customer occurs when a transaction is made. Non-Halal products that were labelled or represented as Halal. Section 34 of the Act ensures that items supplied to consumers match the description provided. According to Naemah and Norazlina (2015), the halal mark is crucial for identifying the items.

Trade Description Act 2011

In August 2011, the Trade Description Act 2011 (TDA 2011) was approved and went into effect on 1 November 2011. The new Act replaces and repeals the 1972 Act and its regulations. The new Act aims to improve the old trade description law and close loopholes. The goal is to encourage good trade practices by preventing deceptive 16 trade descriptions, misleading claims, and behaviours related to the provision of products and services, therefore preserving the interests of consumers. The Trade Description (Definition of Halal) Order 2011 and Trade Description (Certification and Marking of Halal) Order 2011 provide precise legal provisions regarding halal which are:

- (1) Article 3 of TDA 2011 states that foods or items labelled as halal can be eaten or utilised by Muslims. The term "halal" refers to food or goods that adhere to Islamic law. This means that they do not contain any animal parts prohibited by Hukum Syarak for Muslim consumption or that have not been slaughtered in accordance with Hukum Syarak.
- (2) Article 4 of the Trade Descriptions (Certification and Marking of Halal) Order 2011 states that only JAKIM and MAIN in the respective States are appointed as the competent authorities to certify that any food, goods or services in relation to the

food or goods is Halal in accordance with the Trade Descriptions (Definition of Halal) Order 2011. All food, goods or service shall not be described as Halal unless it is: (a) certified as Halal by the competent authority (JAKIM/MAIN); and (b) marked with the specific logo issued by the competent authority (JAKIM/MAIN).

Penalty

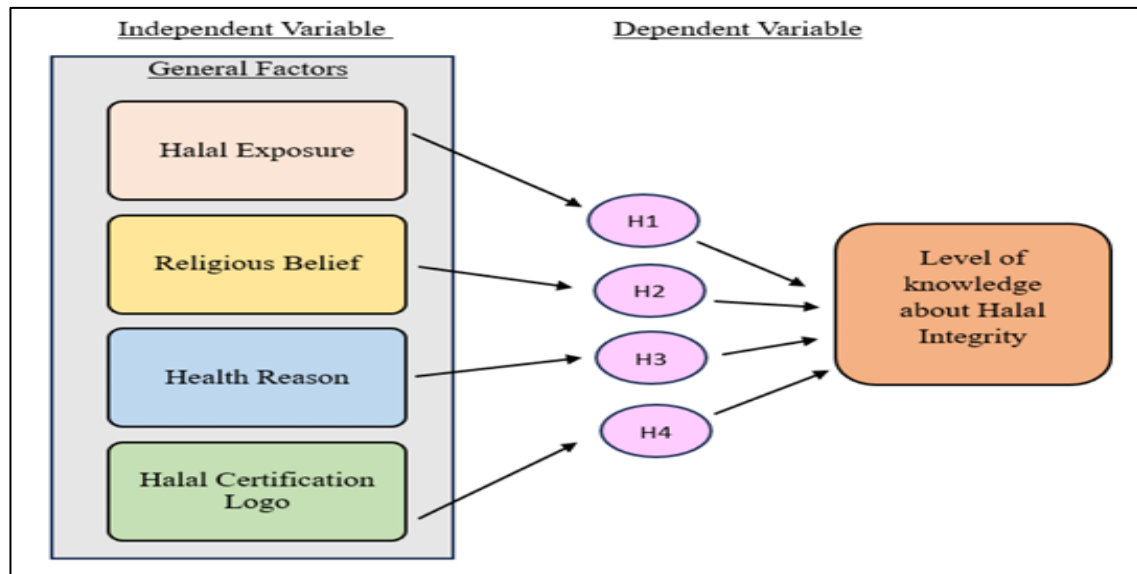
Those who violate the Trade Description Act (Definition of Halal) Order 2011 may face penalties upon conviction. Penalties for violating the law include a fine of up to RM1 million or imprisonment for up to three years, or both. Corporate entities may face a punishment of up to RM5 million. If a person violates the Trade Description (Certification and Marking of Halal) Order 2011, they may face a fine of up to RM 100,000.00, imprisonment for up to 3 years, or both. Corporate bodies may face a fine of up to RM 250,000.00.

Halal Integrity Issues of Korean Food Restaurants

The Halal problem is gaining interest in the market, especially in Islamic nations. Common issues with halal processing in Korean Food Restaurant include poor hygiene and expired certifications. This is due to some weaknesses of legislation regarding halal certification and logo especially when the requirement of the halal certificate is on a voluntary basis (Zalina Zakaria, 2008). Some of the issues related to halal integrity issue of Korean Food Restaurants will be discussed. The lack of enforcement in monitoring halal food products has raised concerns among consumers about the validity of products and services labeled as halal. This has led to misunderstandings among Muslim buyers regarding the authenticity of halal marks. Media reports have highlighted instances of fraudulent practices by food operators, further complicating the issue. Additionally, the use of private halal logos by some establishments has created confusion and cast doubt on the authenticity of Malaysia's official halal certification (Ilyia, 2014). Many companies display "no pork, no lard" signs on their products and premises without adhering to proper halal practices. This reflects a lack of understanding of the halal concept, as these actions often aim solely to gain the trust of Muslim customers. As a result, confusion and concern arise among Muslim consumers when purchasing food products. These issues stem from the inability of some local food producers to comply with Malaysian Halal Standards or provide the necessary documentation to certify their products as halal.

Framework & Hypothesis Development

The various general factors serve as the study's independent variables. Meanwhile, the dependent variable in this study is the variable that indicates the outcome of a research study, namely level of knowledge or awareness about halal integrity. The general factors include four (4) independent variables: Halal exposure, Religious Belief, Health Reason and Halal Certification Logo. These components are utilised to help the study investigate the level of knowledge about Halal Integrity of Korean Food Restaurant in Malaysia among younger generations.



H1: Relationship exposure to halal and level of knowledge about halal integrity

Modern science and technology have given individuals access to a diverse range of food and products. However, the variety of food and items available on the market might mislead customers. Many people are ignorant of what they are consuming. Anderson, Fornell, and Rust (1997) argue that customers must trust information provided by sellers or outside observers. For example, the power of social media such as Instagram, Facebook and TikTok really give exposure without limits towards the community, especially the younger generation. Many advertisements or contents such as reviews of Korean food were displayed on the fingertip click only.

H2: Relationship religious belief and level of knowledge about halal integrity

According to Johnstone (1975), religion is a set of ideas and activities that reflect a group's interpretation of the supernatural and holy. Most faiths prescribe, or ban certain behaviours, including consumption. Religious beliefs are the most reliable criteria for determining food intake, as many faiths include dietary limitations. For example, Muslims really forbidden to take any haram food in their consumption. Not only that, not ritually slaughtered meat in Judaism, and pork and beef in Hinduism and Buddhism.

H3: Relationship health reason and level of knowledge about halal integrity

People's knowledge of halal food and goods is influenced not just by religious beliefs, but also by health concerns, religious identification, and acculturation levels. According to Bonne et al. (2007), individuals take a variety of substances on a regular basis. For example, it is critical to guarantee that the meat is derived from a healthy animal so that people may remain healthy. This is strongly tied to the argument for 21 halal consumption, as Allah's (SWT) major goal with halal is to safeguard people's health. In short, halal items should be acknowledged as a sign of cleanliness, safety, and quality for a healthy lifestyle.

H4: Relationship halal certification logo and level of knowledge about halal integrity

Muslim customers in Malaysia want authentic halal certification granted by Malaysia's Department of Islamic Development (JAKIM), which is within the authority of the Ministry of the Prime Minister's Department. JAKIM's adoption of the halal mark has raised awareness among Muslims about the need of using produced items and services that adhere to Islamic standards. For example, Muslims will always make sure all the food or restaurants they go, carry the halal logo issued by JAKIM.

METHODOLOGY

Methodology refers to the techniques used to achieve study objectives and gather data. In this study, descriptive research was employed to collect both quantitative and qualitative data. A cross-sectional approach was used to gather data at a specific point in time from undergraduate students at Universiti Teknologi Malaysia. Surveys, an efficient data collection method (Wekeza, 2019), allowed for analysis of factors like age, race, and gender (Cherry, 2019). Data was collected through an online Google Form, which streamlined data entry and analysis while offering respondents convenience and privacy.

RESEARCH CONTRIBUTIONS

The findings of this research provide valuable insights from multiple stakeholders involved in the halal industry. For policymakers, the study highlights existing gaps in halal awareness, enabling them to develop targeted strategies to improve halal certification standards and address potential concerns. In line with this, the Malaysian government is actively working on the Halal Industry Master Plan 2030 (HIMP 2030), which outlines long-term objectives for positioning Malaysia as a global leader in the halal sector. This plan includes fostering a stronger halal certification framework and enhancing the global recognition of Malaysia's halal products.

Consumers also benefit from this research as it emphasizes the importance of increasing awareness about halal certification, helping them make informed choices when purchasing halal products. The study encourages consumers to better understand what to look for in halal certification and highlights their rights to safe and compliant food products. Additionally, the study serves as a stepping stone for future researchers. It opens the door to further exploration of how international cuisines, beyond Korean food, can align with halal dietary requirements. By investigating other global food trends, researchers can assess how different cuisines adapt to the halal certification process and whether they meet the needs of Muslim consumers. This could potentially broaden the scope of halal food offerings in diverse markets, promoting inclusivity and awareness of halal dietary standards on a global scale.

CONCLUSION

This study emphasises the need of preserving halal integrity in Korean food establishments, especially among Malaysia's younger population, which is more aware of global culinary trends such as the popularity of Korean cuisine. Halal integrity refers to adherence to Islamic dietary requirements, which ensures that the food supplied is not only devoid of banned items such as pork or alcohol, but also cooked in accordance with halal standards. For Muslim customers, particularly the younger generation, the guarantee of halal integrity

is critical when making dining options, as they strive to connect their food choices with their religious and ethical beliefs. By establishing clear and consistent halal certification in Korean cuisine restaurants, this study emphasises the need of creating a trustworthy atmosphere for Muslim customers. Halal certification ensures that the restaurant satisfies religious authorities' criteria, which is especially important in Malaysia's cosmopolitan and varied population. With many Korean restaurants adopting halal practices to cater to the local market, the lack of clear certification can lead to confusion and mistrust, especially if restaurants use ambiguous labels like "pork-free" or "Muslim-friendly" without proper halal certification from recognised bodies such as JAKIM (Department of Islamic Development Malaysia). Ensuring halal integrity through formal and public certification not only reassures but also encourages Muslim consumers to pick these establishments with confidence, knowing that the food is real. Furthermore, it allows restaurants to differentiate themselves in a competitive market by establishing a reputation for both quality and religious conformity. In the context of Malaysia's younger generation, which is more aware of trends and social media influences, such clear certification becomes a powerful tool for building brand loyalty and trust, emphasising the importance of halal integrity in fostering consumer satisfaction and long-term success in the restaurant industry.

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**International Symposium on Business & Accounting
Universiti Teknologi Malaysia**

DO STUDENTS USE CHATGPT UNETHICALLY?

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ABSTRACT

The purpose of this study is to look into the perception of university students of using ChatGPT for learning, as well as the ethical issues that arise and their frequency of using it. An online survey was issued to 100 students among UTM students. This study finds the students are well aware of the existence of the application, and think it is beneficial; it minimises errors, eases the process of obtaining information, offers personalised coaching and feedback, and increases the quality of their writing leading to better grades for assignments and examinations. Interestingly, they think many students have used the app unethically.

Keywords: Chatgpt, Education, Perception, Ethical Issue, Frequency

INTRODUCTION

The fast development of AI chatbots such as ChatGPT is changing the face of higher education, bringing both huge potential and concerns. ChatGPT has the potential to improve teaching and learning by offering individualised study support, enhancing writing skills, and increasing student productivity. However, its use raises concerns about academic integrity, disguising learning gaps, and ineffective development of key abilities among students. The objectives of this study are therefore:

1. To determine the perception of the awareness of ChatGPT
2. To determine the perception of the usefulness of ChatGPT.
3. To determine the perception of the unethical use of ChatGPT among the students.

LITERATURE REVIEW

One of the popular AI technology is chatbot. A Chatbot, which functions as an intelligent agent, interacts with users by responding to their questions and offering appropriate responses. It understands human input and possibly understands social and emotional indicators displayed from this input. In many ways the quality of a chatbot is determined by the size and precision of its databases, as larger databases tend to improve the answer the human input. Some examples of Chatbots include Apple Siri, Microsoft Cortana, and Google Assistant, and ChatGPT.

ChatGPT is created by OpenAI using the Generative Pretrained Transformer (GPT-3) architecture. It is designed to generate human-like answer on a specific request or

discourse, allowing for natural, open-ended conversations. It may also generate code, stories, poems, and other content in addition to text. GPT-3 is one of the largest language models capable of doing these tasks. A main feature of ChatGPT is a generative AI capable of producing new content and ideas through enhanced learning from human feedback and expressions.

One of the areas which AI has been particularly prominent is the field of education (Chen et al, 2020). It has now been extensively used in administration, instruction and learning. AI-powered tools have also helped redefine the learning experience (Bhutoria, 2022). Virtual tutors and personalised learning platforms and educational tools have improved teaching and learning experienced. Additionally, AI apps have increased students' perceptions of the importance of digital connectivity (Yan et al., 2021). AI is now seen as indispensable.

The theoretical foundation of this study is the Technology Acceptance Model as developed by Davis (1989). The perceived usefulness and ease of use of an invention are keys to their acceptance by the users.

RESEARCH METHODOLOGY

A questionnaire was developed and used to collect the data. A five Likert scale questionnaire was developed and was distributed to the respondents through a social media platform which is WhatsApp.

The population of this research was UTM students which are total up to 30,160 students. According to the Krejcie and Morgan (1970) table for sample size determination, the suggested sample size in order for the data to be reliable is 379. The data collected were analysed using Statistical Package for the Social Sciences (SPSS). Descriptive analysis was conducted to answer the research question.

FINDINGS

This study has managed to collect 100 completed questionnaires which almost reach 30% of the sample size required. The majority of the respondents are year 4 students (77%) and are female (71%).

Objective 1: Awareness

The majority of the students are also fully aware that ChatGPT is a type of Artificial Intelligence (AI) that has been developed by OpenAI (4.61) that can generate human-like text based (4.54). They also believe that it can provide accurate and reliable information (4.16).

Table 1: Awareness of ChatGPT

Item	Mean	Average Score
I know about the availability of ChatGPT	4.65	
I am aware that ChatGPT is a type of Artificial Intelligence developed by OpenAI	4.61	
I understand that ChatGPT can generate human-like text on the input it receives	4.54	4.49
I believe ChatGPT can provide accurate and reliable information	4.16	

Objective 2: Usefulness

Students also find ChatGPT beneficial for their academic purposes is likely to use the apps 4.11. The reasons include helping them get better grades (4.36), with the assignment (4.26) and materials for learning (4.41).

Table 2: Usefulness of ChatGPT

Item	Mean	Average Score
ChatGPT helps me improve my grades	4.36	
ChatGPT helps me obtain answer for assignments	4.26	
ChatGPT helps me find materials for study purpose	4.41	4.28
ChatGPT helps me minimize my error in assignments	4.27	
I will do my assignment using ChatGPT	4.11	

Objective 3: Ethical Issues

The students agree that using ChatGPT has an ethical issue consideration (4.26), in particular on the issue of proper attribution (4.27). Nevertheless, they think that using the app for assignment is ethnically right (4.05).

Table 3: Ethical issue and ChatGPT

Item	Mean	Average Score
I am aware that there are ethical considerations associated with using ChatGPT for academic work	4.26	
I am aware that using ChatGPT to complete assignments without proper attribution can be considered plagiarism	4.27	3.89
I am aware that it is ethically right to use ChatGPT for assignments	4.05	
I think using ChatGPT is morally wrong	2.97	

Most importantly, on ethical issue, around 39 percent of the respondents think between 51%-75% students have broken this ethical rule (see Table 4). While 25 percent of the respondents think between 76%-100% of the students have broken the ethical rule. In other words, they may have copied the work from ChatGPT without giving proper attribution of the source of their work.

Table 4: Percentage of Students Suspected of Broken the Ethical Rule

Students Breaking the Rule	Frequency
None	1
1% to 25%	16
26% to 50%	19
51% to 75%	39
76% to 100%	25

CONCLUSIONS

This study has examined the perception of using ChatGPT among UTM students. The finding of this study is based on the quantitative survey involving 100 UTM students. This study found that the students have high awareness towards the existence of the ChatGPT. They are also aware of the ethical issue surrounding the use of this app, although the mean score is not perfect.

Nevertheless, the most interesting part of this finding was the student's cheating behavior in academic work using ChatGPT. 39 percent of the respondents think between 51% to 75% students in UTM cheat in their assignment by using ChatGPT. While 25 percent of them think between between 76 percent to 100 percent of students are involved in this unethical practice.

In perspective, however, the problem is confined to the undergraduates. This kind of AI also poses a significant threat to the integrity of academic writing (Ali & Djalilian, 2023). Cases of fake abstracts in scientific writings are not uncommon.

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**International Symposium on Business & Accounting
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**CORPORATE MALAYSIA: CONTROL IN THE BANKING SECTOR AND THE
CONSUMER PRODUCT AND SERVICES SECTOR.**

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ABSTRACT

It has been the aim of New Economic Policy of 1970 to 'eradicate poverty' and 'restructure' Malaysian society to create conditions that are more conducive to national unity. One of the policies is to increase the corporate equity ownership of the Bumiputera to around 30 percent – the often-cited benchmark. Against this backdrop our study has shifted the focus of discussion from 'corporate equity' to 'corporate control' – the two terms are not mutually exclusive but are markedly dissimilar. How many companies are in reality under the control of the Bumiputera community? This is the focus of this study. The answer – in the banking sector and the consumer product and services sector – is far and few in between. It has remained stagnant since our inaugural study.

Keywords: Corporate Control, Corporate Equity, Bumiputera, Voting Power, NEP

INTRODUCTION

NEP which was introduced in 1970, was a significant step toward addressing the economic gaps between the various ethnic groups in Malaysia. The goals were to end poverty for all people, regardless of race, and to reorganise society in such a way that race and economic function are no longer associated with race. The principal objective of the program was to raise Bumiputera's equity ownership to thirty percent – the success of which has been the subject of much debate. Centre for Public Policy Studies (1986) have argued that the target has been successfully achieved while the ruling government of the day denies this feat.

Nevertheless, corporate equity is not the only barometer of achievement that should be the subject of scrutiny. As important as they are, corporate equity measures the wealth of the community but is not the ideal for measuring the entrepreneurial ability of the community. If the Bumiputera owned 30 percent of every single company listed in Bursa Malaysia then the target would have been successfully achieved. But none of these companies would be controlled i.e. managed by the Bumiputera. Which also means fewer Bumiputera CEOs, managers, and directors. Thus, the other important measure of success is the number of companies controlled by the community. It is in our opinion, the superior measure of Bumiputera success, hence the focus of this study. So how many companies are controlled, i.e. managed by the Bumiputera? This study seeks to answer this question.

LITERATURE REVIEW

In Malaysia – like it or not – economic and social issue in this country is often segmented by race or ethnic group resulting in Malay or Bumiputera-controlled companies, Chinese-controlled companies, Indian-controlled companies, family-owned companies, and others. Additionally, some companies are controlled by state or federal government investment arms, known as Government-Linked Companies (GLCs) or state-owned enterprises (SOEs). It is important to note that GLCs are not considered Bumiputera-controlled companies, although some ambiguity exists between the two categories – the basis of the claimed by CPPS (2016) that the target of 30 percent has long been achieved.

What is Corporate Control?

It is important to keep in mind that control means the right to manage the company (see Bajuri & Chakravarty, 2014). However, corporate equity does not necessarily entail the right to manage this company. It is only after a certain threshold is passed that one has the right to manage this company – which often means the right to hold office, appoint a CEO, and run the policy and practice of the company.

Often, by law, it is universally mandated that holding more than 50 percent of shares will give the shareholder this right. The situation in the U.S might be slightly different, as the shares issued are enormous and the price exorbitant, often the largest shareholders will own less than 50 percent but still assume control, although not theoretically in an ‘absolute’ sense of control as they still require other shareholders support in a voting exercise. Regardless, in Asia including Malaysia where shareholdings are highly concentrated – 50 percent is the benchmark of control. Any control based on less than this size can be rather fragile.

So, to be categorised as Bumiputera controlled company the main shareholder must own at least 50.01% of the total shares. To be sure, control can come from various forms including control of the licenses, permits, various taxes, copyrights, patents etc but when investors and analysts are discussing about corporate control more often than not, they are referring to the right to manage the company. In any case, shareholding size is an objective form of measurement.

Corporate Control and Equity Ownership

Still, on the issue of corporate equity ownership, the Bumiputera share has been claimed to be much higher than formally announced by the government (Centre for Public Policy and Studies, 2006). The centre based its argument on equity ownership by government-linked companies (GLCs) and state-owned enterprises (SOEs). These two entities, the centre claimed, are in reality holding the stakes on behalf of the Bumiputera. However, there is an ongoing debate about whether GLCs truly represent Bumiputera interests or merely serve as instruments of state control (Ahmad et al., 2018). GLCs are intended to support Bumiputera participation in the corporate sector by providing financial and managerial support. Critics argue that these companies sometimes operate with bureaucratic inefficiencies and hence may not always prioritise Bumiputera economic and social empowerment over broader governmental objectives.

In recent years, efforts to boost Bumiputera equity ownership have included various

government incentives, such as preferential treatment in public procurement, access to capital through specialised financial institutions, and entrepreneurial development programs. Despite these efforts, achieving the 30 percent target remains elusive, with many Bumiputera businesses struggling to compete with more established Chinese and foreign-owned enterprises (Sabiou et al., 2018). These challenges are compounded by issues such as limited access to capital markets, dearth of business experience, and the competitive advantages held by non-Bumiputera businesses.

However, it is important to recognize that while equity ownership is often emphasised, control that brings about ownership is equally crucial (Bajuri et al., 2014). Without significant control in a company, equity ownership alone does not enable stakeholders to make strategic decisions or influence the company's direction effectively. The emphasis on equity ownership often overshadows the importance of control ownership. Control ownership refers to the ability to influence or direct the company's operations and strategic decisions through majority shareholding or significant voting power. While equity ownership provides a measure of financial interest in the company, control ownership ensures that stakeholders can actively participate in governance and decision-making processes. This distinction is crucial because having control ownership means being able to implement policies and strategies that are aligned with the stakeholders' interests and long-term goals. For the Bumiputera, achieving control ownership is essential for translating equity stakes into tangible economic empowerment.

This level of control is particularly important in sectors where strategic decisions can have significant socio-economic impacts. For instance, in industries such as banking and finance, control ownership enables stakeholders to influence lending practices and investment strategies that support Bumiputera businesses and communities. Thus, while equity ownership is a vital component of economic participation, control ownership provides the means to achieve broader socio-economic goals and drive sustainable development.

Overall, the relationship between corporate control and equity ownership underscores the importance of strategic shareholding in achieving economic empowerment for the Bumiputera. This study is a step in that direction. It seeks to chart the Bumiputera recent progress in corporate control in two important sectors of business: banking, and consumer products and service sectors.

RESEARCH METHODOLOGY

A methodology similar to that of Bajuri and Chakravarty (2011) has been adopted but with modifications to focus more specifically on two sectors which are the consumer products and services sector, and the banking sector. This choice reflects the importance of these sectors in the Malaysian economy and their representation in Bursa Malaysia. The companies listed under these sectors on Bursa Malaysia have been randomly selected for analysis, ensuring a comprehensive and representative sample.

The annual reports for the year ended 2023 were collected and analysed for each selected company. The primary focus of this content analysis study is on three specific sections of these annual reports: the "list of the 30 largest shareholders," the "list of substantial

shareholders,” and the “board of directors’ profile.” These sections provide critical information about the identity and shareholdings of the largest shareholders, which is essential for understanding the ownership structure of the companies.

In the “List of the 30 Largest Shareholders” section, the names of the shareholders and their corresponding shareholdings are listed, offering a clear view of the distribution of ownership. Similarly, the “list of substantial shareholders” provides additional insights into significant shareholders who hold substantial stake in the companies. The “Board of Directors’ profile” section is analysed to understand the governance structure and the influence of major shareholders within the company. The identity of the shareholders, based on their names, and the size of their shareholdings are readily available in these sections of the annual reports. The study specifically examines the type of control exercised by these shareholders, focusing on operational control, which is defined as holding more than 50 percent of the shares. This level of control is indicative of significant influence over company decisions and strategic directions.

FINDINGS

The analysis of corporate control in these two sectors reveals significant disparities in ownership among different ethnic groups. In the consumer products and services sector, Chinese-controlled companies dominate with 69.16% ownership, highlighting their substantial influence over market dynamics and competition. Conversely, Bumiputera ownership is markedly low at only 9.17%, underscoring significant barriers to entry and growth for Bumiputera businesses. These barriers may include challenges in accessing capital, market networks, and business opportunities. Foreign or other ownership stands at 15.22%, indicating a notable presence of international and non-Malaysian entities, while government and Indian ownership are minimal at 5.28% and 1.17%, respectively. This distribution underscores the persistent underrepresentation of Bumiputera in a vital sector of the Malaysian economy, raising concerns about the effectiveness of the New Economic Policy (NEP) in achieving equitable corporate control. The summary of the findings is listed in Table 1.

Table 1: Corporate Control in Consumer Product and Services Sector, and Banking Sector

	Consumer Product & Services Sector (%)	Banking Sector (%)
Chinese	69.16	28.56
Foreign/others	15.22	21.71
Bumiputera	9.17	16.65
Government	5.28	32.73
Indian	1.17	0.36
Total	100.00	100.00

In the banking sector, the government holds a substantial 32.73% of corporate control, reflecting a significant state presence aimed at safeguarding national economic interests. Chinese ownership is also prominent at 28.56%, suggesting strong competitive positioning within the financial sector. Foreign entities control 21.71%, highlighting the sector's openness to international investment and competition. Bumiputera control in the banking sector is somewhat higher than in the consumer products and services sector, at 16.65%,

but still falls short of the NEP's 30% target. This shortfall points to ongoing challenges in enhancing Bumiputera participation and control in the financial sector, despite various affirmative action policies. Indian ownership in the banking sector is minimal at 0.36%, further emphasising the dominance of Chinese and government entities.

CONCLUDING REMARKS

The findings of this study highlight the ongoing challenges in achieving the NEP's goals of increased Bumiputera participation and control in the corporate sector. Despite more than five decades since the introduction of the NEP, Bumiputera ownership in publicly listed companies remains significantly below the targeted 30 percent. In addition, as this study has illustrated, the consumer products and services sector and the banking sector, in particular, show a limited number of companies that are controlled by the Bumiputera.

The significant state presence through GLCs and SOEs in the banking sector suggests that while these entities are designed to support Bumiputera economic interests, their effectiveness in enhancing genuine Bumiputera corporate control is debated. GLCs can end up perpetuating state control rather than empowering Bumiputera entrepreneurs, highlighting the need for a re-evaluation of strategies employed to promote Bumiputera participation in the corporate sector.

The study highlights the urgent need for the government to implement more effective and comprehensive strategies to support Bumiputera businesses, possibly by improving access to finance; creating financial instruments tailored to the needs of Bumiputera businesses, such as low-interest loans, grants, and venture capital funds (see Rahman & Ismail, 2016). Establishing financial literacy programs and support networks can empower Bumiputera entrepreneurs with the necessary skills and knowledge to manage and grow their enterprises successfully.

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**THE RELATIONSHIP BETWEEN ENVIRONMENTAL, SOCIAL, AND
GOVERNANCE (ESG) PERFORMANCE ON FINANCIAL PERFORMANCE**

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ABSTRACT

This research investigates the relationship between Environmental, Social and Governance (ESG) performance and financial performance of companies listed on the Bursa Malaysia FTSE4Good Index. These findings reveal a positive correlation between ESG performance and financial performance of the companies, with higher ESG scores associated with increased Return on Assets (ROA) and increased Tobin's Q. Specifically, a one percent increase in ESG performance is equivalent to an increase in ROA of 0.002 and an increase of 0.135 in Tobin's Q. Underscoring the financial benefits of sustainable and ethical business practices. This study supports the hypothesis that ESG performance improves current and future financial health, highlighting its strategic importance to a company's success. Recommendations for future research include comparative analyzes across regions and industries, longitudinal studies to establish cause and effect relationships, and evaluation of stakeholder perspectives. Overall, this study advocates the incorporation of ESG factors into corporate strategies to improve financial performance and sustainable growth.

Keywords: ESG Performance, Financial Performance, FTSE4Good Bursa Malaysia Index

INTRODUCTION

The connection between environmental, social, and governance (ESG) performance and financial performance remains crucial in corporate sustainability issues and financial reporting (see Aydemir, 2021). Nevertheless, difficulties in integrating sustainability reporting into conventional financial reporting practices prevail (Agostini, 2018). In particular in their capacity to provide a comprehensive view of a company's performance, encompassing economic, environmental, and social impacts. Regardless, a growing number of stakeholders now expect disclosures on ESG, reflecting the shift in how transparency and accountability are perceived (Arvidsson, 2010).

This research is a step in that direction. It aims to investigate the relationship between ESG performance and financial performance, specifically focusing on companies listed on the FTSE4Good Bursa Malaysia Index. By examining the short-term and long-term financial impacts of ESG practices, this study seeks to provide empirical evidence on the benefits of integrating sustainable and ethical business practices into corporate strategies.

LITERATURE REVIEW

Environmental, Social, Governance (ESG)

ESG is defined as the activity of fulfilling social and environmental responsibilities and implementing business ethics under effective supervision (Kim & Li, 2021). It focuses on these three aspects of business: environment, Social and Governance hence its measure of success. The environmental component assesses how a company performs as a steward of nature, focusing on issues like climate change, resource depletion, and pollution. The social aspect examines the company's relationships with employees, suppliers, customers, and communities, addressing labour practices, diversity, and human rights. Governance involves the company's leadership, executive pay, audits, internal controls, and shareholder rights. Together, these factors provide a holistic view of a company's long-term sustainability and ethical impact.

FTSE4Good Bursa Malaysia (F4GBM) Index

The index is a responsible investment benchmark designed to evaluate the performance of companies listed on Bursa Malaysia stock exchange. The index is managed by the global index provider FTSE Russell and is part of the broader FTSE4Good Index Series. Companies included in this index undergo rigorous assessments against various ESG criteria, which include the management of environmental impacts, relationships with stakeholders, commitment to human rights, adherence to labour standards, and governance practices. The primary objective is to offer investors a transparent and credible benchmark for socially responsible investing within Malaysia (Bursa Malaysia, 2024). By identifying and highlighting companies that excel in ESG performance, the index aims to facilitate informed investment decisions that support sustainable and ethical business practices.

FTSE Russell's ESG Data Model produces Ratings that reflect ESG exposure and performance across multiple dimensions. The index evaluates companies' exposure to a wide spectrum of significant ESG risks based on 14 thematic categories. This assessment relies on over three hundred quantitative and qualitative indicators and incorporates the unique challenges faced by each company.

Legitimacy Theory

The foundation of this study is based on the Legitimacy Theory proposed by Dowling and Pfeffer (1975). In essence, to be considered legitimate by society companies and organisations have to meet society's requirements and demands. Like it or not, a company's reason for being is heavily dependent on society's acceptance, which in recent years includes how they perceived the company's commitment towards ESG. Past studies indicate that companies increase and maintain the legitimacy of their business activities by implementing ESG (Kilian & Hennigs, 2014).

Relationship between ESG and Performance

Thus far some studies have proved that there exists a positive relationship between ESG and Return on Assets (ROA) (Priandhana, 2022; Setyaningrum, 2022). This leads to the formulation of the following hypothesis:

H1: ESG has a positive effect on short-term financial performance.

Prior studies have also investigated the relationship between ESG and market performance as measured by Tobin's q. Yoo and Managi (2022), and Setyaningrum (2022) found that strong ESG performance did enhance this metric. Based on this finding, the following hypothesis is formulated.

H2: ESG has a positive effect on long-term market performance.

RESEARCH METHODOLOGY

This research utilizes secondary data sources from the Bursa Malaysia database, focusing specifically on companies included in the FTSE4Good Bursa Malaysia (F4GBM) Index. The selection criteria are based on the availability and accessibility of their financial reports. The data includes annual financial statements, stock market data, and Environmental, Social, and Governance (ESG) scores for companies listed on the F4GBM Index in 2023. In total 237 companies were analysed. A regression analysis technique is used to identify the relationship between the variables, with firm size and leverage as control variables.

FINDINGS

Tobin's q, which measures long-term financial performance, varies between 0.14 and 2.7. The average Tobin's q is 1.03, indicating that, on average, the market value of assets exceeds their book value slightly. Short-term financial performance, as measured by ROA, ranges from -0.28 to 0.27. The average ROA is 0.05, suggesting a moderate level of profitability from asset utilization. ESG scores, ranging from 1 to 4, have an average of 2.21, reflecting varying levels of environmental, social, and governance performance among companies. Control variables include company size, averaging 15.84 with a deviation of 3.20, and leverage ratio, averaging 0.25 with a deviation of 0.26, spanning from 0% to 92%.

Table 1: Descriptive analysis of the variables

Variable	Minimum	Maximum	Average	Std. Deviation
Tobin's q	0.14	2.70	1.03	0.63070
ROA	-0.28	0.27	0.05	0.08243
ESG score	1.00	4.00	2.21	1.06475
Firm Size	9.20	21.22	15.84	3.20089
Leverage ratio	0.00	0.92	0.25	0.26045
N = 161				
This table presents the descriptive statistics of the variable, namely the dependent variable (Tobin's Q and ROA) independent variable (ESG) and control variable (Firm size and leverage ratio).				

Table 2 presents the results of a multiple linear regression analysis, emphasizing the significance of ESG components as independent variables (ESG score, Firm size, Leverage ratio) at $\alpha = 5\%$. The regression equation $Y = 0.976 + 0.002\text{ESG score} + 0.003\text{Firm size} + 0.060\text{Leverage ratio}$ indicates that if all independent variables are zero, the ROA is 0.976. The positive regression coefficients for ESG Score (0.002), Firm size (0.003), and Leverage ratio (0.060) demonstrate a unidirectional influence on ROA, suggesting that a 1 percent increase in ESG score, Firm size, and Leverage ratio leads to corresponding increases of 0.002, 0.003, and 0.060 in ROA, respectively, holding other factors constant. These findings underscore the positive impact of ESG factors on short-term financial performance.

Table 2: Regression Analysis of ROA Model

Independent Variable		Regression Coefficients	t	sig
1	(Constant)	0.976	0.236	0.814
	ESG Score	0.002	2.327	0.004
	Firm Size	0.003	1.601	0.111
	Leverage ratio	0.060	-2.400	0.018
a. Dependent Variable: ROA				

For the long-term financial performance, table 3 presents the results of a multiple linear regression analysis where all five independent variables are significant at $\alpha = 5\%$. The regression equation $Y = 40.369 + 0.135\text{ESG score} + 0.018\text{Firm size} + 0.147\text{Leverage ratio}$ indicates that if all independent variables are zero, the Tobin's Q is 40.369. The positive regression coefficients for ESG score (0.135), Firm size (0.018), and Leverage ratio (0.147) suggest a unidirectional influence on Tobin's Q, meaning a 1 percent increase in ESG score, Firm size, and Leverage ratio leads to increases of 0.135, 0.018, and 0.147 in Tobin's Q, respectively, with other variables held constant. These findings underscore the positive impact of ESG factors on long-term financial performance.

Table 3: Regression Analysis of Tobin's Q Model

Independent Variable		Regression Coefficients	t	sig
1	(Constant)	40.369	1.274	0.205
	ESG Score	0.135	2.731	0.007
	Firm Size	0.018	1.115	0.066
	Leverage	0.147	0.769	0.043
a. Dependent Variable: TOBINS				

Testing H1 is explained in table 2 for the ESG score variable. The significance value is 0.004 (below 0.05), the t value is 2.327 (above 1.655) and the regression coefficient is 0.002. H1 is accepted if the significance value is less than 0.05 and the regression coefficient value is positive (above 0). The results based on table 4.2 show that H1 is accepted, namely that environmental, social and governance performance has a positive effect on short-term financial performance.

Testing H2 is explained in table 3 for the ESG score variable. The significance value is 0.007 (below 0.05), the t value is 2.731 (above 1.662) and the regression coefficient is 0.135. H1 is accepted if the significance value is less than 0.05 and the regression coefficient value is positive (above 0). The results based on table 4.3 show that H1 is accepted, namely that environmental, social and governance performance has a positive effect on short-term financial performance.

CONCLUSIONS

This study analyse the relationship between ESG performance and financial performance of companies listed on the FTSE4Good Bursa Malaysia Index. The research identifies a significant positive correlation between ESG performance and key financial metrics, namely Return on Assets (ROA) and Tobin's Q. The findings indicate that higher ESG scores are linked to improved short-term and long-term financial performance. Specifically, a one percent increase in ESG performance correlates with a 0.002 increase in ROA and a 0.135 increase in Tobin's Q, highlighting the financial advantages of integrating sustainable and ethical business practices.

These results support the hypotheses that strong ESG performance enhances both immediate and future financial health, underscoring the strategic importance of ESG integration for corporate success. The positive association between ESG scores and financial metrics suggests that companies committed to environmental stewardship, social responsibility, and robust governance not only contribute positively to society but also bolster their financial sustainability and appeal to investors. This dual benefit underscores the importance of companies embedding ESG principles into their core strategies and operations.

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ADAPTING INSTITUTIONAL THEORY FOR THE FRAMEWORK OF LEGAL ENFORCEMENT OF HALAL LOGISTICS

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ABSTRACT

The research aims to evaluate the effectiveness of Halal logistics enforcement in safeguarding the integrity of operations. The theoretical framework outlines the responsibilities of the personnel within the enforcement units, detailing the process flow of legal enforcement. This begins with a consumer's complaint and progresses through investigations conducted by agencies such as JAKIM, JAIN, KPDNHEP, and other relevant bodies. The study employed interviews and document reviews as its primary research methodologies, with raw data analyzed using NVivo 12 Plus software to derive meaningful narratives. The analysis highlights the challenges faced by legal officers in managing the daily tasks associated with criminal proceedings. The findings reveal that factors such as limited experience, insufficient skills, diverse educational backgrounds, and constraints related to time and facilities significantly contribute to delays in prosecuting offenders.

Keywords: Halal Logistics, Legal Enforcement, Institutional Theory

INTRODUCTION

Currently, several theories address Halal logistics, including the work of Talib et al. (2015), who examined critical success factors. Their study identifies key elements such as government intervention, dedicated staff, information technology, human resource management, collaborative relationships, Halal certification, and Halal traceability as essential for successfully integrating Halal principles into the supply chain. Another relevant framework is the reason-based theory, which emphasizes optimizing existing resources to maximize profitability, as proposed by Ali et al. (2022). Similarly, the theory of constraints, as discussed by Ab Talib (2020), explores factors influencing the establishment of Halal logistics in Brunei. Among these perspectives, Institutional Theory

emerges as the most appropriate framework for this research, as elaborated in the following section.

In their published journal entitled ‘Can Halal certification influence logistics performance’, Bakar et al. (2016), produced a theoretical model linkage between Halal certification, government support, and logistics performance. The fundamental theories applicable to this model are the Resource-based View theory (RBV) and the institutional theory. Figure 1.1 shows the theoretical framework as the authors proposed in their publication which described the theory of the RBV and the institutional theory concerning the logistics operation in Halal.

The Halal Logistics Service Provider or HLSP must fully utilize their existing resources to achieve the highest profit. On the other hand, the institutional theory (coercive isomorphism) concerns the regulations and Halal logistics standards that the operators must comply with to obtain Halal status or accreditation to enjoy the value-added benefit of having the Halal logo. To this research, the researcher discussed only the related theory of institutional theory (coercive isomorphism).

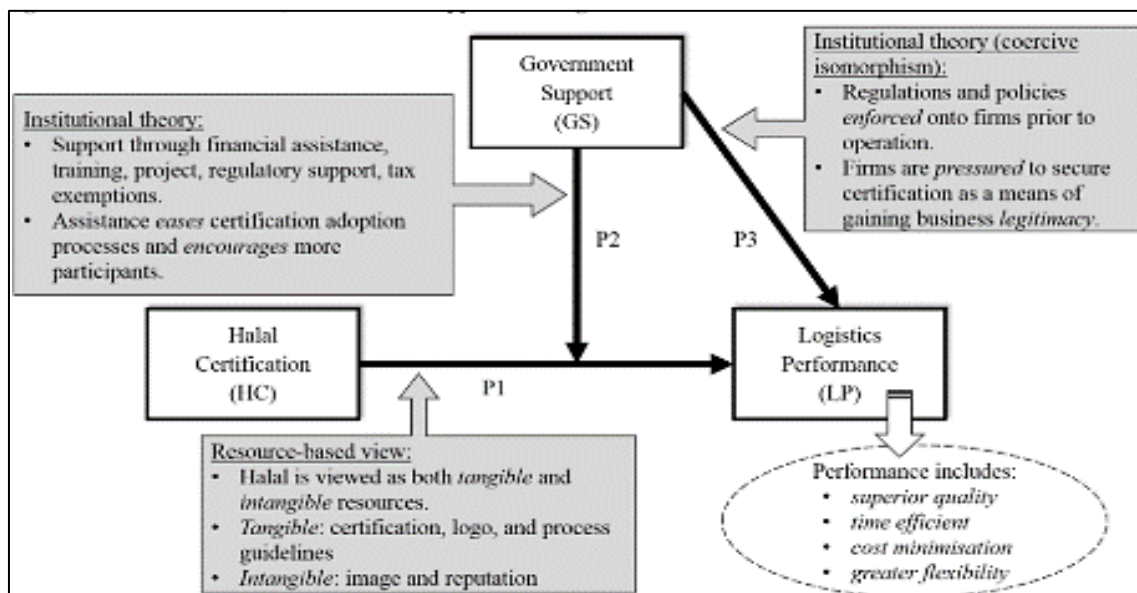


Figure 1.1: The theoretical framework: Halal certification, government support and logistics performance (source: Bakar et al. (2016))

THE INSTITUTIONAL THEORY

Institutional theory suggests that an organization's strategy or actions result from and respond to the pressure of external factors (DiMaggio & Powell, 1983). This theory categorizes three types of pressure, which are first coercive pressure, mimetic pressure, and lastly normative pressure.

Coercive pressure means pressures that come from political influences exerted by those firms that have powerful positions on which the focal firm depends (Glover et al., 2014; Liu

et al.,2010; DiMaggio & Powell, 1983). The author, Zulfakar et al., (2018) explained that in the context of food production, producers must comply with good hygiene practices and good manufacturing practices as required under the standards. This imposition of a requirement by a higher authority is the clearest example of coercive pressure that is applied in this study.

The second type of pressure occurs when the operator copies or mimics the steps taken by another similar successful operator to be in the same compliance with the standards or practice (Glover et al., 2014). The operator will benchmark the practices of the other players within the same industry to retain their market shares and attract consumers. Hence, the pressure is known as mimetic pressure.

Finally, the normative pressure, which driven by collective expectations within a particular circle or organizational context of what constitutes appropriate and legitimate behavior. The operator is under pressure to observe such normative steps. This was further supported by the study's explanation that the adoption of a food safety program by the production operator and qualification for certification, such as HACCP, to gain recognition from the food business are standard practices (Zulfakar et al., 2018).

THE APPLICATION OF INSTITUTIONAL THEORY IN THE HALAL LOGISTICS LEGAL ENFORCEMENT SCENE

In a Halal logistics scene, this theory explains the action taken by an organization to promote Halal schemes. This needs to be aligned with the implementation of halal standards by JAKIM throughout the logistics chain. Such changes are recognized as ideological. The choice of this theory is that halal logistics firms operate in an institutional environment where different rules, regulations, and policies are in place and are believed to be-involved in organizational practices (Lawrence & Suddaby, 2010).

According to DiMaggio and Powell (1983), isomorphism serves as the primary mechanism for aligning organizational practices within institutional settings. This process involves companies gradually adopting and integrating new rules into their policy frameworks. In the context of Halal logistics operations, compliance with Halal standards necessitates the implementation of Halal policies across the entire supply chain, including packing and handling, warehousing, transportation, and retailing. The scope of these policies depends on the type of accreditation the firm seeks to achieve. Top management communicates its intent to revise policies, cascading the changes down to middle management and, ultimately, to floor employees. This reflects the theoretical framework described by Lawrence and Suddaby (2010), which emphasizes the influence of specific institutional environments and contexts. For instance, in Halal logistics, operators are required to establish and enforce Halal policies to meet industry standards.

The Halal policy is a requirement for all Halal applicants to create and post within a contemporaneous area of the working facility for all the members or employees to read and observe. It is mandatory to have the policy as part of standard compliance. Besides the implementation of the standards, the most suitable type of government aid is first the imposition of regulation, be it the Trade Description Act 2011 or the Malaysian Standards on Halal, and then the implementation of a training syllabus. This is evidence of coercive

isomorphism, which is the implementation of the Malaysian Standard embedded in the policy that the HLSP needs to follow.

At the same time, the Internal Halal Committee (IHC) must obtain the necessary hours of certification imposed by JAKIM to be a member within the Halal Executive Committee group, which is another standard requirement. All the necessary guidelines are provided, and training is given to the operator for this purpose. Similarly, the legal authorities must also have suitable knowledge to continue with the enforcement of these certified Halal logistics providers.

Otherwise, they will face further difficulties in their day-to-day enforcement operation. Compliance is based on the manual; standards imposed on the operators must be within each officer's grasp. This is due to the nature and characteristics of their job, which demand such a body of knowledge. The officers must bring them to garner all these conventional pieces of regulatory knowledge that are new to them. Standards and manuals on Halal logistics activities are a combination of Islamic regulations based on the local fatwa, hadith, and Qur'anic principles and the practical industrial aspect of the operation. As such, the research proposal on institutionalized theory is one of the correct theories at hand. It demands not only that the Halal executive have the correct attitude and knowledge but also that the individual legal officers from the state religious body be in the same shoes.

The theory applied the Coercive Isomorphism of the Institutional Theory which explains further the function of the government as the moderating factor. Furthermore, many studies suggested that HLSP increases its logistical organizational performance by having Halal certification. Their findings relate directly to the function of the government towards the HLSP operations. It is proper guidelines and updates that the HLSP through their IHC practice simultaneously applies within the activities of the warehousing, the packaging, the transportation, and along the rest of the chain. These changes are made to conform with the standards required, which clearly reflect the coercive nature of certification.

A previous study by Zulfakar et al. (2018), in their findings, suggested the halal meat supply chain is better protected with heavy involvement from the related legal agencies which, are the federal government agency and the halal certifiers. Therefore, they emphasized that for cases of halal supply chain management operations, there must be a halal meat production policy, which is the Australian Government Authorized Halal program. So, all interested meat producers must oblige to fulfill the food safety and religious requirements which are coercive in nature, as a means of assurance to the Muslim consumers.

To reiterate, the Institutional Theory is concerned with the government's imposition of standards and regulations for the company to follow to be certified Halal logistics operators. The theory reflects, first, the self-regulatory nature of the Halal Standards, which are enforced by the religious bodies. Secondly, it reflects the challenges faced by the legal officers during their day-to-day exercises as part of the enforcement. Finally, it relates to the legislation which gives legal recognition to the standard. The following Figure 1.2 shows the current Institutional Theory outlook on Halal logistics enforcement.

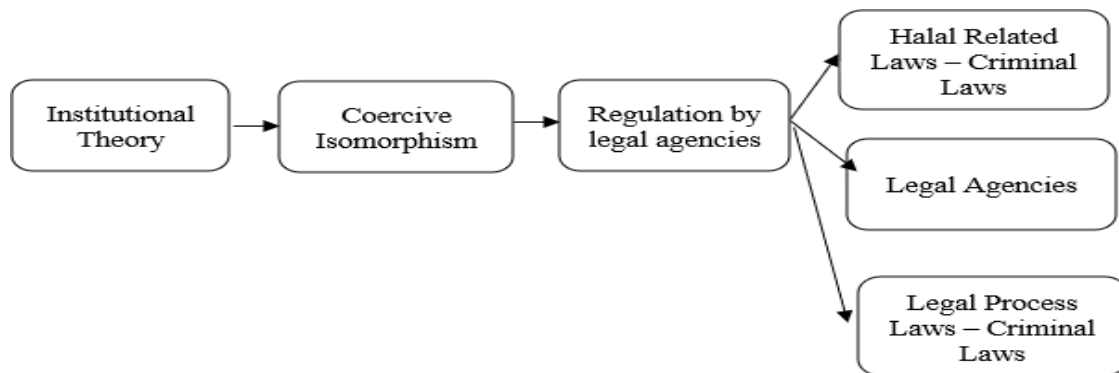


Figure 1.2 The Institutional Theory in Halal Logistics Enforcement

(source: Faradina.A (2023))

The Institutional Theory of Coercive Isomorphism is the foundation theory for the regulation of enforcement by legal agencies. It strictly enforces only criminal laws for all halal logistics cases by the appointed legal officers who have been given the ‘kad kuasa’ and the process also follows criminal legal proceedings. It is prudent to includes all type of conventional laws including civil law to be part of the legal tools to enforce the Halal logistics operation under Halal related laws within the theory.

CONCLUDING REMARKS

In conclusion, this study discusses the self-regulation and co-regulation of Halal logistics with the enforcement conducted by both the legal enforcement and the certified Halal logistics firm. It explains the theory application within the scope of function of the Internal Halal Committee which demands in-depth knowledge and application of the Halal standards imposed by the certified body to obtain and maintain the certification. The theory also reflects the responsibilities of the legal authorities in their duty of enforcing the standards and the laws. The enforcement begins with the regulations activities by the authorities based on the related criminal law and the legal process based on the jurisdiction given to the legal authorities on Halal logistics activities

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