BUSINESS MANAGEMENT SYMPOSIUM

PROCEEDINGS BOOK

INNOVATION • LEADERSHIP • SUSTAINABILITY

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Business Management Symposium 2026

CONFERENCE PROCEEDINGS

29th JUNE 2026

Organized by
Faculty of Management
Universiti Teknologi Malaysia
2026

BMS 2026
Cetakan Pertama / First Printing
Oktober 2026
Mode of Access: Internet
Hak Cipta Fakulti Pengurusan/
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eISBN 978-629-93115-0-8

Published in Malaysia
by
FACULTY OF MANAGEMENT,
UNIVERSITI TEKNOLOGI MALAYSIA, 81310 UTM JOHOR BAHRU, MALAYSIA

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Foreword by the Director of BMS 2026

Bismillahirrahmanirrahim
Assalamualaikum Warahmatullahi Wabarakatuh

Alhamdulillah, it is my pleasure to welcome you to the proceedings of the Business Management Symposium (BMS) 2026. This symposium provides our undergraduate part-time students with an opportunity to present the research they have completed for their Final Year Projects and to share their ideas with the academic community. The projects in these proceedings reflect the students' efforts to examine business and management issues through research. They also show how students have drawn on what they learned throughout their studies to explore questions with practical relevance. Presenting their work at BMS gives them a valuable opportunity to explain their findings, engage in discussion, and grow in confidence as researchers and professionals. I congratulate every student on reaching this milestone. Completing a Final Year Project while pursuing part-time studies requires sustained commitment, and your work deserves recognition. I also extend my sincere thanks to the supervisors and evaluators for their guidance and thoughtful feedback, and to the organising committee and faculty members for making this symposium possible. I hope the discussions at BMS 2026 encourage our students to keep asking questions, developing their ideas, and applying their knowledge in ways that benefit their organisations and communities.

Thank you.

Dr. Siti Zaleha Omain
Director of Business Management Symposium (BMS) 2026
Faculty of Management,
Universiti Teknologi Malaysia

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THE IMPACT OF ARTIFICIAL INTELLIGENCE ON BUSINESS PROCESS OPTIMIZATION

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ABSTRACT
This study investigates the impact of three Artificial Intelligence (AI) technologies Robotic Process Automation (RPA), Machine Learning (ML), and Natural Language Processing (NLP) on Business Process Optimization (BPO) within Malaysia's officially recognized digital enterprise ecosystem. Grounded in the Technology Acceptance Model (TAM) and anchored in the MDEC Malaysia Digital Status company directory, the research employed a quantitative, cross-sectional survey design with a purposive sample of 50 AI-active employees from two MD Status organizations: MYEG Services Sdn Bhd and Telekom Malaysia Berhad. Findings reveal that ML and NLP have statistically significant positive relationships with BPO ($r \approx 0.32$, $p < .05$), while RPA shows directional support. The overall regression model is significant ($F = 3.42$, $p = .025$, $R^2 = 0.182$). NLP generated the strongest coefficient ($\beta = 0.253$), followed by ML ($\beta = 0.204$) and RPA ($\beta = 0.124$). The study concludes that AI adoption particularly through NLP and ML meaningfully enhances process efficiency, accuracy, cost reduction, and time savings within Malaysia's MD Status companies.

Keywords: Artificial Intelligence, Business Process Optimization, Robotic Process Automation, Machine Learning, Natural Language Processing

INTRODUCTION
This study examines the impact of AI on Business Process Optimization (BPO) within Malaysia's digital economy. AI technologies particularly RPA, ML, and NLP are transforming how organizations manage internal processes by reducing costs, improving accuracy, and enabling data-driven decision-making. With the emergence of Industry 4.0, AI has become a strategic necessity rather than a luxury for organizations seeking to remain competitive and agile. Malaysia's digital economy has grown rapidly. As of 31 March 2024, a total of 5,331 companies hold Malaysia Digital (MD) Status awarded by MDEC for organizations that develop or deploy advanced digital technologies including AI. Despite growing AI adoption, many organizations still struggle to measure the actual impact of specific AI technologies on process performance. This study bridges that gap by empirically evaluating how RPA, ML, and NLP influence key BPO outcomes efficiency, accuracy, cost reduction, and time savings within Malaysia's digital technology sector.

Research Objectives
- To identify the key AI technologies (RPA, ML, NLP) used in BPO within Malaysia Digital Status companies.

- To evaluate the impact of RPA, ML, and NLP on operational efficiency, accuracy, cost, and time in business processes.
- To assess the relationship between AI adoption and business process performance improvements.

Scope and Significance

This study focuses on employees at MYEG Services Sdn Bhd and Telekom Malaysia Berhad both recognized Malaysia Digital Status companies who directly interact with AI-powered systems. Findings provide empirical evidence on how specific AI technologies contribute to process improvements within Malaysia's digital economy, extending TAM to an emerging ASEAN market and offering prioritization guidance for digital-transformation leaders.

LITERATURE REVIEW

Business Process Optimization (Dependent Variable)

Business Process Optimization (BPO) is operationalized across four measurable dimensions: (1) efficiency streamlining workflows and removing redundant steps; (2) accuracy reducing errors and improving output quality; (3) cost lowering operational expenditure; and (4) time compressing cycle times and turnaround periods. With the advent of AI, organizations can achieve continuous, real-time process optimization, shifting from reactive to proactive process management. Key literature confirms broad BPO impacts: Davenport and Ronanki (2018) reported 76% of AI projects improved operational efficiency among 152 executives; Wamba-Taguimdje et al. (2020) found AI transformation projects significantly influenced firm performance across efficiency, agility, and output quality; and MDEC (2024) confirmed measurable improvements in throughput, cost efficiency, and customer satisfaction among MD Status companies that implemented structured AI integration.

Robotic Process Automation (Independent Variable 1)

RPA refers to software robots that replicate human actions to execute rule-based, repetitive tasks across digital applications without altering underlying IT infrastructure. RPA's primary contribution to BPO lies in freeing human workers from high-volume structured tasks, thereby improving efficiency, reducing errors, and compressing processing times. Lacity and Willcocks (2016) estimated back-office cost reductions of 30–60% from RPA deployments, while Nayak et al. (2024) documented a 45% reduction in administrative processing time and 90% elimination of manual data-entry errors following RPA deployment in hospital management.

Machine Learning (Independent Variable 2)

ML is a subfield of AI that enables systems to learn from data and improve performance without explicit programming, supporting predictive analytics and intelligent decision-making. Brynjolfsson and McElheran (2020) found that ML adoption correlates with measurable improvements in labor productivity and output quality. A 2024 McKinsey analysis of 1,200 global enterprises found that ML-powered prediction systems achieve accuracy rates 34% higher than manual equivalents. ML's ability to continuously retrain on new data gives it a compounding advantage over static rule-based systems, making it particularly effective in dynamic business environments.

Natural Language Processing (Independent Variable 3)
NLP enables machines to understand, interpret, and generate human language, bridging the gap between human communication and machine processing. Key business applications include intelligent chatbots, automated email classification, document summarization, and sentiment analysis. Gentsch (2018) found NLP reduces human workload in customer-facing departments; Ugbaja et al. (2024) documented a 60% reduction in customer first-response time through NLP-powered chatbots; and a PMC (2023) study found combining NLP with ML reduced manual ticket-routing time by 70%.

Theoretical Framework and Hypotheses
This study is grounded in the Technology Acceptance Model (TAM), developed by Davis (1989), which proposes that perceived usefulness and perceived ease of use are the primary determinants of technology adoption. TAM explains why employees at MD Status companies actively use AI tools, which in turn generates measurable BPO outcomes. Three hypotheses are proposed:

- H1: The implementation of RPA has a significant positive impact on BPO.
- H2: The use of ML significantly improves decision-making and operational efficiency, thereby enhancing BPO.
- H3: The integration of NLP significantly enhances communication efficiency and customer service quality, contributing to BPO.

The conceptual framework positions RPA (IV1), ML (IV2), and NLP (IV3) as three independent predictors of BPO (DV), measured across efficiency, accuracy, cost reduction, and time savings.

METHODOLOGY

Research Design
A deductive, quantitative, cross-sectional survey design is employed. The positivist philosophy supports the use of standardized Likert-scale instruments, Pearson correlation, and multiple linear regression to draw generalizable conclusions about AI's process impact. Data were collected at a single point in time from a defined population, enabling simultaneous measurement of all three AI technologies and BPO outcomes.

Population, Sampling, and Sample Size
The population is defined as employees of MD Status companies who directly interact with AI-powered systems. MDEC's official directory (5,331 MD Status companies as of March 2024) serves as the sampling frame. Two organizations were purposively selected: MYEG Services Sdn Bhd (RPA for e-government workflows, ML for fraud detection, NLP chatbots) and Telekom Malaysia Berhad (RPA for billing, ML for network prediction, NLP for customer service). A purposive sample of 100 respondents was targeted (50 per organization), exceeding Hair et al.'s (2019) minimum of 10 respondents per predictor variable. Eligibility required direct or indirect interaction with AI systems.

Research Instrument
The structured questionnaire comprises 32 items across five sections: Section A Demographic Profile (6 items, categorical); Section B RPA/IV1 (6 items, 5-point Likert); Section C ML/IV2

(6 items, 5-point Likert); Section D NLP/IV3 (6 items, 5-point Likert); Section E BPO/DV (8 items, 5-point Likert). A pilot study with 30 respondents confirmed good to excellent internal consistency across all scales (Cronbach's Alpha: RPA = 0.88, ML = 0.91, NLP = 0.87, BPO = 0.89).

Data Analysis

Data collected via Google Forms were analyzed using IBM SPSS Statistics Version 26, employing descriptive statistics, reliability analysis (Cronbach's Alpha), Pearson correlation analysis, multiple linear regression (with VIF for multicollinearity), and one-way ANOVA.

RESULT AND ANALYSIS

Respondent Profile

The final sample comprised 50 fully completed responses from AI-active employees across IT, Operations, Customer Service, Finance, and other departments. Forty-two percent of respondents interact with AI systems daily, and 56% do so at high frequency (daily or several times per week). The largest role category is 'Decision user' (40%), followed by 'Direct operator' (24%) and 'Supervisor/manager' (22%). Only one respondent (2%) reported no AI involvement, confirming the effectiveness of the eligibility screening.

Table 1: AI Technologies in Active Use (n = 50)

AI Technology	Respondents Reporting Use	Percentage (%)
Robotic Process Automation (RPA)	38	76%
Machine Learning (ML)	37	74%
Natural Language Processing (NLP)	36	72%
None / Not applicable	4	8%

All three technologies are widely deployed, with many respondents reporting co-deployment of all three reflecting integrated AI ecosystems characteristic of large MD Status organizations. A combined 66% of respondents reported moderate to significant process improvement attributable to AI adoption, with none reporting a decline in performance.

Descriptive Statistics

All three independent variables recorded composite means above 4.00 on the five-point Likert scale, placing them in the 'Agree' range. NLP achieved the highest composite mean (M = 4.09, SD = 0.55), followed by ML (M = 4.07, SD = 0.64) and RPA (M = 4.06, SD = 0.78). The BPO composite mean was 3.81 (SD = 0.59), also within the 'Agree' range.

Table 2: Descriptive Statistics Independent and Dependent Variables

Variable	Composite Mean	SD	Interpretation
RPA (IV1)	4.06	0.78	Agree
ML (IV2)	4.07	0.64	Agree
NLP (IV3)	4.09	0.55	Agree
BPO — Efficiency	3.74	0.88	Agree
BPO — Accuracy	3.88	0.76	Agree
BPO — Cost Reduction	3.68	0.93	Agree
BPO — Time Savings	3.94	0.85	Agree
BPO Composite (DV)	3.81	0.59	Agree

Time savings recorded the highest BPO dimension mean (M = 3.94), corroborating Ugbaja et al. (2024) and Nayak et al. (2024). Cost reduction recorded the lowest mean (M = 3.68), consistent with literature indicating that financial returns from AI are realized over longer time horizons.

Correlation and Regression Analysis

Pearson correlation analysis revealed significant positive relationships between ML and BPO ($r = 0.324$, $p < .05$) and between NLP and BPO ($r = 0.323$, $p < .05$). RPA's correlation was positive ($r = 0.151$) but did not reach statistical significance. The moderate ML–NLP correlation ($r = 0.471$, $p < .01$) reflects frequent co-deployment, without indicating multicollinearity concerns.

Table 3: Multiple Linear Regression Results (Dependent Variable: BPO)

Predictor	β (Standardized)	p-value	VIF	Decision
RPA (IV1)	0.124	.338	1.06	Not significant
ML (IV2)	0.204	.109	1.30	Directional support
NLP (IV3)	0.253	.055	1.29	Marginal support
Model: $F = 3.42$, $p = .025$, $R^2 = 0.182$, Adj. $R^2 = 0.129$				

The overall regression model is statistically significant ($F = 3.42$, $p = .025$), collectively explaining 18.2% of BPO variance. All VIF values are well below 10, confirming no multicollinearity. NLP produced the largest standardized coefficient ($\beta = 0.253$), followed by ML ($\beta = 0.204$) and RPA ($\beta = 0.124$).

Hypothesis Testing Summary

Table 4: Hypothesis Testing Summary

Hypothesis	Bivariate r	β (Regression)	Outcome
H1: RPA has a significant positive impact on BPO	0.151 (ns)	0.124 (ns)	Partially Supported
H2: ML significantly improves decision-making and BPO	0.324*	0.204 (ns)	Supported
H3: NLP significantly enhances communication efficiency and BPO	0.323*	0.253 (marginal)	Supported

Key Barriers to AI Adoption

The leading barriers identified were: insufficient training or AI literacy (38%), poor data quality (28%), low trust in AI outputs (28%), and technical integration issues (20%). Employee resistance due to fear of job displacement was the top RPA-specific challenge (44%). These barriers moderate the realized BPO impact of all three technologies and highlight the need for structured change management alongside technology deployment.

CONCLUSION

This study demonstrates that AI technologies specifically RPA, ML, and NLP are generating positive and statistically demonstrable improvements in business process optimization within Malaysia's officially recognized digital enterprise sector. ML and NLP both achieved statistically significant positive bivariate correlations with BPO ($r \approx 0.32$, $p < .05$), and the overall regression model confirms that these technologies collectively account for 18.2% of BPO variance ($F = 3.42$, $p = .025$). RPA shows directional support but did not reach significance at this sample size, likely due to implementation barriers including employee resistance (44%) and legacy system integration challenges (26%).

H1 (RPA) is partially supported, H2 (ML) is supported, and H3 (NLP) is supported. NLP's dominance as the strongest predictor ($\beta = 0.253$) reflects its immediate, visible impact on customer-facing response times and manual workload reduction both highly perceptible to employees at digital-services firms such as MYEG and Telekom Malaysia.

The findings confirm that Malaysia's MD Status framework is successfully concentrating AI adoption among organizations generating measurable process improvements. To maximize AI's BPO potential, organizations should invest in structured change management for RPA, AI literacy training to close the capability gap, and data governance frameworks to improve ML and NLP model reliability. Future research should expand the sample size, incorporate objective performance metrics, and extend the framework to include Generative AI and Large Language Models as emerging BPO enablers.

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THE RELATIONSHIP BETWEEN LEAN MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE AT GE VERNOVA: THE ROLES OF TRANSFORMATIONAL LEADERSHIP, EMPLOYEE SKILLS AND EXPERTISE, TECHNOLOGY, AND LEAN TOOLS AND TECHNIQUES

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ABSTRACT

Lean Management is an important approach for improving efficiency, reducing waste, and enhancing organizational performance. This study examines perceived Lean Management Practices and perceived Organizational Performance at GE Vernova, focusing on Transformational Leadership, Employee Skills and Expertise, Technology, and Lean Tools and Techniques. The objectives are to identify the important Lean Management Practices in repair and servicing operations as perceived by the employees, examine their relationship with perceived Organizational Performance, and determine whether there are significant differences in perceived Organizational Performance based on department. A quantitative research design was applied using a structured questionnaire distributed to employees across different departments. A total of 114 valid responses were collected and analysed using SPSS through descriptive analysis, reliability analysis, Pearson correlation, and ANOVA. The findings show that Technology recorded the highest mean score and was classified as having a very high level of importance. Pearson correlation also showed that Technology had the strongest relationship with perceived Organizational Performance. Meanwhile, ANOVA results indicated no significant difference in perceived Organizational Performance across departments. This study provides practical insights for GE Vernova by highlighting the importance of technology in supporting Lean implementation and improving perceived organizational performance.

Keywords: Lean Management, Perceived Organizational Performance, Technology, Pearson Correlation, GE Vernova

INTRODUCTION

In today's competitive industrial environment, organizations are required to improve efficiency, reduce waste, and deliver greater value to customers. Lean Management is a structured approach that supports these goals by eliminating non-value-added activities, encouraging continuous improvement, and improving work processes. Lean practices have been widely applied in manufacturing, service, maintenance, healthcare, logistics, and energy-related sectors to improve quality, reduce process variation, and enhance competitiveness. In the context of GE Vernova, Lean Management Practices are important in supporting repair and servicing operations. The work environment involves technical processes, high service expectations, and the need for consistent operational performance. Therefore, Lean Management Practices such as Transformational Leadership, Employee Skills and Expertise, Technology, and Lean Tools and Techniques may contribute to improved service quality, operational efficiency, turnaround

time, and customer satisfaction. Although Lean Management has been widely studied in manufacturing industries, limited studies have focused on high-technology repair and servicing environments, particularly in the energy sector. Many previous studies focus on automotive or mass production industries, while less attention has been given to employees' perceptions of Lean implementation in complex service-based operations. At GE Vernova, Lean Management Practices are applied across different departments. However, the extent to which employees perceive these practices as important, and how these practices relate to Organizational Performance, requires further investigation. In addition, different departments may experience Lean implementation differently due to differences in job functions, operational responsibilities, and exposure to Lean activities. Therefore, this study examines Lean Management Practices and Organizational Performance at GE Vernova from the employees' perspective.

Research Objectives

The specific research objectives of this study are:
RO1: To identify the important Lean Management Practices in repair and servicing operations as perceived by the employees within GE Vernova.
RO2: To identify the relationship between Lean Management Practices and perceived Organizational Performance within GE Vernova.
RO3: To identify whether there is any significant difference in perceived Organizational Performance based on department within GE Vernova.

Research Questions

Based on the research objectives, the research questions are:
RQ1: What are the important Lean Management Practices in repair and servicing operations as perceived by the employees within GE Vernova?
RQ2: What is the relationship between Lean Management Practices and perceived Organizational Performance within GE Vernova?
RQ3: Is there any significant difference in perceived Organizational Performance based on department within GE Vernova?

Significance of the Study

This study provides practical insights for GE Vernova by identifying which Lean Management Practices are perceived as important and how they relate to Organizational Performance. The findings may help management prioritise improvement initiatives, strengthen technology usage, improve employee capability, and enhance Lean implementation across departments. This study also contributes to Lean Management literature by focusing on an energy-sector repair and servicing environment, which is less commonly examined compared to traditional manufacturing industries.

LITERATURE REVIEW

Organizational Performance

Organizational Performance refers to the extent to which an organization achieves its operational goals in terms of quality, efficiency, productivity, and customer satisfaction. In Lean Management, Organizational Performance is often used to evaluate the effectiveness of Lean implementation because it reflects how well an organization uses its resources to create value and improve operational outcomes. In this study, Organizational Performance refers to service quality, operational efficiency, turnaround time, and customer satisfaction within GE Vernova repair and servicing operations. Previous studies have shown that Lean Management Practices can improve performance by reducing waste, improving process flow, and enhancing service

quality (Bhamu & Sangwan, 2018; Tan et al., 2022a).

Lean Management Practices

Lean Management Practices refer to systematic practices used to eliminate waste, improve workflow, and support continuous improvement. In technical repair and servicing operations, Lean Management is important because it helps reduce process variation, improve work accuracy, and support operational stability. This study focuses on four Lean Management Practices, namely Transformational Leadership, Employee Skills and Expertise, Technology, and Lean Tools and Techniques. To justify the selection of these four Lean Management Practices, previous studies were reviewed and compared. The mapping matrix in Table 1 shows that the selected practices were frequently discussed in previous Lean Management studies and are relevant to Organizational Performance.

Table 1: Mapping Matrix for Lean Management Practices

Author and Year	Transformational Leadership	Employee Skills and Expertise	Technology	Lean Tools and Techniques
Bhamu & Sangwan (2018)				✓
Powell et al. (2020)	✓	✓	✓	✓
Tortorella et al. (2021)		✓		✓
Maware & Parsley II (2022)	✓	✓		✓
Tan et al. (2022a)	✓		✓	
Total	**3**	**3**	**2**	**4**

As shown in Table 1, Lean Tools and Techniques appeared most frequently in previous studies, followed by Transformational Leadership and Employee Skills and Expertise. Although Technology appeared in fewer studies, it was still included because it is highly relevant to technical repair and servicing operations at GE Vernova, especially in supporting process monitoring, machine reliability, digital systems, and operational accuracy. Therefore, these four Lean Management Practices were selected because they represent the key dimensions required for Lean implementation, namely leadership support, employee capability, technological support, and practical Lean application. The inclusion of these four practices also ensures that the study covers both human and technical aspects of Lean Management Practices as perceived by the employees. This is important because Lean implementation does not depend only on tools or systems, but also on leadership direction, employee competence, and technology usage in daily operations.

Transformational Leadership refers to the ability of leaders to inspire, motivate, and support employees in achieving organizational goals and participating in continuous improvement activities. In Lean implementation, leadership plays an important role in communicating the Lean vision, encouraging teamwork, and supporting improvement initiatives. Previous studies suggest that leadership commitment is important in sustaining Lean transformation and improving performance outcomes (Powell et al., 2020; Maware & Parsley II, 2022).Employee Skills and Expertise refer to employees' knowledge, technical ability, and competence in performing work tasks and supporting Lean improvement activities. Skilled employees are important in Lean-oriented organizations because they are able to identify waste, solve problems, follow standard work procedures, and support continuous improvement. This is particularly relevant in technical repair and servicing environments where accuracy, safety, and

process understanding are required (Tortorella et al., 2021). Technology refers to the use of systems, equipment, and digital tools that support operational processes. In GE Vernova, technology may include CNC machines, digital monitoring systems, maintenance management systems, automation tools, and data-based decision-making systems. Technology supports Lean implementation by improving process visibility, reducing errors, supporting real-time monitoring, and enhancing decision-making. Powell et al. (2020) stated that technology integration can strengthen Lean practices by improving process transparency and operational performance. Dupuis (2024) also described digital Lean as the integration of technology with Lean principles to improve process efficiency. Lean Tools and Techniques refer to practical methods used to identify waste, improve workflow, and support continuous improvement. Examples include 5S, Kaizen, standardised work, root cause analysis, bottleneck analysis, and value stream mapping. These tools help organizations reduce non-value-added activities, improve process control, and create a more organized working environment. Lean tools are useful for improving efficiency and workflow control, while supporting operational stability and continuous improvement (Bhamu & Sangwan, 2018; Tortorella et al., 2021).

Underpinning Theory: Theory of Constraints

This study is underpinned by the Theory of Constraints, introduced by Goldratt (1984). The theory explains that every organizational system has at least one constraint that limits overall performance. In the context of GE Vernova, constraints may include process delays, limited skilled manpower, inconsistent application of Lean tools, or insufficient technological support. The Theory of Constraints is suitable for this study because Lean Management Practices can help reduce operational constraints through leadership support, employee capability, technological application, and process improvement activities. Therefore, this theory provides a foundation for explaining how Lean Management Practices may influence Organizational Performance.

Research Framework

The research framework of this study positions Transformational Leadership, Employee Skills and Expertise, Technology, and Lean Tools and Techniques as the independent variables. Organizational Performance is the dependent variable. Based on the Theory of Constraints and previous Lean Management literature, this study proposes that these Lean Management Practices may influence Organizational Performance by improving service quality, operational efficiency, turnaround time, and customer satisfaction. The research framework is presented in Figure 1. The framework illustrates the relationship between the independent variables and the d**ep**endent variable in this study.

Hypotheses Development

Based on the literature review and research framework, the following hypotheses were developed:

H1: There is a significant relationship between Transformational Leadership and Organizational Performance.

H2: There is a significant relationship between Employee Skills and Expertise and Organizational Performance.

H3: There is a significant relationship between Technology and Organizational Performance.

H4: There is a significant relationship between Lean Tools and Techniques and Organizational Performance.

H5: There is a significant difference in Organizational Performance based on department.

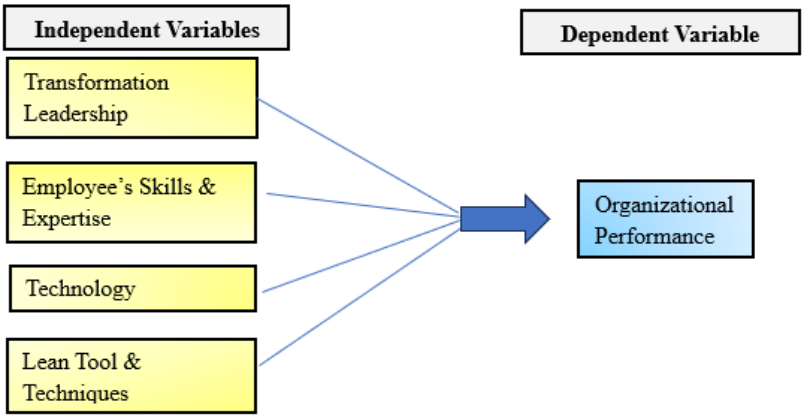

Figure 1: Research Framework of the Study

METHODOLOGY

Research Design

This study adopted a quantitative research design to examine Lean Management Practices and Organizational Performance at GE Vernova. A quantitative approach was selected because the study involved numerical data collected through a structured questionnaire and analysed using statistical techniques. This approach is suitable for examining relationships between variables and testing the hypotheses developed in this study. Furthermore, this study applied a deductive approach because the hypotheses were developed based on the Theory of Constraints and previous Lean Management literature. The study also used descriptive and explanatory research designs. Descriptive research was used to identify the important Lean Management Practices as perceived by respondents, while explanatory research was used to examine the relationship between Lean Management Practices and Organizational Performance, as well as differences in Organizational Performance based on department.

Figure 2: Research Process

As shown in Figure 2, the study began with identifying the research problem, followed by the development of research objectives and research questions. Next, a literature review was conducted to establish the theoretical and empirical foundation of the study. Based on this, the research design and questionnaire instrument were developed. The data were then collected and analysed using SPSS before the findings and conclusion were presented. Figure 3 shows the type of research used in this study. This study applied a deductive approach because the hypotheses were developed based on the Theory of Constraints and previous Lean Management literature. A quantitative approach was used because the data were collected using a structured questionnaire and analysed statistically. In addition, descriptive research was used to identify the important Lean Management Practices, while explanatory research was used to examine the relationship between Lean Management Practices and Organizational Performance, as well as departmental differences.

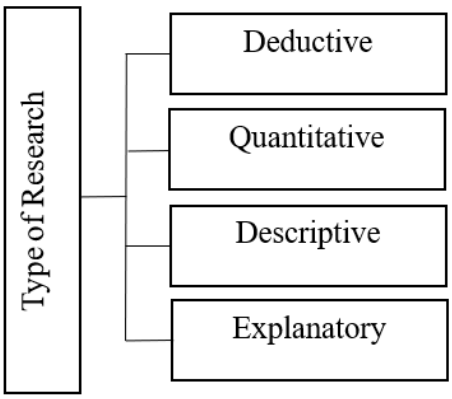

Figure 3: Type of Research

Population and Sampling Technique

The population of this study consisted of employees working in GE Vernova. The estimated total population was approximately 250 employees, including technicians, engineers, support staff, and management personnel. These employees were from various departments, namely Aero, HA, Turbine Blade, Rotor, Engineering, Maintenance, and Administration.The minimum sample size was determined using the Raosoft Sample Size Calculator. Based on a population size of 250 employees, 7% margin of error, 90% confidence level, and 50% response distribution, the minimum required sample size was 90 respondents. However, this study targeted approximately 100 respondents to ensure sufficient representation across departments. In the actual data collection, a total of 114 valid responses were collected and used for analysis. A stratified sampling method was used in this study. This sampling technique was suitable because the population consisted of different departments within GE Vernova. Each department represented a stratum because employees may have different operational roles, responsibilities, and levels of exposure to Lean Management Practices. Stratified sampling helps ensure that respondents are represented across the workforce structure and supports meaningful comparison across departments.

Table 2: Sample Size Summary

Item	**Description**
Population size	250 employees
Margin of error	7%
Confidence level	90%
Response distribution	50%
Minimum sample size	90 respondents
Target sample size	Approximately 100 respondents
Actual valid responses	114 respondents
Sampling technique	Stratified sampling

Table 3: Stratified Sampling Allocation by Department

Dept.	**N**	**%**	**n**
Aero	50	20	20
HA	60	24	24
TB	60	24	24

Rotor	30	12	12
Engineering	25	10	10
Maintenance	15	6	6
Administration	10	4	4
Total	**250**	**100**	**100**

As shown in Table 3, departments with larger workforce sizes, such as HA and Turbine Blade, were allocated a larger target sample, while smaller departments, such as Maintenance and Administration, were allocated a smaller target sample. This proportional allocation helps ensure that the respondents represent the overall workforce structure of GE Vernova.

Research Instrument

A structured questionnaire was used as the main research instrument in this study. The questionnaire was selected because it allows data to be collected consistently from a large number of respondents and supports statistical analysis. The questionnaire was designed to measure employees' perceptions of Lean Management Practices and Organizational Performance at GE Vernova. The questionnaire consisted of three main parts. Section A focused on respondent profile, including department, position, and years of service. Section B measured Organizational Performance as the dependent variable. Sections C to F measured the independent variables, namely Transformational Leadership, Employee Skills and Expertise, Technology, and Lean Tools and Techniques. All items were adapted from previous Lean Management studies to ensure that the instrument was suitable for measuring the intended variables.

Table 4: Summary of Questionnaire Structure

Section	Variable / Content	No. of Items
A	Respondent Profile	3
B	Organizational Performance	4
C	Transformational Leadership	4
D	Employee Skills and Expertise	4
E	Technology	4
F	Lean Tools and Techniques	4
Total		**23**

All items in Sections B to F were measured using a five-point Likert scale, ranging from 1 = Strongly Disagree to 5 = Strongly Agree. This scale allowed respondents to indicate their level of agreement with each statement and enabled the data to be analysed quantitatively.

Table 5: Five-Point Likert Scale

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

The questionnaire was prepared using Google Forms and distributed through the company's internal WhatsApp groups. Respondents were informed about the purpose of the study, and their participation was voluntary. No personal identifiers were collected to ensure confidentiality and anonymity.

Data Analysis Techniques

The collected data were analysed using the Statistical Package for Social Sciences (SPSS). Several statistical techniques were used to answer the research questions and test the hypotheses. The analysis included data screening, normality test, reliability test, descriptive analysis, Pearson correlation, and One-Way ANOVA. Firstly, data screening was conducted to check for missing values and ensure that all responses were suitable for further analysis. Secondly, normality testing was conducted using skewness and kurtosis values. Values within ±2.0 were considered acceptable for social science research. Reliability analysis was then performed using Cronbach's Alpha to examine the internal consistency of the questionnaire items. A Cronbach's Alpha value of 0.70 and above was considered acceptable. Furthermore, descriptive analysis was used to answer Research Question 1 by identifying the important Lean Management Practices based on mean scores. Pearson correlation analysis was used to answer Research Question 2 by examining the relationship between Lean Management Practices and Organizational Performance. Finally, One-Way ANOVA was used to answer Research Question 3 by determining whether there were significant differences in perceived Organizational Performance across departments. A p-value less than 0.05 indicates that significant differences exist between groups.

Table 6: Summary of Data Analysis Techniques

Research Question	Analysis Technique	Purpose
RQ1	Descriptive Analysis	To identify the important Lean Management Practices as perceived by the employees
RQ2	Pearson Correlation	To examine the relationship between Lean Management Practices and perceived Organizational Performance
RQ3	One-Way ANOVA	To examine differences in perceived Organizational Performance based on department

FINDINGS AND ANALYSIS

Response Rate and Data Screening

This section presents the findings of the study based on the data collected from employees at GE Vernova. A total of 114 valid responses were collected and analysed using SPSS. The minimum required sample size for this study was 90 respondents. Therefore, the number of responses collected exceeded the minimum requirement and was sufficient for further statistical analysis. Data screening was conducted to ensure that the collected data were complete and suitable for further analysis. All responses were complete and usable because the questionnaire

was distributed using Google Forms with compulsory response settings. Therefore, no missing data were identified. In addition, the minimum and maximum values for all variables ranged from 1 to 5, which is consistent with the five-point Likert scale used in this study. This indicates that the data were valid and suitable for further statistical analysis.

Demographic Profile of Respondents

The demographic profile of the respondents includes department, years of service, and position. Table 7 shows the summary of respondents' demographic profile. The majority of respondents were from the Turbine Blade department, representing 28.1% of the total respondents. This was followed by HA with 21.9% and Engineering with 14.0%. In terms of years of service, most respondents had 3 to less than 6 years of experience, representing 28.9%. For position, technicians formed the largest group, representing 50.9% of the total respondents.

Table 7: Summary of Respondents' Demographic Profile

Demographic	Category	Frequency	Percentage (%)
Department	Rotor	11	9.6
	Aero	15	13.2
	HA	25	21.9
	Turbine Blade	32	28.1
	Maintenance	7	6.1
	Engineering	16	14
	Administration	8	7
Years of Service	Less than 1 year	11	9.6
	1 to less than 3 years	29	25.4
	3 to less than 6 years	33	28.9
	6 to less than 10 years	29	25.4
	10 years or more	12	10.5
Position	Admin	8	7
	Technician	58	50.9
	Team Leader	10	8.8
	Supervisor	13	11.4
	Engineer	15	13.2
	Manager	10	8.8

Normality and Reliability Results

Normality testing was conducted using skewness and kurtosis values. The skewness values ranged from -1.30 to -0.11, while the kurtosis values ranged from -1.08 to 1.43. Since all values were within the acceptable range of ±2.0, the data were considered normally distributed and suitable for further statistical analysis. Reliability analysis was conducted using Cronbach's Alpha to assess the internal consistency of the questionnaire items. As shown in Table 8, all variables recorded Cronbach's Alpha values above 0.70, indicating that the measurement items were reliable. Transformational Leadership recorded the highest reliability value ($\alpha = 0.932$), followed by Organizational Performance ($\alpha = 0.897$), Employee Skills and Expertise ($\alpha = 0.811$), Technology ($\alpha = 0.753$), and Lean Tools and Techniques ($\alpha = 0.733$).

Table 8: Summary of Reliability Test

Variable	Cronbach's Alpha	No. of Items
Organizational Performance	0.897	4
Transformational Leadership	0.932	4
Employee Skills and Expertise	0.811	4
Technology	0.753	4
Lean Tools and Techniques	0.733	4

Descriptive Analysis

Descriptive analysis was conducted to answer Research Question 1, which is to identify the important Lean Management Practices in repair and servicing operations as perceived by the employees within GE Vernova. As shown in Table 9, Technology recorded the highest mean score (M = 4.27, SD = 0.72) and was classified as having a very high level of importance. This was followed by Employee Skills and Expertise (M = 3.46, SD = 1.06), which was classified as having a high level of importance. Meanwhile, Lean Tools and Techniques (M = 3.36, SD = 1.03) and Transformational Leadership (M = 3.23, SD = 0.83) were classified as having moderate levels of importance.

Table 9: Descriptive Analysis of Lean Management Practices

Rank	Lean Management Practice	Mean	Std. Deviation	Level of Importance
1	Technology	4.27	0.72	Very High Importance
2	Employee Skills and Expertise	3.46	1.06	High Importance
3	Lean Tools and Techniques	3.36	1.03	Moderate Importance
4	Transformational Leadership	3.23	0.83	Moderate Importance

Based on the descriptive analysis, Technology was identified as the most important Lean Management Practice as perceived by the employees. This indicates that technology is perceived as a key factor in supporting repair and servicing operations at GE Vernova.

Pearson Correlation Analysis

Pearson correlation analysis was conducted to answer Research Question 2, which is to examine the relationship between Lean Management Practices and perceived Organizational Performance. As shown in Table 10, Technology recorded a moderate positive correlation with perceived Organizational Performance (r = 0.563, p = 0.000). Therefore, H3 was supported. However, Transformational Leadership (r = 0.139, p = 0.141), Employee Skills and Expertise (r = 0.040, p = 0.670), and Lean Tools and Techniques (r = 0.129, p = 0.173) recorded very weak positive correlations and were not statistically significant. Therefore, H1, H2, and H4 were not supported.

Table 10: Summary of Pearson Correlation Analysis

Hypothesis	Relationship	r	Degree of Correlation	Sig. Value	Result
H1	Transformational Leadership → Perceived Organizational Performance	0.139	Very Weak	0.141	Not Supported
H2	Employee Skills and Expertise → Perceived Organizational Performance	0.040	Very Weak	0.670	Not Supported
H3	Technology → Perceived Organizational Performance	0.563	Moderate	0.000	Supported
H4	Lean Tools and Techniques → Perceived Organizational Performance	0.129	Very Weak	0.173	Not Supported

The result shows that Technology had the strongest relationship with perceived Organizational Performance. This suggests that technology plays a more meaningful role in supporting perceived performance outcomes compared to the other Lean Management Practices examined in this study.

One-Way ANOVA

One-Way ANOVA was conducted to answer Research Question 3, which is to determine whether there is a significant difference in perceived Organizational Performance based on department. The analysis was conducted using two grouping categories. The first analysis was based on seven department categories, namely Rotor, Aero, HA, Turbine Blade, Maintenance, Engineering, and Administration. The second analysis was based on two broader department groups, namely Operational/Manufacturing Departments and Support Departments. As shown in Table 11, the significance value for the seven department categories was 0.134, while the significance value for the broader department groups was 0.149. Since both values were greater than 0.05, there was no significant difference in perceived Organizational Performance based on department. Therefore, H5 was not supported.

Table 11: Summary of ANOVA Results

Analysis	Grouping Category	Sig. Value	Result
ANOVA 1	Rotor, Aero, HA, Turbine Blade, Maintenance, Engineering, and Administration	0.134	Not Significant

ANOVA 2	Operational/Manufacturing Departments and Support Departments	0.149	Not Significant

The findings indicate that perceived Organizational Performance remains relatively consistent across both specific departments and broader functional groups within GE Vernova. Although different departments have different roles and responsibilities, the results suggest that employees may share similar work standards, performance expectations, and Lean-related practices across the organization.

Summary of Findings

Table 12 summarises the findings based on the research questions and hypotheses of the study. The results show that Research Question 1 was answered through descriptive analysis, where Technology was identified as the most important Lean Management Practice as perceived by the employees. Research Question 2 was answered through Pearson correlation, where only Technology had a significant relationship with perceived Organizational Performance. Research Question 3 was answered through ANOVA, where no significant difference was found in perceived Organizational Performance based on department.

Table 12: Summary of Research Findings

Research Question	Analysis	Main Finding
RQ1	Descriptive Analysis	Technology was the most important Lean Management Practice as perceived by the employees.
RQ2	Pearson Correlation	Technology had a moderate positive and significant relationship with perceived Organizational Performance.
RQ3	One-Way ANOVA	No significant difference in perceived Organizational Performance based on department.

DISCUSSION, IMPLICATIONS AND CONCLUSION

Discussion of Findings

This section discusses the findings of the study based on the research questions and research objectives. The first research question aimed to identify the important Lean Management Practices in repair and servicing operations as perceived by the employees within GE Vernova. Based on the descriptive analysis, Technology recorded the highest mean score and was classified as having a very high level of importance. This indicates that respondents perceived technology as the most important Lean Management Practice in supporting repair and servicing operations. In a technical and process-driven environment such as GE Vernova, technology such as CNC machines, digital monitoring systems, maintenance systems, automation tools, and data-based systems may help improve work accuracy, reduce process variation, and enhance operational efficiency. This finding is consistent with previous studies which highlighted that technology integration supports Lean implementation by improving process transparency and operational performance (Powell et al., 2020; Dupuis, 2024). Furthermore, Employee Skills and Expertise recorded a high level of importance, while Lean Tools and

Techniques and Transformational Leadership recorded moderate levels of importance. This suggests that employees still perceive skills, Lean tools, and leadership as relevant to Lean Management implementation. Skilled employees are important because they support problem-solving, waste identification, and process improvement activities. Lean tools such as 5S, Kaizen, root cause analysis, standardised work, and waste reduction also remain useful in improving workflow and operational stability. These findings are supported by previous studies which emphasized the importance of employee competence and Lean tools in sustaining Lean implementation (Bhamu & Sangwan, 2018; Tortorella et al., 2021).

The second research question examined the relationship between Lean Management Practices and perceived Organizational Performance. The Pearson correlation result showed that Technology had a moderate positive and significant relationship with perceived Organizational Performance. This indicates that Technology had the strongest relationship with perceived Organizational Performance compared to other Lean Management Practices in this study. This finding suggests that technological support plays an important role in improving perceived service quality, operational efficiency, turnaround time, and customer satisfaction at GE Vernova. This is aligned with Tan et al. (2022a), who emphasized that technology can strengthen Lean practices and contribute to better organizational performance. In contrast, Transformational Leadership, Employee Skills and Expertise, and Lean Tools and Techniques recorded very weak positive correlations with perceived Organizational Performance and were not statistically significant. This does not mean that these practices are unimportant. Instead, the findings suggest that their direct relationship with perceived Organizational Performance may be limited in the context of this study. For example, employees across departments may already possess similar technical skills, and Lean tools may already be applied as part of routine operations. Therefore, their effect may not appear as strong as Technology in the statistical results. The third research question examined whether there was a significant difference in perceived Organizational Performance based on department. The ANOVA results showed that there was no significant difference in perceived Organizational Performance across the seven department categories and the two broader department groups. This suggests that perceived Organizational Performance is relatively consistent across departments within GE Vernova. Although the departments perform different functions, they may operate under similar company systems, quality standards, safety requirements, and Lean Management direction. Therefore, perceived performance outcomes may not differ significantly between departments.

Implications of the Study

The findings of this study provide several practical implications for GE Vernova. Firstly, since Technology was identified as the most important Lean Management Practice and the only variable with a significant relationship with perceived Organizational Performance, GE Vernova should continue strengthening technological support in daily operations. This may include improving digital monitoring systems, maintenance management systems, automation tools, machine reliability, and data-based decision-making systems. Secondly, although Employee Skills and Expertise, Lean Tools and Techniques, and Transformational Leadership did not show significant relationships with perceived Organizational Performance, these practices should still be strengthened. Technology alone is not sufficient without capable employees, consistent Lean tool application, and leadership support. Therefore, GE Vernova should continue providing technical training, Lean awareness programmes, and refresher

sessions to ensure that employees are able to use technology and Lean tools effectively. Finally, the absence of significant differences in perceived Organizational Performance across departments suggests that improvement initiatives can be implemented using a common approach across GE Vernova. However, management should still monitor specific departmental needs because different departments may face different operational challenges even though their overall performance does not differ significantly.

Limitations and Recommendations

This study has several limitations. Firstly, the study was conducted within GE Vernova only. Although respondents were distributed across several departments, the findings may not fully represent other GE Vernova sites, business units, or similar organizations in the same industry. Therefore, future research may expand the scope by including other locations or organizations in the energy and repair service industries. Secondly, this study used a quantitative approach through a structured questionnaire. Although this method is suitable for collecting measurable data from a larger number of respondents, it may not fully capture detailed opinions and experiences from employees. Future research may use a mixed-method approach by including interviews or focus group discussions to obtain deeper insights into Lean Management Practices and Organizational Performance. Thirdly, this study focused only on four Lean Management Practices, namely Transformational Leadership, Employee Skills and Expertise, Technology, and Lean Tools and Techniques. Future studies may include other factors such as organizational culture, employee engagement, communication, top management support, and process standardization to provide a more comprehensive understanding of Lean implementation.

Conclusion

In conclusion, this study achieved its research objectives by examining perceived Lean Management Practices and perceived Organizational Performance at GE Vernova. The descriptive analysis showed that Technology was the most important Lean Management Practice as perceived by the employees, followed by Employee Skills and Expertise, Lean Tools and Techniques, and Transformational Leadership. The Pearson correlation analysis showed that Technology had the strongest and significant relationship with perceived Organizational Performance, while the other Lean Management Practices showed very weak and non-significant relationships. The ANOVA results showed that there was no significant difference in perceived Organizational Performance based on department. Overall, the findings indicate that Technology plays the most important role in supporting perceived Organizational Performance within the context of Lean Management Practices at GE Vernova. Therefore, technological support should be prioritised in repair and servicing operations to improve work efficiency, accuracy, service quality, and overall performance. At the same time, employee capability, Lean tool application, and leadership support should continue to be strengthened to sustain Lean implementation across the organization.

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AI IN MEDIA & PUBLIC BROADCASTING: ADOPTION OF AI IN RADIO TELEVISYEN MALAYSIA (RTM)

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ABSTRACT

Artificial intelligence (AI) is becoming increasingly important in media and public broadcasting, particularly for content preparation, subtitling, archiving, news production and audience analysis. For Radio Televisyen Malaysia (RTM), adopting AI involves more than introducing new technology; it also depends on how employees perceive, accept and apply AI in their daily work. This study examines AI adoption among RTM employees using the Technology Acceptance Model, with a focus on perceived usefulness, perceived ease of use, attitude toward AI and behavioural intention. Organisational support and ethical and job security concerns are also included as additional variables relevant to the RTM context. A quantitative research approach was used, and data were collected through a structured questionnaire. A total of 101 valid responses were analysed using SPSS. The analysis included descriptive statistics, Cronbach's alpha reliability analysis, Pearson correlation, multiple regression and regression ANOVA. The findings show that AI adoption among RTM employees is at a high level, and all constructs achieved acceptable reliability. Correlation analysis found positive and significant relationships between the measured factors and AI adoption. In the extended regression model, perceived usefulness, perceived ease of use and organisational support were significant direct predictors of AI adoption. Overall, the model explained 71.5% of the variance in AI adoption. The findings suggest that RTM can strengthen AI adoption by providing practical and user-friendly tools, continuous training, management support and clear organisational guidelines.

Keywords: Artificial Intelligence, AI Adoption, Public Broadcasting, RTM, Technology Acceptance Model

INTRODUCTION

Artificial intelligence has become one of the key technologies affecting the media and broadcasting industry. In the broadcasting industry, AI can assist with speech-to-text transcription, content recommendation, automatic editing, audience analysis, archive search, and other digital production tasks. These functions are important because broadcasters need to produce content faster while maintaining accuracy, credibility, and audience trust. Malaysia's current digital transformation strategy is based on the National Policy for the Fourth Industrial Revolution and supports the country's aspiration to become a leading AI nation by 2030 (Economic Planning Unit, 2021; Ministry of Digital Malaysia, 2025). As Malaysia's public broadcaster, Radio Televisyen Malaysia (RTM) plays a critical role in keeping the public

informed, connecting people across the country, and fulfilling its public service responsibilities. Unlike private media companies, RTM is not only concerned with speed and efficiency, but must also consider accountability, editorial standards, cultural representation, and public trust. Therefore, the adoption of AI at RTM cannot be evaluated solely from a technical perspective. How employees accept, understand, and use AI in their work must also be taken into account. This study focuses on AI adoption among RTM employees and is primarily guided by the Technology Acceptance Model (TAM). The four main acceptance variables are perceived usefulness, perceived ease of use, attitude toward AI and behavioural intention, with AI adoption as the dependent variable. Organisational support and ethical and job security concerns are included as additional variables to provide a clearer understanding of the RTM work environment.

Problem Statement

Although AI has started to support broadcasting operations, its adoption at RTM may face several practical challenges. Employees may not adopt AI fully if they are unsure about its usefulness or if the tools are difficult to learn. Some employees may also be concerned about changes to work processes, job roles, accountability, bias and the extent to which AI may affect human judgement in broadcasting. These concerns are more sensitive in public broadcasting because the organisation serves the public interest. Another issue is the difference in AI exposure across departments. Employees from Engineering and Technical, Production, Digital Media and Management may not use AI in the same way. Some departments may be more exposed to digital systems, while others may use AI only occasionally. Therefore, it is important to study the actual perception of RTM employees using survey data rather than relying only on general assumptions about AI adoption.

Research Objectives and Research Questions

The objectives of this study are to examine the level of AI adoption among RTM employees; to analyse the relationship between perceived usefulness and AI adoption; to examine the relationship between perceived ease of use and AI adoption; to examine the relationship between behavioural intention and AI adoption; and to examine the relationship between attitude toward AI and AI adoption. In line with the rubric requirement, the research questions are linked directly to these objectives and the analysis techniques used in this study.

Table 1: Research Objectives and Analysis Alignment

Research Objective	Related Analysis
To examine the level of AI adoption among RTM employees	Descriptive statistics
To analyse the relationship between perceived usefulness and AI adoption	Pearson correlation and regression
To examine the relationship between perceived ease of use and AI adoption	Pearson correlation and regression
To examine the relationship between behavioural intention and AI adoption	Pearson correlation and regression

Research Objective	Related Analysis
To examine the relationship between attitude toward AI and AI adoption	Pearson correlation and regression

Significance of the Study

The findings are useful for RTM because they show which factors are related to AI adoption among employees. The results can assist management in planning training, improving technical support, communicating the purpose of AI systems and preparing clearer AI guidelines. The study also contributes to academic discussion because AI adoption in Malaysian public broadcasting is still not widely examined, especially from the employee perspective.

LITERATURE REVIEW

AI Adoption in Media and Broadcasting

Studies on AI in journalism and media show that AI is increasingly used to support both content production and content distribution. AI can assist with automated writing, transcription, translation, recommendation systems, verification support and analytics. However, the role of AI in media should be understood as support or augmentation, not full replacement of human editorial judgement. This is important for public broadcasters because credibility and accountability remain central to their mandate (Brennen et al., 2020; Diakopoulos, 2019; Thurman et al., 2022).

For RTM, AI adoption is relevant because public broadcasting work now takes place in a digital environment. Employees are expected to work with digital systems, manage large amounts of content and respond to audience changes. Nevertheless, the success of AI adoption depends on employees' perception of whether AI helps them work better and whether the system can be used without unnecessary difficulty

Table 2: Summary of Selected Prior Studies

Author / Year	Context	Key Focus	Relevance to Study
Diakopoulos (2019)	Journalism	Algorithmic influence and accountability	Supports ethical and editorial framing of AI use
Brennen et al. (2020)	News organisations	AI in news production	Supports AI as augmentation and efficiency tool
Thurman et al. (2022)	Newsrooms	AI workflow and professional acceptance	Shows that employee acceptance affects adoption
Venkatesh & Davis (2000)	Technology adoption theory	PU, PEOU, attitude and intention	Main theoretical basis for TAM variables
Venkatesh et al. (2012)	Technology acceptance	Intention as predictor of use	Supports behavioural intention in the model

Technology Acceptance Model and Study Variables

The Technology Acceptance Model explains that perceived usefulness and perceived ease of use are important beliefs that influence technology acceptance (Venkatesh & Davis, 2000). Perceived usefulness refers to the belief that AI improves job performance, productivity and work quality. Perceived ease of use refers to the belief that AI systems are easy to learn and operate. In this study, both variables are expected to have positive relationships with AI adoption. The study also includes organisational support, ethical and job security concerns, attitude toward AI and behavioural intention. Organisational support refers to training, management encouragement, technical assistance and clear policies. Ethical and job security concerns refer to concerns about job displacement, bias, fairness and accountability. Attitude toward AI refers to employees' positive or negative evaluation of AI, while behavioural intention refers to their willingness to continue using AI in the future.

Research Framework and Hypotheses

The research framework proposes four direct relationships with AI adoption: perceived usefulness, perceived ease of use, attitude toward AI and behavioural intention. Organisational support and ethical and job security concerns are retained as additional variables relevant to AI implementation in RTM. No indirect relationship is proposed between these additional variables and either attitude or behavioural intention. The framework follows TAM and is adapted to the public broadcasting context.

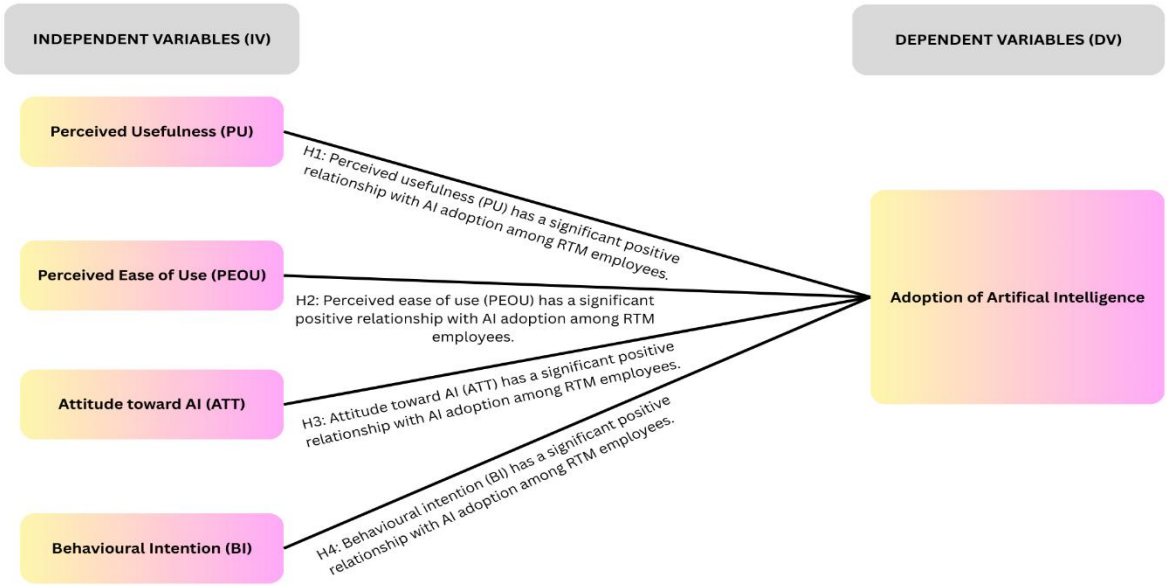

Figure 1: Conceptual Research Framework

The hypotheses tested in this study are: H1, perceived usefulness has a significant positive relationship with AI adoption; H2, perceived ease of use has a significant positive relationship

with AI adoption; H3, attitude toward AI has a significant positive relationship with AI adoption; and H4, behavioural intention has a significant positive relationship with AI adoption. Each hypothesis examines a direct relationship with AI adoption. Organisational support and ethical and job security concerns are included only as additional variables and are not assigned separate hypotheses.

Table 3: Summary of Hypotheses

Hypothesis	Relationship	Expected Direction
H1	Perceived usefulness and AI adoption	Positive
H2	Perceived ease of use and AI adoption	Positive
H3	Attitude toward AI and AI adoption	Positive
H4	Behavioural intention and AI adoption	Positive

The hypotheses are arranged around one dependent variable, which is AI adoption. This makes the study more focused because all acceptance factors are examined in relation to the same outcome. The framework also suits RTM's situation because AI adoption in public broadcasting is affected by both user perception and organisational conditions.

METHODOLOGY

Research Design

This study used a quantitative, cross-sectional and explanatory research design. The quantitative approach was suitable because the study measured employee perceptions using numerical data from a structured questionnaire. The study was cross-sectional because data were collected at one point in time. It was explanatory because the study tested the relationships between AI adoption and selected acceptance factors using statistical analysis. The unit of analysis was individual RTM employees. The study site was Radio Televisyen Malaysia. The questionnaire was distributed online and the responses were analysed using SPSS. The main statistical techniques were descriptive analysis, reliability analysis using Cronbach's alpha, Pearson correlation analysis, multiple regression and the regression ANOVA table for testing the overall model. Figure 2 presents the research onion diagram used for this study. The diagram illustrates that the research is positioned within a positivist philosophy, follows a deductive approach, adopts a quantitative survey strategy, and applies a cross-sectional time horizon. It also shows that the study relies on structured questionnaire data analysed using SPSS. In line with the full report, the respondents were selected using a non-probability purposive sampling technique because the study specifically targeted RTM employees who were directly or indirectly exposed to AI-related work processes.

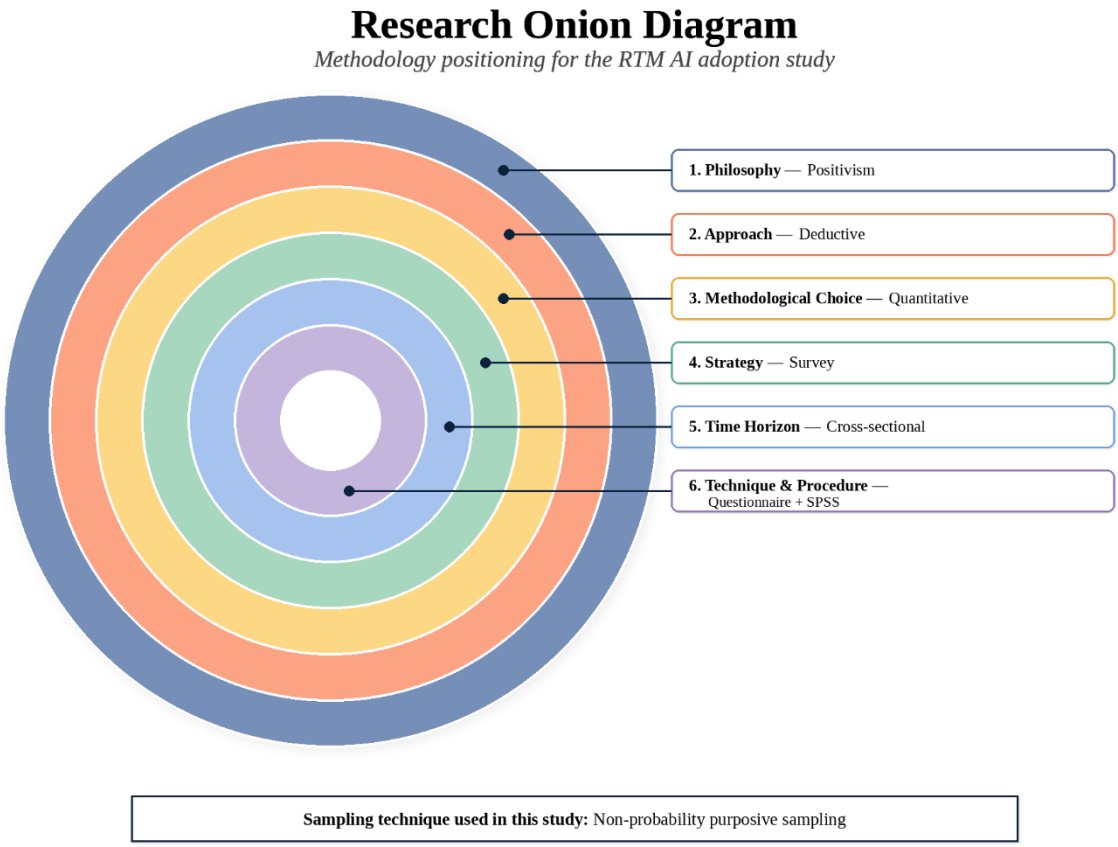

Figure 2: Research Onion Diagram for This Study

Table 4: Summary of Research Methodology

Item	Description
Research approach	Quantitative survey
Research design	Cross-sectional and explanatory
Unit of analysis	Individual RTM employees
Study site	Radio Televisyen Malaysia (RTM)
Instrument	Structured questionnaire using five-point Likert scale
Data analysis	Descriptive, reliability, correlation, regression and ANOVA

Population, Sample and Sampling Technique

The target population consisted of RTM employees who are directly or indirectly involved in broadcasting operations and may be exposed to AI-related tools or work processes. Based on the questionnaire, the respondents were grouped into four department categories, namely Production, Engineering and Technical, Digital Media and Management. This study employed a non-probability purposive sampling technique because the researcher specifically targeted employees who were relevant to the study context and who were likely to have some exposure to AI adoption in their work. Purposive sampling was considered appropriate because not all RTM employees would be equally suitable for answering questions related to AI use in

broadcasting operations. The sample size was determined using Raosoft with an estimated population of 300, a 7% margin of error, a 90% confidence level and a 50% response distribution. The minimum recommended sample size was 95 respondents. In the final data collection, 101 valid responses were obtained and analysed.

Table 5: Actual Distribution of Valid Responses by Department

Department	Frequency	Percentage (%)
Production	12	11.9
Engineering and Technical	81	80.2
Digital Media	6	5.9
Management	2	2.0
Total	101	100.0

The questionnaire consisted of respondent profile items and 28 Likert-scale items measuring AI adoption, perceived usefulness, perceived ease of use, organisational support, ethical and job security concerns, attitude toward AI and behavioural intention. All Likert-scale items used five response options, from 1 = Strongly Disagree to 5 = Strongly Agree.

Table 6: Questionnaire Structure

Section	Construct	No. of Items
A	Respondent Profile	4
B	AI Adoption	4
C	Perceived Usefulness	4
D	Perceived Ease of Use	4
E	Organisational Support	4
F	Ethical and Job Security Concerns	4
G	Attitude Toward AI	4
H	Behavioural Intention	4

The questionnaire structure was arranged to make it easier for respondents to answer. The respondent profile section was placed first, followed by the AI adoption section and the related acceptance factors. This structure also helped the researcher code the data clearly before transferring the responses into SPSS.

Data Analysis Technique

Descriptive analysis was used to summarise the respondent profile and the mean scores of the main constructs. Reliability analysis using Cronbach's alpha was applied to test internal consistency. Pearson correlation was used to examine the direct relationship between each measured factor and AI adoption. Multiple regression was then used as an extended model to identify the unique direct contribution of the six predictors when considered together. The ANOVA table reported in this manuscript refers to the regression ANOVA output, which tests whether the overall regression model is statistically significant. No mediation or indirect-effect analysis was conducted.

Table 7: Summary of Data Analysis Techniques

Analysis	Purpose
Descriptive statistics	To describe respondents and the level of each construct
Cronbach's alpha	To test reliability and internal consistency
Pearson correlation	To examine relationships with AI adoption
Multiple regression	To identify predictors of AI adoption
ANOVA	To test the significance of the regression model

Pilot Study and Ethical Considerations

Before full data collection, a pilot study was considered important to check whether the questionnaire items were clear and suitable for the RTM context. The purpose of the pilot study was not to test the final hypotheses, but to make sure respondents could understand the wording, especially terms such as AI adoption, organisational support, ethical concerns and behavioural intention. Feedback from the pilot process helps reduce confusion and improves the quality of the final questionnaire.

Ethical considerations were also applied in this study. Respondents were informed that participation was voluntary and that the information collected would be used for academic purposes only. No names, staff numbers or other personal identifiers were collected. The findings were reported in aggregate form, meaning that individual respondents were not identified in the analysis. This is important because the study involved employees' perception of organisational technology adoption.

RESULT AND ANALYSIS

Response Rate and Respondent Profile

A total of 101 valid responses were used for SPSS analysis. No missing responses were reported because the questionnaire was distributed using an online form with required responses. The final sample exceeded the minimum Raosoft sample size of 95 respondents, making the dataset acceptable for the planned analysis. The respondent profile showed that Engineering and Technical formed the largest group with 81 respondents or 80.2%. Production recorded 12 respondents or 11.9%, Digital Media recorded 6 respondents or 5.9%, and Management recorded 2 respondents or 2.0%. In terms of AI usage frequency, 43 respondents or 42.6% used AI frequently, while 40 respondents or 39.6% used AI very frequently. This suggests that most respondents already had some level of exposure to AI in their daily work activities.

Table 9: Frequency of AI Usage in Daily Work Activities

AI Usage Frequency	Frequency	Percentage (%)
Never	1	1.0
Rarely	3	3.0
Sometimes	14	13.9
Frequently	43	42.6

AI Usage Frequency	Frequency	Percentage (%)
Very Frequently	40	39.6
Total	101	100.0

Descriptive Analysis

Descriptive analysis was used to determine the level of each construct. Based on the mean score interpretation, a score between 3.41 and 4.20 is considered high, while a score between 4.21 and 5.00 is considered very high. The findings show that most constructs were rated very high by respondents. Behavioural intention recorded the highest mean score (M = 4.4975), followed by attitude toward AI (M = 4.4827). AI adoption recorded a mean score of 4.1139, which falls under the high category.

Table 10: Descriptive Statistics for Main Variables

Variable	Mean	Std. Deviation	Interpretation
Behavioural Intention	4.4975	0.57391	Very High
Attitude Toward AI	4.4827	0.56154	Very High
Organisational Support	4.4158	0.60753	Very High
Perceived Usefulness	4.4109	0.61093	Very High
Ethical and Job Security Concerns	4.3366	0.59312	Very High
Perceived Ease of Use	4.2822	0.58913	Very High
AI Adoption	4.1139	0.84891	High

The result indicates that RTM employees generally have positive perceptions toward AI. Although AI adoption was high, it was still lower than behavioural intention and attitude. This shows that employees are willing to use AI and have a positive view of AI, but actual daily adoption may still depend on work function, access to systems and the degree to which AI is integrated into each department's workflow.

Reliability Analysis

Reliability analysis was conducted using Cronbach's alpha. All constructs achieved Cronbach's alpha values above 0.80, which indicates good to excellent internal consistency. AI adoption recorded the highest reliability value ($\alpha = 0.956$), followed by perceived usefulness ($\alpha = 0.929$). This confirms that the questionnaire items were reliable for measuring the constructs in this study.

Table 12: Reliability Analysis Using Cronbach's Alpha

Variable	Cronbach's Alpha	No. of Items	Interpretation
AI Adoption	0.956	4	Excellent
Perceived Usefulness	0.929	4	Excellent
Perceived Ease of Use	0.876	4	Good
Organisational Support	0.901	4	Excellent
Ethical and Job Security Concerns	0.868	4	Good
Attitude Toward AI	0.904	4	Excellent

Variable	Cronbach's Alpha	No. of Items	Interpretation
Behavioural Intention	0.915	4	Excellent

Pearson Correlation Analysis

Pearson correlation analysis was used to examine the relationships between the measured factors and AI adoption. All six factors showed significant positive correlations with AI adoption at p <0 .001. Perceived ease of use had the strongest relationship (r = 0.760), followed by perceived usefulness (r = 0.736) and organisational support (r = 0.701). The four formal hypotheses remain H1 to H4: perceived usefulness, perceived ease of use, attitude toward AI and behavioural intention. Each is examined through a direct relationship with AI adoption. Organisational support and ethical and job security concerns are reported separately as additional variables and are not assigned hypothesis decisions.

Table 13: Pearson Correlation with AI Adoption

Variable	Pearson r	Sig. (2-tailed)	Strength	Result
Perceived Usefulness	0.736	0.000	Strong	Significant
Perceived Ease of Use	0.760	0.000	Strong	Significant
Organisational Support	0.701	0.000	Strong	Significant
Ethical and Job Security Concerns	0.667	0.000	Strong	Significant
Attitude Toward AI	0.508	0.000	Moderate	Significant
Behavioural Intention	0.501	0.000	Moderate	Significant

The results indicate that usefulness and ease of use are closely related to actual adoption. Attitude toward AI and behavioural intention also had positive bivariate relationships with adoption. These findings are interpreted as direct relationships with AI adoption. Organisational support and ethical and job security concerns are reported as additional variables that help explain the RTM setting rather than as additional hypotheses.

Multiple Regression and Regression ANOVA Results

Multiple regression analysis was conducted as an extended model to examine the predictors of AI adoption. The four hypothesised variables were entered together with organisational support and ethical and job security concerns, which were retained as additional predictors for the RTM context. This analysis tests their direct contribution to AI adoption and does not test any indirect effect. The model summary shows that the regression model had R = 0.845 and R^2 = 0.715. This means that 71.5% of the variance in AI adoption was explained by the six predictor variables. The adjusted R^2 value was 0.697, showing that the model retained strong explanatory power after considering the number of predictors.

Table 14: Model Summary for Multiple Regression

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.845	0.715	0.697	0.46759

The ANOVA result for the regression model was statistically significant, F(6, 94) = 39.269, p < 0.001. This indicates that the set of predictor variables significantly explained AI adoption

among RTM employees. Therefore, the regression model was suitable for interpreting the predictors of AI adoption.

Table 15: Regression ANOVA Result

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	51.514	6	8.586	39.269	0.000
Residual	20.552	94	0.219		
Total	72.066	100			

Table 16: Regression Coefficients

Predictor	B	Std. Error	Beta	t	Sig.	Decision
Constant	-0.816	0.409		-1.995	0.049	-
PU	0.737	0.138	0.531	5.358	0.000	Significant
PEOU	0.576	0.158	0.400	3.656	0.000	Significant
OS	0.353	0.145	0.253	2.438	0.017	Significant
EJSC	0.139	0.130	0.097	1.070	0.287	Not significant
ATT	-0.523	0.176	-0.346	-2.971	0.004	Significant*
BI	-0.136	0.157	-0.092	-0.864	0.390	Not significant

The regression coefficients show that perceived usefulness, perceived ease of use and organisational support were significant positive predictors of AI adoption. Perceived usefulness had the strongest standardised effect ($\beta = 0.531$, $p < 0.001$), followed by perceived ease of use ($\beta = 0.400$, $p < 0.001$) and organisational support ($\beta = 0.253$, $p = 0.017$). Ethical and job security concerns were not significant after the predictors were considered together ($\beta = 0.097$, $p = 0.287$). Behavioural intention was also not significant in the multivariate model ($\beta = -0.092$, $p = 0.390$). Attitude toward AI produced a significant negative coefficient ($\beta = -0.346$, $p = 0.004$) despite its positive correlation with adoption, suggesting overlap or a suppression effect among the predictors. This coefficient should therefore be interpreted cautiously.

DISCUSSION

Discussion of Findings

The study found that AI adoption among RTM employees was at a high level ($M = 4.1139$). Behavioural intention and attitude toward AI recorded very high mean scores, showing that respondents were generally open to continued AI use. However, the lower mean for actual adoption compared with intention suggests that willingness does not automatically become routine use. Access to suitable tools, job requirements, training and integration into existing workflows still influence how often AI is applied in practice. Perceived ease of use recorded the strongest correlation with AI adoption ($r = 0.760$, $p < 0.001$), while perceived usefulness also showed a strong relationship ($r = 0.736$, $p < 0.001$). Both variables remained significant in the regression model. These findings support the Technology Acceptance Model because employees are more likely to use AI when the tools are practical, easy to learn and clearly improve work performance. For RTM, the most relevant benefits include faster content

preparation, transcription, subtitling, archive searching, technical documentation and routine information processing.

Attitude toward AI and behavioural intention were positively correlated with adoption, supporting H3 and H4 at the bivariate level. Their regression results were less straightforward when all predictors were entered together. Behavioural intention was not significant, while attitude produced a negative coefficient despite its positive correlation. This pattern may reflect overlap among closely related acceptance variables and should not be interpreted as evidence that positive attitude is harmful. The safer conclusion is that attitude and intention are related to adoption, but usefulness, ease of use and organisational support provide stronger explanations of actual use in the current dataset. Organisational support and ethical and job security concerns are not separate hypotheses in this study. They are included as additional variables because training, technical assistance, management encouragement, policy clarity, fairness, accountability, bias and possible changes to job roles are relevant to AI implementation in RTM. They are analysed independently and are not linked to attitude or behavioural intention through indirect paths. Organisational support was a significant predictor of adoption($\beta = 0.253$, $p = 0.017$), whereas ethical and job security concerns were significant only at the correlation level. These results should therefore be discussed as supporting evidence for the RTM context rather than labelled H5 or H6. The regression model was significant, $F(6, 94) = 39.269$, $p < 0.001$, and explained 71.5% of the variance in AI adoption ($R^2 = 0.715$). This indicates that the combined factors provide a strong explanation of adoption among the respondents. Nevertheless, the uneven departmental sample and the overlap between several predictors mean that the coefficients should be interpreted within the scope of this study rather than generalised to all RTM employees.

Implications and Recommendations

The findings suggest that RTM should introduce AI through clear work-related use cases instead of presenting it only as a general digital initiative. Production staff may benefit from support for script preparation, translation, content checking and editing notes. Engineering and Technical staff may use AI for technical documentation, troubleshooting references, log analysis and workflow support. Digital Media staff may apply AI in content tagging and audience analysis, while Management may use it for reporting and planning. Linking the technology to actual tasks will make its usefulness easier for employees to recognise.

Training should be practical, short and adapted to different levels of digital experience. RTM should also provide a clear support channel for employees who face technical problems. Since policy clarity recorded the lowest item mean within organisational support, management should communicate simple rules on data handling, editorial responsibility, verification, bias checking and accountability. AI-generated material should remain subject to human review, especially for news, public information and sensitive content. AI should be communicated as a tool that assists employees rather than replaces professional judgement. Regular feedback from users can help RTM identify which systems improve work and which create additional difficulty. A gradual implementation approach, supported by training, monitoring and departmental examples, is more likely to build confidence and responsible long-term use.

Theoretical and Practical Contribution

The study supports the continued relevance of the Technology Acceptance Model in a Malaysian public broadcasting organisation. Perceived usefulness and perceived ease of use remained central to adoption even when the technology involved AI. The inclusion of organisational support and ethical and job security concerns also helps place the acceptance process within the realities of public broadcasting, where efficiency must be balanced with accountability and public trust. Practically, the findings provide RTM with evidence that employees are generally ready to use AI, but adoption depends on more than positive attitudes. Useful tools, simple systems, management support and clear guidance are necessary for AI to become part of normal work. The study therefore contributes an employee-based perspective that can support training, implementation and governance decisions.

Limitations and Future Research

The study used non-probability purposive sampling and involved 101 respondents, with Engineering and Technical representing most of the sample. The findings should therefore be interpreted within the surveyed group and not generalised too broadly. The study was also cross-sectional and based on self-reported responses, so it does not show changes over time or verify actual system usage through organisational records. Future studies should obtain a more balanced departmental sample and may combine questionnaires with interviews or system-use data. Further research could compare public and private broadcasters, examine specific AI applications and test more advanced models using a separate research design. Any future study that examines indirect relationships involving organisational support, ethical and job security concerns, attitude and behavioural intention should state and test those relationships explicitly. Multicollinearity diagnostics should also be reported to clarify the overlap among the acceptance variables.

Suggested Implementation Priorities for RTM

The statistical findings can be translated into a practical implementation sequence for RTM. The purpose of the sequence is not to introduce every available AI tool at once, but to select applications that provide clear work value, are simple enough for employees to use and can be governed responsibly. A phased approach also allows RTM to learn from employee feedback before expanding AI to more sensitive or complex broadcasting activities.

Table 18: Suggested AI Implementation Priorities for RTM

Priority	Main Focus	Practical Actions
1. Awareness and training	Basic AI literacy and confidence	Short hands-on sessions, verification skills, safe prompting, and examples based on broadcasting tasks.
2. Department use cases	Relevant operational value	Production: scripts and translation; Engineering: documentation and troubleshooting; Digital Media: tagging and analytics; Management: reporting and planning.
3. Governance and oversight	Responsible public broadcasting use	Clear rules for data handling, editorial approval, bias checking, accountability, security and mandatory human review.

4. Monitoring and improvement	Evidence-based expansion	Collect user feedback, review output quality, measure time saved, document incidents and expand only tools that provide consistent benefits.

The first priority is to strengthen employee capability through practical training rather than general awareness sessions. Training should show how AI can support real assignments, how generated information should be checked and when employees should avoid placing sensitive material into external systems. Employees from less technical roles may require introductory guidance, while experienced technical staff may benefit from advanced examples such as log analysis, documentation support or workflow automation. This approach reflects the strong influence of ease of use and helps reduce the gap between positive intention and actual routine adoption. The second priority is to identify department-specific use cases with clear responsibility for the final output. A tool should be expanded only when employees can demonstrate a meaningful improvement in speed, quality or accessibility. For example, AI-assisted transcription or archive searching may be introduced with measurable targets such as turnaround time and correction rate. In news and public information work, any gain in speed must remain secondary to accuracy, source verification and editorial judgement. This prevents AI adoption from becoming a technology exercise that is disconnected from RTM's public service responsibilities. The third and fourth priorities concern governance and continuous improvement. RTM should provide simple written guidance on approved tools, personal and organisational data, copyright, bias, verification and accountability. Employees should know who approves AI-assisted content and who is responsible when an error occurs. At the same time, users should have a channel to report problems and share useful applications. Periodic reviews can then determine whether a tool should be retained, improved or discontinued. This feedback-based process allows RTM to expand AI gradually while maintaining employee trust, professional standards and public confidence.

CONCLUSION

This study found that AI adoption among RTM employees is already at a high level, indicating that AI-supported tools have begun to form part of daily broadcasting work. The overall regression model was statistically significant and explained 71.5% of the variance in AI adoption, showing that the variables included in the study provide a strong explanation of employee adoption. Among the four hypothesised relationships, perceived usefulness and perceived ease of use produced the most consistent findings across both correlation and regression analyses. This suggests that employees are more likely to adopt AI when they believe it improves their work performance and when the technology is easy to understand and operate. Attitude toward AI and behavioural intention were also positively related to adoption at the correlation level, although their effects were less consistent when the variables were analysed together. Organisational support also emerged as a significant practical predictor of AI adoption, even though it was not treated as a separate hypothesis. The findings show that successful AI adoption at RTM depends not only on introducing new technology, but also on ensuring that the technology is relevant to actual broadcasting tasks, user-friendly and supported by suitable training, technical assistance and clear organisational guidelines. Ethical and job security concerns should continue to be considered in the implementation and communication process because employees may remain concerned about accountability, bias

and changes to job roles. However, these concerns should not be presented as an additional hypothesis. Overall, RTM has a positive foundation for wider AI adoption. With proper human oversight, responsible governance and continued organisational support, AI can help improve operational efficiency, content-related processes and public service delivery while maintaining professional judgement, accountability and public trust.

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FACTORS INFLUENCING E-WASTE DISPOSAL INTENTION AMONG THE PUBLIC IN KULAI DISTRICT, JOHOR

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ABSTRACT
The rapid proliferation of electronic products makes electronic waste hard to manage. Improper disposal of such waste may pose environmental and health hazards because electronic devices contain hazardous materials such as lead and mercury. This research studies the factors that affect the intention to properly dispose of electronic waste in the Kulai District of Johor state. The focus of this study is the variables of public awareness and publicity, willingness to participate, convenience, existing infrastructures, and data security as independent variables, and e-waste disposal intention as a dependent variable. The research method was a quantitative cross-sectional survey. 384 usable responses were analysed using the Statistical Package for Social Sciences. The information and findings in this paper were designed for the full thesis tables. Every hypothesis was confirmed. The regression model had a 64.5% e-waste disposal intention, and public awareness had the highest predictive power. The last predictive power was for publicity, which was also significant.

Keywords: e-waste disposal intention, public awareness, publicity, willingness to participate, convenience, infrastructure, data security, Kulai District

INTRODUCTION
E-waste is shorthand for electronic waste. Electronic waste is unwanted or damaged electronic items or equipment. This includes cell phones, computers, electronic chargers, TVs, batteries, and appliances. Because technology is consumed at a much higher rate today, e-waste is becoming a higher-level threat to the environment. When electronic waste is just thrown away or dealt with in an unregulated way, toxic materials in the waste will leach into the soil and into water and will be a direct threat to human health. Because electronic products contain precious materials, proper recycling of products is important. In Malaysia, old electronic products are still challenging to deal with. This is a result of the products being dispersed in households all across the country. They are kept at home, sold to unregulated buyers, or thrown away with the trash. A participatory public approach is necessary for the recycling of e-waste. This includes the general knowledge of the public to effectively communicate and participate in the recycling program. It is also necessary to provide easy to use collection services. This research is being conducted in the Kulai District, Johor. The Kulai District has a mixture of homes, businesses, and industries with an increasingly high level of electronic device use. The research is

documenting the public's intention to solve the e-waste problem in environmentally safe ways. The surge in information and communication technologies has influenced household consumption patterns. We are now seeing faster turnover for devices such as smartphones, laptops, printers, tablets, Wi-Fi routers, TVs, refrigerators, washing machines, and small appliances. With this turnover comes a continual stream of devices that households need to manage. Without an easy and trusted method for device disposal, residents may choose to keep devices in their homes for years or manage them through unsafe methods. Hence, the issue is both technical and behavioural. The public must decide if they are both willing and able to dispose of their devices through formally sanctioned disposal systems. When considering sustainability, e-waste becomes an important issue since electronic products contain both hazardous and recoverable materials. Potentially hazardous materials may leach into soil and water if devices are improperly disposed of, burned, or dismantled. Meanwhile, valuable metals and components are lost if devices are not recovered. This makes e-waste especially complicated as it becomes a waste of ordinary household rubbish. It is important to develop a system that both protects the environment and public health, in addition to waste recovery. The public will only understand this system and why old electronics should not be vanquished with normal household waste once they differentiate e-waste from ordinary household waste.

The private nature of waste makes household electronic waste (e-waste) difficult to manage. With industrial e-waste, there are established methodologies from organisations and therefore less scattering of waste. Everyday decisions to retain items such as operational phones, laptops with personal files, and doubtful recyclables like batteries and chargers contribute cumulatively to the worsening e-waste situation. This makes the recycling of household e-waste more difficult, as the research must center on the activity and behavioural readiness of the household members and not on recycling availability. Because the Kulai district represents a mixture of rapidly developing residential and sizable commercial and industrial segments, the people of the district are a crucial sample for this research. Rapid electronic consumption of active households shows that wasted electronics are constantly produced. For responsible disposal to be a reality, waste must be coupled with disposal readiness, including awareness of the problem, advertising disposal options, and convenient disposal pathways. The groundwork of the current study addresses the needs for infrastructure disposal and the assurance of data protection. The problem arises from the awareness-action gap. Awareness of hazardous e-waste does not always equate to proper e-waste disposal. For some, disposal may be tedious. Others may perceive a lack of disposal campaigns. Collection sites may be too far. Some may distrust the disposal system. Finally, the e-waste may contain sensitive, personal information. Thus, the awareness-action gap study does not view awareness as the singular variable. The study constructs a model to account for the information, motivation, structural, and trust-related gaps. The results of this study can be useful locally and practically. The information can aid local officials in targeting the appropriate gaps. If high awareness is the predictor, then the officials may need to improve the infrastructure and convenience of disposal. If information security is the foremost predictor, then officials may need to offer e-waste disposal with guaranteed information security. If the publicity exposure is the lowest predictor, then officials may need to increase the disposal campaign and collection drive visibility. An additional benefit of the study is the representation of an under-researched district setting of Malaysia. The results may differ from those of numerous studies conducted in large urban areas.

Research Objectives

- To determine the level of awareness towards e-waste disposal intention public at Kulai District, Johor.
- To analyze factors of awareness that the influence e-waste disposal intention among public at Kulai District.
- To measure the relationship of the level of awareness with the e-waste disposal intention among the public in Kulai District.

LITERATURE REVIEW

E-waste disposal intention is the plan or willingness to get rid of electronic devices in a proper, formal way. According to the Theory of Planned Behaviour, the formation of intention is a combination of attitude, subjective norms, and perceived behavioural control. The Norm Activation Model provides support to the study as well. This model suggests that a person is very likely to act in a socially responsible way when they are aware of the negative consequences that the irresponsible action of disposal causes and when they feel an obligation to act in a socially responsible way to decrease the negative consequences caused. There are many different means of promotion. For example, awareness of a problem may be caused by the media, or by available disposal collection informational postings. Also, willingness to participate is dependent upon the ease of disposal. This is a combination of time, cost, and the distance of disposal collection. The collection, disposal, and recycling services greatly impact the disposal intention of e-waste. Additionally, the possible data (pictures, bank information, documents) that the disposal devices may contain is a focus for disposal intention. The consideration of these factors is expected to promote the disposal of e-waste.

E-waste disposal intention is classified as the dependent variable of the study. It is well known that behavioral intention is better when predicting actual behaviour. Therefore, e-waste disposal intention is very important in predicting the actual disposal of e-waste. It is important to consider that, in the study, the lack of disposal of e-waste may be caused by the lack of collection events. Behavioural theories indicate that the actual disposal of e-waste would likely occur when formal collection events are conducted. The disposal of e-waste is intended to be carried out in authorised disposal facilities and collection centres, as well as recycling, retailer, and formal disposal initiatives. Informal disposal and disposal with regular waste are intended to be avoided. The Theory of Planned Behaviour is useful in this context because it looks at the relationship between attitudes, social pressures, and perceived control over the formation of intention. Attitudes can be demonstrated in the belief in proper e-waste disposal in order to protect the environment and public health. Subjective norm can be demonstrated through the influence of family, neighbours, community leaders, members, and local authorities. Perceived behavioural control can be demonstrated in the public's belief that disposal is easy, inexpensive, clear, and accessible. When these elements are strong, it is expected that residents will hold a positive intention toward proper e-waste disposal. The Norm Activation Model adds a moral element. Disposal of e-waste goes beyond being a self-serving decision of convenience; it also brings about the issue of liability for damage to the environment. When residents are made aware of the potential harm to the environment from e-waste disposal, there is a possibility of assuming responsibility to prevent that harm; however, this moral responsibility to prevent that

harm may not be realised in the presence of high levels of inconvenience. For instance, a resident may feel responsible for preventing environmental damage, but continues to keep an old laptop because the disposal site is inconveniently located, or because the resident still has personal information on the laptop. For this reason, the current study combines moral, informational, and structural elements. Public awareness will greatly impact disposal trends because awareness provides justification to individuals to take action. If people know that electronic waste contains dangerous materials and should not be mixed with other waste, they are likely to consider proper disposal to be important. Awareness can lessen uncertainty on small items, such as chargers and batteries, and even small phones. In many homes, small electronic items are often overlooked as they do not seem dangerous. Awareness campaigns can change this outlook as they explain how many small units can end up contributing significantly to waste streams.

Publicity is not the same as awareness, although they do relate to each other. Awareness is what people know, while publicity is how information is known. So, people may be aware that e-waste is harmful, but are not aware of when and where e-waste disposal campaigns will be held. Therefore, publicity can transform general awareness into action. Effective publicity should be continuous, known, and specific to the area. It should provide instructions that are clear and specific, and not just general instructions about the environment. In Kulai District, this can be achieved through campaigns at the community level, on social media, at schools, through housing and residential associations and with the local government. Participating shows that one is prepared and motivated. For example, someone can agree with the need to recycle ewaste while simultaneously refusing to stop, store, and transport the e-waste. Willingness acts as a gap closer between awareness and doing. It can be enhanced when there is a belief in the importance of the act, a trust in the collection, and a perceived allowance in the social setting for the act. Participation in community-based activities has proven to improve the willingness to act, as people can be motivated by the effective participation of their neighbours and other local community members.

Willingness can be affected by the ease of engagement. Motivated people can easily be deterred from e-waste disposal if the task is perceived to be time-consuming. Willingness to participate is increased by a drop-off site for collections, a simple procedure, and a collection with no cost to the user. Convenience is particularly essential to participation by time-constrained members of the community, such as working families and the elderly. Infrastructure, both physical and service-based, acts as the foundation of e-waste management. Awareness and willingness to act may be lost if many people feel there is no infrastructure, especially collection systems. Infrastructure includes the collection systems and the organised systems that ensure effective participation with no cost to the user. The increase in modern electronic devices and their storage of sensitive personal information causes a concern for residents that information such as photographs, passwords, bank information, personal documents, and personal messages may be retrievable post-dump. This concern contributes to hoarding electronic devices such as phones, laptops, tablets, and hard drives. There are formal e-waste removal programs that focus on secure wiping of storage media data, physical destruction of storage media, and privacy assurances. These programs are vital to removing databearing devices and encourage reliance on formal programs. The conceptual framework introduces six independent variables as predictors of disposal intentions. Awareness and publicity are information-related variables.

Willingness describes motivation. Convenience and infrastructure represent support. Data security is trust. This framework is suitable for a semi-urban district, as it describes local disposal behaviour where public readiness and support systems are both involved. This framework, along with hypotheses and analysis, is fully integrated and describes the focus of the study.

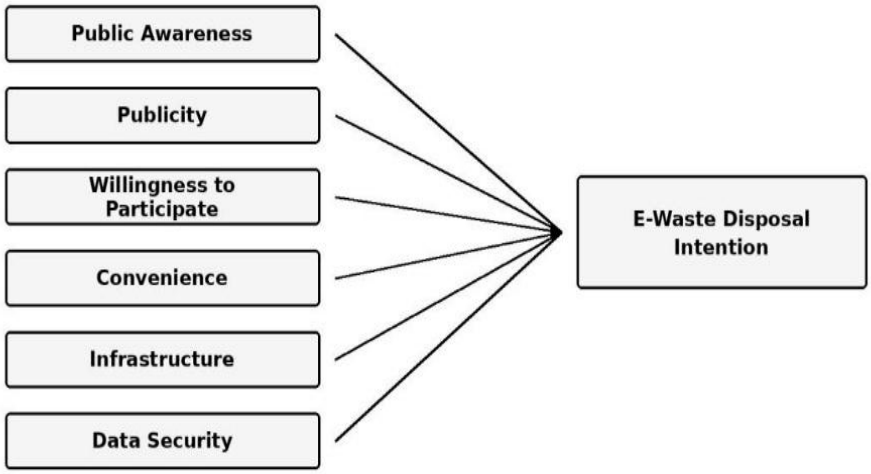

Figure 1. Conceptual Framework

Hypotheses

Table 1: Hypotheses of the Study

Hypothesis	Statement
H1	Public awareness has a significant positive influence on e-waste disposal intention.
H2	Publicity has a significant positive influence on e-waste disposal intention.
H3	Willingness to participate has a significant positive influence on e-waste disposal intention.
H4	Convenience has a significant positive influence on e-waste disposal intention.
H5	Infrastructure has a significant positive influence on e-waste disposal intention.
H6	Data security has a significant influence on e-waste disposal intention.

METHODOLOGY

This study employed a cross-sectional survey and a quantitative research design. The sample population of this study comprises participants from the Kulai District of Johor. The survey quantifies various demographics and the constructs of public awareness, e-waste publicity, willingness to e-waste disposal, convenience, infrastructure, data security, and e-waste disposal intention. The survey responses were analysed using the Statistical Package for Social Science

(SPSS). Analysis of the data includes response rate, demographics, reliability, descriptive statistics, correlation, and multiple regression analysis, which were used to test research hypotheses. Reliability was measured using Cronbach's Alpha. The mean and the standard deviation determined the various levels of the constructs. Pearson correlation determined the relationship between the multiple independent variables and the intention to dispose of e-waste. The analysis of multiple regression determined the effect of the multiple independent variables on the intention to dispose of e-waste. All participants had the same research questions, allowing the research to differentiate responses using demographic and descriptive constructs. The first section of the survey provided demographics. The following section provides items that measure the constructs of the study using a Likert scale. In the full results of the thesis, there were five items in each construct. This format allowed the researcher to measure the constructs and analyse reliability, descriptive statistics, and correlation and regression, using the construct.

The provided sample of 384 respondents was appropriate for the study, giving adequate cases for analysis and broad enough coverage for a survey. A larger sample provides a more stable estimate for a mean, correlation, and regression. The response rate table indicates that all responses were valid and used for analysis. This plays a vital role in the reliability of the findings, as missing responses may lower the quality and increase the difficulty of analysis. The researcher was able to analyse the data deeply and positively because he or she had a complete data set. Because several items in the questionnaire factored in the measurement of a given variable, a reliability test was needed. In measuring reliability, Cronbach's Alpha was useful for determining if the items under a construct were measuring the same idea and, if they were, how consistently this was done. Constructs that were measured consistently had Cronbach's Alpha scores that were appropriate and that were excellent. According to the thesis, the constructs that measured public awareness, publicising, willingness to participate, convenience, infrastructure, data security, and ewaste disposal had consistent measurements. In measuring the overall standing of the different variables, descriptive analysis was done. Mean scores were used in determining if respondents agreed or disagreed, while standard deviation was used to measure the variability of responses. This helped determine what was lacking and what was satisfactory. A case in point would be if respondents contemplated high e-waste awareness and thus indicated high scores, while respondents measured infrastructure at medium levels, evidence of situational support and/or service infrastructure was lacking.

Correlation analysis examined the strength and direction of the relationships between the independent variables and the e-waste disposal intention. It was characterised by a positive correlation, meaning the intention to dispose of e-waste also increased alongside the increasing variable. According to the correlation results in the thesis, all variables were shown to exhibit a strong positive correlation. This was the basis to assume that before the regression analysis was conducted to test the combined correlation, all variables were relevant to the e-waste disposal intention, even individually. Regression analysis was used in the case, since the researcher was interested in the e-waste disposal intention while considering all the variables in the study. Unlike simple correlation, regression analysis shows how each variable is related to the e-waste disposal intention. Regression analysis in the case also had the opportunity to reveal that public awareness and data security were, respectively, the strongest and the second strongest predictors and that the other variables, namely: publicity, willingness to participate, convenience and

infrastructure, were also significant predictors. The rest of the thesis has to be as published and has to be consistent in terms of the design of tables. Therefore, the tables, the variable names, the thesis-related notes, and the derivative decisions are not cited in short or estimated forms. The surrounding notes were written in the form of an article, and a short version was prepared to meet the design requirements of the thesis and the statistical evidence was kept unchanged to preserve the findings from the published version of the thesis and make the thesis readable.

RESULTS AND ANALYSIS

This section includes the study findings from the full thesis, and the results values remain completely unchanged. The tables are reproduced here with the same table numbers, captions, and the same variables, frequencies, percentages, mean values, reliability values, correlation values, regression values, and hypothesis decisions as in the thesis. The discussion woven in after each group of tables is communicated in the e-finding in the most intelligible way, e-waste disposal intention in Kulai District, Johor.

Demographic Analysis

The demographic analysis presents the background of the 384 respondents and serves as verification that the distributed questionnaires were all returned and were not discarded for any reason. This is significant, as the findings are believed to rest on a wholly accurate dataset with no omitted or invalid findings. Presented in the preceding tables are the actual response rate and the actual demographics, as cited in the thesis findings.

Table 4.1: Response Rate

Description	Frequency	Percentage
Questionnaires distributed	384	100.0%
Questionnaires returned	384	100.0%
Valid responses	384	100.0%
Invalid responses	0	0.0%
Missing responses	0	0.0%

Table 4.2: Demographic Profile of Respondents

Variable	Category	Frequency	Percentage
Gender	Male	189	49.2%
	Female	186	48.4%
	Prefer not to say	9	2.3%
Age Group	18–25 years	91	23.7%
	26–35 years	115	29.9%
	36–45 years	93	24.2%

	46–55 years	59	15.4%
	56 years and above	26	6.8%
Education Level	Bachelor's degree	124	32.3%
	Diploma / Certificate	121	31.5%
	Master's degree or above	43	11.2%
	Secondary school	84	21.9%
	Other	12	3.1%
Employment Status	Employed	221	57.6%
	Self-employed	61	15.9%
	Student	45	11.7%
	Unemployed	36	9.4%
	Retired	21	5.5%
Monthly Income	Below RM2,000	109	28.4%
	RM2,001–RM4,000	137	35.7%
	RM4,001–RM6,000	82	21.4%
	RM6,001 and above	38	9.9%
	Prefer not to say	18	4.7%
Residential Area	Urban area	163	42.4%
	Semi-urban area	161	41.9%
	Rural area	60	15.6%
Ownership of Electronic Devices	Yes	375	97.7%
	No	9	2.3%
Previous E-Waste Disposal Experience	Yes	192	50.0%
	No	132	34.4%
	Not sure	60	15.6%
Usual Handling Method	Keep them at home	120	31.3%
	Send them to recycling centres	70	18.2%
	Sell them to second-hand buyers	56	14.6%
	Return them to retailers or collection programmes	53	13.8%
	Throw them with normal household waste	49	12.8%
	Other	36	9.4%

As shown in Table 4.1, 384 questionnaires were issued, and all were returned and accepted as valid responses. There were no invalid or missing responses. Thus, the full sample size was used in the analysis, and results were not impacted by the absence of data. The responses to the gender question showed that males accounted for 49.2% and females 48.4%. The remaining

2.3% did not wish to disclose their gender. This indicates that the sample was gender balanced and was not dominated by a gender. The respondents who were aged 26-35 accounted for the majority with 29.9%. The second largest age group was that of the 36-45 year olds, who accounted for 24.2% of the respondents, and the following group was that of the 18-25 year olds at 23.7%. The majority of the respondents were adult participants, who, given their likely exposure to electronic devices of all types in both their professional and personal lives, would be able to easily engage with the key elements of this study. The age groups surveyed in this study were likely to be the active users of the electronic devices under study. The education table shows that the participants surveyed in this study had varying levels of education. 32.3% held bachelor's degrees. 31.5% held diplomas and certificates. Secondary education was the final level of education for 21.9% of the respondents, and the remaining 11.2% had a master's or higher. The varying education levels of the participants were a strength of the study, as e-waste awareness and disposal behaviour may change with different levels of knowledge, exposure and access to information among the varying levels of education.

The employment table shows that employed respondents accounted for 57.6%, while self-employed respondents accounted for 15.9%. Students, unemployed, and retired respondents accounted for 11.7%, 9.4%, and 5.5%, respectively. This illustrates the significance of the study, since employed and self-employed participants likely own and renew their electronic products. The income table shows Respondents had varied levels of income, with the largest group earning between RM2,001–RM4,000 (35.7%), followed by less than RM2,000 (28.4%), and RM4,001–RM6,000 (21.4%). This illustrates the income of average households within the Kulai district. The results of the residential area indicate that 42.4% of respondents lived in the urban area, 41.9% in the semi-urban area, and 15.6% in the rural area. Each of the groups may have various levels of accessibility to e-waste collection points. Based on this information, the urban area may have collection points for e-waste, while the semi-urban and rural areas may have collection points with restricted access. Table 4.8 shows that 97.7% of respondents owned or used electronics. This indicates that almost all respondents had a stake in the research. Electronic users are likely faced with the dilemma of retaining/ recycling/ disposing their electronic items. According to Table 4.9, 50.0% of respondents had some prior e-waste disposal experience. 34.4% did not, and 15.6% were unsure. Having dealt with e-waste in some way means most respondents probably don't know how to dispose of it. Table 4.10 asks respondents how they manage old electronics. The most common answer, with 31.3% of respondents, was simply leaving it at home. Only 18.2% said they send it to a recycling centre. The storage of old electronics at home is a big problem in the Kulai District. Residents probably keep old electronics at home for a combination of uncertainty, inconvenience, poor disposal information, fear of old information being accessed, and lack of trust in disposal services. The demographic data, especially the storage of old electronics, indicate that the e-waste disposal intention should be studied in relation to behavioural, structural, and trust factors.

Reliability Analysis

Reliability analysis helps to verify the stability of the measurement of the items in the survey to measure the corresponding construct. For this purpose, Cronbach's Alpha was computed. The reliability of a construct is proven to be satisfactory if a high Cronbach's Alpha score is computed. Below is the exact reliability table from the thesis. The results of the reliability analysis show that Cronbach's Alpha scores for all variables indicated good or excellent

reliability. Public Awareness reported good reliability with a score of .886, while Publicity had an excellent score of .909. Willingness to Participate and Convenience scored .888 and .897, respectively. Infrastructure and Data Security scored .912 and .914, respectively. Both scores showed excellent reliability. E-Waste Disposal Intention scored .894 and also showed good reliability. Since all the scores were above the minimum acceptable threshold, the questionnaire expressed a reliability indicator. This showed that the data were adequate for descriptive, correlation, and regression analysis. The results of the reliability analysis also improved the study's confidence since the results were based on the consistent measurement of each of the variables.

Table 4.3: Reliability Analysis

Variable	Number of Items	Cronbach's Alpha	Reliability Level
Public Awareness	5	.886	Good
Publicity	5	.909	Excellent
Willingness to Participate	5	.888	Good
Convenience	5	.897	Good
Infrastructure	5	.912	Excellent
Data Security	5	.914	Excellent
E-Waste Disposal Intention	5	.894	Good

Descriptive Statistics

Descriptive statistics were utilised to show the extent of each of the major variables. The mean and standard deviation were used to show the extent of each of the major variables and the extent of variability of responses, respectively. The interpretation column shows whether the extent of each of the variables was great or moderate and is referred to as the descriptive statistics table.

Table 4.4: Descriptive Statistics of Main Variables

Variable	N	Minimum	Maximum	Mean	Standard Deviation	Interpretation
Public Awareness	384	1.4	5.0	3.805	.7643	High
Publicity	384	1.0	5.0	3.428	.9055	Moderate
Willingness to Participate	384	1.2	5.0	3.673	.7927	High
Convenience	384	1.0	5.0	3.583	.8389	Moderate
Infrastructure	384	1.0	5.0	3.066	.8967	Moderate
Data Security	384	1.0	5.0	3.482	.9085	Moderate
E-Waste Disposal Intention	384	1.2	5.0	3.760	.8186	High

The results show that Public Awareness had the highest mean of 3.805, and the results were interpreted as positive. Respondents appeared to have an understanding of e-waste and the significance of its proper disposal. It shows, therefore, that respondents perceived that electronic waste disposal should be done with caution and should not be mixed with the general waste of the household. There was also a high mean of 3.760 recorded for E-Waste Disposal Intention, and respondents were of a positive disposition toward the disposal of e-waste. Willingness to Participate also had a high mean of 3.673. This reflects that many respondents were positive toward the participation and/or support of activities that promote the proper disposal of e-waste. This is an encouraging response as the support of the public is essential toward the proper management of household e-waste. The absence of public willingness to separate, store, and send their used and obsolete electronic devices to the appropriate disposal channels will render any existing facilities useless. Convenience was moderately rated with a mean of 3.583. Data Security had a mean of 3.482, and Publicity had a mean of 3.428. Infrastructure had the lowest mean and also recorded a moderate rating of 3.066. The respondents had an awareness and an intention, but the supporting factors were weak. The weakest of the supporting factors appeared to be Infrastructure. Descriptive findings point out the following. People have heightened awareness and intention regarding e-waste. However, the disposal system is only moderately developed. This reinforces the notion that e-waste disposal goes beyond knowledge. Individuals know the consequences of improper disposal and e-waste, and intend to handle the disposal appropriately, but the disposal systems need to have the appropriate collection infrastructure, handling infrastructure, and awareness. This is useful for the Kulai District, in that the local government has the need to reinforce systems that support public education as well as e-waste disposal systems.

Correlation Analysis

Pearson correlation was used to assess the correlation between different independent variables and e-waste disposal intention. If a positive correlation is achieved, this means that a higher e-waste disposal intention is directly related to a higher value of the independent variable, and vice versa. In the following, the exact values of the correlation table in the thesis have been presented.

Table 4.5: Correlation between Independent Variables and E-Waste Disposal Intention

Independent Variable	Dependent Variable	Pearson Correlation (r)	Sig. Value	Interpretation
Public Awareness	E-Waste Disposal Intention	.680**	.000	Strong positive relationship
Publicity	E-Waste Disposal Intention	.651**	.000	Strong positive relationship
Willingness to Participate	E-Waste Disposal Intention	.631**	.000	Strong positive relationship

Convenience	E-Waste Disposal Intention	.650**	.000	Strong positive relationship
Infrastructure	E-Waste Disposal Intention	.619**	.000	Strong positive relationship
Data Security	E-Waste Disposal Intention	.601**	.000	Strong positive relationship

Note: Correlation is significant at the 0.01 level.

The correlation analyses indicate that strong positive relationships exist between all independent variables and the intention to dispose of E-Waste. Public Awareness showed the highest level of correlation to disposal intention, with r = .680 and p = .000. This signifies that increased levels of Public Awareness would strongly correlate with a strengthened intention to dispose of e-waste. This result is understandable, as individuals who are aware of the risks and the significance of e-waste disposal would more likely intend to utilise the proper disposal channels. Publicity also had a strong positive relationship with disposal intention (r = .651, p = .000). Like Publicity, Convenience also presented a strong positive relationship (r = .650, p = .000). This signifies that disposal intention would be increased if informed disposal programs and disposal program accessibility are both present. If the residents are informed as to where and when e-waste disposal is to take place, as well as the ease of the disposal process, then the residents' intention to dispose of e-waste would be strengthened. Willingness to Participate and Infrastructure had r values of .631 and .619, respectively, both with a significance of p = .000. These results imply that both Motivation and System Support are crucial. Residents, of course, should be willing to participate, but the support systems should be available to enable them. Data Security had an r = .601 and a significance of p = .000, and therefore, also showed a strong positive relationship with disposal intention. This illustrates that in the context of e-waste disposal, data protection should be considered. Residents would be reluctant to dispose of their phones, laptops, and computers if they are concerned that their data would be compromised. In conclusion, the correlation analysis verifies the significance of the six studied variables to the disposal of e-waste and shows that the variables are positively and significantly correlated with each other. This means that, in order to improve the disposal of e-waste in the Kulai District, the presence of public e-waste disposal campaigns, publicity, public willingness to participate, convenience, infrastructure, and data security should be considered.

Multiple Regression Analysis

Multiple regression analysis was used to determine the effect of the six independent variables on E-Waste Disposal Intention. This analysis is crucial since it shows the effect of the variables in combination and determines the significance of each predictor when they are considered together. The exact model summary, ANOVA and coefficient tables from the thesis are presented below.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	td. Error of the Estimate	Durbin-Watson
1	.803	.645	.639	.4915	2.171

The model summary shows that the value of R was .803, which shows that there was a strong relationship between the independent variable and E-Waste Disposal Intention. The R Square value was .645, which shows that 64.5% of the variance in E-Waste Disposal Intention was due to Public Awareness, Publicity, Willingness to Participate, Convenience, Infrastructure and Data Security. The Adjusted R Square was .639, which is very similar to R Square and shows that after adjustment for the number of predictors, the model remained strong. The value of Durbin Watson was 2.171, which is very close to 2 and shows that there is no serious problem of autocorrelation. The ANOVA table indicates that the regression model was significant, as evidenced by an F of 114.231 and a p-value of .000. Therefore, the model applied to predict E-Waste Disposal Intention. Since the significance value is below .05, the model is confirmed to be statistically significant. This implies that the six independent variables together describe the changes in e-waste disposal intention of the people in the Kulai District.

Table 4.7: ANOVA Result

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	165.557	6	27.593	114.231	.000
Residual	91.065	377	.242		
Total	256.622	383			

Table 4.8: Regression Coefficients

Independent Variable	B	Std. Error	Beta	t-value	Sig.	Tolerance	VIF	Result
Constant	.285	.141		2.023	.044			
Public Awareness	.231	.049	.216	4.698	.000	.447	2.237	Significant
Publicity	.119	.042	.131	2.844	.005	.441	2.269	Significant
Willingness to Participate	.172	.044	.167	3.929	.000	.523	1.910	Significant
Convenience	.156	.043	.160	3.599	.000	.478	2.091	Significant
Infrastructure	.140	.038	.153	3.634	.000	.529	1.889	Significant
Data Security	.164	.035	.182	4.621	.000	.610	1.640	Significant

The regression coefficients indicate that each of the six investigated independent variables had a statistically significant impact on E-Waste Disposal Intention. Of the six, Public Awareness, B = .231, Beta = .216, t = 4.698, p = .000, was the strongest of the predictors of the model. The

positive slope indicates that as Public Awareness increases, respondents' disposition to e-waste disposal increases. This finding speaks to the value of education and the role of the community in the management of household e-waste. The second strongest predictor was Data Security, B = .164, Beta = .182, t = 4.621, p = .000. The result speaks to the importance of concerns of privacy and data protection. Many, if not most, electronic devices store personal and sensitive information, e.g. photographs, messages, passwords and banking information, as well as personal and sensitive documents. If data is believed to be handled securely, respondents will have a higher disposition to the proper disposal of their old electronic devices properly. Willingness to Participate analysis revealed B = .172, Beta = .167, t = 3.929, p = .000. Thus, personal readiness and motivation impact disposal intention. Convenience analysis revealed B = .156, Beta = .160, t = 3.596, p = .000. Thus, easy access equates to less effort in disposal. Convenience impact is evident. Disposal intention is supported by Infrastructure analysis, which revealed B = .140, Beta = .153, t = 3.634, p = .000. Proper facilities and formal collection systems impact disposal intention. Publicity analysis revealed B = .119, Beta = .131, t = 2.844, p = .005. Of the examined predictors, Publicity was the weakest, but still significant. Thus, campaigns and/or information exposure must improve. Publicity needs improvement in disposition, exposure, and information. Bounded collinearity was not a strong concern, based on tolerance and VIF values, which ranged from 1.640 to 2.269 and are acceptable. The independent variables were not too highly overlapping. There is evidence that the regression results are interpretable.

Hypothesis Testing

Hypothesis testing was conducted based on the regression results. A hypothesis is accepted when the significance value is below .05. The exact hypothesis testing table from the thesis is presented below.

Table 4.9: Hypothesis Testing

Hypothesis	Statement	Sig. Value	Decision
H1	Public Awareness has a significant positive influence on E-Waste Disposal Intention.	.000	Accepted
H2	Publicity has a significant positive influence on E-Waste Disposal Intention.	.005	Accepted
H3	Willingness to Participate has a significant positive influence on E-Waste Disposal Intention.	.000	Accepted
H4	Convenience has a significant positive influence on E-Waste Disposal Intention.	.000	Accepted
H5	Infrastructure has a significant positive influence on E-Waste Disposal Intention.	.000	Accepted
H6	Data Security has a significant influence on E-Waste Disposal Intention.	.000	Accepted

Table 4.17 shows that all Six Hypotheses were accepted. H1 was accepted because Public Awareness positively impacted the intention to dispose of e-waste. H2 was accepted because Publicity positively impacted the intention to dispose of e-waste. H3 was accepted because the

Willingness to participate positively impacted the intention to dispose of e-waste. H4 was accepted because Convenience positively impacted the intention to dispose of e-waste. H5 was accepted because Infrastructure positively impacted the intention to dispose of e-waste. H6 was accepted because Data Security positively impacted the intention to dispose of e-waste.
The results of the hypothesis testing show that the intention to dispose of e-waste in Kulai District was positively impacted by several different factors. The presence of Public Awareness by itself is not sufficient. Although Public Awareness is the most significant, it is positively impacted by Publicity, Willingness, Convenience, Infrastructure and Data Security. This means that the intention to dispose of e-waste in a community is positively impacted by education, communication, and motivation, as well as access to disposal services, development of disposal facilities, and secure handling of data-bearing devices.

Discussion of Findings

The results indicate that the community of Kulai District has both the proper awareness and intention to dispose of ewaste, although the community's support to effectively accomplish this is lacking. Public Awareness had the highest descriptive mean and the strongest regression beta, indicating that knowledge is the most significant factor in forming the intention to dispose of e-waste. When community members understand the negative impacts of improper disposal of e-waste and the advantages that can be derived through proper disposal and recycling of such waste, they will be likely to dispose of e-waste in a responsible manner.

At the same time, awareness alone cannot solve the issue. The most common method of handling e-waste, shown in Table 4.10, was keeping the devices at home. This finding is important, as most residents are not moving from knowledge to action. While residents are most likely to know that e-waste should be recycled, keeping the old devices at home is likely the result of the absence of recycling, convenience or the fear of losing data. This most likely fills the gap of awareness and action when it comes to recycling e-waste in the home. Publicity was important but exhibited the lowest beta value, meaning it was influential, but to a lesser extent, on the intention to dispose of e-waste. These results should not be seen as indicating that e-waste disposal had no value. Ewaste disposal most likely needs even more qualitative and quantitative e-waste disposal-oriented publicity. This should not restrict the publicity to the disposal of e-waste. The disposal publicity should strongly suggest what e-waste recycling is, what waste can be disposed of, what the collection points and collection times are, and if there is any support for e-waste disposal. This type of disposal-oriented publicity will likely help to close the gap in recycling ewaste in the home.

Willingness to participate was also an important predictor. Residents must be ready to engage in disposal activities. Participation requires time and energy. People must dig out old devices and may need to keep them separate from nonwaste. They may also need to transport the devices to the collection point and have faith that the devices will not be disposed of improperly. Therefore, willingness is largely based on community activities, realisable benefits, and trust in the system. When community members realise the value and importance of their participation in the protection of the environment, their willingness will increase. Convenience also had a significant effect on disposal intention, and convenience is the most significant. If activities are not easy to complete, are time-consuming or unclear, community members may postpone participation. Convenience can be enhanced by placing collection points in locations

community members visit, such as community halls, supermarkets, schools, council offices, and collection points in residential areas. Collection activities that occur on weekends and mobile collection activities will improve participation from working members of the community. Although infrastructure was significant, it had the lowest descriptive mean. This shows that respondents perceive infrastructure to be a weak area. Without adequate infrastructure, the disposal of e-waste will not be a reality. Collection points, collection bins, mobile collection activities, take-back programs, and linkages with authorised recyclers are examples of infrastructure. Kulai District needs stronger infrastructure to provide disposal of e-waste and to make disposal of e-waste more visible, accessible, and reliable.

Data Security was the second strongest predictor in the regression model in this study, which was an important contemporary finding. Old electronics have personal information on them. Residents may have personal fears and keep Phones, laptops, hard drives, and tablets because information may be retrieved or personal data may be misused. Ewaste programs may include data wiping and destruction, or secure data destruction methods or instructions on how data may be removed personally. When data security is taken seriously, the system may be trusted more and formal disposal methods may be utilised more. The entire model covered 64.5% of the E-Waste Disposal Intention. This was a good result since a large majority of the disposal intention was covered by the variables in the model. The unexplained portion of 35.5% means that there may be other factors. Future studies may include the distance of collection centres, trust of local government and incentives, previous recycling behaviour and e-waste storage behaviour, and the environmental concerns and values of the household. The model of this study is applicable, useful, and explains the e-waste disposal intention of the residents of the Kulai District.

Implications of the Findings

The findings are useful for stakeholders, including policy makers and managers of the local authorities and e-waste management services. Continuous public education is important, and it was the most important predictor. Education campaigns should be simple. The campaigns should inform the public and educate them on what e-waste is, and provide examples such as waste phones, chargers, batteries, laptops, printers, small electronic appliances, and so on. The public should be informed about why e-waste is not mixed with regular waste. Second, consider incorporating a focus on data security in your e-waste programs. Findings indicate that data security significantly impacts disposal intention. To address this concern, collection drives should instruct participants on file backups, account log-offs, memory card removals, and device resets. Data security through certified data wiping and destruction should be offered for hard drives and laptops. Protective measures should be made clear in publicity materials. Third, strengthen your infrastructure. Based on the reported average, your infrastructure is not sufficient. This indicates a lack of sufficient formal disposal support in your community. Local councils are urged to increase the number of collection points and ensure collected e-waste is sent to authorised e-waste recyclers. Collection point displays may decrease uncertainty. Local retail and electronic shops should be involved in formal disposal support. Residents often frequent these shops to purchase or replace electronic devices. Fourth, establish straightforward and consistent publicity. Traditional focus and one-time publicity campaigns are inadequate, as collection drives are not readily available. Display publicity and focus on disposal challenges, location, and hours, as well as data security and disposal support. Employ both social and

traditional approaches to publicity. Leverage community and school networks, local council supports, and printed notices. Fifth, e-waste programs, especially e-waste collection services, need to balance effective operation with convenience for residents. E-waste service collection points need to be accessible. Convenience requires consideration of service users. E-waste collection points need to be located near, or be made mobile to, community or service user locations. Employee e-waste collection services need to be offered after hours or on weekends. Convenience is critical to e-waste collection services. Sixth, social support for e-waste collection is important. E-waste collection social support can be provided by community members, community leaders, schools, community businesses, and resident associations. E-waste collection program participation can be socially supported and made more visible by reporting the results of the program, including the amount of e-waste collected.

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

This chapter analyzes the key outcomes of the study based on the three study objectives stated in Chapter 1. The study identified elements that impact the e-waste disposal intentions of residents in Kulai District, Johor. The elements included public awareness, publicity, willingness to engage, convenience, infrastructure, and data security. The influence of the elements on e-waste disposal intentions was assessed using several statistical techniques, including descriptive, correlation, and multiple regression analyses. The chapter discussed the study objectives in the order that they have been presented. First, it describes the level of awareness regarding e-waste disposal. Then the chapter identifies the elements that affect the e-waste disposal intentions and describes the influence that public awareness has on e-waste disposal intentions. Finally, the chapter summarizes the key outcomes of the study, provides directions for subsequent studies, and presents the main conclusions.

Discussion on Research Objectives

Objective 1: To determine the level of awareness towards e-waste disposal intention public at Kulai District, Johor.

Descriptive analysis was used to achieve the first objective. The results revealed that the average public awareness score was 3.805 with a standard deviation of 0.7643. Respondents in Kulai District were aware about e-waste and the potential hazards of improper disposal of e-waste. Respondents in Kulai District were aware that the disposal of old/obsolete household electronics is not a disposal conventional household waste.

The research confirmed that there was a strong intention for e-waste disposal with a mean score of 3.760 and standard deviation of 0.8186. The results show that the respondents were not only aware of the problems associated with e-waste, but also had the intention of disposing of e-waste appropriately. This is a positive support for the Theory of Planned Behaviour as stated by Ajzen (1991), where the intention to act is the precursor to an action. In this case, the intention score was high, therefore, the public would support the formal collection of e-waste, if the system was designed to be simple and trustworthy. Table 4.10 revealed that 31.3% of the respondents kept their old electronic devices in their home. This was the most popular method of dealing with old devices. Only 18.2% of the respondents sent their old devices to a recycling centre. There is definitely a gap in the knowledge-intention-action e-waste continuum. Some residents may be aware that these devices can be disposed of, and may be aware that e-waste can be disposed of. However, they may be keeping these devices due to the collection system

being inadequate, or too much effort, or too little advertising, or may be concerned about the security of their personal information. Therefore, Objective 1 states that the level of public awareness of e-waste in the Kulai District is encouraging because the level of e-waste disposal intention is high. However, within the context of this study, the high level of awareness e waste disposal alone is not sufficient. The public needs to have access to clear information about e-waste disposal, rational collection systems, and safe handling of personal data. If these systems do not exist, the public will retain their old electronic devices.

Objective 2: To analyze factors of awareness that the influence e-waste disposal intention among public at Kulai District.

The second objective was accomplished through the analysis of the model's research factors. These included public awareness, publicity, willingness to participate, convenience, infrastructure, and data security. Descriptive analysis demonstrated that respondents were stronger in personal readiness than in system support. The mean score for public awareness was 3.805, and willingness to participate was also high with a mean score of 3.673. This indicates that there was an understanding among the respondents of the problem, and a willingness to participate in the proper disposal of e-waste. Public awareness was the strongest factor, and as such, people were more likely to intend to engage in the proper disposal of e-waste due to their understanding of the improper disposal of e-waste and the potential environmental and health impacts. This finding slightly corresponds with the Norm Activation Model (Schwartz, 1977), as people are more likely to act in a responsible manner when they understand the impacts of the actions and when they feel the responsibility to prevent harmful consequences. Awareness in Kulai District could demonstrate to residents that e-waste disposal is different from normal waste disposal. Participation was remarkably high. Many respondents were ready to support e-waste disposal activities. This reflects the needs of e-waste disposal activities. Community members separate unused devices from regular waste, erase personal data, and deliver them to collection points. Community members are willing to carry out these activities if the process is reliable and easy to understand.

Infrastructure and data security were assessed at moderate levels. Publicity had a mean score of 3.428. Convenience had a mean score of 3.583. Infrastructure had a mean score of 3.066, the lowest score. Data security had a mean score of 3.482. These data show the support system, or the disposal activities, is inadequate compared to the community members' willingness and readiness. Community members know e-waste disposal is important, but do not have adequate information or infrastructure to support disposal. Publicity had a mean score assessed as moderate. This means that information regarding e-waste disposal is not frequent enough and is not easily accessible. Community members know that e-waste is harmful. However, they do not know where to send devices, when disposal activities take place, what devices to send, and whether the service is legitimate. Publicity is important, as it is the first step to rationalizing the community members' awareness. Researching e-waste disposal indicates that information and publicity are the first rational steps to support recycling e-waste (Muthukumari et al., 2024). A moderate convenience score and low infrastructure score indicate that collection services are lacking. If collection points are located at a distance with limited hours and an unclear disposal process, residents may postpone disposal. Infrastructure is crucial because collection points, collection centers, retailer take-back programs, mobile drives, and connections with authorized

recyclers are necessary for action. This is consistent with international e-waste studies which indicate that household e-waste management is problematic when formal collection systems are non-existent and hard to access (Balde et al., 2024; Forti et al., 2020).

Data security was another major concern. Electronic devices contain pictures, passwords, banking information, as well as personal and private messages. If residents have concerns about the security of their data, old phones, laptops, tablets, and even hard drives may remain stored in homes. This reinforces the importance of considering data security in the e waste management system. Other studies have found that data security has a major impact on the recycling of electronic devices (Ben Yahya et al., 2023). Consequently, Objective 2 was achieved. The results of the research indicate that the factors that influence the disposal of e-waste include more than just awareness. Publicity, willingness to cooperate, convenience, infrastructure, and data security were additional influencing factors. The main strength was public awareness and the main weakness was infrastructure. This indicates that the Kulai District should educate its residents, but most importantly should establish a disposal system.

Objective 3: To measure the relationship of the level of awareness with the e-waste disposal intention among the public in Kulai District.

The third objective was assessed through a regression and correlation analysis. Using Pearson correlation, a strong positive correlation was found between e-waste disposal awareness and e-waste disposal intention. e-Waste disposal awareness recorded the highest correlation with e-waste disposal intention, $r = .680$, $p = .000$. This indicated that an increase in e-waste disposal awareness, resulted in an increase in e-waste disposal intention. The relationship was significant since the p-value was below .05. These results highlighted the significance of awareness in relation to disposal intention in the Kulai District. If the residents are aware of the consequences of improper disposal of e-waste, they will have the intention of utilizing the disposal channel. This finding supports the assertion that knowledge of the environment encourages the responsible disposal of waste. This also supports the findings of the other studies in which the respondents' environmental awareness was found to be related to the intention to practice sustainable waste management (Mohamad et al., 2022; Shaharudin et al., 2023).Finding of a multiple regression analysis also provided support. With the public awareness of disposal channel, $B = .231$, $Beta = .216$, $t = 4.698$, and $p = .000$, this was the most significant predictor among the other variables in the model, and Hypothesis 1 was accepted. The findings of this analysis affirmed that the awareness of e-waste disposal was significant in the intention to promote e-waste disposal. The regression analysis indicated that all six predictors had a significant effect. The R Square value was .645. This implies that public awareness, publicity, willingness to participate, convenience, infrastructure, and data security explained 64.5% of the variance of the intentions to dispose of e-waste. The remaining 35.5% could be explained by other variables, such as distance to collection centres, incentives, trust of authorities, past recycling behaviour, and storage practices. The regression model was significant with $F = 114.231$ and $p = .000$. Thus, Objective 3 was met. The study established a positive strong significant relationship between the level of public awareness and the intention to dispose of e-waste. The study also showed that of all the predictors in the model, public awareness was the strongest. However, the study found that public awareness must be complemented by practical systems. This means that infrastructure, convenience, publicity, and data security must also be

provided so that high public awareness translates into disposal behaviour.

Implications of the Findings

The study results suggest actionable suggestions for e-waste management in Kulai District. First, environmental agencies should focus on continuous public education. From the study, public awareness had the most significant impact on e-waste disposal intention. Educational programs should include the definition of e-waste, the dangers of ewaste, the components of e-waste, and the reasons why the disposal of electronic devices through the standard household waste should not be done. Second, support for data security should be incorporated in the collection of e-waste. Since data security was the second most significant predictor, collection drives should elaborate on the data protection measures that will be put in place. The information should walk community members through the processes of backing up, removing, and turning the devices to the collection drive, as well as signing out of all accounts, performing a factory reset, and using certified data destruction methods. This will mitigate the concern and enhance the settlement of the destruction process in the collection drives. Third, moderate convenience and infrastructure scores suggest that convenience should be added to the collection infrastructure. Collection points should be sited in locations that are frequently visited by community members (e.g. community halls, supermarkets, local council offices, schools, electronic shops). Mobile collection drives and collection drives scheduled on weekends should be utilized to assist community members that are unable to participate during the week due to work. Lastly, specific and direct goals should be the focus of future publicity efforts. Community members should not just be informed that e-waste is dangerous. Publicity should also provide the date and location of an e-waste collection drive, the hours of operation, what e-waste will be accepted, who is facilitating the collection drive, and what data protection measures will be provided. Publicity that includes the above information will assist community members in moving from awareness and actually participating in safe e-waste disposal.

Recommendations

The first recommendation is to support ongoing education concerning the disposal of e-waste. Programmes should be easy, local, and practical, and should help community members understand the health and environmental consequences of improper disposal of e-waste. Such programmes should identify the common types of household e-waste, which may include mobile phones, chargers, batteries, laptops, printers, televisions, and small appliances. The second recommendation is to enhance the existing e-waste education campaigns and increase publicity. e-Waste campaign information should be available through local councils and schools, community groups, and resident's associations, places of worship, social media, and posted advertisements. This e-waste education campaign should maintain a high frequency of messaging, and clearly instruct the community on disposal. The third recommendation is to enhance convenience. Collection points should be established in residential and community locations. Weekend collection drives, mobile collection vans, and retailer take-back programmes should be established. As disposal of e-waste is made increasingly more convenient for the community, e-waste disposal is more likely to be practiced. The fourth recommendation is to improve the collection system. More visible e-waste collection systems are needed in the Kulai District. Collection Points should be completed with clear signage, regular collection schedules, and an appropriate system to support the authorized recyclers.

These changes would help uncertainty and support e-waste disposal. The fifth recommendation is to add e-waste protection programmes to existing e-waste programmes. For mobile phones, laptops, tablets, and hard drives, e-waste protection programmes should include data destruction and certified data destruction or a simple guidance of data removal. This would help the community feel safer when disposing of older electronic devices. The sixth recommendation is to engage community leaders, schools, residents' associations, retailers, and community businesses in e-waste campaigns. Involving the community fosters trust, promotes visibility, and makes participation a community norm. Publicizing the amount of e-waste collected during each campaign may prompt greater participation in future campaigns.

Limitations of the Study

Several limitations exist in this study. First, the study was confined to the Kulai District of the state of Johor. Hence, the findings may not reflect the other districts of the Johor state of Malaysia, or even, the other states in Malaysia, as infrastructure, awareness, publicity, and disposal behavior may vary from one locality to another in Malaysia. Second, a cross-sectional quantitative design was used, which, as the name suggests, only concentrates on one point in time. This is, thus, limited to the current state of the variable of interest, which in this case, is intention, and the state of the other variables. This design does not investigate how the state of intention may evolve in the future or how the other variables may evolve in the future due to the introduction of new campaigns or new disposal facilities. Third, this study focused on e-waste disposal intention, and not the actual disposal behavior. While the intention to act is a good first step, some residents may have the intention to dispose of e-waste in a socially responsible way but still do not follow through if collection services are inconvenient or untrustworthy. Lastly, the study was based on survey questions. It is likely that some respondents provided answers that they perceived to be more socially acceptable, as there is a general positive perception toward environmentally responsible behavior. Thus, the intention to act on e-waste disposal may be over-estimated.

Future Research

Future studies need to focus on actual e-waste disposal actions rather than just looking at disposal intentions. This can show researchers if residents who claim to have a strong intention actually take part in collection drives and use formal disposal methods. Another option is to compare Kulai District to other Districts in Johor or Malaysia. Such a comparison can reveal if ewaste disposal intention is influenced by the same factors in areas that have differing levels of infrastructure and differing levels of public awareness. Additional factors can be tested in future studies. These can include: the proximity of collection centers, trust in presiding authorities, an individual's past recycling behavior, environmental attitudes, and storage behavior. These may help account for the leftover 35.5% variance that was unaccounted for in the present study's regression analysis. Future studies can focus on the actual collection drives, retailer take-back programs, and data wiping services as research methods. These can be used to capture actual e-waste disposal behavior as a result of changing disposal intention.

Conclusion

This research study aimed to identify the factors that influence e-waste disposal intention in the public in Kulai District in Johor. The three aims of the research have all been met. Firstly, the intention to dispose of e-waste was found to be high. Secondly, public participation was found

to be high, as was public awareness, while publicity, convenience, infrastructure, and data security were found to be medium. Third, it was determined that all six proposed variables positively influenced e-waste disposal intention. Public awareness was the most significant predictor, along with data security, participation willingness, convenience, infrastructure, and publicity, in terms of their influence on e-waste disposal interest. The regression analysis demonstrated that the model had validity and utility in predicting the e-waste disposal interest in the Kulai District, capturing 64.5% of the e-waste disposal intention variance. The main conclusion is that people are willing to dispose of e-waste responsibly, but there are no sufficient means to facilitate this disposal process. Awareness campaigns need to be coupled with reliable publicity of the services to the community, along with service infrastructure, protection of data, and active participation of community members. Once these other aspects are addressed, Kulai District will be in a much better position to promote responsible disposal of ewaste housed in the community and to mitigate the hazardous disposal of e-waste in the community.

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INVESTIGATING THE RELATIONSHIP BETWEEN INNOVATIVE WORK BEHAVIOUR AND INDIVIDUAL WORK PERFORMANCE

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ABSTRACT
This study investigates the relationship between innovative work behaviour and individual work performance among employees at Tenaga Switchgear Sdn. Bhd., Petaling Jaya, Selangor. Innovative work behaviour refers to employees' intentional efforts in generating, promoting, and implementing innovative ideas to improve organizational processes and performance, while individual work performance encompasses task performance and contextual performance. A quantitative research approach was employed using a questionnaire survey distributed among employees of Tenaga Switchgear Sdn. Bhd. A total of 156 completed questionnaires were collected from a population of 216 employees and subsequently analysed using SPSS Version 29. The study utilized descriptive analysis and Pearson Correlation analysis to address the research objectives. The results indicated that employees demonstrated a moderate level of innovative work behaviour, with idea generation, idea promotion, and idea realization showing positive perceptions among respondents. Furthermore, the results indicated a significant positive relationship between innovative work behaviour and individual work performance. The findings suggest that employees who actively engage in innovative activities tend to perform better in their work responsibilities and contribute more effectively.

Keywords: Innovative Work Behaviour, Individual Work Performance, Employees, Organization, Performance

INTRODUCTION
In today's highly competitive and rapidly changing business environment, organizations increasingly rely on innovation as a key mechanism for sustaining growth, adapting to change, and maintaining competitive advantage. Organizations are continuously required to respond to technological advancements, changing customer expectations, and dynamic market conditions. As a result, employees are expected to perform their appointed responsibilities efficiently while actively contributing innovative ideas to improve organizational processes, products, and services. Innovation has therefore become a strategic resource that enables organizations to achieve superior performance and maintain long-term competitiveness. Malaysia's aspiration to become a high-income and innovation-driven nation has further emphasized the importance of innovation across various sectors. The Malaysia Education Blueprint 2015–2025 highlights the need to cultivate innovative thinking and creativity to support national development and economic growth. Similarly, organizations are increasingly recognizing the importance of fostering innovative behaviours among employees as a means of enhancing organizational

effectiveness and sustaining competitive advantages. According to Katebi (2024), innovation plays a crucial role in organizational success because it enables firms to adapt to environmental changes and achieve sustainable growth. Organizations that successfully encourage innovation among employees are more likely to improve productivity, employee engagement, and overall organizational performance. Innovative Work Behaviour (IWB) has emerged as an important concept in organizational research due to its contribution to workplace innovation and performance improvement. Janssen (2000) defined innovative work behaviour as employees' engagement in activities to generate, promote, and implement new ideas that enhance organizational processes, products, or services. Similarly, De Jong and Den Hartog (2010) described innovative work behaviour as employees' involvement in generating, promoting, and realizing useful ideas within the workplace. Innovative work behaviour consists of three important dimensions: idea generation, idea promotion, and idea realization. Employees who actively engage in these activities contribute significantly to organizational innovation, adaptability, and effectiveness.

Previous studies have consistently demonstrated the positive impact of innovative work behaviour on employee and organizational outcomes. Prahalad and Ramaswamy (2012) argued that employees with innovative mindsets can generate organizational value through proactive problem-solving and innovation-related activities. Abdullah et al. (2016) further reported that innovative employees contribute positively to organizational competitiveness by identifying opportunities, responding effectively to change, and producing innovative outputs that meet customer expectations. Organizations that create supportive environments for innovation are therefore more likely to experience improvements in employee performance and organizational success. Despite the growing importance of innovation in organizations, many companies continue to face challenges in encouraging employees to engage actively in innovative work behaviour. Organizational barriers such as limited managerial support, rigid structures, lack of autonomy, excessive workload, and unsupportive workplace cultures may discourage employees from generating, promoting, and implementing innovative ideas. Consequently, organizations may fail to fully utilize employees' innovative potential, which can negatively affect both employee performance and organizational effectiveness. Furthermore, although numerous studies have investigated innovative work behaviour in different organizational settings, limited empirical evidence exists regarding its relationship with individual work performance within Malaysian utility-related manufacturing organizations.

Tenaga Switchgear Sdn. Bhd., a subsidiary of Tenaga Nasional Berhad (TNB), faces constant competitive pressures within the manufacturing sector, making innovation and efficient operations critical to maintaining competitiveness. Employees are expected to contribute innovative ideas and solutions to support organizational objectives and customer requirements. As such, organizations need to investigate the connection between innovative work behaviour and individual work performance to establish practices that encourage creativity and optimize employee outcomes. This study was conducted to investigate the relationship between innovative work behaviour and individual work performance among employees at Tenaga Switchgear Sdn. Bhd., Petaling Jaya, Selangor. The objectives of this study are: (i) to determine the perception level of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd.; (ii) to determine the perception level of each dimension of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd.; and (iii) to investigate the relationship

between innovative work behaviour and individual work performance among employees at Tenaga Switchgear Sdn. Bhd.

LITERATURE REVIEW

Innovation has become a crucial element in enabling organizations to remain competitive and sustainable in today's dynamic business environment. Organizations increasingly depend on employees who can generate creative ideas, identifying opportunities for improvement, and implementing innovative solutions to enhance organizational effectiveness. As a result, innovative work behaviour has gained significant attention among researchers and practitioners due to its contribution to organizational performance and long-term success. Innovative Work Behaviour (IWB) refers to employees' intentional efforts to generate, promote, and implement new ideas that contribute to organizational improvement. Janssen (2000) defined innovative work behaviour as the creation, promotion, and realization of new ideas within a work role, group, or organization. De Jong and Den Hartog (2010) similarly conceptualized innovative work behaviour as workplace actions involving the creation and execution of useful ideas, processes, products, or procedures that contribute to organizational improvement. Employees who demonstrate innovative work behaviour are generally proactive, adaptable, and willing to seek alternative solutions to workplace challenges. According to Janssen (2000), innovative work behaviour consists of three dimensions: idea generation, idea promotion, and idea realization. Idea generation refers to the development of new and useful ideas aimed at improving organizational processes and solving work-related problems. Employees who actively engage in idea generation contribute to organizational creativity and continuous improvement. Idea promotion involves communicating and gaining support for innovative ideas from colleagues, supervisors, and management. This stage is important because innovative ideas often require acceptance and collaboration before implementation can occur. Idea realization refers to transforming innovative ideas into practical applications, products, or procedures that provide value to the organization. Successful implementation ensures that innovative ideas contribute directly to organizational effectiveness and performance.

Individual Work Performance (IWP) describes employees' work-related contributions and behaviours that help organizations achieve their intended goals and objectives. Campbell et al. (1993) defined individual work performance as behaviours relevant to organizational effectiveness, while Koopmans et al. (2014) emphasized that work performance should be evaluated based on employee behaviours rather than outcomes alone. Individual work performance generally consists of two dimensions, namely task performance and contextual performance. Task performance refers to activities directly related to employees' job responsibilities and duties, whereas contextual performance includes voluntary behaviours such as cooperation, initiative, and support for organizational functioning. Previous studies have consistently reported positive relationships between innovative work behaviour and employee performance. Abdullah et al. (2016) found that innovative employees contribute significantly to organizational effectiveness through creativity, adaptability, and continuous improvement efforts. Similarly, Hj Musneh et al. (2021) reported that innovative work behaviour positively influences employee and organizational performance within Malaysian organizations. Wang et al. (2021) also demonstrated that employees who actively participate in innovative activities tend to achieve higher levels of work performance due to their ability to solve problems

effectively and adapt to changing workplace demands. The findings underscore the critical role of innovative work behaviour in fostering higher levels of employee performance and advancing organizational outcomes. The literature suggests that innovative work behaviour positively affects individual work performance. Employees who engage in generating, promoting, and implementing innovative ideas tend to improve workplace processes, boost productivity, and attain higher levels of performance. Therefore, this study proposes that innovative work behaviour has a significant relationship with individual work performance among employees at Tenaga Switchgear Sdn. Bhd.

Research Framework

Figure 1.1 represents the research framework employed in this study. The research framework consists of the independent variable (IV), which is Innovative Work Behaviour, and the dependent variable (DV), which is Individual Work Performance. Innovative Work Behaviour includes idea generation, idea promotion, and idea realization, while Individual Work Performance consists of task performance and contextual performance among employees at Tenaga Switchgear Sdn. Bhd.

Relationship Between Innovative Work Behaviour And Individual Work Performance Among Employees At Tenaga Switchgear Sdn. Bhd.

According to a study conducted by Hj Musneh, Ambad, and Roslin (2021), regarding the relationship between innovative work behaviour and organizational performance, it was observed that innovative work behaviour has a significant positive effect on employee performance. Previous studies have also shown that employees who actively engage in idea generation, idea promotion, and idea realization tend to demonstrate higher levels of individual work performance (Janse van Rensburg et al., 2019; Gautam & Gautam, 2024).

H1: There is a significant relationship between innovative work behaviour and individual work performance.

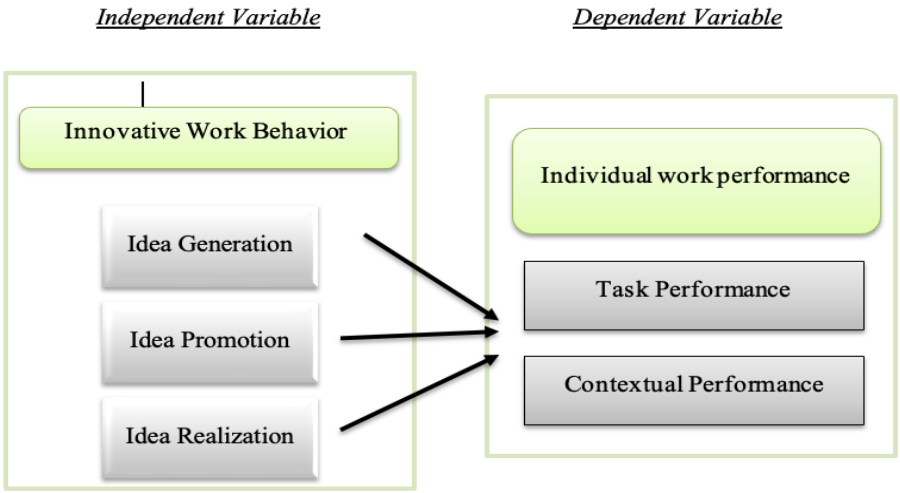

Figure 1.1: Conceptual Framework of the Relationship between Innovative Work Behaviour and Individual Work Performance.

RESEARCH METHODOLOGY

This study adopted a quantitative research approach and used a questionnaire as the main instrument for collecting data from employees at Tenaga Switchgear Sdn. Bhd. The questionnaire incorporated a five-point Likert scale as the measurement tool. The choice of quantitative research method was made to investigate the relationship between the independent variable (IV), Innovative Work Behaviour, and the dependent variable (DV), Individual Work Performance. To achieve the research objectives, a descriptive research design was employed, involving the collection and analysis of data from employees at Tenaga Switchgear Sdn. Bhd. located in Petaling Jaya, Selangor. Questionnaire forms were distributed to employees through an online platform (Google Form) for data collection purposes. Based on the Raosoft sample size calculation, the minimum required sample size to represent the population of 216 employees was 139 respondents. Therefore, 156 completed questionnaires were successfully collected and analysed in this study. This study employed simple random sampling techniques to ensure that every employee had an equal opportunity to participate in the research.

Table 1.1: The result of population and sample

Population	216
Sample Size	139
Data Collected	156

This research utilizes questionnaires as the primary data collection tool, requiring the participation of employees from various departments at Tenaga Switchgear Sdn. Bhd. The questionnaire was distributed through an online form (Google Form) consisting of three distinct sections: Section A focuses on gathering demographic information, Section B investigate Innovative Work Behaviour, and Section C measures Individual Work Performance, as outlined in Table 1.2. Additionally, this study adopted and adjusted measurement instruments originally developed by Janssen (2000) and Koopmans et al. (2013) to suit the research context.

Table 1.2: Division of Questionnaire

Section	Component	Items	Source
A	**Demographic Profile**	Gender, Age, Department, Years of Service	-
B	**Independent Variable**	Innovative Work Behaviour	Janssen (2000)
C	**Dependent Variable**	Individual Work Performance	Koopmans et al. (2013)

In this research study, Statistical Package for the Social Sciences (SPSS) version 29 was used to analyze the data collected from the respondents. Descriptive analysis was used to identify the frequency, percentage, mean, and standard deviation of the respondents' demographic information. To determine the perception level of Innovative Work Behaviour among employees at Tenaga Switchgear Sdn. Bhd., descriptive statistical analysis was employed.
In addition, Pearson Correlation analysis was used to investigate the relationship between Innovative Work Behaviour and Individual Work Performance among employees at Tenaga Switchgear Sdn. Bhd.

Table 1.3: Statistical Measurement of the Research Objectives

Component	Approach	Statistical Test
RO1: To determine the perception level of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd.	Quantitative (Questionnaire)	Descriptive Analysis
RO2: To determine the perception level of each dimension of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd.	Quantitative (Questionnaire)	Descriptive Analysis
RO3: To investigate the relationship between innovative work behaviour and individual work performance at Tenaga Switchgear Sdn. Bhd.	Quantitative (Questionnaire)	Pearson Correlation Analysis

Reliability Test

Prior to the actual data collection, a pilot study involving 53 respondents was conducted to assess the reliability of the research instrument. Reliability was evaluated using Cronbach's Alpha coefficient. The reliability assessment demonstrated that all study variables met and exceeded the accepted benchmark of 0.70, reflecting a reliable and internally consistent measurement instrument.

Table 1.4: Reliability Test

Variables	No. of Item	Cronbach's Alpha (α)
Innovative Work Behavior	9	0.834
Individual Work Performance	13	0.891

Based on the reliability results, the questionnaire was considered suitable for the actual study and was subsequently distributed to the respondents. The collected data were then analysed to address the research objectives and test the proposed hypothesis regarding the relationship between innovative work behaviour and individual work performance.

ANALYSIS AND FINDINGS

This section discusses the findings obtained from the data analysis conducted based on the questionnaire responses collected from employees at Tenaga Switchgear Sdn. Bhd. The

analyses performed in this study include descriptive analysis, normality test, and Pearson Correlation analysis. The findings are presented according to the research objectives to determine the perception level of innovative work behaviour and to investigate the relationship between innovative work behaviour and individual work performance among employees at Tenaga Switchgear Sdn. Bhd. Table 4.2 presents the respondents' demographic profile related to this study conducted at Tenaga Switchgear Sdn. Bhd. Based on 156 data collected, N=115 (73.7%) were male respondents while N=41 (26.3%) were female respondents. Most respondents were aged between 30 to 40 years old at N=54 (34.6%), followed by respondents aged 20 to 30 years old at N=50 (32.1%). Respondents aged between 40 to 50 years old recorded N=36 (23.1%), while respondents aged more than 50 years old represented N=16 (10.3%). In terms of working experience, most respondents had more than 15 years of working experience at N=44 (28.2%), followed by respondents with 6 to 10 years of experience at N=36 (23.1%). Respondents with 1 to 2 years and 11 to 15 years of working experience each recorded N=25 (16.0%), while respondents with 3 to 5 years of experience represented N=17 (10.9%). Respondents with less than 1 year of working experience recorded the lowest percentage at N=9 (5.8%). Furthermore, regarding education level, most respondents possessed STPM/Diploma qualifications at N=67 (42.9%), followed by bachelor's degree holders at N=61 (39.1%). Respondents with SPM qualifications recorded N=20 (12.8%), while respondents with master's degree qualifications represented N=8 (5.1%).

Table 1.5: Respondent Demographic

Demographic Characteristics	Category	Frequency (N=156)	Percentage (%)
Gender	Male	115	73.7
	Female	41	26.3
Age	20 – 30 years old	50	32.1
	30 – 40 years old	54	34.6
	40 – 50 years old	36	23.1
	Above 50 years old	16	10.3
Working Experience	Less than 1 year	9	5.8
	1 – 2 years	25	16.0
	3 – 5 years	17	10.9
	6 – 10 years	36	23.1
	11 – 15 years	25	16.0
	More than 15 years	44	28.2
Education Level	SPM	20	12.8
	STPM/Diploma	67	42.9
	Bachelor's degree	61	39.1
	Master's degree	8	5.1

Analysis on Research Objective 1: To determine the perception level of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd.

Descriptive analysis was employed to determine the perception level of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd. The results indicated that employees demonstrated a moderate level of innovative work behaviour, with an overall mean

score of 3.3875 (SD = 0.72455). This indicates that employees were moderately involved in innovative activities within the organization. The results suggest that employees occasionally engaged in generating, promoting, and implementing innovative ideas to improve work processes and organizational effectiveness.

Table 1.6: Descriptive Statistics Result of Overall Innovative Work Behaviour and Individual Work Performance

Variables	N	Mean	Std. Deviation
Innovative Work Behaviour	156	3.3875	0.72455
Individual Work Performance	156	4.1775	0.52044

Analysis on Research Objective 2: To determine the perception level of each dimension of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd.

The descriptive analysis revealed that employees at Tenaga Switchgear Sdn. Bhd. demonstrated moderate perceptions towards the dimensions of innovative work behaviour. Employees were moderately involved in generating new ideas, promoting innovative suggestions, and implementing innovative solutions within the organization. These findings indicate that employees occasionally engage in innovative activities that contribute to workplace improvement and organizational effectiveness.

Table 1.7: Descriptive Analysis of each dimension of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd.

Dimension of Innovative Work Behaviour	Mean Score	Standard Deviation	Interpretation
Idea Generation	3.5662	0.74142	Moderate
Idea Promotion	3.2927	0.82986	Moderate
Idea Realization	3.3034	0.82729	Moderate
Overall Innovative Work Behaviour	3.3875	0.72455	Moderate

Analysis on Research Objective 3: To investigate the relationship between innovative work behaviour and individual work performance at Tenaga Switchgear Sdn. Bhd.

The strength and relationship between the independent variable, Innovative Work Behaviour, and the dependent variable, Individual Work Performance, were determined using Pearson Correlation analysis. The study found a positive relationship between innovative work behaviour and individual work performance among employees at Tenaga Switchgear Sdn. Bhd. Presented in Table 4.5 below, the Pearson Correlation value indicates a moderate positive relationship between innovative work behaviour and individual work performance, with a correlation coefficient value of r = 0.628. Therefore, the findings suggest that employees who demonstrate higher innovative work behaviour tend to exhibit better individual work performance.

Table 1.8: Pearson Correlation Analysis

Variables	Innovative Work Behaviour	Individual Work Performance
Innovative Work Behaviour	1	0.628**

Sig. (2-tailed)		0.000
N	156	156
Individual Work Performance	0.628**	1
Sig. (2-tailed)	0.000	
N	156	156

Significant value $p < 0.05$

DISCUSSIONS

Discussion on Research Objective 1: To determine the perception level of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd.

The first objective of this study was to determine the perception level of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd. The descriptive analysis revealed that employees exhibited a moderate level of innovative work behaviour. This suggests that employees are generally inclined to participate in activities involving the generation, promotion, and implementation of innovative ideas in the workplace. However, innovative behaviour may not yet be fully embedded in their daily work practices.The moderate level of innovative work behaviour suggests that employees possess the capability to contribute innovative solutions and improvements to organizational processes. Employees may actively identify opportunities for improvement and participate in innovation-related activities when required. Nevertheless, greater encouragement and support from management may be necessary to strengthen innovative practices within the organization. The findings are consistent with Janssen (2000), who emphasized that innovative work behaviour involves employees' efforts to generate, promote, and implement new ideas. Similarly, Abdullah et al. (2016) found that innovative employees contribute positively to organizational effectiveness and competitiveness. This suggests that employees at Tenaga Switchgear Sdn. Bhd. possess the potential to contribute to organizational innovation when provided with adequate support, resources, and opportunities for creative involvement. Therefore, organizations should continue fostering a supportive environment that encourages creativity, innovation, and continuous improvement among employees.

Discussion on Research Objective 2: To determine the perception level of each dimension of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd.

The second objective of this study was to determine the perception level of each dimension of innovative work behaviour among employees at Tenaga Switchgear Sdn. Bhd. The data demonstrated that all three dimensions of innovative work behaviour, namely Idea Generation, Idea Promotion, and Idea Realization, were perceived at a moderate level. This indicates that employees were moderately involved in innovative activities within the organization. Among the three dimensions, Idea Generation recorded the highest mean score (M = 3.5662), followed by Idea Realization (M = 3.3034) and Idea Promotion (M = 3.2927). This finding suggests that employees were relatively more active in generating new ideas and identifying opportunities

for improvement in their work processes. The result supports Janssen (2000), who identified idea generation as the foundation of innovative work behaviour. The findings also showed that employees demonstrated moderate levels of Idea Promotion and Idea Realization. This indicates that employees were moderately willing to communicate innovative ideas and implement them in the workplace. Therefore, Tenaga Switchgear Sdn. Bhd. should continue to encourage employee participation in innovation-related activities to further strengthen innovative work behaviour and support organizational development.

Discussion on Research Objective 3: To investigate the relationship between innovative work behaviour and individual work performance at Tenaga Switchgear Sdn. Bhd.

The third objective of this study was to investigate the relationship between innovative work behaviour and individual work performance among employees at Tenaga Switchgear Sdn. Bhd. The analysis showed a significant positive relationship between innovative work behaviour and individual work performance. This indicates that employees who actively engage in innovative activities tend to perform better in their work roles. The positive relationship suggests that employees who generate, promote, and implement innovative ideas are more likely to improve work processes, solve problems effectively, and adapt to changing workplace demands. Such behaviours enable employees to contribute positively to organizational objectives while maintaining high levels of performance.The findings are consistent with Wang et al. (2021), who reported that innovative employees tend to achieve higher levels of job performance due to their adaptability and problem-solving capabilities. Similarly, Hj Musneh et al. (2021) found that innovative work behaviour contributes positively to employee and organizational performance. Therefore, organizations should encourage innovation-related activities as a strategy for enhancing both employee performance and organizational effectiveness.

CONCLUSION

This study was conducted to investigate the relationship between innovative work behaviour and individual work performance among employees at Tenaga Switchgear Sdn. Bhd., Petaling Jaya, Selangor. Specifically, the study investigated the perception level of innovative work behaviour, the perception level of its dimensions, and the relationship between innovative work behaviour and individual work performance. Data were collected from 156 employees and analysed using descriptive statistics and Pearson Correlation analysis. The results indicated that employees demonstrated a moderate level of innovative work behaviour. Among the dimensions of innovative work behaviour, idea generation recorded the highest mean score, followed by idea realization and idea promotion. The findings indicate that employees are generally capable of generating innovative ideas and participating in innovation-related activities, although there is still room for improvement in promoting and implementing innovative ideas within the organization. Furthermore, the findings revealed a significant positive relationship between innovative work behaviour and individual work performance. This suggests that employees who actively engage in idea generation, idea promotion, and idea realization tend to perform better in their work roles. The results support previous studies that highlighted the importance of innovative work behaviour in enhancing employee effectiveness and organizational performance. In conclusion, innovative work behaviour plays an important role in improving individual work performance among employees at Tenaga Switchgear Sdn. Bhd. Therefore, the organization should continue to encourage innovation through supportive leadership, employee involvement, training opportunities, and a work environment that

promotes creativity and continuous improvement. Such initiatives may contribute to higher employee performance and strengthen the organization's long-term competitiveness.

Acknowledgment

The author would like to express sincere appreciation to the supervisor, Dr. Syaharizatul Noorizwan Muktar, for the continuous guidance, support, and encouragement throughout the completion of this study. Special appreciation is also extended to the Faculty of Management, Universiti Teknologi Malaysia (UTM), and Tenaga Switchgear Sdn. Bhd. for their cooperation and support in conducting this research.

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CYBERSECURITY AWARENESS ON ORGANISATIONAL DATA & INFRASTRUCTURE IN CYBER -THREAT AMONG STAFF

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ABSTRACT
This study evaluates the factors influencing cybersecurity awareness and compliant behaviour regarding organisational data and infrastructure protection at Goldenduck International Malaysia Sdn Bhd. Prompted by a recent ransomware attack that caused severe operational disruption and the permanent loss of historical data, this research uses a quantitative census-based approach. Data was collected via a structured 5-point Likert scale questionnaire deployed through Google Forms to the total active workforce, yielding 25 valid responses. The data was analysed using descriptive and reliability statistics in IBM SPSS. The findings indicate that staff possess a high level of self-reported cybersecurity behaviour (M = 3.97) and positive safety attitudes (M = 3.96), but foundational threat identification knowledge registered the lowest baseline score (M = 3.72). Statistical evaluations support hypotheses H1, H2, and H3, confirming that Organisational Factors (M = 3.90), Social Factors (M = 3.88), and Individual Factors (M = 3.90) are all positively related to cybersecurity awareness. Critical operational vulnerabilities include a 28% formal training deficit, low readability of formal policy documentation (M = 3.64), and limited familiarity with the corporate incident response plan (M = 3.88). These insights provide an actionable risk-reduction roadmap for small-to-medium enterprise (SME) leadership to build long-term cyber resilience.

Keywords: Cybersecurity awareness; Organisational factors; Social influence; Individual factors; Ransomware resilience; Malaysian SMEs.

INTRODUCTION
The contemporary global landscape is characterised by an unprecedented reliance on digital technologies, fundamentally transforming how organisations operate, manage sensitive information, and enhance productivity. This pervasive digital transformation, while offering substantial efficiency benefits, concurrently introduces a complex array of modern cyber threats ranging from deceptive social engineering schemes to sophisticated corporate data breaches. A particularly disruptive threat within the modern commercial ecosystem is ransomware, where malicious actors encrypt critical organisational data repositories, rendering them completely inaccessible, and subsequently demand financial ransom payments for encryption release keys. Such attacks cause severe operational disruptions, create massive financial losses from administrative downtime, and inflict permanent reputational damage on targeted enterprises. Given these expanding vulnerabilities, the imperative to manage informational risks and safeguard organisational assets is paramount (Smith & Johnson, 2025). Highlighting this global reality, the cybersecurity sector has experienced explosive growth, with global market revenues

reaching an estimated USD 172.32 billion in 2023 (Smith & Johnson, 2025). This massive economic scale reflects a profound shift in criminal activities from physical to virtual domains, demonstrating that proactive information security is an indispensable investment for maintaining corporate business continuity, protecting commercial client records, and fostering long-term organizational resilience.

Background of the Company

Goldenduck Group originated in 1978 as a speciality outdoor cinema enterprise in Bangkok, Thailand, before embarking on a broader regional expansion strategy across Southeast Asia. To capture the local market, Goldenduck International Malaysia Sdn Bhd was officially incorporated on September 22, 2010, as part of a regional expansion strategy. The company primarily operates in the cinema systems integration and professional audio-visual (AV) technology sector, providing end-to-end integration and engineering solutions for commercial cinemas and broadcast studios across Southeast Asia. Employing fewer than 50 people, the local firm is categorised as a small-to-medium enterprise (SME). This lean operational structure exposes the firm to typical SME constraints, where a compact workforce handles critical commercial databases, engineering configurations, and transactional data.

Background of the Study

Despite Malaysia's increasing reliance on advanced technology networks, corporate entities continue to face an escalating array of cyber threats that drive severe organisational exposure. Data from the Malaysia Computer Emergency Response Team reveals that the first quarter of 2025 saw a 7% increase in total reported cyber incidents compared to the previous quarter, with fraud and phishing serving as the primary threat vectors at 68% of total cases (MyCERT, 2025). Nationally, corporate ransomware encounters experienced a severe 153% increase in 2024, highlighted by highly disruptive system breaches at major infrastructure hubs such as Prasarana Malaysia Berhad and Kuala Lumpur International Airport (Security Quotient, 2025). A serious underlying issue contributing to the success of these attacks is the demonstrable gap between formal cybersecurity policy awareness and actual compliant behaviour among employees within small-to-medium enterprises (Abdullah et al., 2024). Empirical studies confirm that while employees frequently understand the baseline obligation to adhere to corporate information security guidelines, they systematically fail to execute proper defensive habits—such as technical email verification or robust credential hygiene—during routine daily operations, rendering the human element a critical corporate vulnerability (Abdullah et al., 2024).

Problem Statement

The operational vulnerability stemming from the human element was recently experienced at Goldenduck International Malaysia Sdn Bhd, which served as the direct catalyst for this study. The company experienced a targeted ransomware attack that encrypted critical operational, financial, and engineering data, severely disrupting business operations. This incident revealed gaps in data protection, as the company's backup and recovery plan proved inadequate. The most recent available backup was from 2023, resulting in the permanent loss of all data generated since that point. This incident highlights an urgent internal crisis rooted in the human layer of defense, suggesting that the success of the ransomware deployment stemmed from employee gaps in threat identification, social engineering detection, and protocol compliance.

This vulnerability mirrors broader multi-industry trends across Malaysia, where a critical gap between policy awareness and compliant employee behavior drives data compromises (Abdullah et al., 2024). To resolve these operational issues, this study systematically addresses three core research questions: what the current baseline level of cybersecurity awareness is among the workforce; what organizational, social, and individual factors influence this awareness; and what the most effective best practices are to counter threats and enhance resilience.

Research Objectives and Scope

The purpose of this study is to evaluate risk management strategies at Goldenduck by assessing staff awareness levels, identifying key influencing factors, and proposing tailored best practices to enhance cyber resilience. The specific objectives are to determine the current level of awareness, identify organisational, social, and individual influences, and propose effective countermeasures. The scope focuses exclusively on the human element at this specific Malaysian SME, recognising that while this context-specific approach yields highly practical internal recommendations, its broad generalizability to larger or differently structured firms is limited.

LITERATURE REVIEW

This chapter establishes the theoretical foundation of cybersecurity management, focusing on organisational data and infrastructure protection. It evaluates the dynamic cyber threat landscape, organisational, social, and individual influencing factors, and existing Malaysian legal frameworks to identify operational safety compliance gaps.

Literature Review on Relevant Theory

The Evolving Landscape of Cybersecurity Management

The digital era has fundamentally reshaped organisational operations, leading to an unprecedented reliance on technology, which concurrently expands the corporate attack surface and introduces a complex array of threats such as data breaches, ransomware, and phishing schemes (Smith & Johnson, 2025). Traditional reactive security measures are increasingly proving insufficient, necessitating a strategic paradigm shift towards proactive and preventive approaches that leverage advanced technologies such as Artificial Intelligence (AI) and Machine Learning (ML) to enhance corporate defences (Smith & Johnson, 2025). Empirical evidence demonstrates that organisations implementing proactive strategies experience a significant reduction in both the impact and operational frequency of cyberattacks (Smith & Johnson, 2025). Highlighting the critical need for robust management, the global cybersecurity sector experienced remarkable economic growth, reaching a market valuation of USD 172.32 billion in 2023 as criminal activities shifted heavily from physical to virtual domains (Smith & Johnson, 2025).

Factors Influencing Employee Cybersecurity Awareness in Malaysia

Systematic literature reviews identify several key factors influencing employees' information security awareness and behaviour, demonstrating that compliance is deeply intertwined with the organisational environment, social influences, and individual psychology (Al-Omari & Al-

Omari, 2025). Among organisational factors, the provision of clear, well-communicated, and accessible Information Security Policy Provisions (ISPP) is essential in fostering continuous alertness among employees (Al-Omari & Al-Omari, 2025). This baseline is reinforced by regular and engaging Security Education, Training, and Awareness (SETA) programs that enhance baseline threat understanding, while a strong Information Security Culture (ISC) visibly supported by top management significantly improves long-term compliance motivation (Al-Omari & Al-Omari, 2025). Social factors also contribute to security awareness, where primary channels such as direct interactions with family, friends, and co-workers play a vital role in reinforcing learning routines (Rosli et al., 2021). Concurrently, secondary sources like mass media campaigns and messages from public administration can positively shape public attitudes and security behaviours (Rosli et al., 2021). At the individual level, internal cognitive factors such as personal initiative, information security knowledge, user self-efficacy, personal responsibility, and perceived threat severity heavily dictate procedural compliance with established security protocols (Al-Omari & Al-Omari, 2025).

Cybersecurity Laws and Policies in Malaysia

Malaysia has significantly strengthened its legal and policy framework to address the evolving cybersecurity landscape and protect digital infrastructure. Key legislation includes the Cyber Security Act 2024, which aims to bolster Malaysia's security framework by mandating specific cybersecurity protocols for entities classified as National Critical Information Infrastructure (NCII), including mandatory risk assessments, routine audits, and active incident reporting within 6 hours of discovery, with non-compliance penalties carrying fines up to RM500,000 and/or 10 years imprisonment (Securiti, 2025). Concurrently, the Personal Data Protection Act 2010 (PDPA) and its recent 2024 Amendments impose severe new corporate obligations, including mandatory Data Protection Officer (DPO) appointments and a formal data breach notification regime requiring organizations to notify the Personal Data Protection Department (JPDP) within 72 hours if a harmful breach occurs (Tay & Partners, 2025). Additional statutes, including the Computer Crimes Act 1997 and the Communications and Multimedia Act 1998, complement these updates by forming Malaysia's comprehensive cybercrime regulatory enforcement framework (Veecotech, n.d.).

Cyber Attack Landscape in Malaysia (2024–Q1 2025)

The regional threat environment reflects escalating risk exposures for active business units. In Q1 2025, a total of 1,657 distinct cyber incidents were reported in Malaysia, marking a 7% increase compared to Q4 2024, with fraud incidents accounting for 68% of total cases (1,126 incidents) and phishing serving as the predominant deployment mechanism (MyCERT, 2025). Concurrently, intrusion incidents saw a significant 76% increase, while standard data breaches recorded a 29% rise across commercial operations (Yeoh, 2025). Corporate ransomware attacks experienced a severe 153% increase in Malaysia in 2024, highlighted by highly disruptive events including the attack on Prasarana Malaysia Berhad and a March 2025 ransomware attack on KLIA that completely disrupted flight information infrastructures (Security Quotient, 2025).

Best Practices and Countermeasures for Organisational Cybersecurity

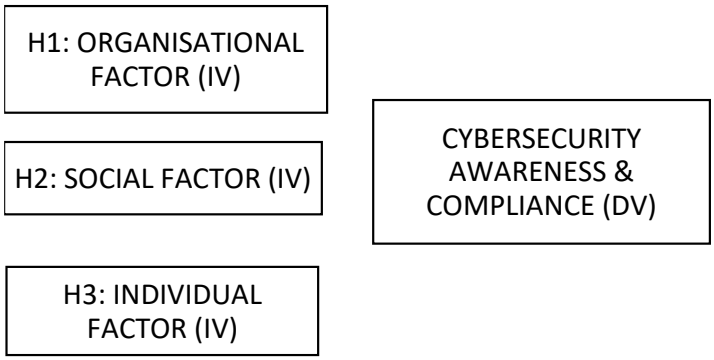
Effective cybersecurity management necessitates a strategic shift from purely reactive measures to proactive and intelligent defense mechanisms that leverage advanced technologies such as AI and ML for threat prediction, anomaly detection, and automated threat containment (Smith

& Johnson, 2025). Cyber resilience, defined as the structural ability to prepare for, withstand, and rapidly recover from cyber incidents, has become a core element of modern security strategies (Al-Hidaifi et al., 2025). Several global frameworks guide resilience planning, including MITRE's Cyber Resiliency Engineering Framework (CREF), the NIST Cybersecurity Framework (CSF), and the World Economic Forum Cyber Resilience Index (CRI) (Al-Hidaifi et al., 2025). Nationally, the government introduced its National Cyber Security Strategy for 2025-2030 to build resilience, enhance threat intelligence, and improve public awareness (Security Quotient, 2025). Key strategic measures derived from these frameworks include updating software systems, applying timely security patches, ensuring proper configuration hardening, maintaining vigilance against phishing activities, and investing in cybersecurity as a strategic business priority (Smith & Johnson, 2025).

Research Framework

The conceptual framework for this study maps the relationships between the multi-dimensional variables to evaluate how specific organisational, social, and individual parameters influence employee cybersecurity compliance outcomes within a unified model (Abdullah et al., 2024). The Dependent Variable (DV) is Cybersecurity Awareness and Compliant Behaviour, which encompasses user knowledge, attitude alignments, and behavioural routines (Wikipedia, n.d.). The Independent Variables (IVs) consist of: (1) Organisational Factors, measured through policy provisions (ISPP), corporate training (SETA), culture (ISC), and executive management support (Al-Omari & Al-Omari, 2025); (2) Social Factors, encompassing primary peer interactions and secondary communication channels (Rosli et al., 2021); and (3) Individual Factors, including personal initiative, self-efficacy, and a clear understanding of the consequences of non-compliance based on Protection Motivation Theory (Rogers, 1975).

- **H1:** Organisational factors are positively related to cybersecurity awareness and compliant behaviour among staff at Goldenduck International Malaysia Sdn Bhd.
- **H2:** Social factors are positively related to cybersecurity awareness and compliant behaviour among staff at Goldenduck International Malaysia Sdn Bhd.
- **H3:** Individual factors are positively related to cybersecurity awareness and compliant behaviour among staff at Goldenduck International Malaysia Sdn Bhd.



Summary

This literature review establishes that robust information protection is a complex function of proactive technological frameworks, clear administrative policy design, and targeted user training (Al-Omari & Al-Omari, 2025). While technical countermeasures are vital to intercept

external threat vectors, managing internal human behaviour and closing the awareness-action gap remain critical priorities for securing organisational data in the contemporary Malaysian enterprise landscape (Abdullah et al., 2024).

RESEARCH METHODOLOGY

This study adopted a quantitative research design, which is highly appropriate for assessing the current level of employee cybersecurity awareness and measuring the institutional variables that influence compliance. The design is deductive in nature, building upon theoretical relationships established in the literature review to test formal hypotheses within an active corporate environment. This research primarily utilises a cross-sectional survey method, using a highly structured questionnaire to gather numerical data from a targeted organisational population, which allows for systematic statistical analysis and objective interpretation of findings.

Stage 1: Preliminary Research

The initial stage of this study involved a comprehensive literature review to evaluate the existing body of knowledge regarding corporate information security management, behavioural psychology, and contemporary cyber threat profiles. This preliminary foundation was critical for defining the research problem, formulating specific objectives, and building the study's conceptual framework. Information was gathered from academic databases, including Google Scholar and ResearchGate, alongside federal security updates from MyCERT and official Malaysian government legislative publications. Project workflows and execution schedules were monitored using a structured Gantt chart to ensure operational deadlines were consistently met.

Stage 2: Data Collection

Primary data was collected directly from the workforce of Goldenduck International Malaysia Sdn Bhd to ensure that findings remained specific, contextually relevant, and actionable for the target firm. Given that the company operates as a small-to-medium enterprise with a compact active headcount of fewer than 50 employees, a comprehensive census sampling technique was applied to ensure high sample representativeness and eliminate selection bias. The data collection instrument consisted of an adapted questionnaire evaluating core dimensions of awareness alongside organisational, social, and individual parameters. The survey was deployed digitally via Google Forms, utilising a standard 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) to measure item response distributions.

Stage 3: Data Analysis

The quantitative data retrieved from the survey instruments was processed and analyzed systematically using IBM SPSS software through a multi-step sequence. First, rigorous data cleaning and preparation were performed to check the dataset for completeness, address potential anomalies, and ensure structural consistency across inputs. Second, descriptive statistics were applied to calculate frequency distributions, percentage representations, composite means, and standard deviations to summarise respondent demographics and item baselines. Third, a formal reliability analysis was executed, computing Cronbach’s Alpha coefficients across each measurement scale to verify the internal consistency and psychometric

reliability of the questionnaire items. Finally, an inferential assessment was conducted to evaluate directional mean patterns and determine hypothesis alignment, establishing how organisational, social, and individual factors influence self-reported compliance outcomes.

Conclusion of Methodology

In conclusion, this chapter detailed the quantitative, census-based survey methodology implemented to evaluate the operational workforce at Goldenduck International Malaysia Sdn Bhd. The methodological framework progresses from a rigorous deductive research design through structured electronic data collection to systematic software-driven statistical screening. The integration of descriptive summaries and internal reliability validation measures establishes a stable, objective foundation for interpreting the empirical findings and research results presented in Chapter 4.

RESEARCH FINDING

This chapter presents findings from a structured questionnaire administered to all staff at Goldenduck International Malaysia Sdn Bhd via Google Forms. The 25 valid responses were analysed using IBM SPSS to produce descriptive statistics across seven theoretical constructs. Mean scores are interpreted using three operational thresholds:

Interpretation	Mean Range	Action Signal
Low Awareness	1.00 – 2.49	Critical Gap
Moderate Awareness	2.50 – 3.49	Needs Improvement
High Awareness	3.50 – 5.00	Maintain & Strengthen

Analysis of Response Rate

The structured survey instrument was deployed directly to the operational workforce of Goldenduck International Malaysia Sdn Bhd. Given that the enterprise operates as a regional small-to-medium enterprise (SME) in the specialised cinema systems integration sector, a comprehensive census-based sampling technique was targeted. Out of the total active internal headcount of approximately 25 to 30 employees, 25 valid and complete responses were obtained and successfully retrieved. This yields an effective organisational response rate of approximately 83.3% to 100%, depending on real-time shift rotations and exact administrative tracking during the collection period. No responses were discarded due to missing entries or systematic pattern bias, resulting in a highly robust and reliable dataset for subsequent analysis. This high participation level is attributed to internal management coordination and increased staff interest following the firm's ransomware incident.

Analysis of Demographic Factors

The demographic profile covers department, length of service, and exposure to cybersecurity training.

Demographic Parameter	Classification Category	Frequency (N)	Percentage (%)

Department	Engineering / Customer Service	10	40.0%
	Engineering / Project	4	16.0%
	Finance & Accounting	3	12.0%
	Administration & Other Units	8	32.0%
Years of Employment	Less than 1 year	4	16.0%
	1–3 years	7	28.0%
	4–6 years	6	24.0%
	7–10 years	8	32.0%
Cybersecurity Training	Yes (Received formal training)	18	72.0%
	No (No formal training)	7	28.0%

Table 4.1: Respondent Demographic Profile (N = 25)

Figure 4.1: Respondent Distribution by Department

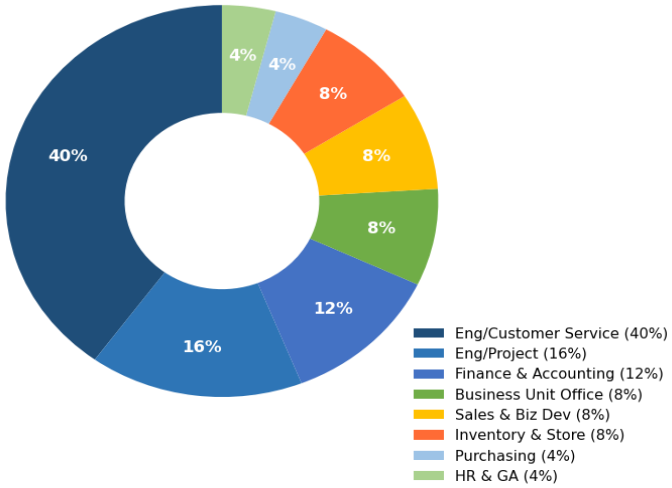


Figure 4.1: Respondent Distribution by Department

As detailed in Table 4.1, the workforce profile is substantially dominated by technical personnel, with the Engineering/Customer Service department accounting for 40.0% (n = 10) and the Engineering/Project department accounting for 16.0% (n = 4) of the sample. Collectively, engineering operations comprise 56.0% of the surveyed framework, reflecting the organisational focus on digital cinema projection and broadcast systems deployment. The remaining 44.0% of respondents are distributed across administrative support, commercial, logistics, and financial departments. The distribution of organisational tenure indicates a mature workforce, with the single largest cluster composed of senior employees reporting 7 to 10 years

of service (32.0%, n = 8). Mid-tier employees with 1 to 6 years of experience constitute 52.0% (n = 13) of the sample, while entry-level staff with less than 1 year form the remaining 16.0% (n = 4). This extensive institutional tenure indicates that the respondents possess a deep contextual understanding of corporate operations, digital assets, and structural information routing policies. Regarding technical preparation, a notable majority of 72.0% (n = 18) reported having participated in formal corporate cybersecurity training initiatives. However, 28.0% (n = 7) of the active workforce indicated they have never received formal training from the organisation. This baseline deficit highlights an operational gap in SETA distribution, presenting an internal risk vector within the business layout.

Analysis on the Main Factors/ Variables

The overarching baseline assessment across all theoretical constructs was executed by aggregating raw data into uniform composite means and corresponding standard deviations. Table 4.2 presents the consolidated summary of the statistical evaluation. The scores across all seven primary dimensions were aggregated into mean scores and standard deviations

Table 4.2: Overall Summary of Mean Scores by Construct

. Section / Theoretical Construct	Mean (M)	Std. Dev. (SD)	Interpretation
Cybersecurity Awareness: Knowledge	3.72	0.46	High
Cybersecurity Awareness: Attitude	3.96	0.38	High
Cybersecurity Awareness: Behaviour	3.97	0.47	High
Organisational Factors	3.90	0.59	High
Social Factors	3.88	0.48	High
Individual Factors	3.90	0.48	High
Best Practices & Countermeasures	4.01	0.40	High

Figure 4.3: Mean Scores by Theoretical Construct

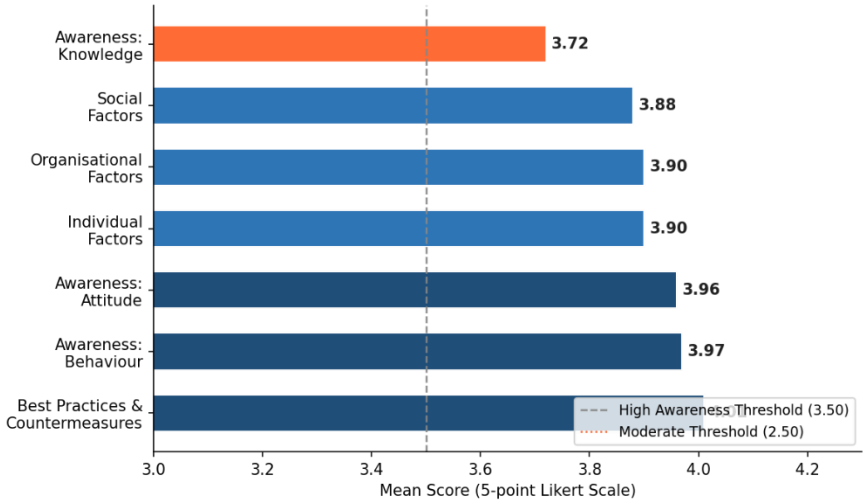


Figure 4.2: Composite Mean Scores by Theoretical Construct (N = 25)

Construct Item Performance Analysis

Cybersecurity Awareness: Knowledge, Attitude & Behaviour

To pinpoint vulnerabilities, item scores within each construct were evaluated. The Knowledge dimension (M = 3.72) revealed that familiarity with PII concepts was high (M = 3.84). However, identifying suspicious emails and understanding internal data classifications recorded the lowest scores (M = 3.60). This gap is notable because phishing is a primary mechanism for ransomware delivery. In the Attitude dimension (M = 3.96), staff strongly agreed that cybersecurity is a shared organisational responsibility (M = 4.28). However, finding security policies easy to follow scored lowest (M = 3.64), indicating policy complexity or communication issues. The three awareness dimensions were assessed via 5 items each. Figure 4.4 compares item-level scores across all three:

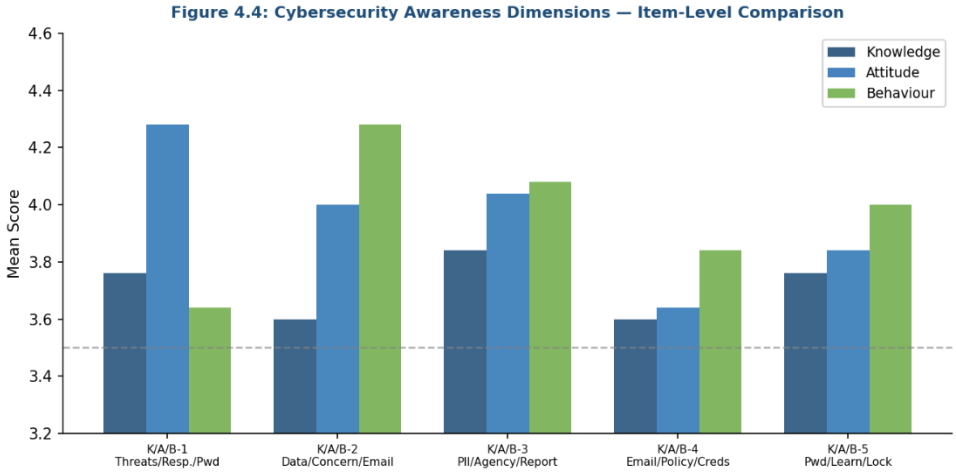


Figure 4.3: Item-level Comparison — Knowledge, Attitude & Behaviour Dimensions

The tables below provide the exact item scores for reference:

Knowledge (M = 3.72, SD = 0.46):

Item	Mean	SD
K1 — Aware of common cyber threats (phishing, ransomware)	3.76	0.83
K2 — Understands sensitive organisational data classification	3.60	0.87
K3 — Familiar with PII (Personal Identifiable Information)	3.84	0.80
K4 — Can identify a suspicious email or message	3.60	0.86
K5 — Knows importance of strong, unique passwords	3.76	0.78
Composite Score	3.72	0.46

⚠ K4 (email identification, M = 3.60) is the weakest knowledge item — critical given that phishing is the primary ransomware delivery vector in Malaysia.

Attitude (M = 3.96, SD = 0.38):

Item	Mean	SD
A1 — Cybersecurity is a shared staff responsibility	4.28	0.74
A2 — Concerned about cyberattack impact on company	4.00	0.82
A3 — Personal actions contribute to corporate security	4.04	0.79
A4 — Cybersecurity policies are easy to understand	3.64	0.76
A5 — Willing to learn more about best practices	3.84	0.80
Composite Score	3.96	0.38

Behaviour (M = 3.97, SD = 0.47):

Item	Mean	SD
B1 — Regularly updates passwords for work accounts	3.64	0.99
B2 — Verifies sender address before interacting with emails	4.28	0.73
B3 — Reports suspicious emails or activities promptly	4.08	0.76
B4 — Never shares credentials with external parties	3.84	0.85
B5 — Locks workstation screen when stepping away	4.00	0.89
Composite Score	3.97	0.47

Influencing Factors: Organisational, Social & Individual

Figure 4.5 presents all three influencing factor constructs in a single grouped chart, enabling direct comparison across items and dimensions:

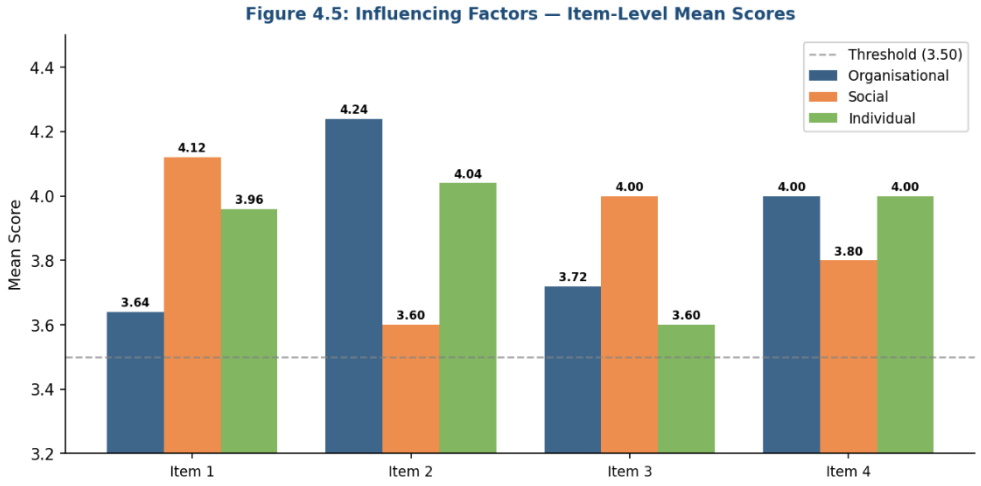


Figure 4.4: Item-Level Mean Scores — Organisational, Social & Individual Factors

Organisational Factors (M = 3.90, SD = 0.59):

Item	Mean	SD
ORG1 — Company provides clear, accessible security policies	3.64	0.99
ORG2 — Cybersecurity training is effective and engaging	4.24	0.72
ORG3 — Strong information security culture from management	3.72	0.93
ORG4 — Management actively supports cybersecurity initiatives	4.00	0.71
Composite Score	3.90	0.59

Social Factors (M = 3.88, SD = 0.48):

Item	Mean	SD
SOC1 — Colleagues discuss cybersecurity best practices	4.12	0.73
SOC2 — Mass media/public campaigns have raised awareness	3.60	0.91
SOC3 — Supervisor encourages good cybersecurity habits	4.00	0.82
SOC4 — Comfortable seeking security advice from colleagues	3.80	0.82
Composite Score	3.88	0.48

Individual Factors (M = 3.90, SD = 0.48):

Item	Mean	SD
IND1 — Takes personal initiative to stay informed on threats	3.96	0.79
IND2 — Confident in ability to protect corporate data	4.04	0.79
IND3 — Understands consequences of policy non-compliance	3.60	0.87
IND4 — Follows security procedures even under time pressure	4.00	0.91
Composite Score	3.90	0.48

Best Practices & Countermeasures

This dimension recorded the highest composite mean of all constructs (M = 4.01). Figure 4.6 shows item-level scores:

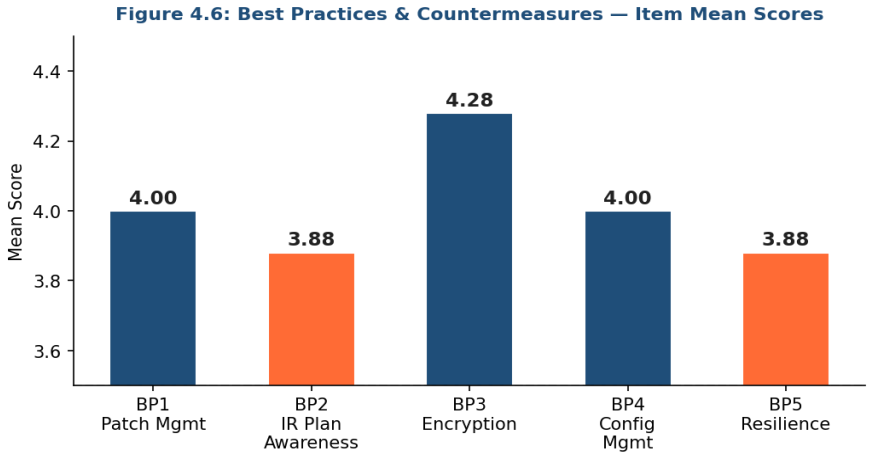


Figure 4.5: Best Practices & Countermeasures — Item Mean Scores

Item	Mean	SD
BP1 — Regularly updating systems and applying patches is crucial	4.00	0.76
BP2 — Aware of company's incident response plan	3.88	0.83
BP3 — Encrypting sensitive data (stored & in transit) is important	4.28	0.74
BP4 — Company effectively manages system configurations	4.00	0.82
BP5 — Company is resilient enough to recover quickly	3.88	0.74
Composite Score	4.01	0.40

⚠ BP2 (incident response plan awareness, M = 3.88) is a regulatory risk: the Cyber Security Act 2024 mandates incident reporting within 6 hours of discovery. Low plan familiarity could lead to missed reporting deadlines and penalties.

Open-Ended Response Themes

Qualitative suggestions from open-ended prompts centred on two areas:

1. **Training Delivery preferences:** Staff requested hands-on phishing simulations, monthly threat briefings, short video tutorials, and interactive e-learning modules over static reading material.
2. **Technical Controls:** Recommendations included implementing Multi-Factor Authentication (MFA), upgrading email filters, creating visual quick-reference cards, and establishing an anonymous reporting system.

Conclusion of Findings

In summary, the empirical findings demonstrate that staff at Goldenduck International Malaysia Sdn Bhd maintain a statistically high baseline of cybersecurity awareness, with positive scores for security attitudes (M = 3.96) and compliant behaviours (M = 3.97). The organisational workforce shows strong alignment on the importance of security protocols and displays a cooperative mindset regarding data protection duties. However, the analysis also reveals critical operational vulnerabilities, including lower knowledge scores for identifying suspicious emails and understanding sensitive data, gaps in password update habits, moderate clarity of information security policies, and limited awareness of the incident response plan. Finally, the finding that 28% of staff had not received formal training highlights a gap in the organisation's SETA initiative.

DISCUSSION, CONCLUSION AND RECOMMENDATION

General Discussion

The overall findings of this study indicate that staff at Goldenduck International Malaysia Sdn Bhd possess a generally moderate-to-high level of cybersecurity awareness. All measured constructs recorded mean scores above 3.50 on a 5-point Likert scale, with the Best Practices & Countermeasures dimension recording the highest mean (M = 4.01) and Knowledge recording the lowest (M = 3.72). This pattern suggests that staff are broadly aware of cybersecurity best practices and demonstrate positive attitudes and behaviours, but the foundational knowledge required to recognise and respond to specific threats remains an area requiring improvement. These findings are consistent with the broader Malaysian cybersecurity literature, which documents an awareness-action gap where employees acknowledge the importance of cybersecurity but may lack the specific knowledge or habits to consistently implement secure practices. The research findings are also contextualised by the specific cyber incident that motivated this study. The ransomware attack suffered by Goldenduck, which resulted in the encryption of critical operational and financial data and the permanent loss of data since 2023, illustrates the real-world consequences of cybersecurity vulnerabilities. The fact that 28% of staff had not received formal cybersecurity training at the time of the survey, combined with the moderate mean score for identifying suspicious emails (M = 3.60), suggests that phishing awareness — a common ransomware delivery vector — remains insufficiently developed within the workforce. The presence of experienced staff (32% with 7-10 years of

service) at Goldenduck may partly explain the higher mean scores for behavioural items such as reporting suspicious activities (M = 4.08), as experienced employees may have developed stronger security habits over time. However, the presence of newer employees (16% with less than one year of service) who may not yet have received comprehensive training presents a vulnerability that requires immediate attention.

Specific Discussion on Hypotheses

H1 (Supported): Organisational factors are positively related to awareness. Trained personnel achieved higher baseline awareness scores across all dimensions compared to untrained personnel. However, the low policy clarity scores (M = 3.64) show that complex guidelines can hinder compliance.

H2 (Supported): Social factors positively influence behaviour (M = 3.88). Strong peer interactions (M = 4.12) and supervisor support (M = 4.00) have a more direct impact on secure habits than broader external media alerts (M = 3.60).

H3 (Supported): Individual factors are positively related to compliant outcomes. High self-efficacy (M = 4.04) drives intent, but a limited understanding of non-compliance consequences (M = 3.60) weakens defensive vigilance under operational pressure.

Recommendations on Research Findings

To maintain positive security habits, the company should build on its existing Training Quality (M = 4.24), Peer Dynamics (M = 4.12), and Management Support (M = 4.00). To address the identified vulnerabilities, the following core interventions are recommended:

1. Implement Mandatory MFA ——► Mitigates inconsistent password update habits (M=3.64)
2. Launch Phishing Simulations —► Addresses lower threat identification scores (M=3.60)
3. Simplify Policy Formats ——► Improves accessibility over technical manuals (M=3.64)
4. Review Incident Response ——► Aligns with the Cyber Security Act 6-hour mandate

Additionally, the firm should use anonymised elements of its 2023 ransomware data loss as an internal case study to illustrate the specific consequences of policy non-compliance.

Conclusion

This study maps the human security layer at Goldenduck International Malaysia Sdn Bhd following a disruptive ransomware attack. The empirical results indicate that while staff demonstrate positive security intentions, low policy readability, a 28% training gap, and unfamiliarity with the incident response plan create vulnerabilities. By implementing Multi-Factor Authentication, simplified policy communication, and targeted phishing simulations, the company can move beyond reactive measures to build long-term cyber resilience. 4

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A STUDY OF BALANCING ACADEMIC PURSUITS AND EMPLOYMENT: ANALYZING WORK-LIFE BALANCE AMONG PART TIME STUDENT

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ABSTRACT
Work-life balance is an important issue for part-time students UTMSPACE employed full-time, as they are required to balance academic commitments, work responsibilities, and personal life. Poor work-life balance may negatively affect students' academic performance, well-being, and job productivity. Therefore, this study aims to identify the relationship between each influencing factor job demand, academic workload, time management skills, employer flexibility, stress level and work-life balance and determine the effect of these influencing factors on work-life balance among part-time students employed full-time. A quantitative research design was employed to 43 students, and data were collected using a structured questionnaire. The data were analyzed using IBM SPSS Statistics, where Pearson correlation analysis was conducted to examine the relationships between the independent variables and work-life balance, while multiple regression analysis was used to determine the effects of the independent variables on the dependent variable. The findings revealed that all five independent variables were positively related to work-life balance, with IV3 showing the strongest positive relationship. The findings contribute to the existing literature on work-life balance by identifying the key factors that influence part-time students employed full-time and provide practical insights for higher education institutions and employers in developing policies and support initiatives to improve students' work-life balance and academic success.

Keywords: Part-time students, Job demand, Academic workload, Time management skills, Employer flexibility, Stress level, Work-life balance, Impact

INTRODUCTION
In today's competitive and dynamic environment, many individuals pursue higher education while maintaining full-time employment to improve their qualifications, career prospects, and professional competencies. Although part-time study provides opportunities for career advancement, it also requires students to balance academic responsibilities, work commitments, and personal life. Managing multiple roles simultaneously may lead to stress, fatigue, and time constraints, which can negatively affect work-life balance, academic performance, and overall well-being (Greenhaus & Beutell, 1985; Sirgy & Lee, 2018). Work-life balance has therefore become an important issue for working adults who pursue higher education while fulfilling their professional and family responsibilities. Despite the increasing number of part-time students worldwide, balancing work and academic commitments remains a significant challenge. Previous studies have shown that factors such as time management, job flexibility, workload,

organisational support, and family responsibilities influence individuals' ability to maintain work-life balance (Allen et al., 2013; Greenhaus & Allen, 2011). However, empirical evidence on which factors most strongly influence work-life balance among part-time students employed full-time remains limited, particularly in the context of higher education. This knowledge gap makes it difficult for universities and employers to develop effective strategies and policies that support students in balancing their academic, work, and personal responsibilities. Therefore, this study aims to achieve two objectives:

1. To identify the relationship between each influencing factor job demand, academic workload, time management skills, employer flexibility, stress level (IV1–IV5) and work-life balance among part-time students employed full-time, and
2. To determine the effect of these influencing factors job demand, academic workload, time management skills, employer flexibility, stress level (IV1–IV5) on work-life balance.

LITERATURE REVIEW

The literature review provides the theoretical and empirical foundation for this study by examining previous research, relevant theories, and existing findings on the factors influencing work-life balance among part-time students employed full-time. It highlights the challenges of balancing work, academic, family, and personal responsibilities, which can affect students' well-being, academic performance, and job satisfaction. The review discusses the dependent variable, work-life balance, and five independent variables: job demands and working hours, academic workload, time management skills, employer flexibility and institutional support, and stress level. By identifying research gaps and synthesizing prior studies, the literature review supports the development of the conceptual framework and research hypotheses, providing a strong basis for the methodology and analysis presented in the subsequent chapters.

Work-life balance

Refers to an individual's ability to effectively manage responsibilities across work, family, education, and personal life while maintaining overall well-being. Greenhaus and Allen (2011) define work-life balance as the extent to which individuals are equally engaged and satisfied with their work and non-work roles. Similarly, Sirgy and Lee (2018) describe work-life balance as achieving harmony between work demands and personal life that contributes to improved quality of life. For part-time students employed full-time, work-life balance is particularly important because they must simultaneously fulfil work responsibilities and academic commitments. Poor work-life balance may lead to stress, burnout, lower academic achievement, and reduced job performance (Allen et al., 2013).

Job Demands

The physical, mental, and emotional requirements associated with employment. Working hours represent the amount of time employees spend performing work-related activities. According to Greenhaus and Beutell (1985), excessive job demands and long working hours reduce the time and energy available for non-work responsibilities, leading to work-life conflict. Part-time students who work long hours often experience fatigue, reduced concentration, and insufficient study time. High workloads may also limit opportunities for rest, family interaction, and participation in university activities. Consequently, excessive job demands negatively affect students' work-life balance. Several empirical studies have found that increased job demands

significantly contribute to work-family conflict and reduce overall life satisfaction (Allen et al., 2013). Therefore, job demands and working hours are expected to negatively influence work-life balance.

Academic Workload

Amount of academic tasks that students are required to complete during their studies. These tasks include attending lectures, completing assignments, participating in group discussions, conducting research, preparing presentations, and studying for examinations.Working students frequently experience difficulties balancing academic responsibilities with employment commitments. Heavy academic workloads often require additional study hours outside normal working schedules, reducing personal and leisure time. Previous studies suggest that increased academic workload contributes to stress, fatigue, and burnout among university students. Students experiencing excessive academic demands often report poorer work-life balance due to insufficient time available for family and personal activities (Sirgy & Lee, 2018). Therefore, academic workload is expected to have a negative relationship with work-life balance.

Time Management Skills

Time management refers to an individual's ability to effectively organise, prioritise, and allocate time among competing responsibilities. Good time management enables individuals to complete tasks efficiently while reducing unnecessary stress. Among working students, effective time management is essential because they must balance employment, academic commitments, and personal responsibilities within limited time. Students with strong planning skills are generally better able to meet deadlines, reduce procrastination, and maintain healthier lifestyles. Greenhaus and Allen (2011) suggest that effective time management enhances work-life balance by reducing role conflict and increasing control over daily activities. Previous research has also identified time management as one of the strongest predictors of academic success and personal well-being. Therefore, time management skills are expected to positively influence work-life balance.

Employer Flexibility and Institutional Support

Employer flexibility refers to workplace arrangements that allow employees greater control over their working schedules, such as flexible working hours, leave arrangements, remote work, and supportive supervisors. Institutional support includes assistance provided by universities through flexible class schedules, online learning, academic advising, counselling services, and student support programmes. Kossek et al. (2014) argue that organisational support reduces work-family conflict by enabling employees to better manage multiple responsibilities. Similarly, universities that provide flexible learning opportunities allow working students to continue their studies without excessive pressure. Supportive employers and educational institutions create environments that reduce stress and improve students' ability to maintain work-life balance. Therefore, employer flexibility and institutional support are expected to positively influence work-life balance.

Stress Level

The psychological and physiological response that occurs when individuals perceive that environmental demands exceed their available resources. Working students are particularly vulnerable to stress because they continuously manage competing responsibilities across work,

study, and family life. High stress levels often reduce concentration, motivation, emotional well-being, and productivity. According to Greenhaus and Beutell (1985), prolonged stress contributes to role conflict and work-life imbalance. Students experiencing chronic stress frequently report burnout, anxiety, poor academic performance, and lower job satisfaction. Therefore, stress level is expected to negatively influence work-life balance among part-time students employed full-time.

Research Framework

Figure 1 outlines the conceptual framework of this study. The proposed research framework examines how job demands, academic workload, time management skills, employer flexibility, institutional support, and stress level influence the overall work-life balance of part-time students. Job demands, academic workload, and stress are expected to have a negative impact, while effective time management, employer flexibility, and institutional support are expected to have a positive impact. The study aims to identify the most influential factors affecting work-life balance and provide recommendations to help students, employers, and educational institutions improve students' well-being and academic performance.

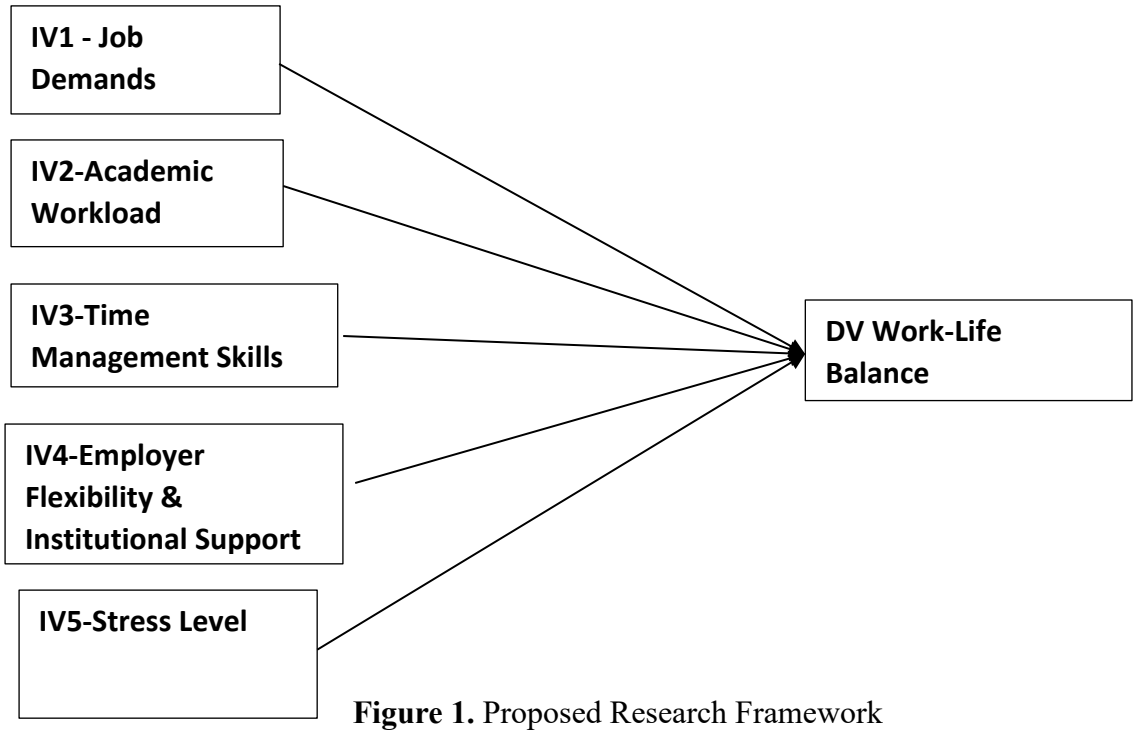

Figure 1. Proposed Research Framework

RESEARCH METHODOLOGY

Research Design

This study adopts a deductive research approach by testing hypotheses developed from existing theories and previous studies. A quantitative research method is employed to measure the study variables using a structured questionnaire and to analyse the relationships between the independent variables and work-life balance through statistical techniques. A survey strategy is

used, with self-administered online questionnaires distributed to eligible part-time students employed full-time. The research follows a cross-sectional design, where data are collected once to examine the current factors influencing work-life balance.

Population

The target population for this study consists of part-time students University Technology Malaysia who are employed full-time while pursuing their studies. Undergraduate students enrolled in UTM SPACE part-time degree programs in management make up the target group, according to the study's scope. In particular, forty three of the seventy part-time degree students enrolled at the Johor Bahru constitute the research population.

Sampling Technique

The unit of analysis is individual part-time students, and each respondent's data is handled separately. This method makes it possible to examine factors pertaining to students' academic performance and involvement in a clear and methodical manner. Respondents are selected at random from the aforementioned units for this purpose. Students enrolled in UTM SPACE's program management technology in JB make up the study's sample. As previously stated, 43 students will participate in this study as respondent.

Research Instrument

A structured questionnaire was used as the main research tool for this study in order to test the constructs in the research model. The aim of this study is to investigate the impact of balancing academic and work responsibilities on students' time management, stress levels, and overall well-being.Each of the instrument's four primary portions focuses on a distinct aspect of the research. The four main portions of the questionnaires are as follows:

- Section A: Demographic Information
- Section B: To Identify The Impact Of Part Time Studies On Work Performance Among Utm Students
- Section C : Examine Challenges Faced by Part-Time Students
- Section D : Strategies to Manage Challenges
- Section E: Open-Ended Question

The research instrument used in this study was a structured questionnaire developed from established literature and previous empirical studies to ensure its validity and reliability (Sekaran & Bougie, 2020). The questionnaire consisted of two sections: Section A collected respondents' demographic information, including age, gender, year of study, CGPA, employment status, working hours, and credit hours, while Section B measured the study variables, namely Job Demands/Working Hours, Academic Workload, Time Management Skills, Employer Flexibility and Institutional Support, Stress Level, and Overall Work-Life Balance. All measurement items were assessed using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) (Likert, 1932), allowing respondents to indicate their level of agreement with each statement. The structured format facilitated consistent data collection and quantitative analysis using SPSS, supporting the achievement of the research

objectives through descriptive, reliability, correlation, and regression analyses (Creswell & Creswell, 2018; Sekaran & Bougie, 2020).

Table 1. Scale classification

Rating Scale	Mean Score μ
Strongly Disagree	$1.00 \leq \mu < 1.50$
Disagree	$1.50 \leq \mu < 2.50$
Nuetral	$2.50 \leq \mu < 3.50$
Agree	$3.50 \leq \mu < 4.50$
Strongly Agree	$4.50 \leq \mu < 5.00$

Data Collection

The data for this study were collected using a structured online questionnaire distributed through Google Forms to part-time undergraduate students employed full-time at UTM SPACE Johor Bahru. A total of 43 valid responses were obtained and used for the analysis. Respondents voluntarily participated in the survey, and the questionnaire consisted of demographic questions and items measuring the study variables using a five-point Likert scale. The collected data were coded and entered into the Statistical Package for the Social Sciences (SPSS) for further statistical analysis. This method of data collection enabled efficient, accurate, and systematic gathering of information required to achieve the research objectives.

DATA ANALYSIS

Demographic Analysis

Table 2 Respondents Demographic Analysis Result

No.	Demographic	Frequency (N)	Percentage (%)
1.	**Age:**		
	20-29 years	24	55.8
	30-39 years	14	32.6
	40-50 years and above	5	11.6
	Total	**43**	**100%**
2.	**Gender:**		
	Male	11	25.6
	Female	32	74.4
	Total	**43**	**100%**
3.	**Field of study:**		
	Management Marketing	8	18.6
	Management Technology	32	74.4
	Accounting	2	4.7
	Others	1	2.3
	Total	**43**	**100%**
4.	**Year of Study:**		
	Year 1	6	14.0
	Year 2	5	11.6

No.	Demographic	Frequency (N)	Percentage (%)
	Year 3	11	25.6
	Year 4	10	23.3
	Year 5+	11	25.5
	Total	**43**	**100%**
5.	**GPA:**		
	2.50–2.99	8	18.6
	3.00–3.49	22	51.2
	≥ 3.50	13	30.2
	Total	**43**	**100%**
6.	**Employment Status:**		
	Employed full-time	33	76.7
	Employed part-time	7	16.3
	Not employed	2	4.7
	Freelance/Contract	1	2.3
	Total	**43**	**100%**
	Employment Status:		
	Retail	2	4.7
	Food & beverage	3	7.0
	Tutoring/education	2	4.7
	Administrative/office	21	48.8
	Hospitality	2	4.7
	Other	13	30.1
	Total	**43**	**100%**
8.	**Working Hours:**		
	0 (Not Working)	2	4.7
	1–9 hours	13	30.2
	10–19 hours	5	11.6
	20–29 hours	2	4.7
	≥ 30 hours	21	48.8
	Total	**43**	**100%**
9.	**Credit Hours:**		
	1–3 credit hours	6	14.0
	4–6 credit hours	10	23.3
	7–9 credit hours	20	46.5
	10+ credit hours	7	16.3
	Total	**43**	**100%**

From Table 1, a total of 43 respondents participated in this study. The majority of respondents were aged 20–29 years (55.8%), followed by those aged 30–39 years (32.6%) and 40 years and above (11.6%). In terms of gender, most respondents were female (74.4%), while 25.6% were male. Regarding their field of study, the largest group consisted of Management Technology students (74.4%), followed by Management Marketing (18.6%), Accounting (4.7%), and other fields (2.3%). The academic profile of the respondents indicates that students from various

years of study participated in the survey, with the highest proportion coming from Year 3 and Year 5 and above (25.6% each). Most respondents achieved a GPA between 3.00 and 3.49 (51.2%), while 30.2% obtained a GPA of 3.50 and above. These findings suggest that the majority of respondents maintained satisfactory academic performance while pursuing their studies. With regard to employment characteristics, most respondents were employed and worked in the Administrative/Office sector (48.8%). Nearly half of the respondents reported working 30 hours or more per week (48.8%), indicating substantial work commitments alongside their studies. In terms of academic workload, the majority were enrolled in 7–9 credit hours (46.5%). Overall, the demographic profile reflects respondents who are actively balancing academic responsibilities with employment commitments, making them suitable participants for this study on work-life balance among part-time students.

Descriptive Analysis

Descriptive analysis was conducted using SPSS to summarize and describe the characteristics of the respondents and the study variables. Frequency, percentage, mean, and standard deviation were used to present the demographic profile and respondents' perceptions of the constructs, including Job Demands, Academic Workload, Time Management Skills, Employer Flexibility, Stress Level, and Overall Work-Life Balance.

Pearson Correlation Analysis

Pearson Correlation Coefficient analysis was conducted to examine the strength and direction of the relationship between the independent variables and the dependent variable, namely Overall Work-Life Balance. The Pearson correlation coefficient (r) measures the degree of linear association between two continuous variables, with values ranging from -1 to +1. A positive value indicates a positive relationship, while a negative value indicates a negative relationship. The closer the value is to +1 or -1, the stronger the relationship between the variables, whereas a value close to 0 indicates little or no linear relationship. Pearson Correlation Analysis was conducted to determine the strength and direction of the relationship between the independent variables and work-life balance among part-time students employed full-time. The findings revealed that all five independent variables were positively associated with work-life balance. Among the variables, Time Management Skills (IV3) recorded the strongest positive relationship with work-life balance (r = 0.700), indicating a strong correlation. This finding suggests that students who possess effective time management skills are more likely to achieve a better balance between academic responsibilities, employment commitments, and personal life.

Descriptive Statistics

	Mean	Std. Deviation	N
WorkLifeBalance	3.9690	.91667	43
JobDemand	3.4372	.79433	43
AcademicWorkload	3.1512	.93085	43
TimeManagement	4.1628	.69317	43
EmployerFexibility	3.6667	.61721	43
StressLevel	3.5465	.90675	43

Table 3. Descriptive Statistics

Correlations

		WorkLifeBalance	JobDemand	AcademicWorkload	TimeManagement	EmployerFexibility	StressLevel
Pearson Correlation	WorkLifeBalance	1.000	-.367	-.450	.700	.566	-.325
	JobDemand	-.367	1.000	.831	-.080	-.010	.870
	AcademicWorkload	-.450	.831	1.000	-.120	-.045	.832
	TimeManagement	.700	-.080	-.120	1.000	.627	-.069
	EmployerFexibility	.566	-.010	-.045	.627	1.000	.039
	StressLevel	-.325	.870	.832	-.069	.039	1.000
Sig. (1-tailed)	WorkLifeBalance	.	.008	.001	<.001	<.001	.017
	JobDemand	.008	.	.000	.304	.475	.000
	AcademicWorkload	.001	.000	.	.221	.387	.000
	TimeManagement	.000	.304	.221	.	.000	.330
	EmployerFexibility	.000	.475	.387	.000	.	.402
	StressLevel	.017	.000	.000	.330	.402	.
N	WorkLifeBalance	43	43	43	43	43	43
	JobDemand	43	43	43	43	43	43
	AcademicWorkload	43	43	43	43	43	43
	TimeManagement	43	43	43	43	43	43
	EmployerFexibility	43	43	43	43	43	43
	StressLevel	43	43	43	43	43	43

Table 4. Pearson Correlation Analysis

In addition, Employer Flexibility and Institutional Support (IV4) demonstrated a moderate positive relationship with work-life balance (r = 0.566). This result indicates that supportive workplace arrangements and university support systems contribute positively to students' ability to manage multiple responsibilities. Similarly, Academic Workload (IV2) showed a moderate positive relationship with work-life balance (r = 0.450). Although academic demands may create challenges, students who effectively cope with these demands tend to maintain a satisfactory level of work-life balance. Furthermore, Job Demands (IV1) (r = 0.367) and Stress Level (IV5) (r = 0.325) exhibited weaker positive relationships with work-life balance. While the relationships remain positive, their influence is less substantial compared to the other variables. Overall, the findings indicate that all independent variables are related to work-life balance, with Time Management Skills emerging as the most strongly associated factor.

Regression Analysis

Multiple Regression Analysis was performed to determine the combined effect of the five independent variables on work-life balance. The model summary showed an R value of 0.812, indicating a strong relationship between the independent variables and the dependent variable. This suggests that the selected factors collectively contribute significantly to explaining variations in work-life balance among part-time students employed full-time. The coefficient of determination ($R^2 = 0.660$) indicates that approximately 66.0% of the variance in work-life balance can be explained by Job Demands, Academic Workload, Time Management Skills, Employer Flexibility and Institutional Support, and Stress Level. The remaining 34.0% of the variance is attributed to other factors not included in the study. This demonstrates that the regression model has substantial explanatory power and provides a good representation of the factors influencing work-life balance among working students. The findings suggest that the selected independent variables play an important role in determining students' ability to balance their academic, professional, and personal responsibilities. Therefore, improvements in these areas may contribute to better work-life balance outcomes among part-time students employed full-time.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.812[a]	.660	.614	.56943	2.478

a. Predictors: (Constant), StressLevel, EmployerFexibility, TimeManagement, AcademicWorkload, JobDemand

b. Dependent Variable: WorkLifeBalance

Table 5. Model Summary

Coefficient Analysis

The coefficient analysis was conducted to identify which independent variables significantly predict work-life balance. The findings revealed that Academic Workload (IV2) and Time Management Skills (IV3) were statistically significant predictors of work-life balance at the 0.05 significance level. This indicates that changes in these variables significantly affect the level of work-life balance experienced by part-time students employed full-time. Among the significant predictors, Time Management Skills (IV3) recorded the largest positive regression coefficient, making it the strongest predictor of work-life balance. This finding implies that students who are able to effectively plan, organize, and prioritize their activities are more capable of managing their academic and work commitments while maintaining personal well-being. The result supports previous studies which suggest that effective time management reduces role conflict and enhances overall life satisfaction. In contrast, Job Demands (IV1) was found to be statistically insignificant ($p = 0.084$), indicating that its effect on work-life balance was not strong enough to be considered significant within this sample. The findings therefore suggest that while job demands may influence work-life balance, other factors such as academic workload and time management skills play a more dominant role in determining students' overall balance.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.127	.719		1.568	.125	-.329	2.583					
	JobDemand	-.104	.244	-.090	-.425	.673	-.599	.391	-.367	-.070	-.041	.205	4.875
	AcademicWorkload	-.386	.186	-.392	-2.072	.045	-.764	-.009	-.450	-.322	-.199	.256	3.902
	TimeManagement	.681	.164	.515	4.150	<.001	.349	1.014	.700	.564	.398	.597	1.676
	EmployerFexibility	.327	.185	.220	1.771	.085	-.047	.701	.566	.279	.170	.594	1.684
	StressLevel	.108	.217	.107	.498	.621	-.331	.547	-.325	.082	.048	.200	5.003

a. Dependent Variable: WorkLifeBalance

Table 6. Coefficient Analysis

The collinearity statistics presented in Table 6 indicate that multicollinearity is not a concern in the regression model. The tolerance values ranged from 0.200 to 0.594, exceeding the recommended minimum threshold of 0.10, while the VIF values ranged from 1.684 to 5.003, which are below the maximum acceptable value of 10. Although Stress Level recorded the highest VIF value (5.003) and the lowest tolerance value (0.200), the values remain within acceptable limits. Therefore, it can be concluded that the independent variables do not exhibit severe multicollinearity and are suitable for inclusion in the multiple regression analysis.

DISCUSSION, SUGGESTION AND CONCLUSION

Discussion Respondents' Demographic Profile

The demographic analysis revealed that the majority of respondents were aged between 20 and 29 years (55.8%), followed by those aged 30 to 39 years (32.6%). This indicates that most participants were young working adults who were actively pursuing higher education while maintaining employment commitments. The study also found that female respondents constituted the majority of the sample (74.4%), suggesting a higher participation rate among women in part-time higher education programs. In terms of academic background, most respondents were enrolled in the Management Technology programme (74.4%), while the majority were in Year 3, Year 5 and above (25.6% respectively). Furthermore, more than half of the respondents achieved a GPA between 3.00 and 3.49 (51.2%), indicating satisfactory academic performance despite balancing work and study commitments. Regarding employment characteristics, almost half of the respondents worked in administrative and office-related positions (48.8%), and 48.8% reported working 30 hours or more per week. Additionally, the majority were enrolled in 7–9 credit hours (46.5%). These findings suggest that respondents were managing substantial work and academic responsibilities simultaneously, making them an appropriate group for examining work-life balance among part-time students employed full-time

Discussion on Objective 1:

To Identify the Relationship Between Each Influencing Factor (IV1–IV5) and Work-Life Balance Among Part-Time Students Employed Full-Time

The Pearson correlation analysis revealed that all five independent variables were positively related to work-life balance. This finding indicates that each factor plays a role in shaping students' ability to balance their academic, professional, and personal responsibilities. Among the variables, Time Management Skills demonstrated the strongest relationship with work-life balance ($r = 0.700$). This finding supports the argument of Greenhaus and Allen (2011) that effective time management enables individuals to manage competing responsibilities more efficiently and reduce role conflict. Students who effectively allocate their time are better able to fulfil academic requirements while maintaining work performance and personal well-being. Employer Flexibility and Institutional Support also showed a moderately strong relationship with work-life balance ($r = 0.566$). This finding is consistent with the work of Kossek et al. (2014), who suggested that supportive workplace policies and educational support systems help employees and students manage multiple responsibilities more effectively. Overall, the results indicate that strengthening these factors can contribute positively to improving work-life balance among part-time students employed full-time.

Discussion on Objective 2: To Determine the Effect of These Influencing Factors (IV1–IV5) on Work-Life Balance

The second objective aimed to determine the effect of the five influencing factors on work-life balance through multiple regression analysis. The results revealed that Academic Workload and Time Management Skills were significant predictors of work-life balance, while Job Demands did not significantly predict work-life balance within the study sample. Time Management

Skills emerged as the strongest predictor of work-life balance. This finding suggests that students who possess effective planning, scheduling, and prioritization abilities are better able to cope with the demands of work and study simultaneously. The result supports previous studies that identified time management as a critical factor contributing to academic success, reduced stress, and improved well-being (Greenhaus & Allen, 2011). Academic Workload was also found to significantly influence work-life balance. This result indicates that the amount of academic tasks and study commitments directly affects students' ability to maintain equilibrium between their academic and work roles. The regression model further demonstrated that 66% of the variation in work-life balance could be explained by the five independent variables, highlighting the importance of these factors in understanding work-life balance among part-time students. Therefore, universities and employers should focus on developing strategies that enhance students' time management capabilities and provide support mechanisms that help them cope with academic demands, thereby improving their overall work-life balance and well-being.

Conclusion

Overall, this study contributes to a better understanding of the factors influencing work-life balance among part-time students employed full-time. The findings provide useful evidence for higher education institutions and employers in developing appropriate support strategies and policies to help working students better balance their academic, professional, and personal responsibilities, thereby enhancing both academic success and overall well-being.

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THE ROLE OF ARTIFICIAL INTELLIGENCE (AI) IN ENHANCING BUSINESS DECISION-MAKING

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ABSTRACT
This study investigates the role of artificial intelligence (AI) in enhancing business decision-making among the managers, executives, and technical staff working at Minsoon Star Sdn Bhd, which is a Mercedes-Benz dealer located in Seremban, Negeri Sembilan, Malaysia. The research explores the artificial intelligence adoption level, artificial intelligence analytical capability, and data quality & availability. A quantitative approach was employed through an online survey with 33 respondents, and the data were analyzed using SPSS. The findings revealed that AI Analytical Capability has a significant positive influence on Business Decision-Making Effectiveness. This indicates that organizations with stronger AI analytical capabilities are more likely to make effective business decisions. However, AI Adoption Level and Data Quality and Availability were found to have no significant effect on Business Decision-Making Effectiveness. The study concludes that the ability to analyze and interpret data through AI is more important than merely adopting AI technologies. Therefore, organizations should focus on developing AI analytical capabilities and enhancing employees' skills to maximize the benefits of AI in business decision-making. The findings contribute to a better understanding of AI implementation in the automotive service industry and provide useful insights for business owners.

Keywords: *Role of Artificial Intelligence(AI), Business decision-making, AI adoption, AI analytical capability, data quality&availability.*

INTRODUCTION
Digital technologies have grown drastically in recent years. It changes the way organizations operate and make decisions for their business. Among these technologies, Artificial Intelligence (AI) has become an effective weapon that may improve effectiveness, accuracy, and competitiveness across various business functions. Artificial intelligence (AI) is basically a computer system that is designed to perform tasks with human intelligence. By leveraging its advanced computational power and machine learning capabilities, AI can process vast and complex datasets in a fraction of the time it would take a human (Ketut Witara, 2025). Organizations are exposed to immense amounts of data collected through internal operations, customer interactions, and external market conditions in this new business era. Traditional decision-making techniques, which normally depend on the organisation's managers' decisions and manual data analysis, are becoming less effective in handling such complex and dynamic data environments. Consequently, businesses are implementing AI-driven systems to support data analysis and enhance the quality of decision-making. Machine learning, predictive

analytics, and natural language processing are artificial intelligence tools that allow businesses to effectively handle a vast amount of data. These capabilities allow decision-makers to respond quickly to market changes and reduce uncertainty in strategic and operational decisions (Dwivedi et al., 2021). AI adoption level, AI analytical capability, Data quality & availability are the necessary critical factors that can improve business decision-making results. These factors totally play a significant role in how AI can enhance the decision-making outcomes. However, many organisations are facing challenges such as limited AI adoption, a shortage of experienced professionals, a lack of data quality, and ethical issues in using artificial intelligence. Thus, this study examines the role of artificial intelligence (AI) in enhancing business decision-making, specifically focusing on AI adoption level, AI analytical capability, Data quality & availability, which are the factors influencing business decision-making.

LITERATURE REVIEW

In this digital era, artificial intelligence (AI) has become an important resource for improving business decision-making. Organizations have begun to depend on AI to process complex data and make strategic decisions. According to Ransbotham et al. (2020), AI enables organizations to move from intuition-based decision-making to evidence-based decision-making. Dwivedi et al. (2021) argue that AI improves decision speed, accuracy, and predictive capability, allowing organizations to respond effectively to market changes. However, for ethical usage, artificial intelligence should be used as a complement instead of replacing judgment made by humans. Brown (2023) highlights how AI-based Decision Support Systems (DSS) help managers make faster and more accurate decisions. Artificial intelligence's contribution to business decision-making has recently expanded. AI has been adopted by many organisations nowadays to automate routine tasks. For instance, AI-driven customer relationship management (CRM) systems analyze customer interactions to provide personalized recommendations, thereby improving customer satisfaction and loyalty (Nguyen & Mutum, 2012). Organisations that adopt AI strategically tend to have beneficial decision-making. Artificial intelligence (AI) can analyze and process big datasets faster and more efficiently than humans. This capability is particularly valuable in fields such as finance, where AI algorithms analyze market trends and historical data to inform investment strategies (Bose,R. 2020). Similarly, in healthcare, AI-driven diagnostic tools analyze medical images and patient records, aiding clinicians in making accurate diagnoses (Topol,E. 2019). Forecasting accuracy and risk assessment will be improved by using advanced AI analytics.Data quality & availability are important factor that influences business decision-making. Poor-quality data can lead to incorrect predictions and faulty decisions. The underlying data of the solution must be fit for purpose, both in terms of content and quality, so ensuring data quality is a critical part of AI development (Combs 2021). Organisations must invest in adequate data governance and management practices to get the utmost benefits from AI-driven business decision-making. To develop best practices and standards for using AI, policymakers, business executives, and academics must work together to address concerns like responsibility, privacy, and prejudice (Floridi et al., 2018).

H1: AI adoption level has a significant influence on the business decision-making effectiveness.
H2: AI analytical capability has a significant influence on the business decision-making effectiveness.

H3: Data quality & availability have a significant influence on the business decision-making effectiveness.

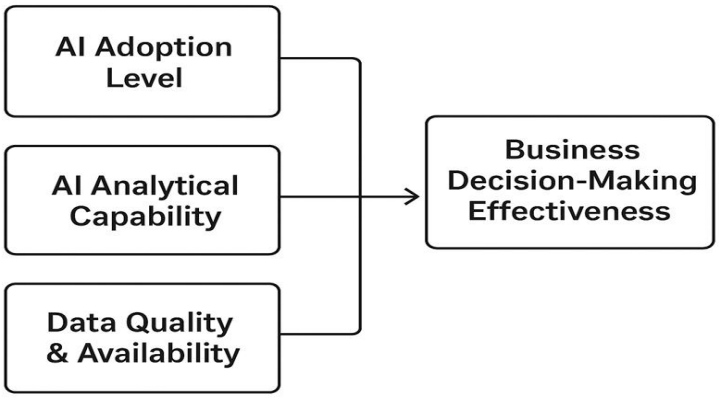

Figure 1: Conceptual framework of the study

The framework illustrates how three key AI-related factors influence the effectiveness of business decision-making. AI Adoption Level is expected to improve decision-making by enhancing automation, processing speed, and real-time insights. AI Analytical Capability contributes by enabling pattern recognition, predictive analytics, and improved data interpretation. Data Quality & Availability enhances AI performance by ensuring the accuracy and reliability of insights generated. Together, these independent variables are hypothesized to have a direct positive impact on the dependent variable, which is business decision-making effectiveness.

METHODOLOGY

In this study, a quantitative research approach has been used to study the relationship between the dependent variable, which is business decision-making effectiveness, and the independent variables, which are artificial intelligence adoption level, artificial intelligence analytical capability, and data quality & availability. The survey method has been used in this study to gather information from the respondents since it allows the researcher to get a lot of data in a short amount of time. The research sample consists of managers, executives, and technical staff works at Minsoon Star Sdn Bhd, which is a Mercedes-Benz dealer located in Seremban, Negeri Sembilan, Malaysia. A questionnaire has been distributed. Respondents to this study received the questionnaire through an online survey created with Google Forms and handed out via WhatsApp links. Section A analyses the demographic profile of respondents, which includes gender, age group, position in organization, years of working experience, using multiple-choice questions and a nominal scale. Sections B, C, D, and E analyze the dependent and independent variables of the study by using Likert Scale five-point agreement.

The Statistical Package for Social Science (SPSS) has been used to analyse the data collected for this study. In this study, a variety of data analysis methodologies has been used. To confirm

its validity, a pilot test was carried out. The questionnaire was the measuring tool for this study. The mean, standard deviation, maximum, and minimum were calculated from the data gathered through the survey questionnaire. In this study, skewness and kurtosis were applied to determine whether the data distribution was normal. The data had to have skewness and kurtosis values between -2 and +2 for them to be regarded as normally distributed (Muzaffar, 2016). In this study, Cronbach's Alpha was applied as a reliability measure. Cronbach's Alpha value ranged between 0 and 1, and a value exceeding 0.7 was considered reliable (Schrepp, 2020). The relationship between independent variables and the dependent variable was examined using multiple regression analysis. To determine whether the test was significant, the Pearson Correlation value needs to be less than 0.05. If the value is above 0.05, it indicates that the sample data possess sufficient strength to reject the null hypothesis and accept the alternative hypothesis (Jung and Kim, 2014).

RESULT AND ANALYSIS

Table 1: Respondents' Demographic Information

Demographic	**Frequency (N)**	**Percentage (%)**
Gender :		
Male	22	66.7
Female	11	33.3
Age :		
25-34	14	42.4
35-44	7	21.2
45 years and above	7	21.2
Below 25 years	5	15.2
Position :		
Executive	20	60.6
Technician	8	24.2
Manager	5	15.2
Working Experience :		
2-5 years	12	36.4
Less than 2 years	8	24.2
6-10 years	7	21.2
More than 10 years	6	18.2

Table 1 shows the demographic profile of the respondents based on the questionnaires. The majority of the total of 22 out of 33 respondents are male, which is 66.7%, while the rest of 33.3% are female. The majority of the respondents are between 25 to 34 years old, which is 42.4%. Apart from that, the majority of 60.6% are working as executives. Whereby, 36.4% of the respondents have 2-5 years of experience. Table 2 shows descriptive statistics of the mean for each variable. Data Quality and Availability recorded the highest mean score, which is 4.076

with a standard deviation 0.532, indicating that respondents generally perceived the quality and accessibility of data in their organizations to be high. AI Analytical Capability also showed a relatively high mean score which is 3.939 with 0.519 standard deviation, suggesting that respondents agreed that AI systems effectively support data analysis and business operations. Business decision-making effectiveness recorded a mean score of 3.833 with 0.672 standard deviation, indicating a generally positive perception regarding the effectiveness of AI-supported decision-making. AI adoption level had a mean score of 3.773 with 0.638 standard deviation, suggesting a moderate to high level of AI implementation among the surveyed car service centers. The standard deviation values ranged from 0.519 to 0.672.

Table 2: Descriptive Statistics (Mean) for each variable

Variable	No. of Items	Minimum	Maximum	Mean	Standard Deviation
AI Adoption Level	4	1.5	5	3.773	0.638
AI Analytical Capability	4	3	5	3.939	0.519
Data Quality and Availability	4	2.75	5	4.076	0.532
Business Decision-Making Effectiveness	4	2.5	5	3.833	0.672

Table 3: Skewness and Kurtosis

Variable	**Skewness**	**Kurtosis**
AI Adoption Level	-1.414	4.491
AI Analytical Capability	0.1	-0.173
Data Quality and Availability	-0.506	0.102
Business Decision-Making Effectiveness	0.145	-0.513

Table 3 shows the skewness and kurtosis of each variable of the study. Based on the data obtained from this study, the skewness values for each variable are as follows, AI adoption level (-1.141), AI analytical capability (0.1), data quality and availability (-0.506), business decision-making effectiveness (0.145). The value for kurtosis is between –0.173 and 4.491. According to Hair et al. (2021), data are considered approximately normal when skewness values fall within ±2, and kurtosis values fall within ±7. The results indicate that all variables meet these criteria. Therefore, the data can be considered normally distributed.

Table 4: Cronbach's Alpha

Variable	**Cronbach's Alpha**
AI Adoption Level	0.870
AI Analytical Capability	0.708
Data Quality and Availability	0.770
Business Decision-Making Effectiveness	0.922

Table 4 shows the Cronbach's Alpha values for all the variables ranging from 0.708 to 0.922, indicating acceptable to excellent internal consistency. According to Hair et al. (2021), a Cronbach's Alpha value of 0.70 or above is considered acceptable for research purposes.

Table 5: Pearson Correlation Analysis

Independent Variable	Pearson's r	Strength & Direction
AI Adoption Level	0.619	Strong Positive Relationship
AI Analytical Capability	0.737	Strong Positive Relationship
Data Quality and Availability	0.555	Moderate Positive Relationship

Table 5 presents the Pearson correlation analysis between the independent variables and Business Decision-Making Effectiveness. The results show that AI Analytical Capability has the strongest positive relationship with Business Decision-Making Effectiveness ($r = 0.737$, $p < 0.001$). From this result, it can be concluded that the organisation experiences higher levels of decision-making effectiveness with AI analytical capabilities. Similarly, AI Adoption Level presents a strong positive relationship with Business Decision-Making Effectiveness ($r = 0.619$, $p < 0.001$), indicating that greater adoption of AI technologies results in improved decision-making outcomes. In addition, Data Quality and Availability show a moderate positive relationship with Business Decision-Making Effectiveness ($r = 0.555$, $p = 0.001$.

Table 6: Model Summary of Multiple Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.792[a]	0.593	0.55	0.451

Table 6 presents the model summary of the multiple regression analysis examining the influence of AI Adoption Level, AI Analytical Capability, and Data Quality and Availability on Business Decision-Making Effectiveness. The results show that the correlation coefficient ($R = 0.770$) indicates a strong positive relationship between the independent variables and the dependent variable. The coefficient of determination ($R^2 = 0.593$) indicates that approximately 59.3% of the variation in Business Decision-Making Effectiveness can be explained by the combined effects of AI Adoption Level, AI Analytical Capability, and Data Quality and Availability. Furthermore, the Adjusted R^2 value of 0.550 indicates that after adjusting for the number of predictors in the model, approximately 55.0% of the variance in Business Decision-Making Effectiveness remains explained by the independent variables. The Standard Error of the Estimate (0.451) reflects the average deviation of the observed values from the regression line, indicating a reasonably good model fit.

Table 7: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.581	3	2.860	14.060	p = 0.000
Residual	5.900	29	0.203		
Total	14.481	32			
a. Dependent Variable : Business Decision-Making Effectiveness					
b. Predictors : (Constant), AI Adoption level, AI Analytical capability, Data quality & availability					

Based on the results of ANOVA as shown in Table 7, the model was statistically significant, F value of 14.060 and a p = 0.000. This indicates that the diversity in the business decision-making effectiveness may be considerably explained by the combination of the three predictors, AI Adoption level, AI Analytical capability, Data quality & availability. The p-value is less than 0.05, which indicates that the independent variables collectively have a significant effect on the dependent variable and that the model fits the data.

Table 8: Results of Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-0.328	0.589	-	-0.557	0.582
AI Adoption Level	0.18	0.175	0.171	1.028	0.313
AI Analytical Capability	0.68	0.216	0.525	3.147	0.004
Data Quality and Availability	0.228	0.185	0.216	1.229	0.229

Table 8 presents the results of the multiple regression analysis. The findings indicate that AI Analytical Capability significantly influences Business Decision-Making Effectiveness (β = 0.525, t = 3.147, p = 0.004). Since the significance value is less than 0.05, the relationship is statistically significant. On the other hand, AI Adoption Level (β = 0.171, p = 0.313) and Data Quality and Availability (β = 0.216, p = 0.229) were found to be statistically insignificant because their p-values exceed 0.05. Table 9 shows that H2 was supported, which indicated that AI Analytical Capability has a significant influence on business decision-making effectiveness. In contrast, AI adoption level and data quality & availability did not show statistically significant effects on business decision-making effectiveness and caused H1 & H3 to be rejected.

Table 9: Summary of Hypothesis

Hypothesis	Relationship	Beta (β)	Sig.	Decision
H1	AI Adoption Level → Business Decision-Making Effectiveness	0.171	0.313	Rejected
H2	AI Analytical Capability → Business Decision-Making Effectiveness	0.525	0.004	Supported
H3	Data Quality and Availability → Business Decision-Making Effectiveness	0.216	0.229	Rejected

DISCUSSION AND CONCLUSION

This study aimed to examine the role of Artificial Intelligence (AI) in enhancing business decision-making effectiveness among car service centers in Seremban, Negeri Sembilan. The discussion is based on the findings obtained from the regression analysis. The results showed that AI Adoption Level has a positive but insignificant relationship with Business Decision-Making Effectiveness (β = 0.171, p = 0.313). Therefore, H1 was not supported. This finding suggests that simply adopting AI technologies does not necessarily improve business decision-making. Although some car service centers have implemented AI or digital systems, the benefits may not be fully realized if employees lack the necessary skills or if the technology is not fully integrated into daily operations. One possible reason is that many small and medium-sized car service centers are still in the early stages of AI adoption. As a result, the impact of AI on decision-making may not be significant yet. From the findings, it is revealed that AI Analytical Capability has a significant positive relationship with Business Decision-Making Effectiveness (β = 0.525, p = 0.004). Therefore, H2 was supported. This indicates that this organisation is more likely to make better decisions with the use of artificial intelligence. AI analytical capability helps managers identify trends, predict customer demands, improve service planning, and make wise decisions. Among the three independent variables, AI Analytical Capability was found to be the strongest predictor of Business Decision-Making Effectiveness. The results showed that Data Quality and Availability have a positive but insignificant relationship with Business Decision-Making Effectiveness (β = 0.216, p = 0.229). Therefore, H3 was not supported. Although for good business decision-making, accurate data quality and availability are crucial, from this study the statistics show that data quality by itself may not directly increase decision effectiveness. This result may also indicate that respondents generally perceived data quality to be good, resulting in less variation in responses and reducing its statistical influence.

This study concludes that AI Analytical Capability significantly influences Business Decision-Making Effectiveness. This means that an organization are able to effectively analyze and utilize AI-generated information, and they could make better business decisions. However, AI Adoption Level and Data Quality and Availability were found to have no significant influence

on Business Decision-Making Effectiveness. This suggests that simply adopting AI technologies or having access to quality data is not enough to improve decision-making. The organisation needs to analyse the generated information effectively in order to improve their business decision-making effectiveness. In conclusion, this study indicates that Artificial Intelligence plays an important role in business decision-making effectiveness, mainly through its analytical capabilities. The findings showed that AI Adoption Level has a positive but does not have a significant influence on Business Decision-Making Effectiveness. Dwivedi et al. (2021) argued that AI adoption can improve organizational decision-making by enabling businesses to process large volumes of data and generate valuable insights. The difference in the findings might be the nature of the respondents involved in this study. Minsoon Star Sdn Bhd is a small-sized car service centre, and they are still in the beginning stage of AI adoption. As a result, AI adoption alone is not sufficient enough to significantly improve business decision-making effectiveness. The findings revealed that AI Analytical Capability has a significant positive influence on Business Decision-Making Effectiveness. The findings are consistent with the previous study. Aditya and Dhanekula (2025) highlighted that predictive analytics and AI-driven business intelligence systems enhance decision accuracy, reduce uncertainty, and support evidence-based decision-making by transforming raw data into actionable insights. Similarly, Witara (2025) highlighted that AI analytical capabilities help managers make faster, more accurate, and data-driven decisions. Therefore, AI Analytical Capability emerged as the strongest predictor of Business Decision-Making Effectiveness.

The findings indicated that Data Quality and Availability have a positive but insignificant influence on Business Decision-Making Effectiveness. The findings are not consistent with the previous study. Aditya and Dhanekula (2025) emphasized that organizations combining high-quality data with advanced analytics achieved greater improvements in decision speed, forecasting accuracy, and overall business performance. At the same time, Dwivedi et al. (2021) stated that AI systems rely heavily on accurate, complete, and reliable data to produce meaningful outcomes. Based on this study, many of the respondents might already have access to their customers' data, resulting in little variation in their perception of data quality. From this study, a few recommendations are proposed. Firstly, in order to improve AI analytical skills, the service centre can provide training to the staff. It can help the employees to understand better and utilize AI-generated insights effectively. The organisation should also be able to invest in AI systems that provide predictive analytics, customer insights, and maintenance forecasting to support decision-making. Furthermore, the organisation should strengthen data management practices to maintain accurate and updated data to support AI applications. Moreover, the management can consider encouraging the employees to adopt and use digital technologies in their daily work activities in order to improve AI usage.

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TECHNOLOGY TRANSFER AND INNOVATION MANAGEMENT IN BILATERAL DEFENCE INDUSTRY COOPERATION: MALAYSIA–TURKIYE PERSPECTIVES

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ABSTRACT
The bilateral defence industry cooperation between Malaysia and Turkey can be enhanced by technology transfer and innovation management to improve the country's defense capabilities. It is not only a means to access technical expertise and cutting-edge technology, but also as a way of defense diplomacy, to enhance Malaysia's role in the global supply chain. However, there are challenges such as policy constraints, limited human resources and weak institutional coordination that need to be addressed to ensure its effectiveness. The objectives of the study are (1) to study the regression of technology transfer and innovation on the development of Malaysia's defense capabilities, and (2) to recommend strategic policies to strengthen Malaysia's defense industry through technology transfer and innovation from Turkey. This study uses qualitative research methods obtained through primary data and secondary data. Primary data was obtained through in-depth interviews with informants and field research. Secondary data is obtained through sources such as books, articles, theses and official websites. The findings show that technology transfer from Turkey not only enhances Malaysia's technical capacity, but also opens up opportunities for the development of domestic defense systems, although it still faces internal structural challenges. The contribution of this study can improve technology transfer and innovation management in the defense industry between Malaysia and Turkey, a policy recommendation to strengthen Malaysia's defense innovation, thus supporting the country's aspiration to become an active player in the global supply chain through international strategic cooperation.

Keywords: Defence Industry Cooperation, Innovation Management, Malaysia, Technology, Turkiye

INTRODUCTION
Diplomatic relations between Malaysia and Turkiye began to strengthen in the 2000s, and the prime ministers of both countries have visited each other's countries more than once, with Turkish Prime Minister Recep Tayyip Erdogan visiting Malaysia for the first time in 2003 and the Malaysian Foreign Minister, Ahmet Davutoglu calling in Turkiye in 2009 (Asmady & Ömer, 2013). In the declaration made on 10 January 2014, Erdoğan and former Malaysian Prime Minister Najib Razak announced the rise of the relations between Turkiye and Malaysia to the level of the strategic partnership. It involves decision on an enhanced trade relationship after the implementation of the Free Trade Agreement (FTA) in 2015 (Ministry of Investment, Trade and Industry, 2023). This reflects the achievements since the establishment of the diplomatic relations between the two countries and the extent of political, economic and cultural ties.

Turkiye and Malaysia are both members of the United Nations (UN) and the Organisation of Islamic Cooperation (OIC) and D-8, and thus hold similar views on various regional and international issues (Mehmet, 2011; Turkish Embassy, 2022). Erdogan has also invited more Malaysian companies to invest in the country, especially in the defence industry. Erdogan described Malaysia as a friendly country and hoped that relations would be further developed, especially to increase bilateral trade (BusinessToday, 2021). In terms of trade composition, Malaysia's key exports to Turkiye are electronic and electrical products, textiles, raw rubber and chemical products. Meanwhile, Turkiye's main exports to Malaysia are iron steel, iron, chemicals, machinery, equipment parts, and electronic and electrical products (Ministry of International Trade and Industry, 2012). The total trade volume of the two countries in 2018 was worth RM9.79 billion. The total export value of Malaysia to Turkiye is RM7.97 billion and the total import value of Turkiye to Malaysia is RM1.82 billion. Turkiye is Malaysia's third most important trade partner in West Asia, and Malaysia is the biggest trade partner for Turkiye in ASEAN region (Erten, 2010).

There has been some encouraging progress in the defence industry. The largest defence transaction between the two countries, for instance, was in February 2011 when Malaysia's defence firm DEFTECH and Turkiye's FNSS inked a memorandum of understanding for the sale of 257 armoured fighting vehicles worth $600 million (Asmady & Ömer, 2013) to the Malaysian military. In addition, from the findings in the study, there is a lot of business between the two countries and the current cooperation is only on the exchange of defence technologies as identified by Syahril & Hasif (2023). There have been several meetings held already to make this possible. But there are already some facilities and technologies that are being utilised by Malaysia. Fortunately, the technologies being developed in Turkiye are among the finest to come from the country and would prove useful in Malaysia in the future. During the visit of the former Prime Minister of Malaysia, Tun Mahathir Mohamad to Turkiye on 26 July 2019, Defence cooperation between the two countries was one of the key matters discussed between the Heads of State and Government. They decided to draw closer together in order to develop the economy. The primary focus is on the defence industry where Malaysia seeks to learn from Turkiye and apply its expertise to build up its own industry. The technology exchange was selected for Turkiye, which alone is willing to engage in such exchanges, and whose technology is in one of the best categories in the world. This will be beneficial to Malaysia and Turkiye in the future (Kadir, 2019). Furthermore, Turkiye has significant military power and is a member of the North Atlantic Treaty Organisation (NATO). It has been a member of NATO for 9th May 1955. In this context, Turkiye has access to advanced defence technology and its experience in various aspects of the defence sector, such as the development and production of military equipment. Meanwhile, Malaysia and Turkiye have built up their defence industries. There are opportunities for technology exchange, joint research and joint project development in the defence sector through cooperation between the two countries. Malaysia's cooperation with Turkiye in the regional context of Southeast Asia and the Middle East can contribute to a more balanced power and enhance the stability and security of the region. Therefore, this study analyses the systematic technology transfer and innovation management in the Malaysia-Turkiye defence industry cooperation.

LITERATURE REVIEW

Defence Industry Cooperation

Research on defense industry cooperation highlights not only its role in the field of national security, but also its role in technological and economic development. Kurç & Neuman (2017) identifies the defence industry in the 21st century is more multinational than ever before and that multi-national cooperation is a key strategy in the face of high development costs and the need for sophisticated technology. While discussing the economic cooperation, Bağış &

Yurtseven (2017) points out that even though there are regional bureaucratic and political obstacles, economies can be integrated via platforms like OIC, and opportunities can be created for expanding defense industry networks. For Malaysia, Balakrishnan & Treesna (2021) emphasizes that the local defense industry still faces constraints such as dependence on external OEMs, lack of technical expertise, and low levels of R&D. Treesna (2022) adds that innovation through R&D is key to the sustainability of the Malaysian defense industry, but requires consistent policy support and strategic cooperation with international partners. Erresafrinal & Haliza (2023) also argue the importance of the government in establishing synergy between the industry, stating that with clear policies and effective incentives, the country's defense ecosystem can be strengthened. Besides giving rise to space for defense technology transfer, bilateral cooperation between Malaysia and Turkiye has had a positive impact in enhancing the political and economic relations between the two countries. According to Noraini et al. (2023), over 2005-2019, Malaysia-Turkiye relations were mutually beneficial and particularly in the area of capacity building of Malaysia's defense industry, through technology transfer and training. Kasim (2023) examine that Turkiye's foreign policy focus on Southeast Asia and relations with Indonesia is part of Ankara's policy to broaden the influence of the defense industry in the region. This indicates that defense cooperation is not only a security tool, but also a tool in economic and technological diplomacy which directly affects the development of Malaysia's defense industry.

Technology Transfer Mechanism

The technology transfer mechanisms studies highlight the institutional aspects, the trade policies and the innovation collaboration in addition to the technical aspects. According to Martínez & Chelala (2021), international trade agreements are significant mechanisms to facilitate the flow of technology transfers, especially provisions regarding market access and technology transfers between countries. In the case of exporting companies, Cinar et al. (2021) concluded that the performance of the exporting companies and the level of innovation in the companies are directly affected by the technology transfer mechanisms, meaning the effectiveness of the transfer is determined by the ability of the company to acquire and adopt the new technology. Balakrishnan & Treesna (2021) identify the major problems faced by Malaysia pertaining to the technology transfer mechanisms as reliance on third party OEMs, R&D limitations, and inadequate innovation management. Innovation collaboration is a strategy to improve sustainable development in developing countries. Meanwhile, Pandey et al. (2022) mentioned technology transfer beyond the technical aspects. From the viewpoint of bilateral cooperation, Noraini et al. (2023) discusses that technology transfer mechanisms such as training, industrial capacity building and defense technology sharing have been made possible by Malaysia-Turkiye cooperation. Moreover, Koçak (2023) emphasizes the role of regional bodies, including the Organisation of Turkic States, in enhancing technology transfer methods, while expanding political and economic connections. Drawing on the experience of India, Malaysia, and Turkiye, Turgut (2025) notes that industrial policy is an important factor in designing the model of technology transfer. The results indicate that technology transfer mechanisms are not only technical, but also rely on industrial policies, international trade policies, and institutional preparedness for handling innovation.

Challenges in Defence Innovation Management

Research on problems of innovation management highlights the importance of geopolitical, institutional and technological factors for the success of the development of the defense sector. Anaz (2022) mentioned that the limitations in the soft power of Turkiye in Asia are not only political perception but also resources, which in turn has a negative effect on the country's ability to use defense innovation as a tool of diplomacy. In the Malaysian context, Erresafrinal & Haliza (2023) emphasize that weaknesses in industrial structures, dependence on external OEMs, and lack of policy coordination are key challenges in efforts to synergize defense

innovation. Moreover, Cerchione et al. (2023) examine technological issues also arise in the integration of new systems in the defense supply chain, such as blockchain-based IoT, which requires a high degree of technological readiness and cybersecurity. Historical and political aspects also affect Malaysia–Turkiye relations, and this continuity of relations from the Ottoman era to the modern era offers great opportunities and challenges when modernizing the mechanisms of innovation (Tekin & Islam, 2024). Meanwhile, Güner (2025) identifies that Turkiye's public diplomacy approach is comprised of a range of actors and that a lack of coordination and policy consistency can hamper the success of defense innovation efforts. Additionally, Ermağan & Özay (2025) emphasizes that Asia-Pacific political dynamics also put pressure on countries like Malaysia and Turkiye to adjust their defense innovation strategies to the evolving global security landscape. In a theoretical context, Knudsen et al. (2026) argue that defence innovation needs to be both creative and adaptive, as the security dynamics are constantly evolving and thus calling for flexible and resilient structures for innovation. Despite extensive discourse on defence industry collaboration, technology transfer frameworks, and innovation challenges, significant gaps remain in the literature. Firstly, most studies have concentrated on worldwide collaboration, neglecting extensive analyses of individual bilateral examples such as Malaysia–Turkey, especially regarding technology transfer and innovation management. Secondly, the connection between the mechanisms of technology transfer and improvement of domestic defence industry capabilities has not been described empirically and systemically. Third, although challenges such as external dependence, policy constraints and institutional weaknesses have been identified, studies that integrate these factors into a comprehensive analytical framework are still limited. In addition, there is a lack of studies that assess the extent to which industrial policies, institutional readiness and technology absorption capacity affect the effectiveness of defense cooperation. Therefore, this study aims to fill this gap by comprehensively analyzing how technology transfer and innovation management in Malaysia–Turkey cooperation can contribute to the development of national defense industry capabilities.

Hypotheses Development

This study's hypothesis is formulated based on the framework of the technology transfer and innovation management as important factors in bolstering the defense industry capabilities in Malaysia. The technology transfer also allows Malaysia to access to more sophisticated technical knowledge and defense systems through bilateral cooperation with Turkiye, while also fostering innovation management that can boost competitiveness of the national defense industry. This is consistent with the first hypothesis which posits that technology transfer and innovation management can positively contribute in enhancing the capability of Malaysia's defense industry. The challenges of technology transfer and innovation management are not without their own difficulties, however, including organizational culture issues, scarce resources and strategic security concerns. Hence, the second hypothesis highlights that these difficulties can have positive consequences such as learning opportunities and improvements, as well as negative consequences, which can have a detrimental effect on the effectiveness of bilateral military cooperation between Malaysia and Turkiye. In this context, these two hypotheses become the foundation of the analysis to evaluate the contribution of technology transfer and innovation management in the development of the Malaysian defense industry in the international strategic cooperation arena.

Theoretical Framework

Figure 1 outlines the theoretical framework of this study. The independent variables of this study are defence industry cooperation, technology transfer mechanism and challenges in defence innovation management, while the dependent variable of this study is technology transfer and management in Malaysia-Turkiye defence industry cooperation.

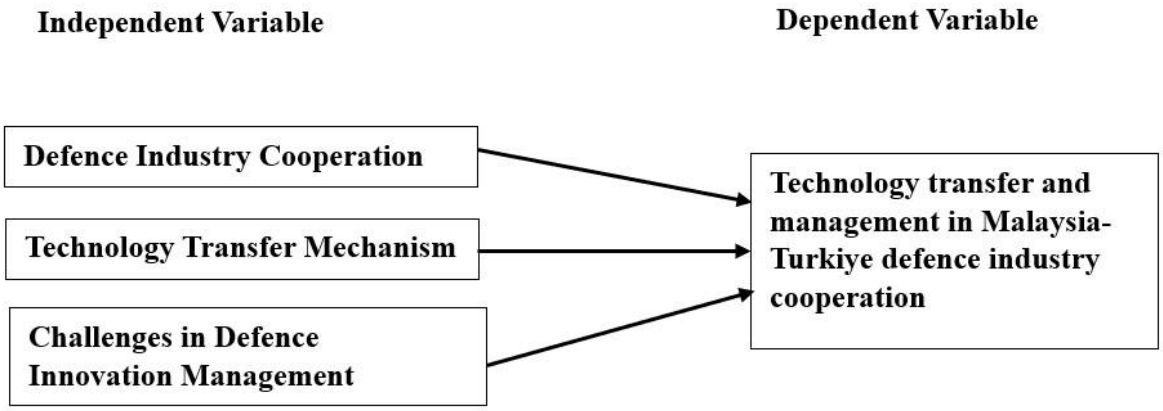

Figure 1. Theoretical Framework

METHODOLOGY

This study uses a qualitative research design. Through a variety of evidence sources, the design is set up to collect the viewpoints of important stakeholders, such as legislators, practitioners in the defence industry and institutional representatives. There are two types of focused sources to obtain research information, namely primary data and secondary data. The interview method and fieldwork are the main sources for this study. There are two types of secondary data, printed and unprinted.

Primary Data (Interview)

According to Panke (2018), interviews are one of the most common methods used by qualitative researchers. DeMarrais (2004) states that an interview is a conversation between participants and researchers about research-related issues. When behaviours, feelings or meanings about what is happening in the world around us cannot be seen, then an interview is needed. It is also necessary to interview if we want to know about something that happened in the past. Meanwhile, Miller & Glassner (2004) explains the interview method for qualitative research to obtain data based on the experiences of the informants interviewed in a particular conversation. Miller & Glassner's assertion is also supported by Creswell (2014) who states that qualitative research uses research based on the application of the case study method to obtain data by directly using past experiences or things that happened to the informants.

Figure 2. List of Informants

No	Position	Type of interview	Remarks
1.	Armed Forces Joint Forces Commander	Face to face	Informan A
2.	Managing Director, FleetSol Sdn. Bhd.	Face to face	Informan B
3.	CEO Turkish Aerospace Malaysia	Face to face	Informan C

Secondary Data
Secondary data was used in the preparation of this study. Printed materials include books, newspapers, journals, archives and official documents. All these resources can be found at the Ministry of Defence Library or UTM Kuala Lumpur Library. Additionally, internet data was also utilized to gather reference data and to find a new problem that might be linked to this study. The sources of Internet data are the government's official website, armed forces, local and international news agencies (Anadolu, Bernama, Berita Harian, AFP, Al Jazeera, BBC, Bloomberg, Reuters and CNN). As well as other reference materials such as Journal, ResearchGate and Academia. Equally important, the Internet is an international instrument that is very useful for research and learning. It provides up-to-date information, finds facts and is the best way to communicate. The Internet is also helpful because it is convenient and easy to conduct research from home. This is because the Internet is an effective search engine for academic research, which plays a major role in enhancing research opportunities. All the data collected is analysed and compared.

Thematic Analysis
Thematic analysis is used as the method for analysing the data, as it is used in research to find patterns, themes and to interpret qualitative data in the appropriate theoretical context. Thematic analysis, as described by Braun & Clarke (2006), offers a flexible and sound methodological base for understanding and reporting on qualitative data, providing for the identification of themes and the interpretation of their meaning. The analysis is analytical, which aims to answer the research questions regarding technology transfer and innovation management, and at the same time, can capture the institutional complexity and multi-faceted nature of bilateral defence industry cooperation between Malaysia and Turkiye, covering institutional approaches, industrial practices and collaborative mechanisms.

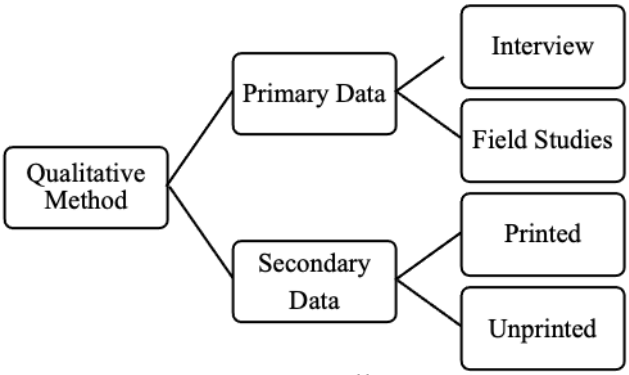

Figure 3. Data Collection Summary

Triangulation Data
The triangulation data is used as the basic design approach, with several research methods being used that are applied to and combined with the same phenomenon to study the same phenomenon from various points of view. Triangulation increases the credibility and reliability of qualitative results by allowing for verification of information from various data sources and collection methods (Haney et al., 2022). In this study, the triangulation method is used, which

includes in-depth interviews, document analysis and field observations to create an integrated approach with secondary data.

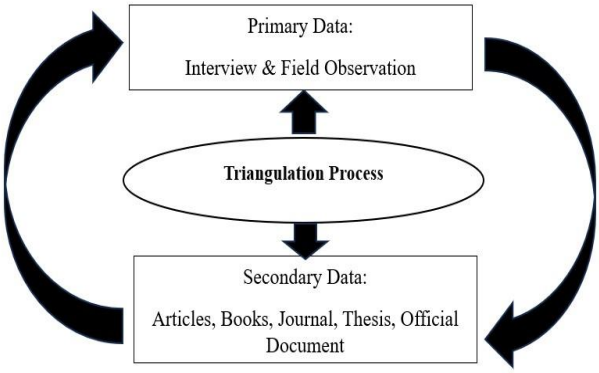

Figure 4. Triangulation Data Process

Therefore, the use of triangulation data in this study is an effective analytical basis in this study. Thematic analysis is used to identify explicit and implicit patterns in qualitative data to provide insights into the technology transfer and innovation management between Malaysia and Turkiye. At the same time, triangulation ensures a comprehensive validation and contextual richness of findings through multiple data sources and methods, which increases the credibility of findings. Therefore, these methods ensure the methodological strength of the study and its explanatory capability for technology transfer and innovation management between Malaysia and Turkiye, especially for boosting the defence industry capabilities in Malaysia.

RESULT AND ANALYSIS

Malaysia-Turkiye Defence Industry Cooperation

Thematic analysis identified three main themes that emerged from the interview data and supporting documents. First, the background of strategic collaboration highlights the evolution of Malaysia–Turkiye defence ties, particularly the role of formal agreements and institutional partnerships in shaping long-term. Second, the impact of technology transfer and innovation. Third, the challenges of implementing and managing innovation. The three themes provide a structured lens through which the findings can be interpreted. The three themes provide a structured lens through which the findings can be interpreted. Table 4.1 summarises the thematic analysis of Malaysia–Turkiye technology transfer and innovation management in defence industry cooperation, providing an overview of the empirical findings before comparing with national and bilateral policy directions.

Table 1: Thematic Analysis of Malaysia-Turkiye Defence Industry Cooperation

Main Thema	Sub Theme	Verbatim-Informant	Relationship with Literature
Background of Cooperation	History of strategic relations	Collaboration with Turkiye allows Malaysia to access new technology	Noraini et al. (2023) emphasise the role of Turkiye companies such as Aselsan and Roketsan in the transfer of expertise.

		(Informant A, 2025)	
	Project: FNSS–DEFTECH	The armoured vehicle project is important because it involves technology transfer (Informant A, 2025).	Asmady & Ömer (2013) recorded a deal for 257 armored vehicles worth USD600 million.
Impact of Technology Transfer	Increasing local industrial capacity	With technology transfer from Turkiye, we can train local workers and build a stronger industrial base (Informant B, 2025)	Balakrishnan (2017) emphasizes that the effectiveness of technology transfer depends on the receptive capacity of the recipient country.
	Strategic technology	Malaysia is beginning to be able to develop its own defence system, although it is still in the early stages (Informant C, 2025)	Turkiye has successfully built strategic capabilities through R&D investments (Ali, 2021).
Implementation Challenges	Policy and bureaucratic constraints	The main problem is not in the technology brought in, but in our ability to absorb and manage the innovation (Informant C, 2025)	Balakrishnan & Treesna (2023) identify that weak coordination between government, industry and R&D affected innovation outcomes.

	Human resource capacity	Skilled manpower in the field of defense is still limited. We need more training. (Informant C, 2025).	Abdullah & Zahari (2023) emphasize human capital development as a critical factor in the sustainability of the defense industry.
	Institutional coordination	Coordination between agencies is still weak, resulting in technology not being fully utilised (Informant C, 2025).	Amirudin et al. (2020) emphasize the need for close collaboration between government, industry and academia.

The first theme highlights the historical significance of strategic relations and cooperative efforts, including FNSS–DEFTECH, on the groundwork of Malaysia–Turkiye defence cooperation. Of particular significance is this background in that it shows that technology transfer is not only an economic exchange, but also a tool for defense diplomacy which deepens bilateral ties and relationships. The fact that the development of the armored vehicles worth USD600 million shows the joint commitment of both countries, the sustainability of the cooperation will rely on how much capability Malaysia can develop in collaboration with Turkiye. The issue here is whether the cooperation is actually enhancing Malaysia's capacities or merely helping the country to be dependent on foreign technology. Cooperation, therefore, merits not only to be regarded as a symbolic success, but also as a trial of long-term institutionalisation of technology transfer for Malaysia. The other theme is the positive role of the technology transfer, especially in stimulating the local industrial capacity and providing opportunities for local defence systems. But crucially, the success of technology transfer is dependent on the readiness of the recipient country. Malaysia is at a nascent stage of establishing a strategic defence capability and this creates the dilemma of whether or not the process of technology transfer actually leads to original innovation or merely an adaptation of existing technology. The third theme focuses on implementation problems such as policy limitations, non-availability of skilled human resources and lack of institutional coordination. The issues suggest that it will not be the technology being transferred, but rather the lack of an overall governance structure and internal capacity in Malaysia to absorb and manage the innovation. Technology transfer can become an unproductive process if not for the bureaucracy, human capital and coordination problems are solved. Hence, these effects and problems must be understood simultaneously as two sides which will affect the possibility of achieving strategic transformation or just a short-term success in Malaysia–Turkiye cooperation. Then data triangulation was done to guarantee the study results legitimacy and reliability. This triangulation was conducted by cross-referencing the results of the study with existing policy documents and government statements such as the Malaysia Defence White Paper, Ministry of

Defence statements and the Ministry of Foreign Affairs statements as well as the National Defence Industry Policy (NDIP) 2026.

Table 2: Comparison of Findings with Policy Documents and Official Statements

Theme	Malaysia Defence White Paper (Mindef, 2020)	Joint Statement (Ministry of Foreign Affairs, 2026)	National Defence Industry Policy (Mindef, 2026)
Background of Strategic Collaboration	The importance of international cooperation to strengthen defence capabilities and reduce dependence on imports.	Erdoğan and Anwar Ibrahim chaired the first High-Level Strategic Cooperation Council (HLSC) meeting, focusing on the Comprehensive Strategic Partnership in commerce, ICT and defence.	Malaysia needs to be an active player in the global supply chain through strategic collaboration with partner countries.
Impact of Technology Transfer and Innovation	Focus on self-reliance and domestic capacity development through technology transfer and R&D.	High-tech projects in the defence industry as well as defence officer training programs in institutions in both countries.	Strategic technology transfer as a key policy thrust, with an emphasis on the development of Malaysian-made defence products.
Challenges of Innovation Implementation and Management	Key challenges include human resource constraints and the need for institutional coordination.	Both countries acknowledge global security challenges (cross-border crime, terrorism) and are committed to expanding cooperation in AI,	Challenges: human resource capacity, policy bureaucracy, and institutional coordination as major barriers to innovation effectiveness.

		semiconductors, satellites, biotechnology, and digitalisation.	

The Malaysia Defence White Paper, the Malaysia – Turkey Joint Statement, and the NDIP all reflect the continuity of the findings in the study and the official policy direction of the country. Firstly, looking at the context of strategic cooperation, the 2019 White Paper highlighted the need to lower the import dependency by leveraging international cooperation, and the 2026 Joint Statement reaffirmed the highest level of political commitment in the meeting chaired by Erdoğan and Anwar Ibrahim, the meeting of the HLSC. The 2026 NDIP has, however, introduced a future element by emphasising Malaysia's role as a player in the global supply chain. All of these documents show that the findings of the study on the importance of Malaysia–Turkiye strategic cooperation are consistent with the country's current and future policies. Secondly, the scope of the impact of Technology Transfer and Innovation is given a different focus in the White Paper, which emphasises self-reliance and the development of domestic capacity for R&D, and in the Joint Statement, which places greater emphasis on high-tech projects and the training of defence officers from both countries. The NDIP, however, has identified strategic technology transfer as one of its policy priorities and has prioritized the development of Malaysia's indigenous defence products. This aligns with the study's results, which indicated that the export of technology from Turkiye to Malaysia would not only strengthen technical capacity in the country, but would also create potential for Malaysia to be a regional centre in the field of defence technology. Finally, the Defence White Paper addressed human resource limitations and institutional coordination as challenges to implementing innovation management. Additionally, the Joint Statement discussed global security threats and pledged to enhance collaboration on advanced technologies, including AI, semiconductors, and satellites. The difficulties experienced by the Malaysian defence sector include the lack of human resource capacity, policy bureaucracy and institutional coordination, the NDIP has confirmed. That is just a testament to the fact that the study results reflect prevailing and future policy realities, and underscore the importance of enhancing the defence innovation ecosystem in Malaysia to deliver long-term efficacy.

The Role of Dual-Use Technology in Malaysia–Turkiye Cooperation

Dual-use technology is defined as technology that has military and civilian uses. This technology can be used in a variety of civilian applications, including high-tech industries such as automation, aerospace, satellite communications, and biotechnology, and can also be utilized in the defence sector to improve a country's military capabilities (León et al., 2025). Hence, dual use technology is a significant link between national security and economic development which enables defence innovations to be commercialised and used in broader applications. The study results indicate that the defence technology transfer contributes to the improvement of Malaysia's military capabilities as well as to the development of high-tech industries in the public sector, as part of the Malaysia-Turkiye cooperation. This is aligned with the Malaysia Defence White Paper that promotes development of local capabilities via innovation and research and development, and the NDIP 2026, which also promotes the commercialisation of defence technology to expand the national industrial ecosystem. Therefore, this strategic cooperation not only reinforces the national defence but it also helps to develop the economy based on technology. Moreover, the Joint Statement 2026 also highlights cooperation in the field of advanced technologies, including Artificial Intelligence, semiconductors and biotechnology, which are all dual-use technologies that have potential for application in national security and economic development. From an analysis perspective, it is observed that cooperation between Malaysia and Turkiye in the field of defence not only helps in enhancing

the defence capabilities of both countries but also helps in the overall national technological transformation. Therefore, the transfer of dual-use technology is an important element in Malaysia's strategy to achieve a balance between security and economic development, in line with the country's defence and industrial policy aspirations.

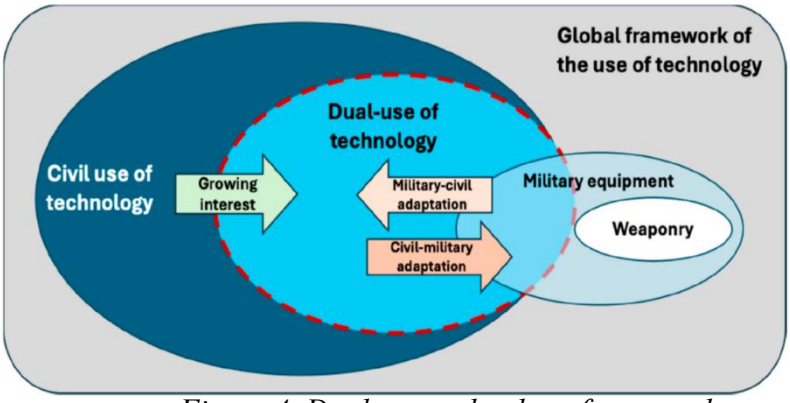

Figure 4. Dual-use technology framework

In this regard, Malaysia must invest in strengthening its capacity building through more systematic transfer of technology and ongoing training of humans. In the same vein, Informant A (2025) pointed out that while cooperation with Turkiye would enable Malaysia to gain access to new technologies, the effectiveness of such transfer would rely on the extent to which Malaysia could absorb and institutionalise the expertise. This reflects Informant B (2025) argue technology transfer promotes the training of local skilled manpower and the development of a robust industrial sector. Hence, strategic policies should focus more on intensive training, incentives for R&D, and mechanisms for technology transfer effectiveness monitoring to ensure that technology is used for domestic defense system development rather than just utilising foreign technologies. Meanwhile, the weaknesses of bureaucracy, human resources and institutional coordination pointed out by Informant C (2025) and Informant D (2025) suggest that the key problem is not of the transferred technology, but the internal structure of Malaysia's government. Hence, the establishment of a specialized coordinating mechanism with representatives from the government, industry and academia, which would increase the efficiency of coordination, should be emphasized in policy proposals. This is a crucial measure to address the coordination issues which have prevented adoption of technology. Strategic policy should at the same time acknowledge technology transfer as a tool of defense diplomacy that can not only enhance the defensive potential, but also help in economic development through dual use technologies. Therefore, it is hoped that this policy proposal would give a firmer direction to make Malaysia-Turkey cooperation in defense industry more effective in the long run.

CONCLUSION

The study revealed that the Malaysia-Turkiye defense industry cooperation in the fields of technology transfer and innovation management had contributed to the growth of the defense capacity in Malaysia to a great extent. The thematic analysis revealed that the cooperation strategy, such as the FNSS – DEFTECH project was not just for strengthening diplomatic ties, but it also created the opportunity to gain access to new technologies pertinent to Malaysia's needs. With regards to impact, the technology transfer has been shown to have improved the local industrial capability and provided opportunities for local defence systems development, which is consistent with the first study objective of assessing the regression of technology transfer and innovation in enhancing Malaysia's defense capability. The study also revealed

some major issues like policy restrictions, human resources, and poor institutional coordination that need to be addressed strategically for long-term effectiveness. The study's aim of proposing strategic policies in strengthening Malaysia's defence industry via technology transfer and innovation from Turkiye is reflected herein. Hence, the two study objectives were fulfilled: the study findings not only validated the positive impact of technology transfer and innovation for the defense sector in Malaysia but also highlighted the importance of having robust policies to address the implementation challenges and sustainable cooperation in the field.

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THE RELATIONSHIP BETWEEN CRM PRACTICES, KNOWLEDGE MANAGEMENT, SERVICE QUALITY, AND CUSTOMER RETENTION IN THE TELECOMMUNICATIONS INDUSTRY

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ABSTRACT
The saturated Malaysian telecommunications industry demands strong customer loyalty to ensure long-term profitability and sustainability. This study examines the relationships between Customer Relationship Management (CRM) Practices, Knowledge Management (KM), Service Quality (SQ), and Customer Retention (CR) among telecommunication users in Selangor. A cross-sectional quantitative research design was employed, and data were collected through an online structured questionnaire. A total of 424 valid responses were obtained and analyzed using descriptive and inferential statistical techniques, including Pearson Correlation and One-Way ANOVA. The findings revealed that Service Quality recorded the highest mean score among the studied variables, indicating a favorable customer perception of service performance. Pearson Correlation analysis further demonstrated that Knowledge Management exhibited the strongest positive relationship with Customer Retention. In addition, ANOVA results indicated significant differences in customer retention across age groups, particularly between respondents aged below 24 years and young adults. The study provides empirical evidence that effective CRM practices, knowledge management, and service quality are positively associated with customer retention. These findings offer practical insights for telecommunication service providers in developing targeted retention strategies and enhancing long-term customer loyalty. Although limited to Selangor, the study contributes to the growing body of knowledge on customer retention in the Malaysian telecommunications industry.

Keywords: CRM Practices, Knowledge Management, Service Quality, Customer Retention, Telecommunications Industry.

INTRODUCTION
The telecommunications industry is a key driver of Malaysia's economic growth and digital transformation. Driven by rapid technological advancement and high smartphone penetration, major providers like CelcomDigi, Maxis, and U Mobile compete fiercely in a highly saturated market. Mustafa et al. (2021) highlighted that low switching costs and intense competition make customer retention vital for long-term organizational sustainability. Retaining existing customers is far more cost-effective than acquiring new ones. Today's consumers expect reliable internet, responsive support, and personalized experiences; failing to meet these standards leads to customer churn and declining business performance (Voon & Md Husin, 2020). To curb churn, telecom companies rely on Customer Relationship Management (CRM)

practices to analyse customer data, improve engagement, and personalize services (Rahman et al., 2023). Alongside CRM, Knowledge Management (KM) and Service Quality (SQ) serve as critical organizational capabilities. Efficient KM allows providers to utilize customer insights effectively (Gazi et al., 2024), while superior SQ directly builds long-term loyalty (Parasuraman et al., 1988). Consequently, this study investigates the relationships between CRM practices, Knowledge Management, Service Quality and Customer Retention within the telecom sector in Selangor.

Problem Statement

Despite substantial digital investments, the Malaysian telecommunications industry continues to experience high customer churn due to weak integration between CRM Practices, Knowledge Management (KM), and Service Quality (SQ). Intense competition, pricing pressures, and poor service experiences often encourage customers to switch providers, reducing long-term loyalty (Rajadurai et al., 2024). Furthermore, age has been identified as a factor influencing churn propensity, highlighting the need for targeted retention strategies (Chong et al., 2023). Although CRM systems are widely implemented, they are often underutilized, while KM and SQ are not effectively integrated to support customer retention. Existing Malaysian studies have largely examined these variables separately and focused on customer satisfaction rather than retention, resulting in limited empirical evidence on their collective relationship with customer retention in Selangor. Therefore, this study examines the relationships between CRM Practices, Knowledge Management, Service Quality, and Customer Retention among telecommunication users in Selangor.

Research Objective

The main aim of this study is to examine the relationships between CRM Practices, Knowledge Management, Service Quality, and Customer Retention among telecommunication users in Selangor. Specifically, the research seeks to determine the levels of these factors among telecommunication users in Selangor. Furthermore, it aims to examine the relationship between these variables and Customer Retention. Finally, the study intends to determine whether significant differences in Customer Retention exist based on demographic factors such as age, gender, service provider, and duration of subscription.

Research Questions

(a) What are the levels of Customer Relationship Management (CRM) practices, Knowledge Management (KM), and Service Quality (SQ), among telecommunication users in Selangor?
(b) What is the relationship between Customer Relationship Management (CRM) practices, Knowledge Management (KM), Service Quality (SQ) and Customer Retention (CR)?
(c) Is there any significant difference in Customer Retention based on demographic factors such as age, gender, service provider, and duration of subscription?

Significance of the Study

This study contributes to both academic and practical perspectives. Academically, the study extends the literature on CRM Practices, Knowledge Management, Service Quality, and Customer Retention within the Malaysian telecommunication industry. The study also

identifies the organizational factor most strongly associated with customer retention. Practically, the findings may assist telecommunication providers such as CelcomDigi, Maxis, and U Mobile in improving customer retention strategies. By understanding the importance of CRM Practices, Knowledge Management, and Service Quality, telecommunication companies can improve customer engagement, strengthen customer loyalty, and reduce customer churn.

LITERATURE REVIEW

Customer Retention (CR)

Customer Retention refers to the ability of an organization to maintain long term relationships with existing customers and encourage continued usage of organizational products or services. According to Voon and Md Husin (2020), customer retention is highly important within the telecommunication industry due to increasing market competition and rising customer acquisition costs. Customer retention is strongly associated with customer satisfaction, loyalty, trust, and service quality. Organizations that consistently provide reliable services and positive customer experiences are more likely to retain customers. In telecommunications industry, customer retention is influenced by network quality, pricing, communication effectiveness, complaint management, and personalized service offerings. Previous studies indicate that strong customer retention contributes to organizational profitability, customer loyalty, and sustainable competitive advantage. Rahman et al. (2023) highlighted that organizations with effective retention strategies experience lower churn rates and higher customer lifetime value.

Customer Relationship Management (CRM) Practices

Customer Relationship Management (CRM) refers to organizational strategies and technologies used to manage customer interactions and improve customer relationships. CRM involves collecting customer information, understanding customer behavior, and delivering personalized services to improve customer satisfaction and loyalty. According to Xing and Devasia (2019), effective CRM Practices strengthen customer engagement and improve long-term customer relationships. CRM systems enable organizations to improve communication effectiveness, complaint management, and customer responsiveness. In the telecommunication industry, CRM Practices are important because customers expect responsive support, personalized communication, and continuous engagement. Organizations that effectively implement CRM strategies are more likely to improve customer retention and reduce customer churn.

Knowledge Management (KM)

Knowledge Management refers to the process of collecting, managing, sharing, and utilizing organizational knowledge to improve decision making and organizational performance. Effective KM enables organizations to better understand customer preferences, improve service responsiveness, and support personalized service delivery. According to Gazi et al. (2024), organizations with strong knowledge management capabilities are more capable of strengthening customer relationships and improving customer loyalty. Knowledge Management supports CRM implementation by ensuring customer-related information is efficiently utilized throughout the organization. Within the telecommunications industry, Knowledge Management enables organizations to manage customer complaints, identify service trends, and improve customer support processes.

Service Quality (SQ)

Service Quality refers to customers' perceptions regarding the reliability, responsiveness, assurance, empathy, and overall performance of organizational services. Parasuraman et al. (1988) explained that service quality significantly influences customer satisfaction and loyalty. In telecommunications industry, service quality includes internet connectivity, network stability, responsiveness to customer complaints, pricing transparency, and overall customer experience. Customers are more likely to remain loyal to service providers that consistently deliver reliable and high-quality services. Previous studies also indicate that service quality positively influences customer retention because customers tend to continue using services that meet or exceed their expectations.

Table 1: Literature Mapping Matrix for Variables

Author and Year	CRM Practices	Knowledge Management	Service Quality	Customer Retention
Xing & Devasia (2019)	✓			✓
Chee & Husin (2020)			✓	✓
Mustafa et al. (2021)				✓
Rahman et al. (2023)	✓			✓
Chong et al. (2023)				✓
Gazi et al. (2024)	✓	✓		✓
Nawang et al. (2024)			✓	✓
Total	**3**	**1**	**2**	**7**

As illustrated in Table 1, Customer Retention is the most dominant focus in past literature, followed by CRM Practices and Service Quality. Although Knowledge Management appeared in fewer studies, existing literature suggests that it plays an important role in strengthening customer relationships and loyalty. Therefore, these three organizational competencies were selected to provide a holistic framework for loyalty optimization. This ensures the investigation addresses both the relational and operational dimensions of corporate practices from the consumer's perspective, recognizing that retaining mobile subscribers requires systematic interaction tracking, internal corporate learning, and reliable service experiences. Customer Relationship Management (CRM) Practices encompass the strategic designs and technological systems used to manage client touchpoints across the consumer lifecycle. In mobile networks, CRM frameworks are central to executing multi-channel service, personalizing user packages, and handling customer grievances. This is strongly validated by Xing and Devasia (2019) and Rahman et al. (2023), who proved that customer centric orientation and relationship marketing strategies significantly boost customer retention performance.

Knowledge Management refers to organizational processes dedicated to capturing, circulating, and applying internal and customer specific information assets. Maintaining an information driven operational structure allows telecom businesses to forecast consumer demands, reference communication histories, and resolve technical issues promptly. This view aligns with Gazi et al. (2024), who emphasized that leveraging knowledge assets serves as a primary driver for

sharpening customer insights and reinforcing subscriber commitment.Service Quality represents a firm's capacity to provide stable, helpful, and consumer-focused interactions that match or surpass subscriber expectations. In mobile communication contexts, this covers critical operational pillars such as network reliability, voice call clarity, and prompt helpdesk responsiveness. This relationship is confirmed by Voon and Md Husin (2020) and Nawang et al. (2024), who identified that consistent service delivery forms the absolute foundation of long-term retention frameworks.

Underpinning Theory

This study is grounded in three complementary theories that explain how internal capabilities align with customer retention in the telecommunications sector. First, the Resource-Based View (RBV) suggests that firms achieve a sustained competitive advantage through unique internal capabilities. In this research, Knowledge Management (KM) and Service Quality (SQ) represent these strategic assets that optimize information and human capital. Second, the Relationship Marketing Theory (Berry, 1983) focuses on developing long-term, trust-based customer relationships rather than short term transactions, aligning directly with CRM Practices, KM, and SQ to strengthen subscriber bonds. Finally, the Commitment-Trust Theory (Morgan & Hunt, 1994) posits that trust and commitment are the core foundations associated with customer loyalty. In this study, KM and SQ empower employees to deliver better service, while CRM practices operationalize these efforts to secure subscriber trust. Integrated together, these theories propose that internal capabilities (KM and SQ) and strategic interaction systems (CRM) converge to enhance customer satisfaction, ultimately being positively associated with Customer Retention.

Research Framework

This study establishes a research framework built on past literature and the underpinning theories (Section 2.5). The model examines how strategic capabilities specifically Customer Relationship Management (CRM), Knowledge Management (KM), and Service Quality (SQ) interconnect with customer retention within the Malaysian telecommunications industry. Based on the Resource-Based View (Barney, 1991), internal capabilities like KM and CRM function as valuable strategic assets that generate user value. Additionally, Relationship Marketing Theory (Morgan & Hunt, 1994) indicates that superior service quality and dedicated relationship systems are strongly linked to user loyalty. Grounded in these theoretical rules and empirical findings (Rahman et al., 2023), this study treats KM, CRM, and SQ as independent variables that share a direct linear relationship with Customer Retention (CR), the dependent variable. Figure 1 illustrates these relational pathways, serving as the basis for the hypotheses tested in this study.

Hypotheses Development

Based on the research framework in Section 2.6 and the research objectives in Section 1.3, this study develops several hypotheses to examine the relationships between Knowledge Management (KM), Customer Relationship Management (CRM), Service Quality (SQ), and Customer Retention (CR) in the Malaysian telecommunications industry. The hypotheses are as follows:

H1: There is a significant relationship between CRM Practices and Customer Retention.

H2: There is a significant relationship between Knowledge Management and Customer Retention. H3: There is a significant relationship between Service Quality and Customer Retention.

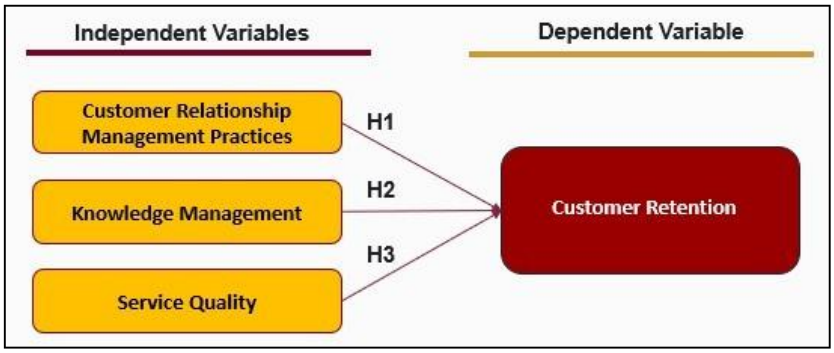

Figure 1: Research Framework of the Study

METHODOLOGY

Research Design

The research design details the plan used to answer the study's research questions. This study uses a quantitative research design, which collects numerical data to test hypotheses regarding CRM practices, Knowledge Management (KM), Service Quality (SQ), and Customer Retention (Creswell& Creswell, 2018). This method allows the findings to be generalized to the wider population of mobile users in Selangor, Malaysia. A deductive approach is used by starting with established frameworks like the Resource-Based View and Relationship Marketing Theory and testing the developed hypotheses with fresh field data (Saunders et al., 2019). This keeps the study strictly grounded in proven academic literature. The research combines both descriptive and correlational analysis. The descriptive part summarizes respondent profiles and baseline scores for CRM, KM, and SQ, while the correlational part examines the relationships between these independent variables and Customer Retention. Data is gathered at a single point in time using a cross-sectional approach through a structured online survey. This ensures all variables are measured consistently, making the data reliable and ready for objective statistical testing. As shown in Figure 2, this study followed a clear, step-by-step process. First, the research problem and objectives were identified. Next, a literature review was conducted to build the foundation and develop the hypotheses. After that, the research design was selected, and the questionnaire was developed and tested via a pilot study. Once validated, the main data collection was carried out, followed by data analysis. Finally, the results were interpreted and reported to form the final findings and conclusion.

Apart from that, this study combines deductive, quantitative, descriptive, correlational and comparative research methods to ensure a reliable and structured approach. Guided by a deductive approach, the study builds upon established theories to develop hypotheses that are tested using fresh empirical data (Saunders et al., 2019). It relies on a quantitative design, using a structured five-point Likert scale questionnaire to collect and statistically analyze numerical

data, which helps generalize the findings across the telecom population in Selangor (Creswell & Creswell, 2018). Furthermore, descriptive research is used to summarize subscriber demographic profiles and baseline perceptions of organizational practices to answer Research Question 1 (Sekaran & Bougie, 2019). Correlational research is applied to investigate the linear relationships, determining exactly how CRM practices, Knowledge Management, and Service Quality associate with customer retention to address Research Question 2 (Hair et al., 2019). Finally, comparative analysis via a One-Way ANOVA is utilized to examine whether customer retention significantly differs across demographic groups, thereby addressing Research Question 3.

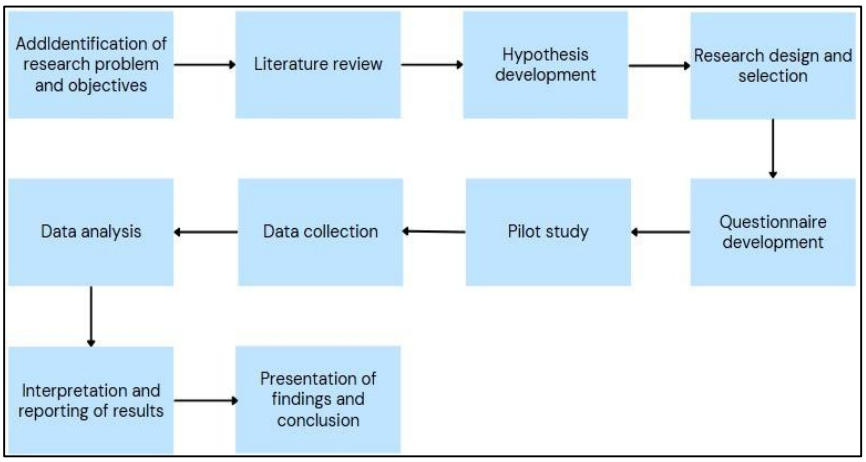

Figure 2: Step-by-Step Process of the Study

Population and Sampling

The target population for this study comprises all prepaid and postpaid telecommunication service users residing in Selangor, Malaysia, which recorded approximately 9.44 million mobile subscriptions in 2024 (MCMC, 2024). This broad industry wide population is selected because customer relationship management (CRM), knowledge management (KM), and service quality (SQ) practices are applied uniformly across providers, making the entire subscriber base a meaningful group to study. To select participants, a non-probability judgmental (purposive) sampling technique is used to ensure data is gathered only from informed and experienced users (Sekaran & Bougie, 2019). To qualify, respondents must be at least 18 years old, live in Selangor, have been with their current service provider for at least two years, and have had direct interactions with their telco's customer service or digital channels. To determine the minimum number of respondents required from this large population, the Krejcie and Morgan (1970) sample size determination formula was applied. Based on a target population (N) of 9,439,100, a 95% confidence level (x2 = 3.841), an assumed population proportion (P = 0.5), and a 5% margin of error (d = 0.05), the formula dictates that a minimum of 385 respondents is required. Achieving this sample size ensures sufficient statistical power for empirical testing and allows the findings to be reliably generalized. To maximize statistical strength and account for potential data anomalies, data collection was extended, resulting in a final total of 424 valid responses successfully gathered and used for the final analysis.

Item Description	Specification / Value
Population Size (N)	9,439,100 mobile subscribers (MCMC, 2024)
Confidence Level	95% (x2 = 3.841)
Margin of Error (d)	5%
Response Distribution (P)	50%
Minimum Sample Size	385 respondents (Krejcie & Morgan, 1970)
Target Sample Size	Approximately 400 respondents
Actual Valid Responses	424 respondents
Sampling Technique	Non-probability Judgmental (Purposive) Sampling

Table 2: Sample Size Summary

Research Instrument

Data collection was carried out using a highly structured survey questionnaire to gather objective, numerical data from the target population (Bhattacherjee, 2019). The survey was engineered to assess how mobile subscribers in Selangor perceive corporate capabilities and how those capabilities relate to their loyalty. The tool was divided into three core operational parts: Section A captured baseline demographic characteristics (such as age, gender, carrier network, and usage tenure), Section B quantified Customer Retention as the study's primary dependent outcome, and Sections C through E evaluated the three independent drivers Customer Relationship Management (CRM) Practices, Knowledge Management (KM), and Service Quality (SQ). Every measurement item was drawn and modified from established telecommunications and relationship marketing studies to maintain high construct validity (Saunders et al., 2019). This approach ensured consistent responses and minimized bias during data collection.

Table 3: Summary of Questionnaire Structure

Section	Content	No. of Item
A	Respondent Profile	8
B	Customer Retention (DV)	5
C	Customer Relationship Management (IV)	5
D	Knowledge Management (IV)	5
E	Service Quality (IV)	5
	Total	**28**

To collect customer perceptions quantitatively, all measurement items across the core study variables were evaluated using a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). This scale made it simple for respondents to show how much they agreed or disagreed with each statement. Using this uniform rating system turned personal opinions into clean numerical data, making the dataset ready for statistical analysis and hypothesis testing. The survey was created using Google Forms and shared online through social media networks, WhatsApp groups, and mobile user forums to reach subscribers in Selangor. Before starting, participants were briefed on the academic purpose of the research and informed that taking part was entirely voluntary. To protect participant privacy, no personal details or names were collected, ensuring total anonymity and confidentiality throughout the study.

Data Analysis Technique

The gathered data were processed and evaluated using the Statistical Package for Social Sciences (SPSS) software. Various statistical tools were applied to address the research questions and test the formulated hypotheses. The analytical process involved data cleaning, normality checking, reliability testing, descriptive statistics, Pearson correlation, and One-Way ANOVA. First, data cleaning was performed to detect missing information and confirm that the dataset was fully complete for evaluation. Second, a normality test was executed by assessing skewness and kurtosis metrics, where scores falling between ±2.0 were established as acceptable for data distribution. Next, a reliability assessment was carried out using Cronbach's Alpha to verify the internal consistency of the survey scales. In academic research, a value of 0.70 or higher serves as the standard minimum threshold for an acceptable and reliable scale. However, alpha values slightly below this threshold but closely approaching 0.70 are considered methodologically acceptable in exploratory social science research and field surveys, particularly when utilizing concise scales to evaluate complex human behaviours and behavioural intentions like loyalty and retention. Additionally, descriptive analysis was utilized to answer Research Question 1 by calculating mean scores to pinpoint the most critical organizational practices. Pearson correlation analysis was implemented to address Research Question 2 by measuring the direction and strength of the relationships between the independent variables and customer retention. Lastly, One-Way ANOVA was used to determine if customer retention scores differed significantly across various demographic groups. A p-value of less than 0.05 ($p < 0.05$) was used to confirm statistically significant differences between the groups.

Table 4: Summary of Data Analysis Techniques

Research Question (RQ)	Analysis Technique	Purpose
RQ1: What are the levels of Knowledge Management (KM), Service Quality (SQ), and Customer Relationship Management (CRM) practices among telecommunication users in Selangor?	Descriptive Analysis	To determine the perception levels of KM, SQ, and CRM practices as experienced by the users.
RQ2: What is the relationship between Knowledge Management (KM), Service Quality (SQ), Customer Relationship Management (CRM) practices, and Customer Retention (CR)?	Pearson Correlation	To examine the strength and direction of the relationships between CRM Practices, Knowledge Management, Service Quality, and Customer Retention
RQ3: Is there any significant difference in Customer Retention based on demographic factors such as age, gender, service provider, and duration of subscription?	One-Way ANOVA	To examine differences in customer retention based on distinct subscriber demographic groups

FINDINGS AND ANALYSIS

Response Rate and Data Analysis

The survey was distributed digitally via Google Forms to mobile subscribers in Selangor, yielding a final dataset of 424 valid responses. Because the online questionnaire required all entry fields to be mandatory before submission, there were no missing values recorded across any of the variables, resulting in a perfect 100% completion rate. In terms of market representation, Digi users made up the largest share at 35.1% (149 respondents), followed by Celcom at 31.8% (135 respondents), Maxis at 18.2% (77 respondents), U-Mobile at 14.4% (61 respondents), and other networks at 0.5% (2 respondents). Data screening confirmed that all minimum and maximum response values across the dependent variable (Customer Retention) and independent variables (CRM Practices, Knowledge Management, and Service Quality) fell strictly within the expected 1 to 5 range, perfectly matching the study's five-point Likert scale. With zero missing data and flawless scale ranges verified, the dataset was deemed fully clean and ready for advanced statistical analysis.

Demographic Profile of Respondents

The demographic profile in Table 5 outlines the subscription characteristics of the 424 respondents across eight main categories. The gender respondents consisted of 215 males (50.7%) and 209 females (49.3%). In terms of age, the largest segment is 24–34 years old (28.3%), followed by 34–44 years (23.6%), 45–54 years (23.1%), under 24 years (13.7%), and over 54 years (11.3%). For education and occupation, most participants hold a university degree (35.4%) or secondary education (33.7%), working primarily in education (26.2%), sales and services (24.1%), or technical fields (23.8%). The monthly income distribution shows that 27.8% earn between RM5,001 to RM10,000, 24.1% earn RM2,000 to RM5,000, and 20.8% earn RM10,001 to RM15,000, with the remaining respondents split between higher and lower brackets. Regarding their mobile connectivity, postpaid plans are the most popular (51.7%), followed by prepaid lines (25.5%) and mobile broadband (22.9%). Digi is the leading service provider at 35.1%, followed closely by Celcom (31.8%), Maxis (18.2%), U-Mobile (14.4%), and others (0.5%). For network longevity, 51.9% of subscribers have stayed for 3 years or more, 31.8% for 1–2 years, and 16.3% for less than a year.

Table 5: Summary of Respondents' Demographic Profile Section A

Variable	**Category**	**Frequency (N)**	**Percentage (%)**
Gender	Male	215	50.7
	Female	209	49.3
Age	< 24	58	13.7
	24 – 34	120	28.3
	34 – 44	100	23.6
	45 – 54	98	23.1
Variable	Category	Frequency (N)	Percentage (%)
	> 54	48	11.3

Education Background	Primary	62	14.6
	Secondary	143	33.7
	University	150	35.4
	Postgraduate	69	16.3
Occupation	Administration & Management	49	11.6
	Technical	101	23.8
	Sales & Service	102	24.1
	Education	111	26.2
	Entrepreneur	58	13.7
	Other	3	0.7
Monthly Income	< RM 2000	52	12.3
	RM 2000 – RM 5000	102	24.1
	RM 5001 – RM 10,000	118	27.8
	RM 10,001 – RM 15,000	88	20.8
	> RM 15,000	63	14.9
	Other	1	0.2
Type of Subscription	Prepaid	108	25.5
	Postpaid	219	51.7
	Broadband	97	22.9
Service Provider	Digi	149	35.1
	Celcom	135	31.8
	Maxis	77	18.2
	U-Mobile	61	14.4
	Other	2	0.5
Duration of Subscription	< 1 Year	69	16.3
	1 – 2 Years	135	31.8
	3 – 5 Years	132	31.1
	> 5 Years	88	20.8

Normality and Descriptive Results

A normality test was performed using skewness and kurtosis metrics to ensure the dataset followed a normal distribution. Skewness values ranged from -0.765 to -0.643, and kurtosis values ranged from -0.497 to -0.208. Because all scores fell safely within the standard ±2 acceptable boundary, the data met the normality assumption required to proceed with parametric tests like Pearson Correlation and One-Way ANOVA. Cronbach's Alpha was calculated to assess the internal consistency and reliability of the measurement scales. According to Hair et al. (2019), a Cronbach's Alpha value of 0.70 or above is generally considered acceptable for establishing reliability. The scales for CRM Practices ($\alpha = 0.734$), Knowledge Management ($\alpha = 0.700$), and Service Quality ($\alpha = 0.719$) met the recommended threshold and were therefore considered reliable. The Customer Retention construct recorded a

Cronbach's Alpha value of 0.694, which is marginally below the recommended threshold of 0.70. However, given its proximity to the threshold and the use of a concise five-item scale, the reliability level was considered acceptable for this study (Hair et al., 2019). Therefore, all variables were retained for further analysis.

Table 6: Summary of Reliability Test

Variable	Cronbach's Alpha	N of Items
Customer Retention	0.694	5
CRM Practices	0.734	5
Knowledge Management	0.700	5
Service Quality	0.719	5

Descriptive Analysis

The descriptive analysis is conducted to answer Research Question 1, which is to determine the level of Customer Relationship Management (CRM) practices, Knowledge Management, Service Quality, and Customer Retention in the telecommunications industry. The data is collected from Part B, Part C, Part D, and Part E of the questionnaire. The analysis is performed using SPSS, and the average score for each variable is calculated. The results are summarized in Table 7.

Table 7: Summary of Descriptive Analysis

Variable	Mean	Standard Deviation
Customer Retention	3.6462	0.78877
CRM Practices	3.6570	0.83845
Knowledge Management	3.6042	0.81955
Service Quality	3.6679	0.83352

Customer Retention was included in the descriptive analysis to provide a complete overview of all study variables. Based on the results in Table 7, Service Quality recorded the highest mean score, indicating that it is the most prominent factor among telecommunication users in Selangor and highlighting the importance of reliable and responsive services.

Pearson Correlation Analysis

Pearson correlation analysis was conducted to answer Research Question 2, which examined the relationships between Knowledge Management, CRM Practices, Service Quality, and Customer Retention. As shown in Table 8, all three independent variables demonstrated significant and strong positive relationships with Customer Retention ($p < 0.001$). Therefore, the null hypotheses are rejected, and hypotheses H1, H2, and H3 are fully supported. Among the variables, Knowledge Management demonstrated the strongest relationship with Customer Retention ($r = 0.733$), followed closely by Service Quality ($r = 0.706$) and Customer Relationship Management ($r = 0.681$). The findings are consistent with Gazi et al. (2024), who found that effective Knowledge Management strengthens customer relationships through better

utilization of customer information. Similarly, Voon and Md Husin (2020) reported a positive relationship between Service Quality and Customer Retention, while Xing and Devasia (2019) highlighted that effective CRM Practices support customer loyalty and retention. Furthermore, because all correlation coefficients remain well below 0.90, multicollinearity is not a concern, confirming distinct linear relationships among the constructs.

Table 8: Summary of Pearson Correlation Analysis

Hypothesis	Relationship Pathway	(r)	Correlation	Sig. Value (p)	Result
H1	CRM Practices ↔ Customer Retention	0.681	Strong	p< 0.001	Supported
H2	Knowledge Management ↔ Customer Retention	0.733	Strong	p< 0.001	Supported
H3	Service Quality ↔ Customer Retention	0.706	Strong	p< 0.001	Supported

One-Way ANOVA

One-Way ANOVA was conducted to answer Research Question 3, which is to determine whether there is a significant difference in Customer Retention based on demographic factors. The analysis was conducted using four demographic categories. The first analysis was based on age group, the second on gender, the third on service provider, and the fourth on the duration of subscription. As shown in Table 9, the significance value for age group was 0.036, which is less than the standard 0.05 threshold, indicating a statistically significant difference in Customer Retention. Conversely, the significance values for gender (0.450), service provider (0.988), and duration of subscription (0.651) were all greater than 0.05, showing no significant differences. Therefore, a significant difference was found only for age group, while gender, service provider, and duration of subscription showed no significant differences.

Table 9: Summary of ANOVA Results

Analysis	Demographic Category	Sig. Value (p)	Result
ANOVA 1	Age Group	0.036	Statistically Significant
ANOVA 2	Gender	0.450	Not Significant
ANOVA 3	Service Provider	0.988	Not Significant
ANOVA 4	Duration of Subscription	0.651	Not Significant

These findings indicate that customer retention remains consistent across genders, networks, and subscription lengths. However, the significant variance in age groups shows that different generations hold distinct expectations, requiring targeted marketing segmentation strategies. Because the age group ANOVA was significant, a Tukey HSD Post Hoc test was conducted to isolate the specific differences. As shown in Table 10, the 24–34 age cohort drives the main variance in the dataset. Subscribers below 24 are significantly less loyal than those aged 24–34 ($p = 0.014$), with the youngest segment scoring the lowest overall retention ($M = 3.34$). Additionally, a significant difference exists between the 24–34 group and seniors above 54 ($p = 0.041$). Other age pairings were not statistically significant.

Table 10: Summary of Tukey HSD Post Hoc Results

Comparison Pair	Age Group (I)	Age Group (J)	Mean Difference (I-J)	Sig. (p)	Result
Pair 1	Below 24	24 – 34	-0.564	0.014	Statistically Significant
Pair 2	24 – 34	Above 54	0.533	0.041	Statistically Significant
Pair 3	Below 24	34 – 44	-0.485	0.064	Not Significant
Pair 4	Below 24	45 – 54	-0.237	0.699	Not Significant

Summary of Findings

Table 11 summarises the findings based on the research questions and hypotheses of the study. The results show that Research Question 1 was answered through descriptive analysis, where Service Quality was identified as the most prominent factor as perceived by the users. Research Question 2 was answered through Pearson correlation, where Knowledge Management demonstrated the strongest significant relationship with Customer Retention. Research Question 3 was answered through ANOVA, where a significant difference was found in Customer Retention based on age group, while gender, service provider, and subscription duration showed no significant differences.

Table 11: Summary of Findings

Research Question	Analysis	Main Finding
RQ1	Descriptive Analysis	Service Quality was the most prominent factor as perceived by the telecommunication users.
RQ2	Pearson Correlation	Knowledge Management had the strongest positive and significant relationship with Customer Retention, followed closely by Service Quality and CRM Practices.
RQ3	One-Way ANOVA	A statistically significant difference was found in Customer Retention based on age group, while gender, service provider, and subscription duration were not significant.

DISCUSSION, IMPLICATIONS AND CONCLUSION

Discussion of Findings

The first research question examined the levels of CRM Practices, Knowledge Management, Service Quality, and Customer Retention among telecommunication users in Selangor. The findings revealed that Service Quality recorded the highest mean score, indicating that customers place considerable importance on service reliability, responsiveness, and overall service performance. This finding supports Voon and Md Husin (2020), who highlighted the importance of service quality in shaping customer loyalty. The second research question

investigated the relationship between CRM Practices, Knowledge Management, Service Quality, and Customer Retention. Pearson Correlation analysis showed that all three variables were positively and significantly associated with Customer Retention. Knowledge Management demonstrated the strongest relationship, followed by Service Quality and CRM Practices. This suggests that effective utilization of customer knowledge, together with quality service delivery and customer relationship initiatives, contributes to higher customer retention. These findings are consistent with previous studies by Gazi et al. (2024), Voon and Md Husin (2020), and Xing and Devasia (2019). The third research question examined demographic differences in Customer Retention. ANOVA results indicated that age group was the only demographic factor with a significant difference in retention, particularly between respondents below 24 years old and those aged 24–34 years. This suggests that customer retention varies according to age related preferences and expectations. However, gender, service provider, and duration of subscription showed no significant differences, indicating similar retention behaviour across these groups.

Implications, Limitations and Recommendations

The findings provide several practical implications for telecommunication service providers. Since Knowledge Management recorded the strongest relationship with Customer Retention, organizations should prioritize customer information systems, data analytics capabilities, and knowledge sharing mechanisms to better understand customer needs and deliver personalized services. Furthermore, maintaining high Service Quality through reliable network performance, prompt customer support, and consistent service delivery remains essential for sustaining customer loyalty. CRM Practices should also be strengthened through personalized communication, targeted promotional activities, and effective complaint management systems. The study is limited by its geographical focus on Selangor, which may restrict the generalizability of the findings to other regions. In addition, the quantitative cross-sectional design captured customer perceptions at a single point in time and did not explore the underlying reasons behind customer behaviour. Future research is therefore recommended to expand the geographical coverage, adopt longitudinal research designs, and incorporate qualitative methods such as interviews or focus groups. Furthermore, future studies may employ Structural Equation Modeling (SEM) and include additional variables such as customer trust, pricing strategies, customer satisfaction, and brand image to provide a more comprehensive understanding of customer retention.

Conclusion

In conclusion, this study successfully achieved its objectives by examining the relationships between CRM Practices, Knowledge Management, Service Quality, and Customer Retention among telecommunication users in Selangor. The findings revealed that Service Quality recorded the highest mean score, while Knowledge Management demonstrated the strongest positive relationship with Customer Retention. In addition, age group was identified as the only demographic factor that significantly influenced customer retention. Overall, Knowledge Management emerged as the most influential factor associated with customer retention, and the findings suggest that the effective integration of CRM Practices, Knowledge Management, and Service Quality is positively associated with customer retention. Therefore, telecommunication service providers should focus on strengthening customer knowledge capabilities, maintaining

service excellence, and implementing age targeted retention strategies to sustain long-term customer loyalty and competitiveness within the telecommunications industry.

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THE RELATIONSHIP BETWEEN KNOWLEDGE MANAGEMENT AND ORGANIZATIONAL PERFORMANCE IN THE JOHOR PUBLIC SECTOR

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ABSTRACT
Knowledge management (KM) is increasingly recognised as a strategic resource for public sector organisations seeking to enhance performance. Within the Malaysian civil service, the Public Sector KM Blueprint highlights the need to manage knowledge effectively, yet empirical evidence linking KM processes to organisational outcomes remains limited. This study explores the relationship between KM processes – knowledge creation, knowledge sharing, and knowledge application – and organisational performance in the Johor Civil Service. A quantitative, cross-sectional survey design was employed. Self-administered questionnaires adapted from validated instruments were distributed to 169 civil servants across various departments. Data were analysed using multiple regression analysis. The overall KM construct strongly predicted organisational performance ($\beta = 0.772$, $p < 0.001$, $R^2 = 0.597$). At the process level, knowledge application was the most powerful predictor ($\beta = 0.465$, $p < 0.001$), knowledge sharing was also significant ($\beta = 0.242$, $p = 0.013$), but knowledge creation showed no significant direct effect. The three processes jointly explained 60.9% of the variance in performance.The study provides empirical evidence from a non-Western public sector context, reinforcing the Resource-Based View by demonstrating that knowledge application is the critical link between KM and performance. Practical implications include prioritising knowledge utilisation, strengthening sharing mechanisms, and bridging the gap between idea generation and implementation to support Malaysia's KM Blueprint aspirations.

Keywords: Knowledge Management, Knowledge Sharing, Knowledge Application, Knowledge Creation, Organisational Performance

INTRODUCTION
Public administration is undergoing a fundamental transformation, impelled by citizens' rising demands for efficient, high-quality, and responsive services. In this context, the traditional bureaucratic reliance on hierarchy and routine procedures no longer guarantees superior outcomes; instead, the systematic management of intellectual capital has emerged as the new hallmark of institutional excellence (Ammirato et al., 2021). This study, situated at the intersection of strategic management and public administration, investigates how deliberate knowledge management (KM) can elevate organisational performance within the Malaysian civil service, with the Johor Civil Service serving as the empirical locus (Cavaliere et al., 2015). Civil servants are not passive executors of policy but active knowledge brokers who create, articulate, and promote the ideas that underpin state strategy, innovation, and sustainability. Through their daily practices, they formulate new procedures, develop novel concepts, and

translate abstract policy goals into operational frameworks, thereby aligning state objectives with participative governance structures. Recognising this role, the Malaysian government has formally embraced KM principles, most notably through the Public Sector KM Blueprint spearheaded by (MAMPU, 2018), which envisions an informed, collaborative, and efficient public service. The theoretical foundation of the study rests on the Resource-Based View (RBV) of the firm, which identifies knowledge as the organisation's most critical strategic resource and a principal source of sustained competitive advantage. Knowledge, comprising both explicit (documented, codified) and tacit (personal, experiential) dimensions, is contingent on individual and organisational competencies and, if managed effectively, differentiates high-performing organisations from their peers (Migdadi, 2022). Despite this recognition, the management of knowledge within public agencies remains fraught with difficulties. Knowledge is frequently neither managed efficiently nor distributed equitably. Tacit knowledge, in particular, is lost when employees depart, while the absence of accessible information repositories squanders time on searches rather than analysis and improvement (Tajpour et al., 2022). In Malaysia, a survey by MAMPU revealed that KM is often executed in silos, with 83% of agencies treating their knowledge as exclusive and lacking effective knowledge transfer mechanisms. This fragmentation, coupled with non-standardised systems, results in duplicated efforts and diminished organisational competency, raising the critical question of whether public sector agencies can realistically achieve their objectives without proper KM.

Against this backdrop, the present study aims to examine the extent to which KM contributes to organisational performance in the civil service. The specific objectives are to investigate the relationships between three core KM processes—knowledge creation, knowledge sharing, and knowledge application—and organisational performance, and to test the overarching hypothesis that KM, as a unified construct, positively influences performance. The research is expected to make significant contributions by providing empirical evidence from a non-Western, public sector context, where standardised KM metrics are largely absent. Its findings are intended to close the "ignorance-knowing" gap, offering practical guidance for public managers on aligning KM initiatives with strategic goals and supporting the national Blueprint's aspiration of a knowledge-driven public sector. The chapter concludes by defining the investigation's scope and key constructs, thereby establishing a rigorous analytical framework for the subsequent literature review, methodology, and empirical analysis.

Research Problem

The articulation of the research problem is anchored in a fundamental organisational imperative: to deliver superior services and maintain a competitive edge, organisations must continuously enhance their customer service and innovation capabilities, increase flexibility and adaptability, empower employees, and perpetually generate, share, and acquire new knowledge. Knowledge is consequently recognised as a vital resource for acquiring, developing, and sustaining intellectual capital. The ongoing effort to refresh and update an organisation's knowledge resources is what enables it to maintain competitiveness over time. However, the translation of this recognition into effective practice is fraught with challenges, particularly within the public sector. The Malaysian Government's own diagnostic efforts have revealed the depth of these challenges. MAMPU (2018) conducted a comprehensive survey of 92 government agencies to map the landscape of KM implementation. The findings were sobering: while pockets of KM activity existed, they were predominantly executed in silos,

centred on isolated departmental initiatives rather than a cohesive, organisation-wide strategic effort. The consequence is a deeply fragmented information environment, where knowledge is dispersed and disconnected across agencies. The survey starkly reported that 83 percent of public sector entities considered their knowledge to be exclusive to their own agency, effectively hoarded rather than shared. This deficit in inter-agency knowledge sharing is compounded by the absence of effective knowledge transfer processes to capture and retain the expertise of departing employees, a haemorrhage that progressively diminishes overall organisational competency. Moreover, the lack of standardised system development requirements has compromised system quality, creating formidable obstacles to seamless information sharing. The practical result is a chronic redundancy of effort, with different departments duplicating the preparation of similar documents and information, wasting scarce resources and time.

This institutional diagnosis points to a deeper, more insidious problem: the likelihood of Malaysian Government agencies achieving their stated objectives is seriously questionable in the absence of proper and effective KM implementation. The literature is replete with assertions that effective KM facilitates the acquisition and enhancement of intellectual capital, yet the evidence base within the Malaysian public sector remains thin. A review of the extant literature reveals a limited number of studies that directly examine the influence of KM on organisational performance, with researchers holding divergent views on how performance itself should be conceptualised – some associating it with economy, efficiency, and effectiveness, while others define it as the capacity to utilise resources to achieve goals efficiently. This definitional ambiguity compounds the empirical gap. While the KM Blueprint envisions specific outcomes – minimised bureaucracy, accurate and current information access, enhanced collaboration, reduced silo thinking, and insights derived from lessons learned – the pathway from KM processes to these performance outcomes has not been rigorously tested in the Malaysian civil service context. The confluence of these factors gives rise to the central research problem that this study confronts. If public sector organisations are not managing their most critical resource – knowledge – in an effective and systematic manner, and if they simultaneously fail to utilise their resources efficiently and effectively, can they realistically expect to achieve their operational and strategic objectives? The problem is not merely one of technical implementation but strikes at the very heart of organisational effectiveness and public accountability. The study is thus driven by the imperative to develop a conceptual framework model that assesses the influence of knowledge management effectiveness on organisational performance within Malaysia's public sectors. By examining the relationship between KM and organisational performance in a domain that remains under-explored, the research addresses a pronounced deficiency, presenting both a compelling intellectual challenge and a significant opportunity for practical contribution.

Research Objective

In response to the articulated research problem, this study establishes a clear and structured set of research objectives designed to enhance the knowledge front and build upon the work of past researchers in the fields of knowledge management and organisational performance. The primary aim is to investigate the relationship between knowledge management and organisational performance within the Johor Civil Service. This overarching aim is operationalised through four specific objectives:

- To examine the relationship between knowledge creation and organisational performance.
- To examine the relationship between knowledge sharing and organisational performance.
- To examine the relationship between knowledge application and organisational performance
- To examine the positive relationship between knowledge management as an aggregated construct and organisational performance.

These objectives are mirrored by a corresponding set of research questions that inquire how knowledge creation, knowledge sharing, and knowledge application individually influence organisational performance, and how the overall effect of knowledge management manifests. By systematically pursuing these objectives, the study aims to provide a granular and empirically grounded account of the relative contributions of each KM process, thereby offering actionable insights for both theory and practice.

Significance of Research

The significance of this study is multifaceted, spanning theoretical enrichment, practical application, and policy alignment. Although the principles of knowledge management have existed for slightly more than a decade, to date few standardised metrics have been established and universally embraced by organisations implementing KM. Scholars have noted the profound difficulty in correlating KM initiatives with tangible organisational benefits, attributing this challenge to the nascent nature of KM as a formal function and the conspicuous absence of standardised success metrics. In the absence of such metrics, numerous organisations have independently undertaken fragmented efforts to create their own evaluation methods, ranging from minor contributions of knowledge nuggets to substantial outcomes such as new product development. Nevertheless, a persistent struggle endures: many KM practitioners find themselves unable to align organisational KM initiatives with core business objectives. Without this critical connection, demonstrating how KM adds concrete value to business and public service functions remains an elusive endeavour. From a theoretical perspective, this study directly confronts this gap by providing robust quantitative evidence from a non-Western, public-sector context. It contributes empirical data to a domain that has been predominantly characterised by conceptual frameworks and case-based analyses, thereby addressing the scarcity of generalizable conclusions about KM's effectiveness. By testing a model that links three distinct KM processes to organisational performance, the research enriches the Resource-Based View by revealing the differential potency of knowledge creation, sharing, and application, thus moving beyond the monolithic treatment of KM as a singular construct. The findings are expected to close the 'ignorance knowing' gap that has long existed in the KM literature.

From a practical and policy standpoint, the contribution is equally compelling. The study is set in Malaysia, a multicultural, multi-ethnic nation with an industrialised market economy, and focuses specifically on public sector agencies in Johor. These agencies serve as effective facilitators of the country's economic transformation and as providers of quality services to citizens. By examining the effects of organisational factors on KM effectiveness and its subsequent impact on performance among civil servants across various departments and grades,

the research yields actionable insights for public managers. It directly supports the aspirations of the Public Sector Knowledge Management Blueprint by identifying which KM processes most significantly influence service delivery and decision-making. The findings will assist public sector leaders in designing targeted interventions that strengthen the KM culture, prioritise the sharing and application of knowledge, and ultimately enhance the speed and quality of public service. In a landscape where few Malaysian studies have been conducted in this domain, this research represents a significant opportunity to contribute to the national knowledge repositories for future reference and to guide the next generation of public sector reform initiatives.

LITERATURE REVIEW

The contemporary organisation, whether operating in the private marketplace or the public sphere, is increasingly defined by its capacity to harness intangible assets, with knowledge occupying the preeminent position among them. The academic and practitioner discourse has converged on the recognition that the systematic management of knowledge – its creation, sharing, and application – is not merely an administrative function but a strategic imperative that directly shapes an entity's ability to perform, innovate, and sustain its relevance. This literature review provides a critical examination of the conceptual and empirical foundations that link knowledge management (KM) to organisational performance (OP), with particular attention to the public sector context in which the present study is situated. The review is organised into five interconnected sections. First, the dependent variable, organisational performance, is defined and located within its theoretical underpinnings, principally the Resource-Based View (RBV). Second, the independent variables – knowledge creation, knowledge sharing, and knowledge application – are explicated as the core processes of knowledge management. Third, a conceptual framework is developed that maps the proposed relationships between these KM processes and organisational performance, demonstrating how the IVs are expected to influence the DV. Finally, the hypotheses that emerge from this theoretical and empirical synthesis are formally articulated, providing the basis for the subsequent empirical investigation. Throughout, the review draws on a blend of seminal works and recent scholarship to establish the current state of knowledge and to identify the gaps that this study seeks to address.

Resource-Based View (RBV) Theory

Organisational performance is a multidimensional construct that has been defined and operationalised in various ways across the management literature. At its core, performance reflects the degree to which an organisation achieves its stated goals and objectives. Obeidat et al. (2016) describe it as a set of goals aligned with key performance indicators (KPIs) that measure the targets required to realise the organisation's vision. In the public sector, performance extends beyond narrow financial metrics to encompass service quality, citizen satisfaction, operational efficiency, and the effective implementation of policy. Malhotra et al. (2025) define performance as the organisation's capacity to utilise its resources efficiently and effectively to achieve its goals, a definition that resonates strongly with the resource-centric logic that underpins this study. In the present research, organisational performance is measured perceptually through indicators such as the provision of individualised client attention, the sense of security in transactions, employee willingness to assist, and empathy in problem resolution, thereby capturing the service-oriented dimensions of public sector effectiveness. The theoretical lens employed to understand how knowledge contributes to performance is the Resource-Based View (RBV). The RBV, as initially articulated by Barney (1991) and subsequently refined by scholars such as Gerhart and Feng (2021), posits that a firm's competitive advantage derives not from its industry positioning but from the heterogeneous and immobile resources it possesses. Resources that are valuable, rare, inimitable, and organisationally embedded – the VRIO criteria – form the bedrock of sustained superior

performance. Barney et al. (2021) reaffirm that the organisation's most important entity is its resources, while Seriki (2023) and Nayak et al. (2023) explicitly identify knowledge as the absolute resource and a principal source of lasting competitive advantage. The RBV therefore shifts the analytical focus inward, encouraging organisations to cultivate and exploit idiosyncratic assets that competitors cannot easily replicate.

The RBV's application to knowledge is both intuitive and profound. Knowledge, particularly when it is tacit, socially complex, and embedded in organisational routines, meets the VRIO criteria more robustly than tangible assets. Unlike physical capital, knowledge does not depreciate with use; rather, it can be enhanced through sharing and recombination. Helfat et al. (2023) and Wartini et al. (2024) argue that knowledge is contingent on individual and organisational competencies, such as skills and know-how, which are causally ambiguous and therefore resistant to imitation. This theoretical framing suggests that the management of knowledge is not a peripheral concern but a central mechanism through which organisations can translate their intellectual resources into performance outcomes. Consequently, the RBV provides a compelling rationale for hypothesising that effective KM practices will be positively associated with organisational performance. The theory also implies that it is not merely the possession of knowledge but its deployment through organisational processes – its application – that ultimately generates value, a nuance that the hypotheses of this study seek to test empirically.

Knowledge Management as the Independent Variable

Knowledge management is defined as the systematic process of managing an organisation's knowledge resources to create value commensurate with strategic requirements. Migdadi (2022) describes KM as encompassing the processes of sharing, transferring, creating, applying, and modifying knowledge, all of which serve to place the right knowledge in the right place at the right time. For the purposes of this study, KM is disaggregated into three core processes that represent the key dimensions of knowledge work in organisations: knowledge creation, knowledge sharing, and knowledge application. Each process is a necessary but not individually sufficient condition for effective KM; together they form a value chain through which intellectual capital is generated, disseminated, and exploited. Knowledge creation refers to the process of generating new knowledge or replacing and improving existing knowledge through organisational relationships and collaborations. It occurs at multiple levels – individual, group, and organisational – and is central to the knowledge-based view of the firm (Abuaddous et al., 2018; Tajpour et al., 2022). The concept of knowledge creation can be understood along three dimensions: as a process (the mechanisms through which knowledge is generated), as an output (novel ideas or representations that elaborate on existing knowledge), and as an outcome (the broader organisational impact when new knowledge is diffused, adopted, and integrated). This tripartite conceptualisation, which forms a knowledge creation value chain, highlights that the mere generation of ideas is insufficient; for creation to influence performance, it must eventually be shared and applied. In the public sector, knowledge creation manifests as the development of new service concepts, the redesign of operational workflows, and the innovative deployment of existing know-how for novel purposes, as captured in the measures employed in this study.

Knowledge sharing is the social interaction through which information, skills, and expertise are exchanged between individuals or units. Cavaliere et al. (2015) and Tangaraja et al. (2015) characterise it as a process involving at least two parties: a source that owns and disseminates knowledge and a recipient that acquires it. Unlike simple information distribution, knowledge sharing requires a cognitive rebuilding on the part of the recipient, making it an active, voluntary, and context-dependent behaviour. Organisations can facilitate sharing through formal mechanisms such as communities of practice, cross-functional teams, structured reporting, and information systems like intranets (Rezaei et al., 2024). Knowledge sharing is a

fundamental means through which employees contribute to innovation and competitive advantage, as it enables the exploitation of knowledge-based resources across the organisation. Research has demonstrated that knowledge sharing is positively associated with reductions in production costs, faster project completion, enhanced team performance, and firm-level innovation outcomes. In the public sector, sharing serves to break down silos, reduce duplication, and ensure that best practices are disseminated, directly addressing the fragmentation identified in the Malaysian KM Blueprint. Knowledge application is the process through which knowledge is put into active use to solve problems, make decisions, or create new products and services. It is widely regarded as the focal point of KM because it is the stage at which knowledge generates tangible value (Lin & Lu, 2022). When organisations correctly apply relevant knowledge, they reduce errors, minimise redundancy, accelerate processes, and continuously translate expertise into embodied organisational capabilities (Luqman et al., 2023). Shujahat et al. (2019) argue that knowledge application is more important than creation or sharing in isolation, because knowledge that is created and shared but never applied remains of no consequence. In the context of this study, knowledge application is operationalised through the motivation of employees to apply useful ideas in practice, to use knowledge to solve issues, and the autonomy of multidisciplinary teams to incorporate expertise in addressing challenges, reflecting the active exploitation of the organisation's intellectual resources.

Conceptual Framework Of Knowledge Management To Organisational Performance

The conceptual framework that guides this study posits a direct relationship between the three knowledge management processes and organisational performance, rooted in the theoretical logic of the Resource-Based View. According to the RBV, knowledge is the ultimate strategic resource, but its value is realised only when it is managed through effective organisational processes. Knowledge creation expands the stock of intellectual capital, knowledge sharing diffuses it across the organisation, and knowledge application converts it into improved services, streamlined operations, and enhanced client outcomes. The framework thus models knowledge creation, sharing, and application as independent variables that each exert a direct influence on the dependent variable, organisational performance. The underlying assumption is that public sector agencies that excel in these KM processes will demonstrate superior performance relative to those that do not. This framework is supported by a growing body of empirical research, albeit with some variation in findings regarding the relative strength of each process. Yang et al. (2024) underscore that KM and core competencies are essential processes for performance, while Ammirato et al. (2021) provide evidence linking effective KM to overall OP. The framework acknowledges that knowledge creation, while essential for renewal, may not directly impact performance unless mediated by sharing and application. Knowledge sharing, on the other hand, directly addresses the silo mentality prevalent in public sectors by enabling the flow of best practices. Knowledge application is positioned as the most proximal driver of performance, as it represents the point at which knowledge is translated into action. By modelling these three pathways simultaneously, the framework allows for the assessment of their independent contributions, providing a nuanced picture that extends beyond the global relationship between KM and OP.

Hypothesis Development

Drawing on the preceding theoretical and empirical foundations, a series of testable hypotheses are formulated to guide the empirical phase of this study. The overarching proposition is that knowledge management, as a holistic construct, is positively associated with organisational performance in the public sector. This is consistent with the RBV's core tenet that valuable, rare, and inimitable knowledge resources, when properly managed, yield performance dividends (Seriki, 2023). Furthermore, prior research consistently reports a positive correlation between KM effectiveness and various measures of organisational success, including operational efficiency, innovation, and service quality (Ammirato et al., 2021). Despite the

challenges of implementation, the weight of evidence supports the conclusion that KM is a vital organisational capability that enhances performance. Therefore:

H1: Knowledge management is positively associated with organisational performance.

At the process level, each KM dimension is hypothesised to have a direct relationship with performance, though the strength of these relationships is expected to differ based on their proximity to value creation. Knowledge creation generates the novel ideas and innovative solutions that refresh the organisation's knowledge base. Organisations that regularly develop new service concepts and operational procedures are better equipped to adapt to changing demands, which should translate into improved performance (Abuaddous et al., 2018). Thus:

H1a: Knowledge creation is positively associated with organisational performance.

Knowledge sharing ensures that expertise, best practices, and insights are not hoarded within individuals or silos but are disseminated across the organisation. By fostering critical thinking, reducing redundancy, and enabling the recombination of ideas, sharing enhances the collective capacity to deliver high-quality services. Empirical research has linked knowledge sharing to team performance, innovation capabilities, and overall firm performance (Tangaraja et al., 2015). For the public sector, where fragmentation is a recognised barrier, sharing is expected to be a significant positive predictor. Therefore:

H1b: Knowledge sharing is positively associated with organisational performance.

Finally, knowledge application represents the conversion of knowledge into action. It is at this stage that knowledge is used to solve problems, improve processes, and respond to client needs. The literature emphasises that knowledge has no value until it is applied, and that application is the most direct conduit to performance outcomes (Shujahat et al., 2019). Organisations that motivate employees to apply knowledge and grant them the autonomy to do so are expected to exhibit markedly higher levels of performance. Consequently, knowledge application is hypothesised to be the strongest predictor among the three processes:**H1c:** Knowledge application is positively associated with organisational performance.These hypotheses collectively operationalise the study's research objectives and provide a clear, theory-driven framework for the subsequent quantitative analysis. The testing of these hypotheses will not only confirm or disconfirm the expected relationships but will also illuminate the relative importance of each KM process, thereby contributing to a more refined understanding of how knowledge management drives public sector performance.

METHODOLOGY

The methodological framework that guided the empirical investigation of the relationship between knowledge management and organisational performance within the Johor Civil Service. The primary objective is to provide a transparent and replicable account of how the study was conducted, from its philosophical underpinnings to the specific techniques employed for data collection and analysis. The research was designed to systematically address the four research objectives: to examine the influence of knowledge creation, knowledge sharing, and knowledge application on organisational performance, and to test the overarching hypothesis that knowledge management is positively associated with performance. To achieve these aims, a quantitative, cross-sectional survey design was adopted, utilising self-administered questionnaires distributed to a probability sample of civil servants across multiple departments and grades. The chapter is structured to first explicate the research design with reference to the research onion model, then discuss the population and sampling strategy, and finally detail the

statistical techniques used to analyse the data.

Research Design

The research design constitutes the architectural blueprint that structures the entire inquiry, ensuring coherence between the research questions and the empirical procedures employed. This study adopted a systematic framework that can be mapped onto Saunders et al.'s research onion, a widely used conceptual tool that depicts the layers of methodological decisions, from the outermost philosophical stance to the innermost data collection and analysis techniques. Each layer of the onion is explicated below to justify the choices made. At the outermost layer, the study was anchored in a positivist research philosophy. Positivism assumes that social reality is objective and can be measured through observable, quantifiable facts, and it emphasises the testing of hypotheses derived from existing theory (Creswell & Creswell, 2018)

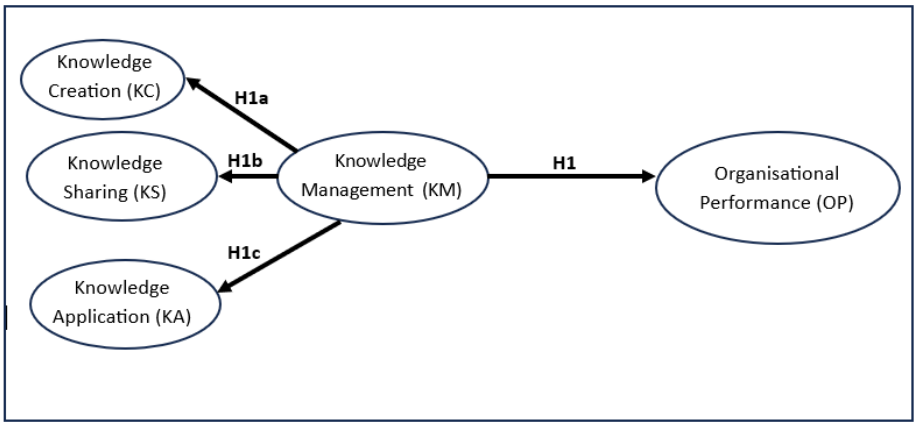

Figure 2.1: Conceptual Framework

This stance was appropriate because the study sought to measure distinct constructs – knowledge creation, sharing, application, and organisational performance – and to statistically test hypothesised relationships among them, grounded in the Resource-Based View. The second layer concerns the research approach, which was deductive. A deductive approach moves from general theoretical propositions to specific empirical observations. The study began with the RBV and existing KM literature, from which a conceptual framework and hypotheses were derived. These hypotheses were then subjected to empirical scrutiny through the collection and analysis of quantitative data, consistent with the deductive logic. The third layer is the methodological choice, which in this case was a mono-method quantitative design. The study relied exclusively on numerical data gathered through structured questionnaires. This choice maximised objectivity, enabled statistical generalisation, and allowed for the precise estimation of the relationships between variables, aligning with the positivist and deductive orientation. The fourth layer specifies the research strategy, which was a survey. The survey strategy is well-suited to collecting standardised data from a large number of respondents in an economical manner, making it possible to describe characteristics of a population and to test associations between variables (Bryman, 2016). A cross-sectional time horizon was selected, meaning that data were collected at a single point in time. This snapshot approach is common in organisational research where the aim is to examine relationships rather than to track changes

over time. The innermost layers of the onion concern the techniques and procedures for data collection and analysis. Data collection was performed using a self-administered questionnaire comprising closed-ended items adapted from validated instruments (Alharbi et al., 2019). The questionnaire was divided into sections capturing demographic profiles and the key constructs, with all items measured on a Likert scale to facilitate quantitative analysis. The questionnaire was distributed electronically via email and WhatsApp to reach officers across various departments. Data analysis was conducted using the Statistical Package for the Social Sciences (SPSS) version 27. The analytical procedures included descriptive statistics to profile the respondents, reliability analysis using Cronbach's alpha to assess internal consistency, normality assessment through skewness and kurtosis, and multiple regression analysis to test the hypotheses. A pilot study was conducted with 25 respondents to ensure the clarity and reliability of the instrument prior to the main data collection phase. This layered research design ensured that every methodological decision was aligned with the study's objectives and theoretical foundations.

Population and Sampling Technique

The target population for this study comprised all civil servants employed across various departments and grades within the Johor Civil Service. This population was selected because Johor, as a major Malaysian state with a diverse administrative apparatus, represents a meaningful context for examining knowledge management practices in the public sector. The total population was determined to be 301 officers, encompassing different position levels, from middle management grades (N9–N10) to senior and higher management grades (N11–N13 and JUSA). This population provided a suitable frame for investigating how KM processes relate to organisational performance across the hierarchy. Given the practical constraints of time and resources, a sample was drawn from this population. The sample size was determined using the Krejcie and Morgan (1970) table, a widely accepted reference for determining appropriate sample sizes from finite populations. According to the table, for a population of approximately 300, the required sample size is 169. Consequently, 169 questionnaires were distributed, collected, and found usable, yielding a 100 percent usable response rate. This sample size provided sufficient statistical power for the planned regression analyses while remaining logistically manageable. The sampling technique employed was probability sampling, specifically simple random sampling. Probability sampling was chosen because it ensures that every element in the population has an equal and known chance of being selected, thereby minimising selection bias and enhancing the generalisability of the findings (Creswell & Creswell, 2018). A complete list of officers across the targeted departments served as the sampling frame, from which 169 individuals were randomly selected. This approach guarantees that the sample accurately reflects the diversity of positions, grades, and departments within the Johor Civil Service, allowing the results to be inferred to the broader population. The unit of analysis was the organisational level, as the study focused on how KM practices, as organisational phenomena, relate to overall performance, which aligns with the research questions and the RBV's emphasis on organisation-wide resources and capabilities.

Data analysis was conducted using the Statistical Package for the Social Sciences (SPSS) version 27. To ensure the robustness of the measurement instrument, reliability analysis was performed using Cronbach's alpha coefficient. The pilot study, conducted with 25 civil servants, yielded an overall alpha of 0.94, indicating excellent internal consistency well above

the threshold of 0.70 recommended by Nunnally (1978). In the full study, each construct separately achieved high reliability: knowledge creation (0.903), knowledge sharing (0.885), knowledge application (0.934), and organisational performance (0.948). These values confirmed that the items measuring each variable were highly consistent and reliable for hypothesis testing. Prior to inferential analysis, normality was assessed to ensure that the data met the assumptions required for regression. Skewness and kurtosis values were examined for all items; all fell within the acceptable ranges of absolute skewness < 3 and absolute kurtosis < 10, as recommended by Kline (2011). This indicated that the data did not deviate substantially from a normal distribution and was suitable for parametric analysis. The primary inferential technique was multiple linear regression, used to examine the relationship between the three independent variables (knowledge creation, knowledge sharing, and knowledge application) and the dependent variable (organisational performance). The regression model tested the statistical significance of each predictor while controlling for the others, with a significance threshold set at $p < 0.05$. Additionally, a simple linear regression was conducted to test the overarching hypothesis (H1) that knowledge management, as a composite score, positively influences organisational performance. The strength and direction of the relationships were evaluated through standardised beta coefficients (β), the coefficient of determination (R^2), and F-tests for overall model significance. Through these rigorous analytical techniques, the study ensured that the conclusions drawn regarding the KM-performance nexus were empirically sound and statistically valid.

RESULT AND ANALYSIS

Response Rate and Sample Profile

A total of 169 questionnaires were distributed and collected, yielding a 100 percent response rate. All returned questionnaires were complete and usable for analysis. The sample comprised 89 females (52.7%) and 80 males (47.3%); all respondents identified as Malay. In terms of academic qualification, 122 (72.2%) held a bachelor's degree and 47 (27.8%) held a master's degree. Respondents were distributed across grade levels: 102 (60.4%) at grades N11–N13, 61 (36.1%) at grades N9–N10, and 6 (3.6%) at JUSA level. The majority had between 1 and 10 years of service (53.8%), while 43.8% had served for more than 10 years, and only 4 respondents (2.4%) had less than one year of service.

Normality and Reliability

All scale items were assessed for normality using skewness and kurtosis. Absolute skewness values ranged from 0.050 to 1.019, and absolute kurtosis values ranged from 0.306 to 1.684, both well within the thresholds of 3 and 10 respectively, indicating no serious deviations from normality (Kline, 2011). Internal consistency reliability was evaluated using Cronbach's alpha. All constructs demonstrated excellent reliability: Knowledge Creation (α = 0.903, 4 items), Knowledge Sharing (α = 0.885, 4 items), Knowledge Application (α = 0.934, 3 items), and Organisational Performance (α = 0.948, 4 items).

Variable		Cronbach's Alpha	N of Items
Independent Variable	**Knowledge Creation**	.903	4

	Knowledge Sharing	.885	4
	Knowledge Application	.934	3
Dependent Variable	**Organisational Performance**	.948	4

Table 4.1 Reliability Analysis

Hypothesis Testing

Multiple regression analysis was performed to test the direct effects of the three knowledge management processes on organisational performance (H1a–H1c). The overall model was significant, $F(3, 165) = 85.545$, $p < 0.001$, and explained 60.9 percent of the variance in organisational performance ($R^2 = 0.609$, Adjusted $R^2 = 0.602$). Table 4.3 presents the regression coefficients. Table 4.2: Multiple Regression Results – KM Processes on Organisational Performance

Predictor	**β**	**t**	**p**
Knowledge Creation	0.123	1.458	0.147
Knowledge Sharing	0.242	2.523	0.013
Knowledge Application	0.465	5.485	< 0.001

Note. Dependent Variable: Organisational Performance.

As shown, Knowledge Application was the strongest predictor ($\beta = 0.465$, $p < 0.001$), followed by Knowledge Sharing ($\beta = 0.242$, $p = 0.013$). Knowledge Creation did not significantly predict organisational performance ($\beta = 0.123$, $p = 0.147$). Thus, H1b and H1c were supported, while H1a was not supported. To test the overarching hypothesis (H1) that knowledge management, as an aggregated construct, positively influences organisational performance, a simple linear regression was conducted. The model was significant, $F(1, 167) = 247.067$, $p < 0.001$, with Knowledge Management explaining 59.7 percent of the variance in Organisational Performance ($R^2 = 0.597$, Adjusted $R^2 = 0.594$). Knowledge Management had a strong positive and significant effect ($\beta = 0.772$, $t = 15.718$, $p < 0.001$). H1 was therefore supported.

Summary of Findings

In summary, the results indicate that knowledge management, collectively, is a powerful predictor of organisational performance in the studied public sector context. At the process level, knowledge application emerged as the most critical driver, followed by knowledge sharing, while knowledge creation did not exhibit a significant direct effect. These findings are discussed in depth in the following section, where they are integrated with theory and prior research.

CONCLUSION

This study investigated the relationship between knowledge management (KM) and organisational performance in the Johor Civil Service, grounding its inquiry in the Resource-Based View (RBV). Disaggregating KM into knowledge creation, sharing, and application, the research revealed that while KM as a whole strongly predicts performance, the three processes differ markedly in their direct impact. The overarching hypothesis (H1) was strongly supported: KM, measured as an aggregated construct, explained 59.7 percent of the

variance in organisational performance ($\beta = 0.772$, $p < 0.001$). This confirms the RBV premise that knowledge, when systematically managed, becomes a valuable, rare, and inimitable resource that enhances public sector outcomes. At the process level, knowledge application emerged as the most powerful predictor ($\beta = 0.465$, $p < 0.001$), followed by knowledge sharing ($\beta = 0.242$, $p = 0.013$). Knowledge creation, however, did not show a significant direct effect ($\beta = 0.123$, $p = 0.147$). These findings suggest that in this public sector context, performance is driven less by generating new ideas and more by actively disseminating best practices and, critically, applying knowledge to solve problems and serve citizens. The theoretical contribution lies in refining the RBV by demonstrating that not all knowledge processes confer equal performance benefits. Knowledge application operationalises the "organisationally embedded" criterion of the VRIO framework, transforming intellectual capital into tangible value. The results further imply that knowledge creation's impact may be indirect, mediated through sharing and application, a proposition that future research should test. Practically, the study offers clear guidance for public managers. First, knowledge application must be prioritised through performance incentives, team autonomy, and problem-solving platforms. Second, knowledge sharing should be reinforced via formal mechanisms such as communities of practice and cross-departmental teams to combat the silo mentality identified in the Malaysian KM Blueprint. Third, knowledge creation must be coupled with clear pathways to implementation, ensuring that innovative ideas are not generated in isolation but are systematically channelled toward application. Several limitations warrant caution. The cross-sectional design precludes causal inference, and reliance on self-reported perceptual measures introduces potential common method bias. The sample, drawn exclusively from Johor's Malay-majority civil service, limits generalisability. The study also focused on only three KM processes, excluding enablers such as leadership and technology. Future research should adopt longitudinal designs, expand the demographic and geographic scope, and incorporate KM enablers as moderators. Testing the mediating role of knowledge application between creation, sharing, and performance would further illuminate the KM value chain. Mixed-methods approaches could also uncover the institutional barriers that prevent knowledge creation from translating into performance. In conclusion, this study provides robust evidence that effective knowledge management significantly enhances public sector performance. The central message is that knowing is not enough; performance hinges on the consistent application of shared knowledge. For the Malaysian civil service, building a knowledge-driven future means shifting focus from knowledge possession to knowledge enactment, embedding use at the heart of public service delivery.

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POTENTIAL TENANT ACCEPTANCE TOWARDS SMART TECHNOLOGY SYSTEMS ADOPTION IN MALL OF MEDINI USING THE TECHNOLOGY ACCEPTANCE MODEL

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ABSTRACT

The rapid advancement of digital technology has encouraged shopping mall operators to adopt Smart Technology Systems to improve operational efficiency and stakeholder engagement. However, before implementing such technologies, it is essential to understand tenants' willingness to accept them. This study aims to examine the potential acceptance of Smart Technology Systems among tenants in Mall of Medini using the Technology Acceptance Model (TAM) as the theoretical framework. The study focuses on three proposed Smart Technology Systems: Smart Parking System, Smart Facility Management System, and Digital Communication & Engagement Tools. A quantitative research approach was adopted, and data were collected through a structured questionnaire distributed to tenants and vendors operating in Mall of Medini. A total of 50 valid responses were analysed using the Statistical Package for the Social Sciences (SPSS). The data analysis included descriptive statistics, reliability analysis, Pearson Correlation, and Multiple Regression. The findings revealed that all three Smart Technology Systems received positive perceptions from respondents. Smart Parking System recorded the highest mean score ($M = 4.540$), followed by Smart Facility Management System ($M = 4.436$) and Digital Communication & Engagement Tools ($M = 4.356$). However, Pearson Correlation and Multiple Regression analyses indicated that only Digital Communication & Engagement Tools had a statistically significant positive relationship with Potential Tenant Acceptance ($\beta = 0.368$, $p < 0.05$). This suggests that communication-related technologies have a greater influence on tenants' willingness to support the implementation of Smart Technology Systems compared with operational technologies. Overall, the findings indicate that tenants are receptive to Smart Technology Systems, particularly technologies that improve communication and engagement with mall management. The study contributes to the understanding of technology acceptance in commercial shopping malls and provides practical insights for Mall of Medini management in planning future digital transformation initiatives.

Keywords: Smart Technology Systems, Potential Tenant Acceptance, Smart Parking System, Smart Facility Management, Digital Communication.

INTRODUCTION

In recent years, advancements in technology have driven commercial malls to adopt various technological solutions to enhance operational efficiency and satisfy stakeholder expectations. Smart parking systems, mobile applications, AI-based operating systems, and more have become the focus of commercial mall management to create more seamless and convenient

environments. Tenant satisfaction is a multifaceted construct influenced by various factors, and technology adoption plays a pivotal role in shaping this satisfaction (Bäckström, 2023; Meziani & Hussien, 2017). Previous studies have primarily focused on the customer satisfaction as the focus of mall managers on incorporating technology is driven by the need to meet consumer desires and benchmarks for experience (Gupta et al., 2020). This scenario is happening while neglecting tenant perspective which were also the essential stakeholders in the retail environment. Tenants that comprising wide plethora of businesses such as retail brands, Food and Beverage (F&B), fashion or apparel outlet and vendors are critical stakeholders that have direct impact on the mall's occupancy rate, reputation or image and long-term viability. Unlike customer or visitor, tenant interaction with mall management and infrastructure daily and impact directly by mall's operational efficiency, facility and building systems. However, existing studies tend to generalize the impact of technology adoption on customer perspective thereby overlooking the unique and concerns faced by tenants. This study adopts the Technology Acceptance Model (TAM) developed by Davis (1989) to examine tenants' potential acceptance of smart technology systems. According to TAM, users are more likely to accept new technologies when they perceive them as useful and easy to use. Therefore, this study focuses on two key TAM constructs—Perceived Usefulness (PU) and Perceived Ease of Use (PEOU)—to evaluate tenants' willingness to accept Smart Parking Systems, Smart Facility Management Systems, and Digital Communication & Engagement Tools in Mall of Medini.

Research Problem

Numerous studies have indicated that smart technologies enhance customer satisfaction and improve customer experience in shopping mall, while often neglecting another important stakeholder which is the tenants themselves. Tenants' satisfaction is crucial for mall's long-term success as satisfied tenants would ensure tenants retention would be high, high service standards and contribute to vibrant environment. To date, Mall of Medini still not adopting to such system such as smart parking system, smart facilities management system and tenants' digital communication and engagement tools. This may lead to inefficiency and unsatisfaction to the tenant's experience. Furthermore, Technology Acceptance Model (TAM) suggests that users' acceptance of technology depends largely on their perceived usefulness and perceived ease of use. Therefore, it is necessary to determine whether tenants perceive these smart technologies as beneficial and easy to use before implementation. This study addresses this gap by examining the potential acceptance of Smart Technology Systems among tenants in Mall of Medini using the Technology Acceptance Model.

Research Question

1. What are tenants' perceptions towards the implementation of Smart Technology Systems in Mall of Medini?
2. How are Smart Parking System, Smart Facility Management System, and Digital Communication & Engagement Tools related to tenants' Potential Acceptance?
3. Which Smart Technology System has the greatest influence on tenants' Potential Acceptance in Mall of Medini?

Research Objectives

1. To identify tenants' perceptions towards the implementation of Smart Technology Systems in Mall of Medini.

2. To examine the relationship between Smart Parking System, Smart Facility Management System, and Digital Communication & Engagement Tools and tenants' Potential Acceptance of Smart Technology Systems.
3. To determine which Smart Technology System has the greatest influence on tenants' Potential Acceptance in Mall of Medini.

Limitations

This study is based on hypothetical scenario in which Mall of Medini would adopt technologies such as smart parking system, smart facility management technology tools and digital communications tools. As these technologies were yet to be implemented at the mall, tenant feedback collected during research is based purely on potential perceptions and expectations rather than direct user feedback and experience. While this approach allows researchers to gauge interest and potential satisfaction levels, it also means that the findings are interpretative rather than experiential. Aside from that, this study geographically and demographically is limited to tenants and vendors who are currently operating at Mall of Medini. This study did not include feedback from potential tenants or others retail commercial tenants that may have adopted similar technologies. However, this study offers valuable insights the management of Mall of Medini to support their decision-making process for technology adoption that suits the management while follows with tenants and customer expectations.

Research Gap

Previous research has mostly focused on the real-time impact of technology adoption on tenants and customer satisfaction in malls where such technology mainly is already been adopted by the mall's management. These studies often measure improvements in operational efficiency, customer satisfaction and tenant – business performance after adoption of the technologies. However, there is research gap in understanding potential tenant's perception and expectation in malls that are not yet to adopt these integrated technologies, particularly Mall of Medini, Iskandar Puteri. This perspective is currently underexplored and represent a meaningful contribution to both academic literature and practical mall management strategies.

Research Contribution

This study provides valuable insights for Mall of Medini management by showing how technology adoption could potentially improve tenants' satisfaction that also have direct impact on mall performance and brand image. By gathering data before any technology is implemented, the research offers clearer view of tenant's values and expectation such as easier parking management, smarter facilities and clear communications. These data can help management make informed and evidence-based decision on planning future investments in technology, ensuring it tailored to tenants needs and support a more efficient, tenant-friendly commercial mall.

LITERATURE REVIEW

This chapter reviews theories model associated and relevant literature on the main variables involved in the study, including the dependent variable (DV) potential tenants' acceptance, the independent variables (IVs), which are potential technological innovations that could be adopted in Mall of Medini. The discussion begins with introduction DV and IV, followed by

supporting theories and past research that connect tenant satisfaction with smart technologies. The chapter also provides a detailed explanation of each independent variable, leading to the development of a conceptual research framework.

Introduction to Dependent Variable (DV): Potential Tenants Acceptance

Potential Tenant Acceptance refers to tenants' willingness, intention, and readiness to adopt Smart Technology Systems if they are implemented in Mall of Medini. Potential acceptance evaluates users' perceptions and behavioural intentions before actual implementation. Since Smart Parking Systems, Smart Facility Management Systems, and Digital Communication & Engagement Tools have not yet been fully implemented in Mall of Medini, measuring potential acceptance provides a more appropriate assessment of tenants' attitudes towards these proposed technologies.Within the context of Mall of Medini, Potential Tenant Acceptance refers to tenants' willingness to support and utilize Smart Parking Systems, Smart Facility Management Systems, and Digital Communication & Engagement Tools if these technologies are introduced. A high level of potential acceptance indicates that tenants are receptive to technological innovation and recognize its potential benefits for improving operational efficiency, communication, and business performance.

Independent Variables (IVs): Potential Technology Adoption

This study focuses on three key technological components: Smart parking system, Smart Facilities Management system and Digital Communications and Engagement Tools. Although these technologies still yet to be implemented at Mall of Medini, it nowadays is commonly used in modern commercial malls to improve operational efficiency, user experience and stakeholder engagement. Each of these components were representing critical aspect of daily interactions between tenants and mall infrastructure and management.

i. **Smart parking system**

The system is involving features such as automated payments, license plate recognition and real time space availability system. Development and implementation of a smart parking system is important in shopping mall to resolve the traffic congestion, reducing pollution and reducing the detrimental effects on the environment and landscape (Goh, 2023). Improved accessibility and reducing time spent on a logistical concern, smart parking system would contribute to tenants' satisfaction and the client.

ii. **Smart Facilities Management (FM)**

FM in buildings were described as an integrated approach to operating; maintaining, improving and adapting the building and infrastructure of an organization to create an environment that strongly support the primary objectives of the organization (Tannor et al., 2021). The usage digital platform or Internet of Things (IoT) systems that streamline building maintenance, monitoring equipment performance and ensure timely response to tenant's service requests. Effective FM would positively influence tenants' perception of malls value that contributes to long-term satisfaction.

iii. **Digital Communications and Engagement Tools**

Communication and engagement tools that were comprises various platform such as online tenants' portals, mobile messaging apps and digital announcements boards. These tools enable real time communication updated from management to the tenants

and increased transparency. In this hypothetical adoption scenario, well informed and engaged tenants would likely to view these tools as beneficial which can positively influence their satisfaction and expectation of future mall operation

Conceptual Framework

A research framework is a structured representation of the variables, concepts, and relationships that form the foundation of a study. It provides a visual and theoretical guide to understanding how the independent variables (inputs) are expected to influence the dependent variable (outcome) as seen on figures 1. In this study, the research framework illustrates the hypothesized relationships between key technological components—Smart Parking System, Smart Facility Management, and Digital Communication & Engagement Tools—and their potential acceptance at Mall of Medini with TAM that proposes users' intention to adopt technology is primarily influenced by two key perceptions: **Perceived Usefulness (PU)** and **Perceived Ease of Use (PEOU)**. This framework would be the guide to clarify the direction of the research and supports the formulation of hypotheses and data analysis strategies.

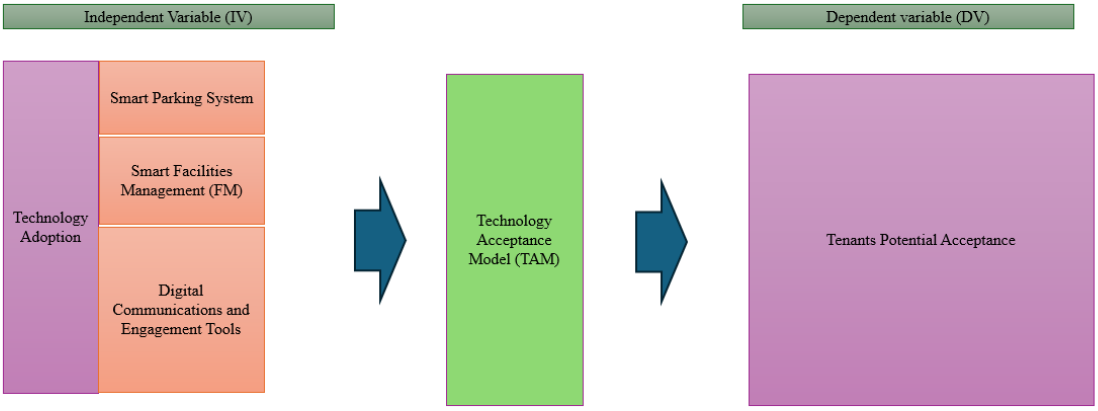

Figure 1: Conceptual Framework between IV, related theories and DV on The Impact of Technology Adoption towards Potential Tenants Acceptance

Technology Adoption Model (TAM)

Technology Adoption Model (TAM) has been used in research to explore the acceptance of new technologies or services (Aljarrah et al., 2016). TAM explains on how users come to accept and use a technology that focusing primarily on two main points:

i. Perceived Usefulness (PU): the degree to which a person believes that using a particular system would enhance their job performance.
ii. Perceived Ease of Use (PEOU): the degree to which a person believes that using a system would be free of effort.

In this study, TAM is adapted to understand tenants' potential acceptance regarding the adoption of technology in Mall of Medini. Tenants may be more confident to support new

technologies such as smart parking or digital communication tools if they perceive these systems to be useful and ease of use. This theoretical lens would help explain why perceived benefits of technology can influence tenants.

Methodology

This chapter outlines the methods to be applied to perform this research study. It discusses various sources of data and the ways in which data will be gathered for analysis. Data sources and collection method would have significant impact on the effectiveness of the research project. Data can be gathered from primary and secondary sources. Primary data refer to information obtained first-hand by researcher on the variable of interest for the specific purpose of the research study. Whereas secondary data refer to information gathered from existing sources such as past journal articles and studies.

Population and Sampling

In this study, population involved are 55 tenants and vendor from Mall of Medini that were currently operating within the premise. These tenants include retails outlets, F&B operators and service providers who interact directly with the mall's operational environment and would likely affect by technology adoption. Using Krejcie & Morgan's sample size table, a population of 55 tenants yields a recommended sample size of 48 respondents. A stratified random sampling method will be employed to ensure proportional representation across different tenant categories (e.g., F&B, retail, services).

Research Instruments

The research instrument that will used for data collection is the questionnaire design of the survey method. Questionnaire according to Borges et al. (2020) is a data collection method where respondents are required to read and answer a same set of questions in a pre-set way on their own by circling the number on the scale. Therefore, to obtain the data, a questionnaire will be distributed to all tenants, vendor and service providers at Mall of Medini.

Pilot test

Pilot test is defined as the length of the process whereby we give out questionnaire to check whether the items are understandable and the instructions are clear. According to (I.Junyong, 2017) a pilot study asks whether something can be done should be researchers proceed with it as it is important for the improvement of quality of the main study.

A substantial pilot study was regarded as an essential requirement (M. Johan et,al 2019) :

i. Ensure that the questionnaire items related to technological features (e.g., smart parking, facility management systems, communication tools) are interpreted consistently and clearly.
ii. Evaluate how tenants perceive the ease of use and usefulness of these potential technologies, based on TAM constructs.
iii. Refine the survey to ensure that constructs align with the theoretical framework and are practical for data collection in the main study.

The pilot test will be conducted via online which is Google form survey platform. This questionnaire will be distributed through email and social media like Whatsapp platform.

Data collection

In this research, the instrument used for data collection was a structured questionnaire set through Google Forms. A link to the questionnaire was distributed to selected respondents to ensure participant can understand and perceived the intention of the questionaire. According to Borges et al. (2020), a questionnaire is a data collection method where respondents are presented with a standardized set of questions in a predetermined format. This method allows participants to independently select answers that best reflect their views on the issues being investigated. This questionnaire objective is to assess tenants' perception and anticipation regarding potential technology adoption within Mall of Medini particularly the introduction of a smart parking system, smart facility management tools, digital communication platforms, and an official website. These insights aim is to determine whether such smart technologies could impact potential tenant acceptance. The questionnaire was intended on current tenants that actively operating within the Mall of Medini. A minimum of 50 responses was required for this study, and the final sample successfully met this threshold with 50 valid responses received. This ensured sufficient data for analysis and reliable interpretation of the results.

Result & Analysis

This chapter presents the findings obtained from 50 respondents consisting of tenants and vendors operating in Mall of Medini. The data were collected through a questionnaire distributed via Google Forms. The analysis focuses on respondent demographics and perceptions using the **Technology Acceptance Model (TAM)** as the theoretical framework to explain tenants' potential acceptance of Smart Technology Systems.

Demographic Analysis

Table 4.1.1 Respondent Profile

Item	Category	Percentage (%)
Type of Business	Retail	4.0
	F&B	24.0
	Services/Vendor	72.0
Duration of Tenancy	Less than 1 year	20.0
	1–3 years	46.0
	3–5 years	16.0
	More than 5 years	18.0
Position	Owner	52.0
	Manager/Supervisor	32.0
	Staff	16.0

Most responses (72 percent) came from the services and vendor category. Forty-six percent of those surveyed have been employed at the Mall of Medini for one to three years. The responses appear to have come from people who were directly involved in making business decisions, as evidenced by the fact that over half of the respondents (52.0%) were business owners.

Analysis of Research Variables

Table 4.2.1 Mean Score of Research Variables

Variable	Mean	Standard Deviation (SD)	Interpretation
Smart Parking	4.540	0.348	Very High
Smart FM	4.436	0.397	High
Digital Communication	4.356	0.473	High
Potential Acceptance	3.504	0.550	Moderate

According to the results, every technology adoption factor had high mean scores above 4.00. Digital Communication & Engagement Tools (4.36), Smart Facility Management (4.44), and Smart Parking System (4.54) had the highest mean scores. Based on TAM theories, technologies that are perceived as useful and easy to understand are generally more likely to be accepted by users. Therefore, the high descriptive scores indicate positive perceptions towards the proposed Smart Technology Systems.

Pearson Correlation Analysis

Table 4.3.1 Pearson Correlation

Variable	r	Sig	Interpretation
Smart Parking	0.144	0.318	Very Weak
Smart FM	0.207	0.150	Weak
Digital Communication	0.372	0.008	Weak Positive

Pearson Correlation analysis was conducted to examine the relationship between each Smart Technology System and Potential Tenant Acceptance. The analysis revealed that **Digital Communication & Engagement Tools** demonstrated a statistically significant positive relationship with Potential Tenant Acceptance ($r = 0.372$, $p = 0.008$). This indicates that tenants who hold positive perceptions towards digital communication technologies are more likely to support the implementation of Smart Technology Systems in Mall of Medini. Although Smart Parking System and Smart Facility Management System also demonstrated positive relationships, the relationships were not statistically significant. These findings suggest that communication-related technologies currently play a more important role in influencing tenants' willingness to accept future smart technologies.

Multiple Regression Analysis

Table 4.4.1 Model Summary

R^2	Adjusted R^2	F	Sig
0.156	0.101	2.839	0.048

Multiple Regression analysis was performed to determine which Smart Technology System most strongly influences Potential Tenant Acceptance. The regression model was statistically significant ($F = 2.839$, $p = 0.048$), explaining **15.6%** of the variation in Potential Tenant Acceptance.

Table 4.4.2 Regression Coefficient

Variable	Beta	Sig
Smart Parking	0.127	0.578
Smart FM	0.180	0.372
Digital Communication	0.368	0.037

Among the three independent variables, only **Digital Communication & Engagement Tools** significantly influenced Potential Tenant Acceptance ($\beta = 0.368$, $p = 0.037$).
This finding suggests that effective communication between mall management and tenants plays a more important role in encouraging technology acceptance than operational technologies alone

Research Objectives and Research Questions
The descriptive analysis indicates that respondents generally have positive perceptions towards the proposed Smart Technology Systems. As shown in Table 4.3.1, all three technologies recorded high mean scores above 4.00.

Objective 1: To identify tenants' perceptions towards the implementation of Smart Technology Systems in Mall of Medini.
Among the three technologies, the Smart Parking System achieved the highest mean score, indicating that respondents perceived it as the most beneficial technology for improving daily operations in Mall of Medini.
Overall, the descriptive findings suggest that tenants have favourable perceptions towards all proposed Smart Technology Systems. These findings support the Technology Acceptance Model (TAM), which proposes that users are more willing to accept technologies they perceive as beneficial and practical.

Objective 2: To examine the relationship between Smart Parking System, Smart Facility Management System, and Digital Communication & Engagement Tools and tenants' Potential Acceptance of Smart Technology Systems.
The findings indicate that only Digital Communication & Engagement Tools demonstrated a statistically significant positive relationship with Potential Tenant Acceptance. Although Smart Parking System and Smart Facility Management System recorded positive correlation coefficients, the relationships were not statistically significant. These findings suggest that communication-related technologies have a stronger association with tenants' willingness to accept Smart Technology Systems compared to operational technologies.

Objective 3: To determine which Smart Technology System has the greatest influence on tenants' Potential Acceptance in Mall of Medini.
Among the three technologies, **Digital Communication & Engagement Tools** emerged as the strongest predictor of Potential Tenant Acceptance.

This finding suggests that communication technologies play a more influential role in encouraging tenants to support the implementation of Smart Technology Systems than operational technologies such as Smart Parking or Smart Facility Management.

Summary

Overall, from this studies Reliability analysis confirmed that the questionnaire was internally consistent, while descriptive statistics indicated positive perceptions towards all proposed Smart Technology Systems. Pearson Correlation and Multiple Regression analyses identified Digital Communication & Engagement Tools as the only significant predictor of Potential Tenant Acceptance. These findings were interpreted using the Technology Acceptance Model, suggesting that tenants are more willing to support technologies they perceive as beneficial for improving communication and operational efficiency.

Discussion & conclusion

This chapter discusses the findings presented in Chapter 4 and relates them to the Technology Acceptance Model (TAM) and previous literature. It also summarises the achievement of the research objectives, highlights the practical implications of the study, presents recommendations for Mall of Medini management, discusses the limitations of the study, and proposes directions for future research.

Discussion

This study examined tenants' potential acceptance of Smart Technology Systems in Mall of Medini, focusing on Smart Parking System, Smart Facility Management System, and Digital Communication & Engagement Tools. The Technology Acceptance Model (TAM) was used as the theoretical framework to explain tenants' acceptance of these technologies. The descriptive analysis showed that all three technologies received high mean scores, indicating that respondents had positive perceptions towards the proposed Smart Technology Systems. Smart Parking System recorded the highest mean score (4.540), followed by Smart Facility Management System (4.436) and Digital Communication & Engagement Tools (4.356). This suggests that tenants believe these technologies could improve mall operations. However, the Pearson Correlation and Multiple Regression analyses found that only Digital Communication & Engagement Tools had a significant relationship with Potential Tenant Acceptance. This indicates that communication technologies have a greater influence on tenants' willingness to support the implementation of Smart Technology Systems. Overall, the findings suggest that tenants have positive perceptions of Smart Technology Systems. Using the Technology Acceptance Model (TAM) as the theoretical framework, the study indicates that technologies perceived as beneficial are more likely to gain tenants' acceptance, with Digital Communication & Engagement Tools having the strongest influence on Potential Tenant Acceptance.

Conclusion

This study examined the potential tenant’s acceptance towards smart technology system adoption in Mall of Medini. The findings show that tenants generally support the implementation of Smart Parking Systems, Smart Facility Management, and Digital Communication & Engagement Tools based on the tools of PU and PEOU of Technology Adoption Model (TAM). All research objectives were achieved in these studies, and all research questions were successfully answered based on preliminaries studies. The results suggest that

technology adoption could improve tenant satisfaction and enhance the overall operational performance of Mall of Medini.

Recommendations

Based on the findings of this study, several recommendations are proposed for Mall of Medini management.

Recommendation 1: Prioritise the implementation of Digital Communication & Engagement Tools to improve communication efficiency between management and tenants.
Recommendation 2: Develop an integrated tenant portal or mobile application that enables tenants to receive announcements, submit maintenance requests, monitor service status, and communicate directly with management.
Recommendation 3: Consider implementing Smart Parking Systems in phases to improve customer accessibility and parking efficiency while evaluating tenants' acceptance during implementation.
Recommendation 4: Introduce Smart Facility Management Systems, such as digital maintenance reporting and preventive maintenance scheduling, to improve operational efficiency and reduce response time.
Recommendation 5: Conduct periodic tenant surveys after implementation to evaluate user acceptance, identify operational improvements, and support continuous enhancement of Smart Technology Systems
.

Recommendations for Future Research

Future researchers are encouraged to expand this study by involving multiple shopping malls to improve the generalisability of the findings.
Future studies may also include additional variables such as technology readiness, organisational support, perceived security, or perceived cost to provide a broader understanding of technology acceptance.
Furthermore, researchers are encouraged to conduct post-implementation studies to compare tenants' expectations before implementation with their actual experiences after Smart Technology Systems have been introduced.

Summary

Overall, this study contributes to the understanding of technology acceptance in the context of commercial mall management by providing empirical evidence on tenants' perceptions before technology implementation. The findings may assist Mall of Medini management in planning future smart technology initiatives while ensuring that implementation strategies align with tenants' expectations and operational needs.

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FAKTOR-FAKTOR MEMPENGARUHI NIAT MENGGUNAKAN AI CHATBOT DALAM KALANGAN PELAJAR FAKULTI PENGURUSAN, UNIVERSITI TEKNOLOGI MALAYSIA

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ABSTRAK
Pelajar di Fakulti Pengurusan, Universiti Teknologi Malaysia merupakan golongan yang semakin terdedah kepada penggunaan teknologi kecerdasan buatan (AI), khususnya AI chatbot seperti ChatGPT dalam menyokong proses pembelajaran mereka. Walaupun penggunaan AI chatbot dalam kalangan pelajar semakin meningkat, pemahaman mengenai faktor-faktor utama yang mempengaruhi niat penggunaan teknologi ini masih terhad. Kajian ini dijalankan untuk mengenalpasti faktor-faktor utama yang mempengaruhi niat penggunaan AI chatbot, hubungan antara faktor tersebut dengan niat penggunaan serta perbezaan niat penggunaan berdasarkan profil demografi. Responden kajian terdiri daripada 231 orang pelajar separuh masa Fakulti Pengurusan UTM. Kajian lepas telah mengenalpasti bahawa persepsi kemudahan penggunaan, persepsi kegunaan, nilai pencapaian dan nilai intrinsik merupakan faktor utama yang menjadi penentu niat penggunaan teknologi. Technology Acceptance Model (TAM) dan Expectancy-Value Theory digunakan sebagai asas teori yang menyokong pembentukan kerangka kajian ini dalam mengenalpasti niat penggunaan AI chatbot dalam konteks pembelajaran. Kaedah kuantitatif melalui soal selidik berskala Likert 5-mata digunakan untuk mengumpul data daripada 231 orang responden, manakala Analisis Deskriptif, Korelasi Pearson dan ANOVA Satu Hala digunakan untuk menganalisis data yang diperolehi. Hasil kajian menunjukkan bahawa persepsi kemudahan penggunaan berada pada kedudukan teratas manakala nilai intrinsik menunjukkan kedudukan terendah. Analisis Korelasi Pearson menunjukkan kesemua faktor mempunyai hubungan positif yang signifikan dengan niat penggunaan AI chatbot. Keputusan ANOVA pula menunjukkan terdapat perbezaan yang signifikan dalam niat penggunaan berdasarkan umur dan tahun pengajian. Kajian ini memberi implikasi terhadap strategi integrasi AI chatbot yang lebih berkesan, beretika dan berfokuskan keperluan pelajar bagi meningkatkan kualiti pengalaman pembelajaran di Fakulti Pengurusan UTM

Kata Kunci: AI Chatbot, niat penggunaan, persepsi kemudahan penggunaan, persepsi kegunaan, nilai pencapaian.

PENGENALAN
Dalam era revolusi industri 4.0 dan transformasi digital yang pesat, kecerdasan buatan (Artificial Intelligence, AI) telah menjadi teknologi yang mengubah pelbagai aspek kehidupan manusia termasuk dalam sektor pendidikan tinggi. Khususnya, AI chatbot seperti ChatGPT, Claude, Gemini, dan Copilot telah muncul sebagai alat yang berpotensi besar dalam menyokong proses pembelajaran pelajar universiti. Kemunculan ChatGPT pada November 2022 oleh OpenAI telah mencetuskan gelombang adopsi teknologi AI yang tidak pernah dilihat sebelum ini dalam pendidikan, dengan pencapaian 100 juta pengguna aktif

dalam masa hanya dua bulan, menjadikannya aplikasi yang paling pantas berkembang dalam sejarah (Kasneci et al., 2023). Statistik terkini menunjukkan pertumbuhan penggunaan AI chatbot yang sangat mendadak dalam kalangan pelajar di seluruh dunia. Kajian oleh Higher Education Policy Institute (HEPI) mendedahkan bahawa penggunaan AI generatif untuk tugasan melonjak daripada 53% pada tahun 2024 kepada 88% pada tahun 2025, mencerminkan peningkatan dramatik dalam tempoh hanya 12 bulan (Freeman, 2025). Di peringkat global, 92% pelajar dilaporkan menggunakan alat AI untuk pembelajaran mereka pada tahun 2025, meningkat daripada 66% pada tahun 2024 (Digital Education Council, 2025). Secara lebih khusus, 66% pelajar universiti menggunakan ChatGPT untuk tujuan pendidikan, menjadikannya alat AI yang paling popular dalam kalangan pelajar (Campus Technology, 2024). Dalam konteks Malaysia, kajian oleh Khairuddin et al. (2024) terhadap pelajar universiti awam mendapati bahawa pelajar mula mengintegrasikan alat AI dalam pembelajaran mereka dengan pelbagai tujuan termasuk penyelesaian masalah, penulisan akademik, dan pemahaman konsep yang kompleks. Dahri et al. (2024) pula mendapati bahawa faktor-faktor seperti persepsi kegunaan, kemudahan penggunaan, ketepatan maklumat, dan kesesuaian pedagogi mempengaruhi penerimaan dan penggunaan alat AI di kalangan pelajar.

Foroughi et al. (2025) dalam kajian mereka terhadap pelajar universiti Malaysia mendapati bahawa faktor-faktor penerimaan teknologi memainkan peranan penting dalam menentukan sama ada pelajar akan menggunakan dan terus menggunakan AI chatbot dalam aktiviti akademik mereka. Universiti Teknologi Malaysia (UTM) sebagai salah satu universiti penyelidikan terkemuka di Malaysia, mempunyai komitmen yang kuat terhadap inovasi dan integrasi teknologi dalam pendidikan. Fakulti Pengurusan UTM yang menawarkan pelbagai program dalam bidang pengurusan perniagaan, pengurusan teknologi, dan keusahawanan merupakan konteks yang relevan untuk mengkaji penerimaan AI chatbot. Walau bagaimanapun, pemahaman mengenai faktor-faktor yang mempengaruhi niat penggunaan teknologi ini dalam kalangan pelajar Fakulti Pengurusan UTM masih terhad. Walaupun pelbagai kajian telah meneliti penerimaan AI dalam pendidikan, pemahaman mengenai faktor-faktor utama yang menentukan niat pelajar untuk menggunakan AI chatbot dalam konteks Fakulti Pengurusan masih belum jelas. Kajian seperti Foroughi et al. (2025) membuktikan bahawa persepsi kegunaan (PU) dan persepsi kemudahan penggunaan (PEOU) merupakan peramal utama niat penggunaan teknologi, namun kajian tersebut melibatkan pelajar secara umum dan tidak memberi fokus kepada pelajar pengurusan yang mempunyai keperluan khusus seperti analisis kes, pemikiran strategik dan kerja berpasukan. Tambahan pula, walaupun TAM (Technology Acceptance Model) telah digunakan secara meluas, terdapat jurang dalam penyelidikan yang menggabungkan faktor motivasi seperti nilai pencapaian (achievement value) dan nilai intrinsik (intrinsic value) dalam konteks penggunaan AI chatbot. Kajian terkini oleh Nugroho (2025) menunjukkan bahawa nilai pencapaian dan nilai intrinsik merupakan peramal signifikan terhadap niat menggunakan AI chatbot, namun dapatan ini belum diuji dalam konteks pelajar pengurusan Malaysia. Justeru, tiga objektif telah dibangunkan untuk kajian ini seperti berikut:

Objektif Kajian 1: Mengenal pasti faktor-faktor utama yang mempengaruhi niat pelajar Fakulti Pengurusan UTM untuk menggunakan AI chatbot.
Objektif Kajian 2: Mengkaji hubungan antara faktor-faktor penggunaan AI chatbot iaitu

persepsi kemudahan penggunaan, persepsi kegunaan, nilai pencapaian dan nilai intrinsik dengan niat menggunakan AI chatbot di kalangan pelajar Fakulti Pengurusan UTM.

Objektif Kajian 3: Mengkaji perbezaan niat penggunaan AI chatbot berdasarkan demografi (umur dan tahun pengajian) di kalangan pelajar Fakulti Pengurusan UTM.

KAJIAN LITERATUR

Niat Menggunakan AI Chatbot

Niat penggunaan (behavioral intention) merujuk kepada kecenderungan dan kesediaan individu untuk menggunakan sesuatu teknologi pada masa hadapan. Davis (1989), melalui Model Penerimaan Teknologi (Technology Acceptance Model, TAM), mentakrifkan niat penggunaan sebagai keinginan seseorang untuk menggunakan sistem teknologi berdasarkan persepsi terhadap kegunaan dan kemudahan penggunaan teknologi tersebut. Menurut beliau, niat penggunaan merupakan indikator paling signifikan dalam meramal tingkah laku penggunaan sebenar. Sementara itu, Venkatesh dan Davis (2000) menyatakan bahawa niat penggunaan menggambarkan kesediaan individu untuk terus menggunakan teknologi berdasarkan pengalaman penggunaan, kebolehgunaan serta faedah yang diperoleh. Dalam konteks AI chatbot, Foroughi et al. (2025) mentakrifkan niat penggunaan sebagai kecenderungan pelajar universiti untuk menggunakan chatbot AI seperti ChatGPT dalam aktiviti pembelajaran, pencarian maklumat dan penyelesaian tugasan akademik. Secara keseluruhan, semua pendapat pengkaji terdahulu bersetuju bahawa niat penggunaan merangkumi soal kesediaan, kecenderungan dan keinginan seseorang untuk menggunakan serta meneruskan penggunaan sesuatu teknologi. Ia dipengaruhi oleh gabungan faktor kognitif, persepsi dan motivasi individu terhadap teknologi tersebut.

Faktor-Faktor Yang Berkaitan Dengan Niat Menggunakan AI Chatbot

Kajian lepas berkaitan faktor-faktor niat penggunaan AI chatbot telah dirujuk bagi mengenalpasti faktor-faktor yang berkaitan. Antara kajian oleh Davis (1989), Venkatesh dan Davis (2000), Kelly et al. (2021), Foroughi et al. (2025), Abbas et al. (2024), Nugroho (2025), Persson et al. (2024) dan Tan et al. (2025) telah menghuraikan beberapa faktor yang berkaitan dengan niat penggunaan. Jadual 2.1 menunjukkan pemetaan faktor-faktor tersebut merentas kajian terdahulu. Berdasarkan Jadual 2.1, persepsi kemudahan penggunaan (PEOU) dan persepsi kegunaan (PU) merupakan pembolehubah yang paling konsisten digunakan dalam kajian-kajian terdahulu, dengan PEOU dikenal pasti dalam enam daripada lapan kajian, manakala PU dikenal pasti dalam tujuh daripada lapan kajian. Nilai Pencapaian dan Nilai Intrinsik pula lebih menonjol dalam kajian-kajian terkini yang melibatkan teknologi AI dan pembelajaran generatif. Kombinasi faktor utilitarian dan motivasi ini membentuk asas yang kukuh untuk kajian ini. Antara faktor yang dihuraikan ialah persepsi kemudahan penggunaan (PEOU). Davis (1989) menyatakan bahawa semakin mudah sesuatu teknologi digunakan, semakin tinggi kecenderungan seseorang untuk mencubanya. Dalam TAM, PEOU memberi kesan langsung kepada niat penggunaan dan kesan tidak langsung kepada persepsi kegunaan (Venkatesh & Davis, 2000). Dalam konteks chatbot AI, kemudahan berinteraksi, kefahaman terhadap arahan serta kesederhanaan dalam mendapatkan respons merupakan elemen penting yang membentuk persepsi ini.

Jadual 2.1 Mapping Matrix bagi Pemboleh Ubah Bebas Merentas Kajian Lepas

Pengarang & Tahun	PEOU	PU	Nilai Pencapaian	Nilai Intrinsik
Davis (1989) – TAM	✓	✓	-	-
Venkatesh & Davis (2000)	✓	✓	-	-
Kelly et al. (2021)	✓	✓	-	-
Abbas et al. (2024)	✓	✓	✓	-
Foroughi et al. (2025)	✓	✓	-	✓
Nugroho (2025)	-	✓	✓	✓
Persson et al. (2024)	-	-	-	✓
Tan et al. (2025)	✓	✓	✓	✓

Kajian Foroughi et al. (2025) menunjukkan bahawa pelajar lebih yakin menggunakan chatbot AI apabila mereka tidak perlu mempelajari cara penggunaannya secara mendalam. Kasneci et al. (2023) turut menyatakan bahawa pelajar lebih berminat untuk meneruskan penggunaan AI apabila interaksi dengan sistem berjalan secara intuitif. Selain itu, persepsi kegunaan (PU) merujuk kepada tahap kepercayaan pelajar bahawa penggunaan AI chatbot dapat membantu meningkatkan prestasi akademik mereka. Dalam TAM, Davis (1989) mengesahkan bahawa PU merupakan peramal paling kuat terhadap niat penggunaan. Venkatesh dan Davis (2000) turut menunjukkan bahawa apabila pengguna melihat teknologi memberi manfaat kepada produktiviti dan keberkesanan tugasan, mereka akan lebih cenderung untuk meneruskan penggunaannya. Foroughi et al. (2025) melaporkan bahawa penggunaan chatbot AI secara signifikan meningkatkan keberkesanan pelajar dalam menyediakan tugasan akademik. Abbas et al. (2024) juga membuktikan bahawa PU menjadi faktor penentu dalam persekitaran pembelajaran moden. Faktor seterusnya ialah nilai pencapaian (achievement value). Menurut Eccles dan Wigfield (2002), pelajar yang mempunyai nila i pencapaian yang tinggi akan memberi perhatian kepada alat dan strategi yang dapat meningkatkan keputusan akademik mereka. Nugroho (2025) menunjukkan bahawa pelajar yang menekankan pencapaian akademik lebih cenderung menggunakan chatbot AI kerana ia membantu mereka menyiapkan tugasan dengan lebih cepat, memperoleh kefahaman tambahan dan meningkatkan keyakinan akademik. Apabila pelajar merasakan chatbot AI menyumbang kepada pencapaian sasaran akademik mereka, motivasi untuk menggunakan chatbot tersebut turut meningkat. Akhirnya, nilai intrinsik (intrinsic value) merujuk kepada minat, keseronokan dan kepuasan dalaman yang

dirasai pelajar semasa menggunakan chatbot AI. Menurut Eccles dan Wigfield (2002), apabila individu menikmati sesuatu aktiviti, mereka akan melakukannya tanpa paksaan dan mengekalkan tingkah laku tersebut dalam jangka masa panjang. Persson et al. (2024) mendapati bahawa pelajar yang menikmati penggunaan chatbot AI lebih cenderung menggunakannya bukan sahaja untuk tugasan akademik, tetapi juga untuk eksplorasi pengetahuan secara bebas.

Teori Niat Penggunaan AI Chatbot

Kajian ini menggunakan dua teori utama, iaitu Technology Acceptance Model (TAM) dan Expectancy-Value Theory sebagai asas dalam menjelaskan niat penggunaan AI chatbot dalam kalangan pelajar.

Technology Acceptance Model (TAM)

Technology Acceptance Model (TAM) yang diperkenalkan oleh Davis (1989) menjelaskan bahawa niat seseorang untuk menggunakan sesuatu teknologi dipengaruhi oleh dua konstruk utama, iaitu Persepsi Kemudahan Penggunaan (Perceived Ease of Use) dan Persepsi Kegunaan (Perceived Usefulness). Persepsi kemudahan penggunaan merujuk kepada sejauh mana seseorang percaya bahawa teknologi tersebut mudah digunakan tanpa memerlukan usaha yang tinggi, manakala persepsi kegunaan merujuk kepada tahap kepercayaan bahawa penggunaan teknologi mampu meningkatkan prestasi dan keberkesanan pembelajaran. Dalam konteks kajian ini, pelajar yang merasakan chatbot AI mudah digunakan dan memberi manfaat kepada pembelajaran mereka dijangka mempunyai niat penggunaan yang lebih tinggi. Sebaliknya, jika teknologi tersebut dianggap sukar atau tidak memberikan nilai tambah kepada pembelajaran, niat penggunaan akan menjadi rendah.

Expectancy-Value Theory

Expectancy-Value Theory yang dikemukakan oleh Eccles dan Wigfield (2002) menyatakan bahawa individu cenderung untuk terlibat dalam sesuatu aktiviti berdasarkan nilai yang diberikan terhadap aktiviti tersebut. Dalam kajian ini, dua dimensi nilai utama digunakan iaitu nilai pencapaian dan nilai intrinsik. Nilai pencapaian merujuk kepada sejauh mana pelajar percaya bahawa penggunaan chatbot AI dapat membantu mencapai prestasi akademik yang lebih baik, manakala nilai intrinsik merujuk kepada tahap minat, keseronokan dan kepuasan yang dirasai semasa menggunakan teknologi tersebut. Gabungan TAM dan Expectancy-Value Theory memberikan asas teori yang kukuh dalam menjelaskan bagaimana faktor persepsi dan motivasi mempengaruhi niat pelajar untuk menggunakan chatbot AI dalam pembelajaran.

Kerangka Kajian Konseptual

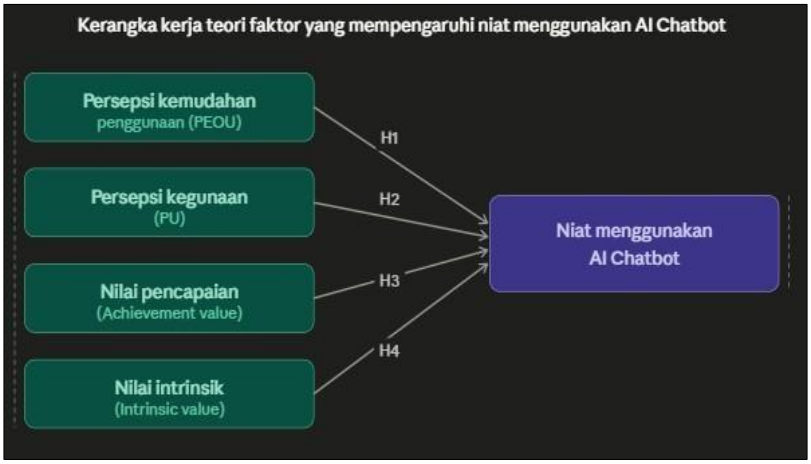
Kerangka kajian ini dibangunkan berdasarkan gabungan Technology Acceptance Model (TAM) dan Expectancy-Value Theory (EVT) bagi menjelaskan faktor-faktor yang mempengaruhi niat pelajar untuk menggunakan AI chatbot. Berdasarkan kajian literatur, empat pemboleh ubah bebas telah dikenal pasti, iaitu persepsi kemudahan penggunaan, persepsi kegunaan, nilai pencapaian dan nilai intrinsik, manakala niat menggunakan AI chatbot merupakan pemboleh ubah bersandar. Keempat-empat pemboleh ubah bebas tersebut dijangka mempengaruhi niat pelajar Fakulti Pengurusan UTM untuk menggunakan AI chatbot dalam aktiviti pembelajaran. Rajah 2.1 menunjukkan kerangka kajian yang digunakan dalam kajian ini.

Hipotesis

Hubungan antara Persepsi Kemudahan Penggunaan (PEOU) dan Niat Menggunakan Chatbot AI

Persepsi kemudahan penggunaan merujuk kepada tahap kepercayaan bahawa AI chatbot mudah digunakan dan tidak memerlukan usaha yang tinggi. Kajian lepas menunjukkan bahawa teknologi yang dianggap mudah digunakan meningkatkan kecenderungan pengguna untuk menggunakannya (Davis, 1989; Tan et al., 2025). Oleh itu, hipotesis berikut dibangunkan:

H1: Terdapat hubungan positif yang signifikan antara persepsi kemudahan penggunaan (PEOU) dan niat menggunakan AI chatbot dalam kalangan pelajar Fakulti Pengurusan UTM.



Rajah 2.1 Kerangka Kerja Teori Faktor Yang Mempengaruhi Niat Menggunakan AI Chatbot

Hubungan antara Persepsi Kegunaan (PU) dan Niat Menggunakan Chatbot AI

Persepsi kegunaan merujuk kepada kepercayaan bahawa penggunaan AI chatbot dapat meningkatkan keberkesanan dan prestasi pembelajaran. Kajian terdahulu menunjukkan bahawa pelajar lebih cenderung menggunakan teknologi apabila mereka melihat manfaat yang diperoleh daripadanya (Venkatesh & Davis, 2000; Tan et al., 2025). Oleh itu, hipotesis berikut dibangunkan:

H2: Terdapat hubungan positif yang signifikan antara persepsi kegunaan (PU) dan niat menggunakan AI chatbot dalam kalangan pelajar Fakulti Pengurusan UTM.

Hubungan antara Nilai Pencapaian dan Niat Menggunakan Chatbot AI

Nilai pencapaian merujuk kepada kepentingan yang diberikan oleh pelajar terhadap kejayaan akademik mereka. Kajian terdahulu menunjukkan bahawa pelajar yang melihat AI chatbot sebagai alat yang dapat membantu mencapai matlamat akademik mempunyai kecenderungan yang lebih tinggi untuk menggunakannya (Tan et al., 2025; Nugroho, 2025). Oleh itu, hipotesis berikut dibangunkan:

H3: Terdapat hubungan positif yang signifikan antara nilai pencapaian dan niat menggunakan AI chatbot dalam kalangan pelajar Fakulti Pengurusan UTM.

Hubungan antara Nilai Intrinsik dan Niat Menggunakan Chatbot AI

Nilai intrinsik merujuk kepada keseronokan dan kepuasan yang diperoleh daripada penggunaan AI chatbot. Kajian terdahulu menunjukkan bahawa pelajar yang menikmati penggunaan teknologi lebih cenderung untuk terus menggunakannya dalam aktiviti pembelajaran (Tan et al., 2025; Persson et al., 2024). Oleh itu, hipotesis berikut dibangunkan:

H4: Terdapat hubungan positif yang signifikan antara nilai intrinsik dan niat menggunakan AI chatbot dalam kalangan pelajar Fakulti Pengurusan UTM.

Perbezaan niat penggunaan AI chatbot berdasarkan umur

Perbezaan tahap pendedahan dan pengalaman terhadap teknologi mengikut kumpulan umur boleh mempengaruhi niat pelajar untuk menggunakan AI chatbot. Kajian terdahulu turut melaporkan bahawa faktor demografi mempunyai hubungan dengan penggunaan AI dalam kalangan pelajar universiti (Khairuddin et al., 2024). Oleh itu, hipotesis berikut dibangunkan:

H5: Terdapat perbezaan yang signifikan dalam niat menggunakan AI chatbot berdasarkan umur.

Perbezaan niat penggunakan AI Chatbot berdasarkan tahun pengajian

Pelajar pada tahun pengajian yang berbeza mungkin mempunyai tahap pendedahan dan pengalaman yang berbeza dalam menggunakan teknologi AI, sekali gus mempengaruhi niat penggunaan AI chatbot. Kajian terdahulu turut menunjukkan bahawa pengalaman sepanjang tempoh pengajian mempengaruhi penggunaan AI chatbot dalam aktiviti akademik (Foroughi et al., 2025). Oleh itu, hipotesis berikut dibangunkan:

H6: Terdapat perbezaan yang signifikan dalam niat menggunakan AI chatbot berdasarkan tahun pengajian.

METODOLOGI KAJIAN

Populasi Kajian

Menurut Creswell dan Creswell (2018), populasi adalah sasaran kajian ke atas sekumpulan subjek yang ingin dikaji. Bagi kajian ilmiah, selalunya tidak sesuai untuk melaksanakan kajian ke atas keseluruhan subjek. Sebaliknya, pengkaji akan mengambil sampel daripada populasi subjek tersebut yang ingin dikaji bagi mewakili keseluruhan subjek. Justeru, bagi kajian ini, populasi menyasarkan kepada 800 orang pelajar separuh masa di Fakulti Pengurusan, Universiti Teknologi Malaysia yang pernah atau sedang menggunakan AI chatbot sebagai alat sokongan pembelajaran. Pelajar separuh masa dipilih kerana mereka merupakan pengguna aktif teknologi digital dalam aktiviti akademik dan lebih bergantung kepada fleksibiliti pembelajaran berasaskan teknologi disebabkan komitmen kerja dan masa yang terhad.

Sampel Kajian

Menurut Sekaran dan Bougie (2019), persampelan adalah proses memilih secara statistik sampel perwakilan individu daripada populasi yang difokus untuk dikaji oleh pengkaji. Kajian ini menggunakan kaedah Persampelan Rawak Berstrata (Stratified Random Sampling) kerana populasi kajian terdiri daripada pelajar pada tahap pengajian yang berbeza yang boleh mempengaruhi tahap pendedahan serta penggunaan AI chatbot dalam pembelajaran.

Perkiraan Saiz Sampel

Merujuk kepada Jadual Krejcie dan Morgan (1970), saiz sampel minimum bagi populasi 800 orang adalah 260 responden pada tahap keyakinan 95% dan margin ralat 5%. Kajian ini menetapkan saiz sampel sebanyak 270 responden bagi memastikan perwakilan yang mencukupi dan meningkatkan kebolehpercayaan dapatan kajian. Walaupun saiz sampel minimum yang dicadangkan adalah 260 responden, kajian ini menetapkan sasaran sebanyak 270 responden bagi meningkatkan ketepatan dapatan kajian serta mengurangkan risiko kehilangan data akibat borang soal selidik yang tidak lengkap atau tidak boleh digunakan.

Jadual 3.1 Penentuan Saiz Sampel Berdasarkan Saiz Populasi (Krejcie & Morgan, 1970)

Populasi (N)	**Sampel (S)**
700	248
750	254
800	260
900	269
950	274
1000	278

Instrumen Kajian

Jadual 3.2 Pelan Persampelan Mengikut Tahun Pengajian

Tahun Pengajian (Strata)	**Bilangan Pelajar**	**Peratus (%)**	**Bilangan Sampel (n=270)**
Tahun 1	150	18.8%	51
Tahun 2	200	25%	68
Tahun 3	230	28.8%	78
Tahun 4	170	21.3%	57
Tahun 5	50	6.3%	16
Jumlah	**800**	**100%**	**270**

Kaedah kuantitatif adalah sejenis alat pengukuran yang melibatkan proses mengumpulkan,

menganalisis, menafsirkan data dan juga menulis hasil berdasarkan sampel populasi (Creswell & Creswell, 2018). Justeru, kajian ini menggunakan kaedah kuantitatif melalui soalan kaji selidik berstruktur. Penggunaan borang soal selidik adalah wajar kerana ia merupakan platform yang pantas dalam mendapatkan maklumbalas, masa yang terhad dan responden tidak dipengaruhi oleh tingkahlaku pengkaji. Soal selidik diedarkan secara dalam talian menggunakan platform Google Form. Terdapat tiga bahagian di dalam borang soal selidik iaitu Bahagian A, B dan C. Bahagian A mengkhususkan kepada data demografi responden. Bahagian B menjurus kepada faktor-faktor niat penggunaan AI chatbot berdasarkan empat (4) pembolehubah bebas. Bahagian C pula memfokuskan kepada niat menggunakan AI chatbot. Kesemua soalan yang terkandung dalam borang soal selidik tersebut adalah berdasarkan kepada objektif kajian agar matlamat kajian akan dapat tercapai. Struktur soalan kaji selidik adalah seperti di Jadual 3.3.

Jadual 3.3 Struktur Soalan Kaji Selidik

Bahagian	**Perkara**	**Bilangan Soalan**
A	Data Demografi	6
B	Persepsi Kemudahan Penggunaan (PEOU)	6
B	Persepsi Kegunaan (PU)	5
B	Nilai Pencapaian	3
B	Nilai Intrinsik	3
C	Niat Menggunakan AI Chatbot	3
	Jumlah	26

Kajian ini menggunakan teknik "closed-ended" bagi memudahkan responden membuat pilihan jawapan yang tepat. Soalan borang soal selidik Bahagian A adalah berbentuk pilihan pelbagai, manakala soalan Bahagian B dan C adalah berbentuk Skala Likert. Jenis jawapan soal selidik yang digunakan adalah berpandukan kepada Skala Likert seperti dalam Jadual 3.5. Tujuannya ialah untuk mendapatkan data yang lebih jitu dan dapat membuat analisis terhadap faktor-faktor tersebut.

Jadual 3.5 Nilai Skala

Sangat Tidak Setuju	1	2	3	4	5	Sangat Setuju

Ujian Rintis

Ujian rintis dijalankan sebelum proses pengumpulan data sebenar bagi memastikan instrumen soal selidik adalah jelas, mudah difahami serta mempunyai tahap kebolehpercayaan yang memuaskan (Hair et al., 2019). Ujian rintis bagi kajian ini melibatkan seramai 30 orang pelajar separuh masa Fakulti Pengurusan UTM yang pernah atau sedang menggunakan AI chatbot. Data yang diperoleh dianalisis menggunakan perisian SPSS bagi menentukan nilai Cronbach's Alpha bagi setiap konstruk. Menurut Hair et al. (1998), nilai Cronbach's Alpha melebihi 0.60 adalah memadai untuk kajian rintis. Selain itu, Sekaran dan Bougie (2019) menjelaskan bahawa nilai Cronbach's Alpha antara 0.60 hingga 0.69 masih boleh diterima secara marginal

bergantung kepada konteks kajian dan bilangan item yang digunakan.

Kaedah Analisis

Statistical Package for Social Science (SPSS) digunakan sebagai perisian utama untuk menganalisis data kuantitatif yang diperolehi daripada responden.

Ujian Normaliti

Menurut Kline (2015), Ujian Normaliti digunakan untuk menentukan sama ada data bertaburan secara normal. Penilaian normaliti dilakukan menggunakan nilai skewness dan kurtosis bagi menilai tahap kesimetrian dan bentuk taburan data. Nilai skewness dan kurtosis yang berada dalam julat **±3** menunjukkan bahawa data adalah bertaburan secara normal dan sesuai digunakan untuk analisis parametrik. Ujian normaliti penting bagi memastikan data yang dikumpulkan memenuhi andaian analisis statistik supaya keputusan yang diperoleh adalah tepat dan boleh dipercayai.

Ujian Kebolehpercayaan

Menurut Hair et al. (2019), nilai Cronbach's Alpha antara 0.70 hingga 0.80 menunjukkan tahap kebolehpercayaan yang boleh diterima, manakala nilai melebihi 0.80 menunjukkan tahap kebolehpercayaan yang baik. Walau bagaimanapun, Sekaran dan Bougie (2019) menjelaskan bahawa nilai Cronbach's Alpha antara 0.60 hingga 0.69 masih boleh diterima secara marginal bergantung kepada konteks kajian dan bilangan item yang digunakan. Jadual 3.6 menunjukkan interpretasi nilai Cronbach's Alpha yang digunakan dalam kajian ini. **Sumber:** Hair et al. (2019); Sekaran dan Bougie (2019).

Analisis Deskriptif

Kaedah Deskriptif merupakan satu kaedah yang digunakan untuk menganalisis maklum balas yang diperolehi daripada responden melalui borang soal selidik yang diedarkan. Di dalam kajian ini ia digunakan untuk menerangkan kekerapan dan peratusan bagi mengenalpasti demografi responden seperti jantina, umur, tahun pengajian, status perkahwinan dan status pekerjaan. Melalui Persoalan Kajian 1, kaedah Analisis Deskriptif akan digunakan untuk menentukan tahap faktor-faktor yang mempengaruhi niat penggunaan AI chatbot. Nilai skor 1 hingga 5 menunjukkan tahap persetujuan responden terhadap soalan-soalan yang diajukan dan boleh diringkaskan seperti pada Jadual 3.7.

Jadual 3.6 Interpretasi Nilai Cronbach's Alpha

Cronbach's Alpha (α)	Interpretasi
$\alpha \geq 0.90$	Sangat Baik
$0.80 \leq \alpha < 0.90$	Baik
$0.70 \leq \alpha < 0.80$	Boleh Diterima
$0.60 \leq \alpha < 0.70$	Boleh Diterima Secara Sederhana
$\alpha < 0.60$	Tidak Memuaskan

Jadual 3.7 Tahap Persetujuan Berdasarkan Nilai Min

Nilai Min	Tahap
3.67 – 5.00	Tinggi
2.34 – 3.66	Sederhana
1.00 – 2.33	Rendah

Analisis Korelasi Pearson

Korelasi Pearson digunakan untuk mengukur dan menilai hubungan antara dua atau lebih pembolehubah selanjar dan linear. Nilai pekali korelasi ini antara -1 hingga +1 menunjukkan tiga kemungkinan hubungan, iaitu hubungan positif (+), hubungan negatif (-) atau tiada hubungan (r=0). Tanda (+) atau (-) masing-masing menjelaskan arah hubungan yang positif atau negatif, manakala nilai mutlaknya pula menjelaskan kekuatan hubungan (Cohen, 1988). Dalam kajian ini, kaedah Analisis Korelasi Pearson seperti di Jadual 3.8 digunakan untuk Persoalan Kajian 2 dalam menjelaskan kekuatan hubungan faktor-faktor yang mempengaruhi niat menggunakan AI chatbot di kalangan pelajar Fakulti Pengurusan UTM.

Jadual 3.8 Jadual Korelasi Pearson

Kekuatan Hubungan	r
Sangat Lemah	0.00 – 0.19
Lemah	0.20 – 0.39
Sederhana	0.40 – 0.59
Kuat	0.60 – 0.79
Sangat Kuat	0.80 – 1.00

Analisis ANOVA One-Way

Analisis ANOVA One-Way digunakan untuk mengkaji sama ada terdapat perbezaan yang signifikan dalam min niat penggunaan AI chatbot berdasarkan faktor demografi, iaitu umur dan tahun pengajian. Analisis ini membolehkan perbandingan dibuat antara lebih daripada dua kumpulan bagi menentukan kewujudan perbezaan min antara kumpulan tersebut. Aras signifikan $p < 0.05$ digunakan, di mana nilai p yang kurang daripada 0.05 menunjukkan terdapat perbezaan yang signifikan antara kumpulan. Sekiranya keputusan ANOVA menunjukkan perbezaan yang signifikan, ujian post-hoc Tukey HSD akan dijalankan untuk mengenal pasti kumpulan yang berbeza secara khusus (Pallant, 2020).

DAPATAN KAJIAN

Kadar Maklum Balas Kajian

Sebanyak 270 set soal selidik telah diedarkan kepada pelajar Fakulti Pengurusan Universiti Teknologi Malaysia yang memenuhi kriteria kajian. Daripada jumlah tersebut, sebanyak 231 set soal selidik telah diterima dan layak untuk dianalisis, mewakili kadar maklum balas sebanyak 85.6%. Sebanyak 39 set soal selidik (14.4%) tidak lengkap atau tidak memenuhi syarat untuk dianalisis. Kadar maklum balas yang tinggi ini menunjukkan tahap kerjasama responden yang baik serta mencukupi untuk menjalankan analisis statistik bagi mencapai objektif kajian.

Profil Responden

Seramai 231 orang responden telah terlibat dalam kajian ini. Berdasarkan profil demografi, majoriti responden terdiri daripada perempuan (53.2%), berumur antara 20 hingga 25 tahun (52.8%), merupakan pelajar Tahun 2 (29.9%), berstatus berkahwin (55.4%) dan bekerja sepenuh masa semasa mengikuti pengajian (55.8%). Kesemua responden pernah menggunakan AI chatbot untuk tujuan akademik, sekali gus memenuhi kriteria pemilihan sampel kajian. Jadual 4.2 menunjukkan ringkasan profil demografi responden.

Jadual 4.4 Profil Demografi Responden (N = 231)

Demografi	Kategori	Kekerapan(f)	Peratusan(%)
Jantina	Lelaki	108	46.8
	Perempuan	123	53.2
Umur	20 – 25 Tahun	122	52.8
	26 – 30 Tahun	34	14.7
	31 – 35 Tahun	35	15.2
	36 – 40 Tahun	33	14.3
	Lebih 40 Tahun	7	3
Tahun Pengajian	Tahun 1	39	16.9
	Tahun 2	69	29.9
	Tahun 3	57	24.7
	Tahun 4	17	7.4
	Tahun 5	49	21.2
Status Perkahwinan	Bujang	80	34.6
	Berkahwin	128	55.4
	Bercerai/Berpisah	23	10
Status Pekerjaan	Tiada pekerjaan (pelajar sepenuh masa)	62	26.8
	Bekerja sambilan	19	8.2
	Bekerja sepenuh masa	129	55.8
	Bekerja sendiri	21	9.1
Pengalaman Menggunakan AI Chatbot	Ya	231	100

Analisis Kebolehpercayaan

Analisis kebolehpercayaan dijalankan bagi menilai tahap konsistensi dalaman item-item yang digunakan untuk mengukur setiap konstruk dalam kajian ini. Nilai Cronbach's Alpha digunakan sebagai petunjuk tahap kebolehpercayaan instrumen kajian. Menurut Hair et al. (2019), nilai Cronbach's Alpha antara 0.70 hingga 0.80 menunjukkan tahap kebolehpercayaan yang boleh diterima, manakala nilai melebihi 0.80 menunjukkan tahap kebolehpercayaan yang baik. Walau bagaimanapun, Sekaran dan Bougie (2019) menyatakan bahawa nilai Cronbach's Alpha antara 0.60 hingga 0.69 masih boleh diterima secara marginal bergantung kepada konteks kajian dan bilangan item yang digunakan. Berdasarkan Jadual 4.5, semua konstruk mencatatkan nilai Cronbach's Alpha yang memuaskan, iaitu antara 0.698 hingga 0.851. Konstruk Niat Menggunakan AI Chatbot mencatatkan nilai tertinggi (α = 0.851), diikuti oleh Persepsi Kemudahan Penggunaan (α = 0.833), Nilai Intrinsik (α = 0.754) dan Persepsi Kegunaan (α = 0.742). Walaupun konstruk Nilai Pencapaian mencatatkan nilai Cronbach's Alpha sebanyak 0.698, nilai tersebut masih boleh diterima secara marginal dan menunjukkan tahap kebolehpercayaan yang memadai untuk digunakan dalam kajian ini. Oleh itu, semua item soal selidik dalam kajian ini adalah boleh dipercayai dan sesuai digunakan untuk analisis seterusnya.

Jadual 4.5 Keputusan Analisis Kebolehpercayaan (*Cronbach's Alpha*)

Pemboleh ubah	**Nilai Cronbach's Alpha**
Niat Menggunakan	0.851
Persepsi Kemudahan penggunaan	0.833
Persepsi Kegunaan yang Dirasakan	0.742
Nilai Pencapaian	0.698
Nilai Intrinsik	0.754

Analisis Deskriptif

Analisis deskriptif dijalankan bagi mengenal pasti tahap setiap pemboleh ubah yang dikaji berdasarkan nilai min dan sisihan piawai. Analisis ini digunakan untuk menjawab Objektif Kajian 1, iaitu mengenal pasti faktor-faktor yang mempengaruhi niat menggunakan AI chatbot dalam kalangan pelajar Fakulti Pengurusan Universiti Teknologi Malaysia. Berdasarkan Jadual 4.6, Niat Menggunakan AI Chatbot mencatatkan nilai min keseluruhan tertinggi (Min = 3.775, SP = 1.039). Bagi pemboleh ubah bebas, Persepsi Kemudahan Penggunaan (PEOU) mencatatkan nilai min tertinggi (Min = 3.769, SP = 0.845), diikuti oleh Nilai Pencapaian (Min = 3.631, SP = 0.993), Persepsi Kegunaan (Min = 3.604, SP = 0.867) dan Nilai Intrinsik (Min = 3.494, SP = 1.039). Dapatan ini menunjukkan bahawa kemudahan penggunaan merupakan faktor yang paling dominan dalam mempengaruhi niat pelajar untuk menggunakan AI chatbot. Secara keseluruhannya, semua pemboleh ubah menunjukkan tahap min yang sederhana tinggi, menggambarkan persepsi positif pelajar terhadap penggunaan AI chatbot sebagai alat sokongan pembelajaran.

Jadual 4.6 Ringkasan Analisis Deskriptif Keseluruhan Pemboleh Ubah Kajian (N = 231)

Pemboleh Ubah	Min	Sisihan Piawai
Niat Menggunakan	3.775	1.039
Persepsi Kemudahan Penggunaan	3.769	0.845
Persepsi Kegunaan	3.604	0.867
Nilai Pencapaian	3.631	0.993
Nilai Intrinsik	3.494	1.039

Analisis Korelasi Pearson

Analisis Korelasi Pearson dijalankan bagi menentukan kekuatan dan arah hubungan antara pemboleh ubah bebas, iaitu Persepsi Kemudahan Penggunaan (PEOU), Persepsi Kegunaan (PU), Nilai Pencapaian (AV) dan Nilai Intrinsik (IV), dengan pemboleh ubah bersandar, iaitu niat menggunakan AI chatbot. Analisis ini digunakan untuk menjawab Objektif Kajian 2, iaitu mengkaji hubungan antara faktor-faktor yang mempengaruhi niat menggunakan AI chatbot dalam kalangan pelajar Fakulti Pengurusan Universiti Teknologi Malaysia.Berdasarkan Jadual 4.7, semua pemboleh ubah bebas menunjukkan hubungan positif yang signifikan dengan niat menggunakan AI chatbot pada aras signifikan $p < 0.01$ (1-tailed). Persepsi Kemudahan Penggunaan (PEOU) mencatatkan hubungan paling kuat ($r = 0.665$), diikuti oleh Persepsi Kegunaan (PU) ($r = 0.587$), Nilai Intrinsik (IV) ($r = 0.507$) dan Nilai Pencapaian (AV) ($r = 0.494$). Dapatan ini menunjukkan bahawa peningkatan persepsi terhadap faktor-faktor tersebut berkait dengan peningkatan niat menggunakan AI chatbot. Oleh itu, hipotesis H1, H2, H3 dan H4 adalah disokong.

Jadual 4.7 Analisis Korelasi Pearson antara Pemboleh Ubah Bebas dan Pemboleh Ubah Bersandar (N = 231)

Hipotesis	Hubungan	Nilai r	Sig. (1-tailed)	Keputusan
H1	PEOU – ITU	0.665	0.000	Disokong
H2	PU – ITU	0.587	0.000	Disokong
H3	AV – ITU	0.494	0.000	Disokong
H4	IV – ITU	0.507	0.000	Disokong

Nota: **Korelasi adalah signifikan pada aras $p < 0.01$ (1-tailed).

Analisis ANOVA One-Way

Analisis ANOVA One-Way dijalankan bagi mengenal pasti sama ada terdapat perbezaan yang signifikan dalam niat menggunakan AI chatbot berdasarkan faktor demografi iaitu umur dan tahun pengajian. Analisis ini digunakan untuk menjawab Objektif Kajian 3, iaitu menentukan perbezaan niat menggunakan AI chatbot berdasarkan ciri-ciri demografi pelajar.

Jadual 4.8a Ujian ANOVA Satu Hala bagi Niat Menggunakan Berdasarkan Umur

Sumber Variasi	Sum of Squares	df	*Mean Square*	F	Sig.
Antara Kumpulan	71.061	4	17.765	22.653	0.00

Dalam Kumpulan	177.234	226	0.784		
Jumlah	248.294	230			

Perbezaan Niat Menggunakan AI Chatbot Berdasarkan Umur

Jadual 4.8a menunjukkan keputusan Analisis ANOVA One-Way bagi perbezaan niat menggunakan AI chatbot berdasarkan umur. Keputusan analisis menunjukkan terdapat perbezaan yang signifikan dalam niat menggunakan AI chatbot berdasarkan umur responden ($p < 0.05$). Oleh itu, hipotesis H5 diterima. Dapatan ini menunjukkan bahawa kecenderungan pelajar untuk menggunakan AI chatbot adalah berbeza mengikut kumpulan umur. Perbezaan ini mungkin dipengaruhi oleh tahap pendedahan, pengalaman penggunaan teknologi serta keperluan akademik yang berbeza antara kumpulan umur. Berdasarkan Jadual 4.8b, kumpulan responden berumur 26 hingga 30 tahun mencatatkan nilai min niat menggunakan AI chatbot yang tertinggi, iaitu 4.637 (SP = 0.352). Ini diikuti oleh kumpulan responden berumur lebih 40 tahun dengan nilai min 4.286 (SP = 0.951), kumpulan umur 31 hingga 35 tahun dengan nilai min 4.257 (SP = 0.682), dan kumpulan umur 36 hingga 40 tahun dengan nilai min 4.141 (SP = 0.571). Sebaliknya, kumpulan responden berumur 20 hingga 25 tahun mencatatkan nilai min yang paling rendah, iaitu 3.268 (SP = 1.081). Dapatan ini menunjukkan bahawa responden dalam kumpulan umur yang lebih matang cenderung mempunyai niat yang lebih tinggi untuk menggunakan AI chatbot dalam pembelajaran berbanding responden yang lebih muda. Keadaan ini mungkin disebabkan oleh perbezaan dari segi pengalaman pembelajaran, keperluan akademik serta tahap penghargaan terhadap manfaat penggunaan AI chatbot dalam menyokong proses pembelajaran.

Jadual 4.8b Analisis Deskriptif Niat Menggunakan AI Chatbot Berdasarkan Umur

Kumpulan Umur	**N**	**Min**
20–25 Tahun	122	3.268
26–30 Tahun	34	4.637
31–35 Tahun	35	4.257
36–40 Tahun	33	4.141
Lebih 40 Tahun	7	4.286
Jumlah	231	3.775

Perbezaan Niat Menggunakan AI Chatbot Berdasarkan Tahun Pengajian

Jadual 4.9a menunjukkan keputusan Analisis ANOVA One-Way bagi perbezaan niat menggunakan AI chatbot berdasarkan tahun pengajian. Keputusan analisis menunjukkan terdapat perbezaan yang signifikan dalam niat menggunakan AI chatbot berdasarkan tahun pengajian responden ($p < 0.05$). Oleh itu, hipotesis H6 diterima. Dapatan ini menunjukkan bahawa tahap niat menggunakan AI chatbot adalah berbeza mengikut tahun pengajian pelajar. Perbezaan tersebut mungkin disebabkan oleh varias i tahap pembelajaran, pengalaman akademik dan keperluan penggunaan teknologi dalam kalangan pelajar pada peringkat pengajian yang berbeza. Berdasarkan Jadual 4.9b, pelajar Tahun 4 mencatatkan min niat penggunaan yang paling tinggi (Min = 4.451, SP = 0.539), diikuti oleh pelajar Tahun 3 (Min = 4.439, SP = 0.476), Tahun 5 (Min = 3.946, SP = 0.951), Tahun 1 (Min = 3.325, SP = 0.751) dan pelajar Tahun 2 mencatatkan min terendah (Min = 3.193, SP = 1.216).

Jadual 4.9a Ujian ANOVA Satu Hala bagi Niat Menggunakan Berdasarkan Tahun Pengajian

Sumber Variasi	**Sum of Squares**	**df**	***Mean Square***	**F**	**Sig.**
Antara Kumpulan	65.552	4	16.388	20.267	0.00
Dalam Kumpulan	182.742	226	0.809		
Jumlah	248.294	230			

Jadual 4.9b Analisis Deskriptif Niat Menggunakan AI Chatbot Berdasarkan Tahun Pengajian (N = 231)

Tahun Pengajian	**N**	**Min**
Tahun 1	39	3.325
Tahun 2	69	3.193
Tahun 3	57	4.439
Tahun 4	17	4.451
Tahun 5	49	3.946
Jumlah	231	3.775

Perbincangan Dapatan Kajian

Objektif Kajian 1

Objektif pertama kajian ini adalah untuk mengenal pasti faktor-faktor yang mempengaruhi niat menggunakan AI chatbot dalam kalangan pelajar Fakulti Pengurusan Universiti Teknologi Malaysia. Dapatan analisis deskriptif menunjukkan bahawa Persepsi Kemudahan Penggunaan (PEOU) mencatatkan nilai min tertinggi berbanding pemboleh ubah bebas yang lain. Dapatan ini menunjukkan bahawa kemudahan penggunaan merupakan faktor yang paling penting dalam mempengaruhi niat pelajar untuk menggunakan AI chatbot. Pelajar cenderung menggunakan AI chatbot apabila sistem tersebut mudah digunakan, mudah difahami dan dapat memberikan respons yang cepat. Dapatan ini selari dengan kajian Davis (1989), Venkatesh dan Davis (2000) serta Foroughi et al. (2025) yang mendapati bahawa kemudahan penggunaan memainkan peranan penting dalam meningkatkan penerimaan teknologi.Selain itu, Nilai Pencapaian mencatatkan nilai min kedua tertinggi, diikuti oleh Persepsi Kegunaan dan Nilai Intrinsik. Dapatan ini menunjukkan bahawa faktor motivasi dan persepsi terhadap manfaat teknologi turut mempengaruhi kecenderungan pelajar untuk menggunakan AI chatbot dalam pembelajaran. Secara keseluruhannya, semua pemboleh ubah menunjukkan tahap min yang sederhana tinggi, menggambarkan persepsi positif pelajar terhadap penggunaan AI chatbot dalam aktiviti akademik.

Objektif Kajian 2

Objektif kedua kajian ini adalah untuk mengkaji hubungan antara persepsi kemudahan penggunaan, persepsi kegunaan, nilai pencapaian dan nilai intrinsik dengan niat menggunakan AI chatbot dalam kalangan pelajar Fakulti Pengurusan Universiti Teknologi Malaysia. Keputusan Analisis Korelasi Pearson menunjukkan bahawa semua pemboleh ubah bebas mempunyai hubungan positif dan signifikan dengan niat menggunakan AI chatbot. Persepsi kemudahan penggunaan menunjukkan hubungan paling kuat, diikuti oleh persepsi kegunaan, nilai intrinsik dan nilai pencapaian. Dapatan ini menunjukkan bahawa semakin positif persepsi pelajar terhadap kemudahan penggunaan, kegunaan dan nilai yang diperoleh daripada AI chatbot, semakin tinggi kecenderungan mereka untuk menggunakan teknologi tersebut. Dapatan kajian ini selari dengan Technology Acceptance Model (Davis, 1989) dan Expectancy-Value Theory (Eccles & Wigfield, 2002) yang menjelaskan bahawa faktor persepsi dan motivasi memainkan peranan penting dalam mempengaruhi tingkah laku penggunaan teknologi. Oleh itu, hipotesis H1, H2, H3 dan H4 adalah disokong.

Objektif Kajian 3

Objektif ketiga kajian ini adalah untuk mengkaji perbezaan niat menggunakan AI chatbot berdasarkan umur dan tahun pengajian. Keputusan Analisis ANOVA One-Way menunjukkan bahawa terdapat perbezaan yang signifikan dalam niat menggunakan AI chatbot berdasarkan kedua-dua faktor demografi tersebut. Dapatan ini menunjukkan bahawa tahap pendedahan terhadap teknologi, pengalaman pembelajaran dan keperluan akademik yang berbeza mempengaruhi kecenderungan pelajar untuk menggunakan AI chatbot. Oleh itu, hipotesis H5 dan H6 adalah disokong.

Implikasi Kajian

Kajian ini memberikan beberapa implikasi penting kepada bidang pendidikan tinggi dan penggunaan teknologi kecerdasan buatan dalam pembelajaran. Dari sudut teori, dapatan kajian menyokong penggunaan Technology Acceptance Model (TAM) dan Expectancy-Value Theory dalam menjelaskan niat penggunaan AI chatbot dalam kalangan pelajar universiti. Keputusan kajian menunjukkan bahawa faktor persepsi dan motivasi mempunyai peranan yang signifikan dalam mempengaruhi niat penggunaan teknologi. Dari sudut praktikal, dapatan kajian dapat membantu pihak universiti dan fakulti dalam merancang strategi penggunaan AI chatbot yang lebih berkesan dalam proses pembelajaran. Penekanan boleh diberikan kepada pembangunan kemahiran penggunaan AI chatbot secara beretika serta meningkatkan kesedaran pelajar terhadap manfaat teknologi tersebut dalam menyokong aktiviti akademik. Selain itu, dapatan kajian ini turut memberikan panduan kepada pihak universiti dalam membangunkan polisi dan garis panduan berkaitan penggunaan AI chatbot dalam pembelajaran. Dengan peningkatan penggunaan teknologi kecerdasan buatan dalam kalangan pelajar, institusi pengajian tinggi perlu memastikan penggunaan teknologi tersebut dapat menyokong proses pembelajaran tanpa menjejaskan integriti akademik. Justeru, program kesedaran, latihan penggunaan AI secara beretika serta pendedahan kepada amalan terbaik penggunaan AI chatbot boleh diperkenalkan bagi membantu pelajar memanfaatkan teknologi tersebut secara bertanggungjawab. Langkah ini bukan sahaja dapat meningkatkan keberkesanan pembelajaran, malah dapat memastikan penggunaan AI chatbot selari dengan objektif pendidikan tinggi dan pembangunan kompetensi pelajar pada masa hadapan.

Cadangan Kajian Akan Datang

Kajian ini mempunyai beberapa batasan yang boleh dijadikan asas kepada kajian akan datang. Pertama, kajian ini hanya melibatkan pelajar Fakulti Pengurusan Universiti Teknologi Malaysia, justeru kajian pada masa hadapan boleh diperluaskan kepada pelajar daripada fakulti atau universiti lain bagi meningkatkan kebolehgunaan dapatan kajian. Kedua, kajian akan datang boleh menambah pemboleh ubah lain seperti kepercayaan terhadap AI, risiko yang dirasai atau pengaruh sosial bagi mendapatkan pemahaman yang lebih menyeluruh mengenai penggunaan AI chatbot. Ketiga, penggunaan pendekatan campuran yang menggabungkan kaedah kuantitatif dan kualitatif juga boleh dipertimbangkan bagi memperoleh penjelasan yang lebih mendalam mengenai pengalaman penggunaan AI chatbot dalam kalangan pelajar. Di samping itu, kajian pada masa hadapan boleh menggunakan reka bentuk kajian longitudinal bagi meneliti perubahan niat penggunaan AI chatbot dari semasa ke semasa. Pendekatan ini dapat memberikan gambaran yang lebih jelas tentang bagaimana pengalaman penggunaan, perkembangan teknologi AI dan perubahan keperluan akademik mempengaruhi niat penggunaan pelajar dalam jangka masa panjang.

KESIMPULAN

Secara keseluruhannya, kajian ini berjaya mencapai ketiga-tiga objektif yang telah ditetapkan. Dapatan kajian menunjukkan bahawa persepsi kemudahan penggunaan, persepsi kegunaan, nilai pencapaian dan nilai intrinsik mempunyai hubungan yang signifikan dengan niat menggunakan AI chatbot dalam kalangan pelajar Fakulti Pengurusan Universiti Teknologi Malaysia. Selain itu, terdapat perbezaan yang signifikan dalam niat penggunaan AI chatbot berdasarkan umur dan tahun pengajian. Dapatan kajian ini diharapkan dapat menyumbang kepada pemahaman yang lebih baik mengenai penggunaan AI chatbot dalam pendidikan tinggi serta membantu pihak universiti merancang strategi penggunaan teknologi AI yang lebih berkesan pada masa hadapan. Selain menyumbang kepada pengembangan literatur berkaitan penerimaan teknologi kecerdasan buatan dalam pendidikan tinggi, kajian ini juga memberikan gambaran awal mengenai corak penggunaan AI chatbot dalam kalangan pelajar Fakulti Pengurusan UTM. Penemuan kajian ini diharapkan dapat menjadi rujukan kepada penyelidik akan datang dalam meneroka faktor-faktor lain yang berpotensi mempengaruhi penggunaan AI chatbot serta membantu institusi pengajian tinggi merancang strategi integrasi teknologi yang lebih berkesan pada masa hadapan.

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THE INFLUENCE OF DEMOGRAPHIC FACTORS TOWARDS THE EFFECTIVENESS OF ISLAMIC PRE-MARRIAGE COURSE AMONG YOUTH IN ISKANDAR PUTERI JOHOR

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ABSTRACT
Islamic pre-marriage courses are indeed crucial in preparing Muslim youths for marriage to enhance their knowledge, attitude, and readiness for marriage. In Iskandar Puteri, Johor, however, the effect of demographic factors on the effectiveness perceived of these courses is still unclear, particularly among the youth. This study was conducted to discuss the effect of the Islamic pre-marriage courses on the youth in Iskandar Puteri, with the focus on the effect of demographic factors. The quantitative research design was used, and data were collected from 384 Muslim youths who had taken Islamic pre-marriage courses. The data obtained from the study were analyzed using descriptive analysis, reliability, Pearson correlation, regression, and ANOVA, using SPSS. The results indicated that the overall attitude of the participants towards the course was positive, with a focus on the improvement of their attitudes towards marriage, knowledge of marriage, and readiness for married life. No significant relationships were found between perceived course effectiveness and age or education level, or education background status, however. The study contributes to Islamic family education as it has shown that the Islamic pre-marital courses have a moderate effect on all the studied demographic groups.

Keywords: Islamic pre-marriage course, demographic factors, course effectiveness, marital readiness, Muslim youth

INTRODUCTION
Marriage is an important institution in Islam that serves as the foundation for the development of a harmonious family and society. To prepare individuals for married life, the Islamic Pre-Marriage Course was introduced in Malaysia as an initiative to equip prospective spouses with essential knowledge, attitudes, and skills related to marriage, family responsibilities, communication, conflict management, and Islamic family law. The course aims to strengthen marital readiness and contribute to the formation of stable and resilient Muslim families.. Some studies conducted in the past have revealed that inadequate preparation and limited knowledge about the roles of marriage may be one of the causes of dissatisfaction and divorce at an early age (Al Gharaibeh & Al Ali, 2022; Hadian Hamedani et al., 2024). Despite the implementation of Islamic pre-marriage courses nationwide, marital issues and divorce cases continue to be reported in Malaysia. According to the Department of Statistics Malaysia (DOSM), Malaysia recorded 188,100 marriages in 2023, while divorce cases remained significant across the country. In 2024, the number of divorces increased to 60,457 cases, reflecting a continued

concern regarding marital stability among Malaysian couples. These statistics indicate the importance of strengthening marital preparation programmes to ensure their effectiveness in preparing individuals for married life. Islamic couples in Malaysia must attend Islamic pre-marriage courses before they can take part in the marriage process. The objective of the courses is to provide the participants with the knowledge of Islamic family law, rights and responsibilities of marriage, communication, conflict management, financial planning, and health and family well-being. Pre-wedding course registration on government platforms shows that the pre-marriage stage is formally acknowledged as a process in the development of Muslim families in Malaysia (Malaysia Government, 2024). Pre-marital education as a prevention in order to strengthen family readiness is also utilized in other Muslim communities, to prevent marital conflict (Kamarusdiana et al., 2022; Kholilah & Ritonga, 2025).

Although the pre-marriage courses are obligatory for all Muslims, there is still much research to be carried out to find how effective such courses are. Some have taken the course because they have to take it for a marriage certificate, and there are those who have taken it because they want to improve their marital readiness. Therefore, the effectiveness of the course may be related not only to the content of the course but also to the demographic background, the learning needs, the motivation, and the maturity of the participants. In the literature on marriage and relationship education, it can be concluded that the pre-marital programmes have a positive influence on the readiness of the participants when they are practical, relevant, and adaptable to the marital challenges (Carlson et al., 2022; Markman et al., 2022). Therefore, this study aims to investigate the effects of demographic factors on the effectiveness of Islamic pre-marriage courses on youth in Iskandar Puteri, Johor. In particular, the study will seek to identify the demographic characteristics of the youth who attend Islamic pre-marriage courses, and then it will seek to determine the relationship between the demographic and the effectiveness of the pre-marriage course in enhancing the knowledge, attitudes towards marriage, and readiness for married life among the youth. The findings can help in the design and implementation of Islamic pre-marriage education courses for Muslim youths in Malaysia by both religious authorities, policy makers, course organisers, and educators.

LITERATURE REVIEW

Islamic pre-marriage courses are designed to provide knowledge of Islam, emotions, practical and social issues to equip Muslim couples to be prepared for married life. In learning and education, effectiveness means how well outcomes of a programme are achieved. The success of an Islamic pre-marriage course can be judged through the increase of marital knowledge, positive attitude towards marriage, and preparedness for married life of pre-marriage course participants. The implementation of pre-marital education is effective when it is not just religious in content, but also features practical aspects such as communication, conflict resolution, financial management, emotional readiness, and family management (Doha International Family Institute, 2025; Ummah, 2025). Marital readiness is not a decision to get married, hence the need for pre-marriage education. It also includes psychological maturity, social responsibility, knowledge of marital roles, and having the financial awareness and capacity to face future challenges in the family. Faradilla and Sunarti (2024) found that young adults' readiness for marriage is related to values, life plans, and preparation for future

responsibilities. Similarly, Al Gharaibeh and Al Ali (2022) suggested that marital breakdown occurs due to unrealistic expectations in marriage or due to inadequate preparation in marriage. The results indicate the importance of pre-marriage Islamic education in a structured manner prior to marriage. Although Islamic pre-marriage courses have been widely implemented, the question of the effectiveness of these courses to all participants who have a wide range of demographic backgrounds arises. Past research has revealed that the results of education can depend on the age, educational level, family, and social experiences of the participants (Hosseinkhanzadeh et al., 2023). It is specifically relevant to understand these demographic impacts since currently, Muslim youth are more prone to the complicated social, cultural, and economic forces that could influence their perception of marriage and preparedness to family life (Charoenwong, 2025). Therefore, the identification of the correlation between demographic variables and the effectiveness of courses is a still important field of research. The literature review will look at the theoretical and empirical basis surrounding Islamic pre-marriage education, demographic factors which affect learning outcomes and effectiveness of premarital educational programmes. The review draws on the existing literature and establishes gaps in the research which justifies the current study about the youth in Iskandar Puteri, Johor.

Underpinning Theory: Adult Learning Theory

The Adult Learning Theory, or Andragogy, is the conceptualization used in this study. The relevance of Adult Learning Theory is evident because the learners of Islamic pre-marriage courses are young adults who are preparing for a big change in their lives. Ideally, adult learners will learn more effectively if the material they are learning is relevant to their life experiences and needs and their future responsibilities. Another reason to consider the relevance of andragogy is the fact that it is more learner-focused, learner-directed, and focused on application, as pointed out by St. Clair (2024). Another justifications for adult learning that is based on its use in a real-world context are given by Knapke et al. (2024), who suggest that the effectiveness of the learning happens when the learning is connected to the real world. If the content of the Islamic pre-marriage courses is related to marriage, family responsibilities, communication, emotional management, and Islamic marital principles, then the participants will be more engaged in the courses. Adult Learning Theory can also be used to make the assumption that demographic characteristics affect the process of learning. For example, age may be a factor in maturity, education a factor in knowledge of the course, background status a factor in family values, knowledge, and marital expectations. Therefore, if AL is suitable, it is appropriate to use theoretical support in the study of the effect of demographic factors on the effectiveness of Islamic pre-marriage courses.

Definition and Explanation of Dependent Variable

The effectiveness of the Islamic pre-marriage course is a dependent variable of this study. The level of marital knowledge, attitude towards marriage, and readiness for married life of the participants of the Islamic pre-marriage course shows the effectiveness of the course. The aim of educating women before marriage in Muslim societies is both utilitarian and religious. The relationship between pre-marital education in Indonesia and Malaysia is closely related to the regulation of religion and family policy, as explained by Kamarusdiana et al (2022). Therefore, Islamic pre-marriage courses are not limited to administrative purposes but also educational and preventive courses to develop a stable Muslim family. Another understanding of the

effectiveness of Islamic pre-marriage education is through moral education. Charoenwong (2025) is convinced that Islamic pre-marriage training helps to promote discipline, responsibility, and values of the family in Malaysia. This indicates that the purpose of Islamic pre-marriage education is to have an impact on both knowledge and behavior, as well as moral awareness. This study is measured in three dimensions: Knowledge about Marriage, Attitude towards Marriage, and Readiness for Married Life. The size of the course is significant because it should not only provide information but also help to develop a positive attitude and preparedness for future family roles.

Figure 1: Adult Learning Theory

Definition and Explanation of Independent Variables

Demographic variables like age, educational level, and background status are independent variables of this study. The participant's understanding, interpretation, and application of the knowledge acquired from the Islamic pre-marriage course may be affected by demographic factors. Age may influence the maturity, seriousness towards marriage, and relationship of the course contents to realities. A younger student may not have been exposed to enough decision-making in the area of relationship/relationship dynamics or family decisions, and/or the older students may have had a more practical understanding of how the material in this course could be applied. The perception of the course may be impacted by the level of education; the more highly educated students may have a different need for detailed, rather than analytical or interactive courses. On the other hand, those who have less education will consider the course to be more informative and useful. Marital status also might affect preexisting family values, social support, and family communication patterns. However, factors such as demography do not necessarily impact course success. However, if the programme is well planned and relevant and presented effectively, it can have a positive impact on different groups, as Markman et al. (2022) state. Programme designer, programme accessibility, programme quality education, and involvement in the programme also have impacts on marriage education outcomes, as argued by Carlson et al. (2022).

Framework IV to DV

The study makes an assumption that there is a relationship between the independent variables and the dependent variable, and it is believed that the demographic characteristic could affect the perception of the effectiveness of the Islamic pre-marriage course. Adult Learning Theory states that adults come to learning with varying levels of experience, maturity, prior knowledge, and motivation (St. Clair, 2024). So, the age and education level of the participants, and their status, may influence their comprehension and assessment of the course content. If the Course is standardised, practical, and relevant, however, the Course may have similar benefits for the various groups of learners. Contemporary young people have additional marriage-related issues that can impact marriage preparation. Social media, changing roles of women and men, later marriage age, individualism, financial and employment pressures are all factors that can have an impact on how young people view family life. Tarigan (2024) points out the importance of social media in the pre-marital education of Generation Z, and Rozi et al. (2025) emphasise the importance of inclusive and flexible pre-marital education. Thus, it can be applied in studying the differential impact of the course on the perception of effectiveness of the course or the uniformity of benefits gained by the course.

Hypotheses Development

The hypothesis is formulated from the literature research and theory, which is:
H1: There is a significant relationship between age and the perceived effectiveness of Islamic pre-marriage courses among youth in Iskandar Puteri, Johor.
H2: There is a significant relationship between education level and the perceived effectiveness of Islamic pre-marriage courses among youth in Iskandar Puteri, Johor.
H3: There is a significant relationship between background status and the perceived effectiveness of Islamic pre-marriage courses among youth in Iskandar Puteri, Johor.

Conceptual Framework

This study's conceptual framework is presented in Figure 1. Demographic characteristics (age, level of education, and background status) are the independent variables. The dependent variable is the effectiveness of the Islamic pre-marriage course, which is measured by knowledge about marriage, attitudes towards marriage, and readiness for marriage. From the perspective of Adult Learning Theory, it is assumed that the knowledge gained through the course may impact participants' comprehension, interpretation, and application of the knowledge, depending on the participant's demographic. Therefore, the effectiveness of Islamic pre-marriage courses that the youth experienced in Iskandar Puteri, Johor, can be affected by demographics according to the framework.

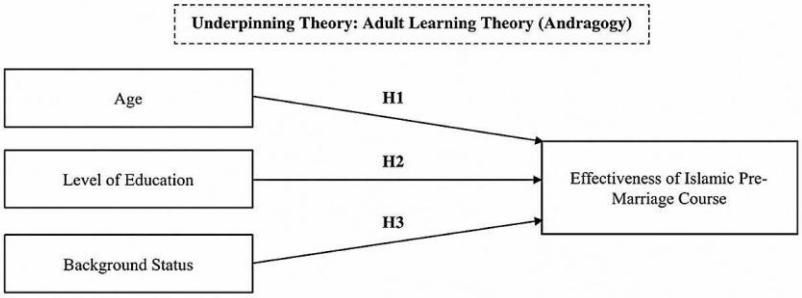

Figure 2: Conceptual Framework

The dependent variable is measured in terms of the effectiveness of the Islamic pre-marriage course, which is measured in terms of Knowledge About Marriage, Attitudes Towards Marriage, and Readiness for Married Life.

METHODOLOGY

The study used a quantitative research design, which aimed at exploring the effect of demographic factors on the effectiveness of Islamic pre-marriage courses among youth in Iskandar Puteri, Johor. The quantitative research method was appropriate because the study was concerned with measuring variables quantitatively and testing the relationship between the variables of the study (the demographic characteristics and the perceived course effectiveness) by running the statistical procedures. The study also used a cross-sectional survey design because data were obtained only from respondents who had taken Islamic pre-marriage courses at one time.

Research Design

The research design of the study was a descriptive and correlational quantitative design. The descriptive section was used to describe the respondents' demographic characteristics and their perceptions of the course's effectiveness. The correlational design was used to test the relations between perceived effectiveness of the Islamic pre-marriage course and age, education level, and background status. Since measurable data and statistical analysis are used, this research has a positivist philosophy. A deductive approach was also employed as the hypotheses were generated from the existing theory and literature and tested with empirical data.

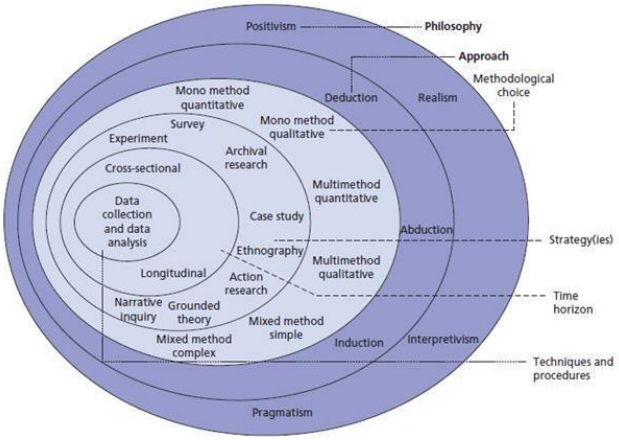

Figure 3: Ring Onion Model (Taherdoost, 2022)

Population and Sampling Technique

The target group included Muslim Youth aged between 18 and 35 years old, who participated in Islamic pre-marriage courses in Iskandar Puteri, Johor. This group was chosen because they were directly involved with the course and were able to judge its usefulness. The main data collection instrument was a structured questionnaire. The demographic characteristics and course effectiveness were collected with the questionnaire. A total of 384 respondents were obtained, which was sufficient for statistical analysis.

Data Collection Method

The primary data were collected with the use of a structured questionnaire, which was given to Muslim youths aged 18 – 35 years who had participated in an Islamic pre-marriage course at Iskandar Puteri, Johor. The questionnaire aimed to collect data about the demographic profile of the respondents and their attitudes towards the effectiveness of the Islamic pre-marriage course. The survey method was suitable since it was systematic and would give a good sample size, and would give a good indication of the number of respondents. A total of 384 valid responses were used for the analysis. The respondents were asked to answer questions about their age, gender, marital status, level of education, employment status, background status, and effectiveness of the course. The data collection took into account respondents who had direct experience attending the course, so that their answers would reflect the actualities of the course.

Research Instrument

In this study, the research instrument that was used was a structured questionnaire. There were two sections to the questionnaire. The first part consisted of the demographic data of the respondents, which consisted of age, gender, marital status, education level, employment status, and background status. The second part was only concerned with testing the perceived effectiveness of the Islamic pre-marriage course. The dependent variable was assessed using three broad dimensions: Knowledge About Marriage, Attitudes towards Marriage, and Readiness for Married Life. These dimensions were chosen due to the need to measure the effectiveness of Islamic pre-marriage courses not only in terms of knowledge acquired, but also the positive attitude and practical readiness for married life. All items of the questionnaire were measured on a Likert scale, with the students being able to agree to the statements about the effectiveness of the course.

Table 1: Division of Questions in the Questionnaire

Section	Variable / Construct	Type of Questions	Purpose
Section A	Demographic Information	Nominal/categorical questions	To identify respondents' profiles, such as age, gender, marital status, education level, employment status, and background status
Section B	Knowledge About Marriage (KAM)	Likert-scale questions	To measure participants' understanding of marital roles, Islamic family principles, and responsibilities in marriage
Section C	Attitudes Towards Marriage (ATM)	Likert-scale questions	To measure participants' perceptions, values, and attitudes towards marriage after attending the course

Section D	Readiness for Married Life (RFM)	Likert-scale questions	To measure participants' preparedness for marital responsibilities, family life, communication, and future challenges
Section E	Overall Effectiveness of Islamic Pre-Marriage Course (EIPMC)	Likert-scale questions	To assess the overall perceived effectiveness of the Islamic pre-marriage course

Analysis Techniques Used

All the collected data were analysed in the Statistical Package for the Social Sciences (SPSS). Descriptive statistics like frequency, percentage, mean, and standard deviation were used to describe the profile of the respondents and the effectiveness of the courses. The internal consistency of the questionnaire items was examined in the process of reliability analysis carried out using Cronbach's alpha. Pearson correlation was performed to see if there were significant relationships between demographic factors and perceived course effectiveness. Regressions were also used to explore the predictive power of the demographic variables and their overall significance, and ANOVA was used to investigate their overall significance.

RESULT AND ANALYSIS

Demographic Analysis

The demographic profile yielded that 384 respondents took part in the study. The age group 23 to 27 years old was the biggest, comprising 50.3% of the respondents. Older respondents (18 to 22 years old) made up 18.2%, while 20.3% were aged 28 to 31 years, with 11.2% aged 32 to 35 years. There was a relatively even gender split, with 52.9% female and 47.1% male. In terms of marital status, 43.0% were married, 32.6% been engaged, and 24.5% newly married. The results showed that the youths' sample comprised youth in different stages of marriage preparatio

Table 2: Respondents' Demographic Analysis Result

No.	Demographic	Frequency (N)	Percentage (%)
1	Age: 18–22 years	70	18.2
	23–27 years	193	50.3
	28–31 years	78	20.3
	32–35 years	43	11.2
2	Gender: Male	181	47.1
	Female	203	52.9
3	Marital Status: Single	165	43.0
	Engaged	125	32.6
	Recently married	94	24.5

4	Education Level: Secondary school	47	12.2
	Diploma	99	25.8
	Bachelor's degree	186	48.4
	Master's degree	42	10.9
	Others	10	2.6
5	Employment Status: Student	64	16.7
	Employed	244	63.5
	Self-employed	42	10.9
	Unemployed	34	8.9

Result Analysis for Perceived Course Effectiveness

From the descriptive results, it can be seen that the overall attitude of the respondents towards the Islamic pre-marriage course was positive. The score for Attitudes Towards Marriage was the highest mean (M = 33.72, SD = 3.698), showing that the course had the greatest impact on the values and perceptions of the participants towards marriage. The second-highest mean score was for Knowledge About Marriage (M = 32.76, SD = 3.918), wherein the participants were imparted with useful knowledge about the roles of husbands and wives, Islamic family values, and family responsibilities. The lowest mean score was the Readiness for Married Life score (M = 31.95, SD = 3.926), although it was positive, suggesting that they were relatively ready to assume future roles and responsibilities as a married person.

Table 3: Descriptive Statistics of Perceived Effectiveness Dimensions

Dimension	N	Mean	Standard Deviation
Knowledge About Marriage (KAM)	384	32.76	3.918
Attitudes Towards Marriage (ATM)	384	33.72	3.698
Readiness for Married Life (RFM)	384	31.95	3.926

Reliability Analysis

Reliability analysis was used to test the reliability of the research instrument. The Cronbach's Alpha for 24 items related to perceived effectiveness of the Islamic pre-marriage course was 0.949. This value is more than the accepted value of 0.70, indicating a high value of reliability. So the instrument could be used for further statistical analysis.

Table 4: Reliability Statistics

Variable	Cronbach's Alpha	Number of Items	Reliability Level
Perceived Effectiveness of Islamic Pre-Marriage Course	0.949	24	Excellent

Correlation Analysis

Pearson correlation was used to explore the correlation between demographic data and

perceived effectiveness of the course. The results showed that the perception of effectiveness was slightly related to age but had a very low magnitude of r = -0.027; p = 0.605. The p-value was above 0.05, meaning that there is no significant relationship found, thus H1 was not supported. The H2 was not supported as there was no significant relationship between the perceived effectiveness and education level (r = 0.022, p = 0.661). This was a very weak positive correlation (r = 0.048, p = 0.344) and was not significant; thus, H3 was not supported.

Table 5: Correlation Analysis between Demographic Factors and Perceived Effectiveness

Variable	Correlation with EIPMC (r)	Sig. (p)	Decision
Age	-0.027	0.605	Not significant
Highest Level of Education	0.022	0.661	Not significant
Background Status	0.048	0.344	Not significant

.

Regression Analysis

The demographic variables were used for regression analysis to find out if they could predict the effectiveness of the Islamic pre-marriage course. Model 1 was only age with an R value of 0.027 and an R-squared value of 0.001, showing that age only accounted for 0.1% of the variance in the perceived effectiveness. Model 2 was also a model with age and education level, but this did not yield an R-squared of 0.001. When age, education level, and background status were added to Model 3, the results were an R value of 0.060 and an R Square of 0.004. That is, only 0.4% of the variance in perceived course effectiveness was due to the three demographic factors. So the demographic variables were not good predictors of course effectiveness.

Table 6: Model Summary for Regression Analysis

Model	Predictors	R	R Square	Adjusted R-Square	Std. Error
1	Age	0.027	0.001	-0.002	11.129
2	Age, Highest Level of Education	0.035	0.001	-0.004	11.141
3	Age, Highest Level of Education, Background Status	0.060	0.004	-0.004	11.142

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Discussion

The results clearly show that the general attitude of youth in the community of Iskandar Puteri, Johor, towards Islamic Pre-marriage Courses is positive. The highest mean score was obtained for Attitudes towards Marriage, which may be seen as a reflection of the success of the course in influencing the attitudes of the participants towards marriage as a serious religious, moral, and social responsibility. The finding is in alignment with Charoenwong (2025), who explained that Islamic premarital education in Malaysia is a type of moral education that enables students to be disciplined and responsible and to value family. The positive scores also in Knowledge About Marriage show that the course improved the participants' knowledge about marriage and the responsibilities of the Muslim family, as was found in earlier studies that pre-marital education has a positive effect on marital knowledge and preparation (Doha International Family Institute, 2025; Ummah, 2025). But the lowest mean score on the three dimensions recorded was for the dimension of Readiness for Married Life. While it was not a negative

score, it implies a need for more practical training in the face of the reality of marital issues. This is important as a couple's readiness for marriage is more than just knowledge and positive attitudes. It also has Communication Skills, Emotional Management, Financial Planning, Conflict Management, and Decision Making Skills. Markman et al. (2022) highlight the need to incorporate practical skills in relationship education, and Carlson et al. (2022) state that the design and delivery of programmes are critical to achieving impact.

The correlation results showed no significant correlation between age and perceived course effectiveness. As mentioned in Adult Learning Theory, age and maturity could impact learning engagement (St. Clair, 2024), but the findings suggest that the learning content was relevant for all the age groups of youth. There was also no significant relationship with education level, which indicates that there was no difference between the students' perceptions of the effectiveness of the course as a function of education level. This may have been the case because the content of the Course was easily understood, accessible, and relevant for the participants from a range of educational backgrounds. Also, background status was not significantly related to perceived course effectiveness. This means that the overall assessment of the usefulness of the course by the youth from diverse backgrounds is positive. Overall, however, the demographic factors were relatively unimportant in the prediction of the perceived value of courses. Only 0.4% of the variance was accounted for by the regression model, meaning that there may be other factors at play. This may be about the quality of the facilitators, the method of teaching, participants' motivation, the content of the course, the religious background of participants, and the use of interactive teaching methods. Tarigan (2024) states that social media can be an effective tool in delivering premarital education to Generation Z, while Rozi et al. (2025) highlight the importance of inclusive premarital education. Therefore, course enhancements should be based on the quality of the course delivery, the relevance of the course, and the regular assessment of the course, rather than differences in demographics.

CONCLUSION AND RECOMMENDATION

This study explored the effect of demographic factors on the effectiveness of Islamic pre-marriage courses for the youth in Iskandar Puteri, Johor. The findings revealed that the course was overall rated positively by the participants, especially the attitude towards marriage, knowledge about marriage, and readiness for married life. Hence, the course successfully fulfilled its aim of contributing to the knowledge, attitudes, and preparation of Muslim youth with regard to marriage. The results, however, suggested that there were no significant relationships between the effectiveness of the course and age, educational level, or background status. As a result, the following ideals, H1, H2, and H3, were not upheld. A regression analysis also showed that there was little variance in perceived course effectiveness that was explained by the demographic factors. This means that there were no significant differences in the effectiveness of the courses based on the respondents when taking into account the demographic variables. The study revealed that the benefits that can be gained from Islamic Pre-marriage Courses are generally similar among all the demographic groups of youth in Iskandar Puteri, Johor. This is positive as it shows the potential of the course as an inclusive education course for Muslim youth. But the course should be further developed, especially in practical aspects, in order to prepare the students further for married life. Incorporating more interactive aspects would be appreciated in Islamic pre-marriage education, as well as adding more contemporary

issues on marriage communication skills, financial management, conflict resolution, and continuous evaluation of the programme with a view to making it relevant and effective in today's context for Muslim youths.

Based on the findings of this study, several recommendations are proposed to further enhance the effectiveness of this Islamic pre-marriage courses. First, Islamic religious authorities and policymakers should continue strengthening and promoting Islamic pre-marriage courses as an essential component of family development policies. Since the courses are positively perceived by youths from various demographic backgrounds, greater investment should be made in improving programme quality and accessibility. The pre-marriage course should not merely be viewed as a mandatory requirement before marriage registration but as a strategic preventive measure to strengthen family resilience and reduce marital problems in society. Second, the course content should be continuously reviewed and updated to address contemporary issues affecting young couples. Modern marriages face various challenges, including financial instability, work-life imbalance, mental health concerns, social media influences, digital communication issues, and changing family expectations. Therefore, modules related to financial literacy, emotional intelligence, stress management, digital etiquette in relationships, and mental well-being should be incorporated into the curriculum to ensure that the course remains relevant to current realities. Third, more emphasis should be placed on practical and experiential learning approaches. The government sectors also should take more parts in this course like it can introduce more interactive teaching methods such as role-playing activities, case studies, group discussions, counselling simulations, problem-solving exercises, and experience-sharing sessions involving married couples. These activities can help participants apply theoretical concepts to real-life situations and improve their practical competencies in managing marital relationships. In conclusion, Islamic pre-marriage courses possess are significant potential in preparing Muslim youths for successful married life and promoting the development of resilient, harmonious, and sustainable Muslim families in Malaysia. Through continuous evaluation, evidence-based improvements, and adaptation to contemporary societal needs, these courses can remain relevant and serve as an effective mechanism for strengthening family institutions and also can enhancing the well-being of future generation.

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ANALYZING KEY FACTORS INFLUENCING CUSTOMER BUYING BEHAVIOR AT NELLY'S KITCHEN

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ABSTRACT
Customer buying behavior is important for business success in food service industry, especially for home-based catering businesses. This study look at relationship between different factors and customer buying behavior at Nelly's Kitchen, a home-based catering business in Malaysia. The research use quantitative method, collecting data through questionnaire from 59 customers in Klang Valley. Data analysis use descriptive statistics, correlation analysis, and multiple regression analysis. The research examine factors like social media, social influence, price, service quality, and food quality that affect customer buying behavior. The results show positive relationships between these factors and customer buying behavior. The findings show that food quality, social media influence, and price are main factors that influence customer purchasing decisions at Nelly's Kitchen. This research can help home-based catering businesses understand customer needs better and improve their service to stay competitive in market

Keywords: Customer Buying Behavior

INTRODUCTION
Although Malaysia is only a developing country, its population is increasing every year. According to Worldmeter, Malaysia currently has a population of 34,491,983 as of December 2023. With approximately 25 million active social media users in Malaysia (78% of the population) there is huge potential for business growth in Malaysia (Malaysia Now, 2021).The emergence and rapid development of retail companies is a current trend and this phenomenon is inevitable. This scenario affects the retail climate in our country where we are at the level of monopoly of retail institutions and the result has a negative impact especially on consumers. This will encourage unbalanced retail business practices that are aimed at the interests of certain parties. The issue of rising food prices at the global level has directly affected developing countries where the people of these countries are beginning to feel the burden of the increasing cost of living. In the context of the market, consumers recognize products through labels or brands that represent product, service or organization. This shows how important the brand is as a factor involved in the selection process based on consumer beliefs and attitudes. From a psychological perspective, consumers place great emphasis on their satisfaction in terms of product selection (Darley, Blankson, & Luethge, 2010). During the process of making a decision to purchase goods and services, there are many factors that will influence consumers. The selection process is one of the procedures in carrying out purchasing

activities by comparing something with something else to make a decision (Lendo, 2013). The purpose of this research is to evaluate Customers make decisions to purchase goods and services based on various factors as well as the purchasing process and alternatives (Amanda et al., 2021). Furthermore, according to Hafeez et al. (2017), when a product is recommended on social networking sites, it can increase customers' purchasing intentions and then make purchasing behavior. The fundamental research problem this study addresses is understanding which factors most significantly influence customer buying decisions for Nelly's Kitchen's catering services, and how these factors interact to shape purchasing behavior. As a home-based food business without a physical storefront, Nelly's Kitchen faces unique challenges in attracting and retaining customers compared to traditional restaurants.

During this research we aim achieve three objectives, firstly to identify highest factor of the customer buying behaviour at Nellys Kitchen. Next, the objective is to determine the relationship between the factors with customer buying behaviour at Nellys Kitchen and to determine the highest impact of the factors towards customer buying behaviour at Nellys Kitchen. This research aims to make significant contributions across multiple dimensions: The study will enhance understanding of how specific factors influence consumer behaviour in the context of home-based catering businesses in Malaysia. This research will provide actionable data to optimize marketing strategies, operational focus, and resource allocation. The findings will enable the business to prioritize improvements in areas that most significantly impact customer decisions and loyalty. This research may contribute to improved service offerings and greater customer satisfaction within the community. Small food businesses that better understand consumer priorities can more effectively meet customer needs and expectations, enhancing the overall quality of catering options available to local communities.

LITERATURE REVIEW

Customer buying behavior Measurable actions related to food services selection and purchase, quantified through order frequency, average spending per order, event size, menu selections, and stated likelihood of return and recommendation. Social media has changed how businesses connect with customers and influence their buying decisions. Arya (2022) found that 52% of respondents have a positive approach of watching, reacting and following restaurant and food outlets for products and services on social media. Varghese and Agrawal (2021) demonstrated that 64.5% of participants accept that social media provides more information with easier access compared to traditional media. The influence goes beyond simple advertising as social media creates chances for customers to recommend products to each other. Social influence and word of mouth has developed online reviews and social media comments like traditional recommendations. Arya (2022) found that 49% of respondents rate, review or post comments for restaurants they have visited, showing how consumers share their experiences through social media platforms. Varghese and Agrawal (2021) noted that consumers trust peer opinions shared through social networks more than promotional content from businesses, with the viral nature of social media making word of mouth effects stronger and allowing single customer experiences to reach much larger audiences.

Price appears as a key factor influencing both quality perceptions and purchasing decisions. Zhong and Moon (2020) found that perceived price positively affects customer satisfaction and

demonstrated that perceived price has positive effects on food quality, service quality, and physical environment quality. Arlanda and Suroso (2018) supported these findings, stating that price plays an important role in generating consumer satisfaction, as customers always evaluate the value of a service by its price. Their research shows that reasonable pricing leads to higher satisfaction while unreasonable pricing can cause dissatisfaction and negative word of mouth. Service quality research particularly using the SERVQUAL model identified by Parasuraman (1985) includes key dimensions such as reliability, responsiveness, competence, access, courtesy, communication, credibility, security, and understanding customer needs. Zhong and Moon (2020) confirmed that service quality has positive effects on customer satisfaction while Arya (2022) found that 68% of respondents rated timeliness of service highly on satisfaction scales. Research shows that service quality becomes especially important in the food service industry where timely service, staff friendliness, and helpfulness significantly impact the overall dining experience. Food quality research identifies several important dimensions including taste, freshness, presentation, menu variety, and healthiness. Zhong and Moon (2020) demonstrated that food quality has positive effects on customer satisfaction, while Arlanda and Suroso (2018) noted that food quality refers to several aspects including food presentation, taste, menu diversity, healthiness, and freshness. He et al. (2012) found that close proximity to fast-food outlets increases the likelihood of adolescents purchasing food from these establishments, with approximately 65% of participants reporting self- purchasing foods from fast-food outlets or convenience stores.

METHODOLOGY

In this research, the questionnaire conducted using a survey. Data collection was done through a questionnaire that was distribute to customers. The quantitative research approach was used to collect data on the respondent's background and also depending on the degree of customer buying behavior. The respondent are the customers from Nellys Kitchen around Klang Valley. The questionnaire separates into 5 sections: Social Media, Social Influence, Price, Services, Food Quality, and Customer buying behavior. The questionnaire was graded on a five-point Likert Scale. The Likert Scale is commonly used in surveys and research to access whether a person has a positive or negative. This Likert scale contains five answer values and a set of responses to respondents' views between values of 1 to 5. The Likert scale is found useful to measure abilities other than attitudes, it is also suitable to measure disciplinary management among police officers on issues or matters (Azizi et al., 2007). The Likert scale is as shown in Table 1

Table 1 : 5 Point Likert Scale Marks

Scale	Score
Strongly Disagree	1
Disagree	2
Neutral	3
Agree	4

RESULT AND ANLYSIS

Demographic Analysis

In this research, the result of data analysis are given in the form of tables and charts. Tables 2 illustrate the frequency and percentage analysis based on the summarized respondents' profiles. This helps in gaining important insight for this research. Table 2 shows all 59 respondents who participated in Nelly Kitchen customer behavior study. This tables reveals Nelly Kitchen customer base predominantly by female represent 57.6%, overwhelmingly Malay 86.4% and main customer comes from working-age population age 18-39 years old. Furthermore, Nelly Kitchen primarily attract younger demographics who are likely more engaged with social media. The strong Malay representation align well Nelly Kitchen menu which serve traditional Malay's food. The higher female participation may indicate that women play significant role in dining decision and restaurant.

Table 2 Respondent Table

Demographic	Category	Frequency	Percentage (%)
Gender	Male	25	42.4
	Female	34	57.6
Race	Malay	51	86.4
	Chinese	4	6.8
	Indian	1	1.7
	Others	3	5.1
Age	18-29 years old	17	28.8
	30-39 years old	36	61.0
	40-49 years old	5	8.5
	50 and above	1	1.7

To identify highest factor of the customer buying behavior at Nelly Kitchen.

Table 3 show result of 59 respondents at Nelly Kitchen demonstrate that strong positive buying behavior with an average score of 4.13 out of 5, indicate that favourable purchasing intentions and likelihood of repeat customer. Key driving factor of this result shows that food quality (1V1F) emerges as the strongest performer (Mean = 4.48, SD = 0.88). Second strongest performer followed by service quality (1V1E) (Mean = 4.35, SD = 0.93) which mean this result show high satisfaction with staff performance and overall dining experience. Price (1V1D) at Nelly Kitchen has play important role with exceptional score (Mean = 4.24, SD = 0.81), this show that customer find reasonable and attractive price for each menu. However, social media (1V1B) influence show moderate impact with (Mean = 3.83, SD = 1.04). Lastly, Social influence and word of mouth (1V1C) (Mean = 3.42, SD = 0.95) shows that personal recommendations play a role in customer decisions. There is variation with some customer relying on peer suggestions while other prefer independent dining decisions. Overall shows Nelly Kitchen success is primarily driven by direct experience factors like food quality and service rather external social influence.

Table 3 Mean and Standard Deviation of Each Dimension and Customer Satisfaction from SPSS

Descriptive Statistics

	Mean	Std. Deviation	N
DV	4.1288	.95611	59
IV1B	3.8305	1.04242	59
IV1C	3.4203	.94882	59
IV1D	4.2373	.81265	59
IV1E	4.3525	.93317	59
IV1F	4.4847	.88762	59

To determine the relationship between the factors with customer buying behavior at Nelly Kitchen

Table 4 shows correlation analysis results for 59 respondents at Nelly Kitchen where all relationships between factors and customer buying behavior are statistically significant ($p < 0.001$), which mean this patterns are reliable and not happen by chance. Price (1V1D) shows strongest relationship with customer buying behavior ($r = 0.804$), meaning customers think Nelly Kitchen offers good price are much more likely to make purchases and this connection accounts for about 65% of shared variation, making price the most important single factor for buying decisions.

Table 4 Analysis of Correlations in SPSS

Correlations

		DV	IV1B	IV1C	IV1D	IV1E	IV1F
Pearson Correlation	DV	1.000	.765	.650	.804	.734	.792
	IV1B	.765	1.000	.598	.636	.524	.544
	IV1C	.650	.598	1.000	.605	.544	.481
	IV1D	.804	.636	.605	1.000	.715	.693
	IV1E	.734	.524	.544	.715	1.000	.790
	IV1F	.792	.544	.481	.693	.790	1.000
Sig. (1-tailed)	DV	.	.000	.000	.000	.000	.000
	IV1B	.000	.	.000	.000	.000	.000
	IV1C	.000	.000	.	.000	.000	.000
	IV1D	.000	.000	.000	.	.000	.000
	IV1E	.000	.000	.000	.000	.	.000
	IV1F	.000	.000	.000	.000	.000	.
N	DV	59	59	59	59	59	59
	IV1B	59	59	59	59	59	59
	IV1C	59	59	59	59	59	59
	IV1D	59	59	59	59	59	59
	IV1E	59	59	59	59	59	59
	IV1F	59	59	59	59	59	59

Food quality (1V1F) demonstrates very strong relationship with buying behavior (r = 0.792) as second highest correlation, explaining about 63% of shared variation and shows that customers who love the food are much more likely to keep coming back to Nelly Kitchen. Social media (1V1B) influence has strong connection to buying behavior (r = 0.765), accounting for about 58% of shared variation and showing that customers who engage with social media content about restaurants tend to make more purchases, proving that social media marketing really does impact customer decisions. Service quality (1V1E) shows substantial relationship with buying behavior (r = 0.734), explaining about 54% of shared variation where customers who rate service highly tend to make more purchases and return more often. Social influence and word of mouth (1V1C) has moderately strong relationship with buying behavior (r = 0.650), where customers who hear good things from friends and family are more likely to visit and make purchases, explaining about 42% of shared variation. The analysis also reveals that factors connect with each other in meaningful ways, where customers who appreciate food quality often rate services highly too, creating combined effects that strengthen overall buying behavior at Nelly Kitchen.

Table 5 Overall Relation all factors and customer buying behavior

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.914[a]	.835	.819	.40639	1.951

a. Predictors: (Constant), IV1F, IV1C, IV1B, IV1D, IV1E

b. Dependent Variable: DV

The R value of 0.914 shows there is a very strong relationship between all five factors (food quality, price, service quality, social media, and word of mouth) and customer buying behavior at Nelly Kitchen. This number is close to 1.0, which means the connection is really strong. The R Square of 0.835 means that these five factors together can explain 83.5% of why customers decide to buy from Nelly Kitchen. Only about 16.5% of customer buying behavior comes from other factors that we did not study. This shows us that food quality, price, service quality, social media, and word of mouth are the main things that make customers want to buy from Nelly Kitchen.

To determine the highest impact of the factors towards customer buying behavior at Nellys Kitchen

Based on unstandardized coefficient from Table 5, the mathematical equation for the model can be expressed as follows:

$$\boldsymbol{Customer\ Buying\ Behavior} = -\mathbf{0.558} + \mathbf{0.294}(\boldsymbol{Social\ Media}) + \mathbf{0.109}(\boldsymbol{Social\ Influence}) + \mathbf{0.306}(\boldsymbol{Price}) + \mathbf{0.043}(\boldsymbol{Services}) + \mathbf{0.379}(\boldsymbol{Food\ Quality})$$

Table 5 Result of Multiple Regression Analysis in SPSS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	Collinearity Statistics
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	-.558	.303		-1.839	.072	-1.166	.051					
	IV1B	.294	.072	.321	4.105	.000	.151	.438	.765	.491	.229	.510	1.962
	IV1C	.109	.077	.108	1.426	.160	-.044	.263	.650	.192	.080	.540	1.853
	IV1D	.306	.110	.260	2.782	.007	.085	.527	.804	.357	.155	.356	2.809
	IV1E	.043	.102	.042	.424	.673	-.162	.249	.734	.058	.024	.312	3.204
	IV1F	.379	.104	.352	3.645	.001	.170	.587	.792	.448	.203	.334	2.990

Looking at the significance values (Sig. column), three variables are important for predicting customer behavior**:** Social Media (IV1B) with p = .000, Price (IV1D) with p = .007, and Food Quality (IV1F) with p = .001. All these values are below 0.05, which means they are statistically significant. Two variables are not significant**:** Social Influence/Word of Mouth (IV1C) with p = .160 and Services (IV1E**)** with p = .673. Both are above 0.05, so they are not significant. This means Social Media, Price, and Food Quality really do affect customer buying behavior at Nelly Kitchen. However, Social Influence/Word of Mouth and Services don't have a reliable effect. The beta values show which factors have the biggest impact on customer buying behavior when we compare them fairly. Food Quality (IV1F) has the strongest impact with β = .352, meaning it accounts for about 35.2% of the influence on customers. Social Media (IV1B) comes second with β = .321 (32.1% influence), and Price (IV1D) is third with β = .260 (26.0% influence). These beta numbers let us compare the factors directly to see which ones matter most. Food Quality is the most powerful factor affecting customer decisions, followed closely by Social Media, then Price. Social Influence/Word of Mouth (β = .108) and Services (β = .042) have very small impact and are not reliable predictors of customer behavior.

CONCLUSION

This study shows that the combination of affordable prices and positive reviews has a significant impact on consumer purchasing decisions at Nelly's Kitchen's. The results of this study indicate that consumers of Nelly's Kitchen's tend to look for quality products at affordable prices. Positive reviews from other consumers are also an important factor that can increase consumer confidence and encourage them to make purchases. These findings provide important implications for business owners and marketers in the market. Companies need to understand the importance of maintaining a balance between price and product quality to increase consumer appeal and trust in the product. An attractive and quality product will be more easily recognized or popular by the public or consumers. With the increasing popularity of the product, the company can increase its sales and profits. Companies also need to encourage consumers to provide positive reviews about their products. This is because consumers who are interested in and believe in a product will be more likely to buy the product. Here are some recommendations that business owners and marketers can do to increase consumer appeal and trust in Nelly's Kitchen's, namely: keep product prices affordable, ensure products are of good quality, and encourage consumers to provide positive reviews. Positive

reviews from other consumers can increase consumer confidence and encourage them to make purchases. Based on the formulation of the article and discussion, a hypothesis can be formulated for further research:

Item	Accepted	Not Accepted
Product quality has a significant positive effect on purchasing decisions		
Price has a significant positive effect on purchasing decisions		
Location has a significant effect on purchasing decisions		

ACKNOWLEDGEMENT

Authors acknowledge the support of the Faculty of Management, Universiti Teknologi Malaysia (UTM) and the Ministry of Higher Education Malaysia (MOHE). Fundamental Research Grants FRGS/1/2020/STG06/UTM/02/9.

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ORGANIZATIONAL READINESS AS A MODERATOR OF VUCA FACTORS AND DECISION-MAKING EFFECTIVENESS: EVIDENCE FROM OPERATIONS LEADERS IN MALAYSIAN MANUFACTURING

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ABSTRACT
This study examines the influence of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) on decision-making effectiveness among operations leaders in the Malaysian manufacturing sector, and tests whether organizational readiness moderates this relationship. Using a quantitative, cross-sectional, correlational design, data were collected from 135 operations leaders through a structured, adapted questionnaire employing a five-point Likert scale. Data were analysed using SPSS through descriptive statistics, reliability analysis, Pearson correlation, and hierarchical multiple regression. All four VUCA dimensions correlated significantly and positively with decision-making effectiveness ($r = .739$ to $.815$, $p < .01$); however, when entered simultaneously into a regression model, only Volatility ($\beta = .501$, $p < .001$) and Ambiguity ($\beta = .349$, $p = .004$) remained significant predictors, together explaining 71.5% of the variance ($R^2 = .715$). Organizational readiness was itself strongly predicted by the four VUCA dimensions ($R^2 = .777$) and, when added to the model, substantially improved the prediction of decision-making effectiveness ($R^2 = .820$), emerging as the strongest single predictor ($\beta = .688$, $p < .001$) while attenuating the direct effects of Volatility and Ambiguity. These results support Hypotheses 1 and 5, partially support Hypothesis 4, and do not support Hypotheses 2 and 3. The findings suggest that organizational readiness is the principal mechanism through which manufacturing firms convert VUCA pressures into effective operational decisions, offering both a theoretical refinement of VUCA–decision-making models and practical guidance for building readiness capacity in manufacturing operations.

Keywords: VUCA; Organizational Readiness; Decision-Making Effectiveness; Operations Leaders; Manufacturing Sector

INTRODUCTION
The acronym VUCA; Volatility, Uncertainty, Complexity, and Ambiguity originated in United States military strategic doctrine but has since become a widely used lens for describing the instability that characterises contemporary organizational environments (Tandon, Bhatnagar, & Sharma, 2024). Globalisation, accelerating technological change, and recurrent geopolitical and public-health shocks have compressed the time available for operational decisions while simultaneously increasing their complexity. Operations leaders , the managers responsible for the daily coordination of production, logistics, and supply chain activity are disproportionately exposed to these pressures because their decisions are immediate, frequent, and consequential,

yet they have traditionally received less scholarly attention than strategic-level decision-making (Reeves, Levin, & Ueda, 2016). Conventional operations management practice, built around efficiency, standardisation, and cost minimisation, assumes a relatively stable operating environment; this assumption is increasingly untenable in manufacturing contexts subject to fluctuating demand, disrupted supply networks, and shifting regulatory conditions. This study responds to that shift by examining how the four VUCA dimensions relate to decision-making effectiveness among manufacturing operations leaders, and whether organizational readiness; the internal structures, leadership flexibility, and adaptive capacity of a firm ;strengthens leaders' capacity to convert VUCA-related pressure into sound, timely decisions.

The Malaysian manufacturing sector provides a particularly relevant setting for this inquiry. As a key contributor to national output and export earnings, the sector is deeply embedded in global supply networks and is therefore directly exposed to the same volatility, uncertainty, complexity, and ambiguity that have disrupted manufacturing worldwide ;including tariff shifts, raw-material shortages, and demand swings following successive global disruptions. Operations leaders within this sector are consequently well placed to describe, from direct experience, how VUCA conditions affect day-to-day decision-making, and how far their organizations' internal readiness helps or hinders that process.

Problem Statement

Despite growing recognition that adaptive decision-making is essential under VUCA conditions, a persistent gap separates conceptual models from their operational application. Existing work has examined adaptive leadership frameworks (Abukalusa & Oosthuizen, 2025), innovation-based responses to VUCA (Carella, Colombo, Migliozzi, & Arquilla, 2024), capacity-building frameworks (Verma, Kumar, Daim, & Sharma, 2023), and the relationship between change management and leadership responsiveness (Syamsir, Saputra, & Mulia, 2025). These studies establish that adaptive capability matters, but they are largely qualitative or conceptual, and few empirically test how specific VUCA dimensions independently affect decision-making effectiveness, or whether organizational readiness meaningfully moderates that relationship in an operational, non-strategic context.

Many manufacturing organizations continue to rely on stability-oriented management systems that prioritise standardisation over adaptability, leaving operations leaders under-supported when conditions change abruptly. This study addresses that gap by quantitatively testing the direct effects of Volatility, Uncertainty, Complexity, and Ambiguity on decision-making effectiveness, and the moderating role of organizational readiness, among operations leaders in the Malaysian manufacturing sector.

Research Objectives, Research Questions, and Hypotheses

Three objectives guided the study: (i) to measure the current level of decision-making readiness and the challenges faced by operations leaders under VUCA conditions; (ii) to examine the relationship between VUCA factors and decision-making effectiveness; and (iii) to assess the moderating influence of organizational readiness on that relationship. These objectives correspond to three research questions and five hypotheses, summarised in Table 1.

Significance of the Study

Theoretically, the study extends VUCA–decision-making research beyond the strategic apex of the organization to the operations level, where decisions are frequent, time-pressured, and directly tied to production continuity. Practically, the findings offer manufacturing

organizations an evidence base for prioritising specific readiness capabilities ;adaptive leadership, timely information flow, and flexible structures ;rather than treating "readiness" as an undifferentiated aspiration. By isolating which VUCA dimensions matter most once shared variance among them is accounted for, the study also provides a more precise diagnostic tool for managers seeking to allocate limited training and system-design resources toward the conditions that most affect decision quality.

Table 1: Research Objectives, Research Questions, and Hypotheses

Research Objective	Research Question	Hypothesis
To measure the current level of decision-making readiness and challenges faced by operations leaders under VUCA conditions.	What are the main decision-making challenges faced by operations leaders under VUCA conditions?	—
To examine the relationship between VUCA factors and decision-making effectiveness among operations leaders.	How do VUCA factors (Volatility, Uncertainty, Complexity, Ambiguity) influence decision-making effectiveness?	H1: Volatility positively influences decision-making effectiveness. H2: Uncertainty positively influences decision-making effectiveness. H3: Complexity positively influences decision-making effectiveness. H4: Ambiguity positively influences decision-making effectiveness.
To assess the moderating influence of organizational readiness on the relationship between VUCA elements and decision-making effectiveness.	Does organizational readiness influence the relationship between VUCA elements and decision-making effectiveness?	H5: Organizational readiness positively influences decision-making effectiveness and moderates the VUCA–decision-making effectiveness relationship.

LITERATURE REVIEW

The Concept of VUCA

VUCA disaggregates environmental instability into four related but distinct dimensions. Volatility refers to the speed and unpredictability of change, typically driven by shifting demand, technological disruption, or regulatory revision (de Lima, Seuring, & Sauer, 2022). Uncertainty reflects the reduced reliability of historical data for predicting future outcomes (Baran & Woznyj, 2020). Complexity arises from the density of interdependent variables and actors within a system, which complicates the tracing of cause to effect (Karlsson, 2023).

Ambiguity denotes a lack of clarity about the meaning of events, such that cause-and-effect relationships themselves are contested or unknown (Pacheco-Velázquez, Vázquez-Parra, Cruz-Sandoval, Salinas-Navarro, & Carlos-Arroyo, 2023). In manufacturing supply chains, these dimensions manifest concretely: sudden plant shutdowns exemplify volatility, fluctuating tariffs exemplify uncertainty, multi-tier global vendor networks exemplify complexity, and inconsistent demand signals exemplify ambiguity (Ivanov, 2022). Although the four dimensions are conceptually separable, they rarely occur in isolation; Millar, Groth, and Mahon (2018) argue that organizations able to recognise and respond to VUCA conditions jointly, rather than sequentially, are better positioned to convert instability into a competitive advantage. This conceptual interdependence has empirical implications for the present study: because the VUCA dimensions tend to co-occur and are strongly intercorrelated in practice, isolating each dimension's independent contribution to decision-making effectiveness requires a multivariate approach capable of accounting for shared variance among predictors.

Organizational Readiness in a VUCA Environment

Organizational readiness refers to a firm's behavioural and structural capacity to respond effectively to sudden change, encompassing leadership responsiveness, technological awareness, and a culture oriented toward flexible learning (Rout et al., 2023). Readiness is more than the possession of resources; it includes the attitudes, structures, and routines that allow those resources to be redeployed quickly as conditions evolve (Ahn, Mortara, & Minshall, 2018). Two theoretical frameworks are particularly relevant. Teece's (2019) dynamic capabilities perspective frames readiness as the capacity to sense emerging threats and opportunities, seize them through resource reallocation, and transform organizational structures accordingly ;a sequence directly applicable to supply chain operations, where sourcing and distribution networks must be reconfigured quickly as market signals shift. Duchek's (2020) model of organizational adaptation instead frames readiness as a three-phase capability of anticipating disruption, coping with it as it unfolds, and adapting structures afterward based on lessons learned. Workforce-level readiness is also relevant: Varshney and Varshney (2020) identify cognitive flexibility, emotional resilience, and functional adaptability as key employee traits under VUCA conditions. Collectively, this literature suggests that readiness operates at multiple levels ;leadership, structure, and workforce and that its presence should buffer, rather than eliminate, the disruptive effects of VUCA conditions on operational decision-making.

Decision-Making Effectiveness under VUCA Conditions

Conventional rational decision-making models, which assume the availability of accurate and stable information, perform poorly under VUCA conditions, where inputs are frequently incomplete, contradictory, or rapidly outdated (Midtgård & Selart, 2025). In response, the literature has proposed several adaptive alternatives, including scenario planning (Ramirez & Wilkinson, 2016), real options analysis (Trigeorgis & Reuer, 2017), adaptive and agile decision-making built on continuous feedback (Rocha Franco, Goulart da Silva, Barros Bagno, & Simões Freitas, 2025), intuitive judgement under time pressure (Hodgkinson & Sadler-Smith, 2018), the OODA loop (Vettorello, Eisenbart, & Ranscombe, 2019), and robust decision-making that favours solutions performing acceptably across many possible futures rather than optimally under a single forecast (Köhler & Altmann, 2025). These models share a common premise: decision-making effectiveness under VUCA depends less on the accuracy of prediction and more on an organization's capacity to sense change, revise assumptions

quickly, and act despite incomplete information. This reframes decision-making effectiveness not as a fixed leadership trait but as an outcome jointly produced by environmental pressure (VUCA) and organizational capacity (readiness) ;the relationship this study tests empirically. Digital decision-support systems have increasingly been positioned as a complement to these adaptive models. Ferreira (2023) argues that digital twins, Internet-of-Things sensing, and AI-driven analytics allow supply chain managers to simulate disruption scenarios and evaluate mitigation options before committing resources, thereby narrowing the gap between environmental unpredictability and decision quality. Such tools do not remove VUCA conditions from the operating environment; rather, they function as an extension of organizational readiness, converting raw exposure to volatility and ambiguity into more interpretable, actionable information for operations leaders.

Conceptual Framework and Hypotheses Development

Building on this literature, the study proposes a conceptual framework in which the four VUCA dimensions (Volatility, Uncertainty, Complexity, Ambiguity) act as independent variables predicting decision-making effectiveness (the dependent variable), with organizational readiness specified as a moderating variable expected to strengthen leaders' capacity to sustain effective decisions under VUCA pressure. Volatility is expected to positively predict decision-making effectiveness because leaders who develop adaptive routines can convert rapid change into timely action rather than reactive paralysis (Baran & Woznyj, 2020) (H1). Uncertainty is expected to positively predict effectiveness because the cognitive effort required to operate with incomplete information can, in principle, prompt more exploratory and ultimately more robust decision routines (H2). Complexity is expected to positively predict effectiveness insofar as leaders who can decompose interrelated problems into manageable components make more comprehensive decisions (Baryannis, Dani, Validi, & Antoniou, 2019) (H3). Ambiguity is expected to positively predict effectiveness because leaders who tolerate unclear cause-and-effect relationships can act despite incomplete interpretive clarity (Duchek, 2020) (H4). Finally, organizational readiness is expected to positively predict decision-making effectiveness and to moderate the relationship between VUCA and effectiveness, on the premise that adaptable structures, timely information, and flexible leadership reduce the perceived unpredictability of VUCA conditions (H5). The five hypotheses are summarised in Table 1 above. A methodological note is warranted here: because the four VUCA dimensions are theoretically and empirically overlapping constructs that tend to co-occur, their independent effects on decision-making effectiveness are tested jointly, using multiple regression, so that each dimension's contribution is estimated net of the variance it shares with the other three.

METHODOLOGY

Research Design

A quantitative, correlational, cross-sectional research design was adopted (Malhotra, Nunan, & Birks, 2017). The correlational design was appropriate for statistically testing the proposed direct and moderating relationships (H1–H5) without manipulating any variable, while the cross-sectional design allowed data on VUCA perceptions, organizational readiness, and decision-making effectiveness to be captured at a single point in time (Field, 2018). Data were

collected through a structured, self-administered online questionnaire distributed to operations leaders in manufacturing organizations.

Population, Sampling, and Sample Size

The target population comprised operations managers and decision-makers in manufacturing and industrial supply chain roles, selected because their positions expose them directly to VUCA conditions. A purposive, non-probability sampling strategy was used to ensure that respondents held roles with genuine decision-making responsibility; eligible participants were required to be currently employed in a manufacturing supply chain role involving operational or strategic decisions, to have at least two years of relevant experience, and to have direct exposure to VUCA-related challenges in their work.

Based on an estimated target population of 150 to 200 operations leaders, Krejcie and Morgan's (1970) table indicated a required sample of 110 to 132 respondents at 95% confidence and a 5% margin of error (Taherdoost, 2017). The study exceeded this requirement, obtaining 135 fully completed responses, which strengthens the statistical power of the regression analyses reported in Section 4.

Research Instrument

The questionnaire was adapted from established instruments and organised into sections covering demographic profile, organizational readiness, decision-making effectiveness, and the four VUCA dimensions. Decision-making effectiveness items were adapted from Rimita (2019) and Bentahar and Belhadi (2025); the four VUCA scales were adapted from frameworks established by Ivanov (2021) and Li, Yu, and Deng (2024); and the organizational-readiness composite combined items measuring strategic awareness, adaptive decision-making capability, and organizational agility and leadership flexibility, informed by Rout et al. (2023) and Ahn et al. (2018). All closed-ended items used a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Table 2 summarises the structure of the instrument.

Table 2: Questionnaire Structure and Item Sources

Section	Construct	Items	Primary Source
A	Demographic Profile	6	Developed for this study
B–D	Organizational Readiness (Moderator): Strategic Awareness, Adaptive Decision-Making Capability, Organizational Agility & Leadership Flexibility	10	Rout et al. (2023); Ahn et al. (2018)
E	Decision-Making Effectiveness (Dependent Variable)	3	Rimita (2019); Bentahar & Belhadi (2025)
F	Volatility (IV1)	3	Ivanov (2021); Li, Yu, & Deng (2024)
G	Uncertainty (IV2)	3	Ivanov (2021); Li, Yu, & Deng (2024)

Section	Construct	Items	Primary Source
H	Complexity (IV3)	3	Ivanov (2021); Li, Yu, & Deng (2024)
I	Ambiguity (IV4)	3	Ivanov (2021); Li, Yu, & Deng (2024)
Total Likert-scale items		25	

Data Collection Procedure

Data were collected through an online questionnaire administered via Google Forms and distributed through professional networks and industry platforms such as LinkedIn. Participation was voluntary, responses were confidential, and a digital consent form describing the study's purpose, expected duration, and data-handling procedures was presented before respondents could proceed. Ethical clearance was obtained prior to distribution.

Pilot Study and Reliability

A pilot study involving 30 respondents was conducted prior to full data collection to assess the clarity and internal consistency of the instrument (Creswell & Creswell, 2018). All 30 responses were valid and complete. The 25-item scale achieved a pilot Cronbach's alpha of .955, exceeding Nunnally and Bernstein's (1994) recommended threshold of .70 and indicating strong internal consistency prior to full deployment.

Data Analysis Technique

Data from the full sample (N = 135) were analysed in SPSS. Frequency analysis described the demographic profile; descriptive statistics (means, standard deviations) characterised the four VUCA dimensions, organizational readiness, and decision-making effectiveness; Cronbach's alpha assessed internal consistency reliability for each construct; Pearson correlation assessed the strength and direction of bivariate relationships (Field, 2018); and hierarchical multiple regression tested the direct effects specified in H1 to H4 and the incremental contribution of organizational readiness specified in H5, following procedures consistent with Hair, Black, Babin, and Anderson (2019). Collinearity diagnostics (condition indices) were examined to confirm that the shared variance among the four VUCA predictors did not compromise the stability of the regression estimates.

RESULT AND ANALYSIS

Response Rate and Respondent Profile

The questionnaire yielded 135 fully completed responses, exceeding the minimum sample requirement identified in Section 3.2 and providing adequate statistical power for the regression analyses that follow. Table 3 summarises the demographic profile of respondents. The sample was predominantly male (76.3%) and concentrated in the 20–29 (40.7%) and 30–39 (35.6%) age brackets, together accounting for over three-quarters of respondents. Malay respondents

formed the largest ethnic group (45.2%), followed by Chinese (26.7%) and Indian (22.2%) respondents. Job roles were fairly evenly distributed across entry-level (24.4%), senior management/executive (20.0%), specialist/technical (20.0%), support staff (18.5%), and mid-level management (17.0%) categories. In terms of tenure, 57.0% of respondents had accumulated four or more years of experience within their current organization, and most (74.8%) held full-time positions, indicating that the sample combined broad role coverage with sufficient organizational exposure to speak credibly to VUCA-related decision-making.

Table 3: Respondent Profile (N = 135)

Category	Group	Frequency	Percent (%)
Gender	Female	32	23.7
	Male	103	76.3
Age	20–29	55	40.7
	30–39	48	35.6
	40–49	26	19.3
	50 and above	6	4.4
Ethnicity	Malay	61	45.2
	Chinese	36	26.7
	Indian	30	22.2
	Others	8	5.9
Job Role	Entry-level Employee	33	24.4
	Mid-level Management	23	17.0
	Senior Management/Executive	27	20.0
	Specialist/Technical Expert	27	20.0
	Support Staff	25	18.5
Years of Experience	Below 1 year	24	17.8
	1–3 years	34	25.2
	4–6 years	34	25.2
	7–9 years	16	11.9
	More than 10 years	27	20.0
Employment Status	Full-time	101	74.8
	Contract	15	11.1

Category	Group	Frequency	Percent (%)
	Intern	10	7.4
	Temporary	5	3.7
	Part-time	4	3.0

Reliability Analysis

Internal consistency was assessed using Cronbach's alpha for each construct (Table 4). All constructs exceeded the commonly cited threshold of .70 (Nunnally & Bernstein, 1994), ranging from .758 (Complexity) to .968 (the combined independent, moderator, and dependent item set), indicating that the measurement instrument produced consistent, reliable scores across the full sample. Reliability for the organizational-readiness composite is reflected in the two combined-construct coefficients reported below ($\alpha = .889$ and $\alpha = .860$), as the instrument's reliability analysis was conducted at the combined-construct rather than the single-composite level ;a measurement limitation discussed in Section 5.4.

Table 4: Reliability Analysis (Cronbach's Alpha)

Construct	No. of Items	Cronbach's Alpha
Volatility (IV1)	3	.819
Uncertainty (IV2)	3	.839
Complexity (IV3)	3	.758
Ambiguity (IV4)	3	.882
Strategic Awareness, Organizational Agility & Leadership Flexibility	7	.889
Adaptive Decision-Making Capability & Decision-Making Effectiveness	6	.860
All Independent, Moderator, and Dependent Items (Overall Scale)	25	.968

Descriptive Analysis

Table 5 presents descriptive statistics for the four VUCA dimensions, organizational readiness, and decision-making effectiveness, interpreted against the scale of 1.00–2.33 (low), 2.34–3.67 (moderate), and 3.68–5.00 (high). All six variables fell within the moderate range. Volatility recorded the highest mean ($M = 3.565$, $SD = .544$), indicating that respondents perceived frequent, unpredictable change in their operating environment, while Ambiguity recorded the lowest mean ($M = 3.111$, $SD = .650$). Organizational readiness ($M = 3.302$, $SD = .591$) and decision-making effectiveness ($M = 3.349$, $SD = .589$) were similarly moderate, suggesting that the sampled organizations are functioning adequately under VUCA pressure but retain clear room for improvement in both readiness and decision quality.

Table 5: Descriptive Statistics for Study Variables (N = 135)

Variable	Mean	SD	Min	Max
Volatility (IV1)	3.565	.5437	2.3	5.0
Uncertainty (IV2)	3.410	.6039	2.0	5.0
Complexity (IV3)	3.277	.5302	2.0	4.7
Ambiguity (IV4)	3.111	.6503	1.7	4.7
Organizational Readiness (Moderator)	3.302	.5913	2.0	4.9
Decision-Making Effectiveness (DV)	3.349	.5890	2.2	5.0

Correlation Analysis

Table 6 reports Pearson correlation coefficients among the study variables. All correlations were positive and significant at $p < .01$ (one-tailed). Decision-making effectiveness correlated most strongly with organizational readiness ($r = .896$), followed by Volatility ($r = .815$), Ambiguity ($r = .801$), Complexity ($r = .777$), and Uncertainty ($r = .739$). Organizational readiness also correlated strongly with all four VUCA dimensions ($r = .760$ to $.839$). Notably, the four VUCA dimensions were themselves highly intercorrelated ($r = .834$ to $.889$), indicating substantial conceptual and empirical overlap among Volatility, Uncertainty, Complexity, and Ambiguity. This pattern is consistent with the theoretical view that VUCA dimensions co-occur rather than operate independently (Millar et al., 2018), but it also carries an important statistical implication: because the predictors share a large proportion of variance, their independent contributions can only be established through multivariate analysis, addressed next.

Table 6: Pearson Correlation Matrix (N = 135, $p < .01$ for all coefficients)

Variable	OR	DME	V	U	C	A
Organizational Readiness (OR)	1					
Decision-Making Effectiveness (DME)	.896	1				
Volatility (V)	.833	.815	1			
Uncertainty (U)	.760	.739	.865	1		
Complexity (C)	.831	.777	.834	.845	1	
Ambiguity (A)	.839	.801	.846	.867	.889	1

Multiple Regression Analysis

Direct Effects of VUCA on Decision-Making Effectiveness and Organizational Readiness

Two regression models were estimated. Model 1 regressed decision-making effectiveness on

the four VUCA dimensions; Model 2 regressed organizational readiness on the same four predictors. Table 7 reports the coefficients for both models. In Model 1, the four VUCA dimensions jointly explained 71.5% of the variance in decision-making effectiveness ($R = .845$, $R^2 = .715$, Adjusted $R^2 = .706$), $F(4, 130) = 81.431$, $p < .001$. Volatility ($\beta = .501$, $p < .001$) and Ambiguity ($\beta = .349$, $p = .004$) were significant positive predictors, supporting H1 and providing initial support for H4. Uncertainty ($\beta = –.132$, $p = .232$) and Complexity ($\beta = .161$, $p = .148$) were not significant, providing no support for H2 or H3, despite both showing significant positive bivariate correlations with decision-making effectiveness (Table 6). This divergence between the correlation and regression results is attributable to the high intercorrelation among the four VUCA predictors ($r = .834$ to $.889$): once Volatility and Ambiguity are held constant, Uncertainty and Complexity retain little unique explanatory power. In Model 2, the same four predictors explained 77.7% of the variance in organizational readiness ($R = .882$, $R^2 = .777$, Adjusted $R^2 = .771$), $F(4, 130) = 113.550$, $p < .001$. Volatility ($\beta = .432$, $p < .001$), Complexity ($\beta = .305$, $p = .002$), and Ambiguity ($\beta = .367$, $p < .001$) were significant positive predictors, while Uncertainty approached but did not reach conventional significance ($\beta = –.190$, $p = .054$). This indicates that organizational readiness is itself substantially shaped by exposure to volatile, complex, and ambiguous conditions, consistent with readiness developing partly as a response to instability rather than existing independently of it.

Table 7: Regression Coefficients for Decision-Making Effectiveness (Model 1) and Organizational Readiness (Model 2)

Predictor	B (M1)	β (M1)	p (M1)	B (M2)	β (M2)	p (M2)
(Constant)	.287	—	.159	.107	—	.553
Volatility	.542	.501	<.001	.470	.432	<.001
Uncertainty	-.129	-.132	.232	-.186	-.190	.054
Complexity	.179	.161	.148	.340	.305	.002
Ambiguity	.316	.349	.004	.334	.367	<.001

Note. M1 = Model 1, DV = Decision-Making Effectiveness, $R = .845$, $R^2 = .715$, Adj. $R^2 = .706$, $F(4,130) = 81.431$, $p < .001$. M2 = Model 2, DV = Organizational Readiness, $R = .882$, $R^2 = .777$, Adj. $R^2 = .771$, $F(4,130) = 113.550$, $p < .001$.

Moderated Model: VUCA and Organizational Readiness on Decision-Making Effectiveness

To test H5, organizational readiness was added to the VUCA predictors in a third model regressing decision-making effectiveness on all five variables simultaneously (Table 8). The full model explained 82.0% of the variance in decision-making effectiveness ($R = .906$, $R^2 = .820$, Adjusted $R^2 = .813$), $F(5, 129) = 117.655$, $p < .001$;an improvement of 10.5 percentage points in explained variance over Model 1 ($\Delta R^2 = .105$).

Organizational readiness emerged as the strongest predictor in the full model ($\beta = .688$, $p < .001$), supporting H5. Volatility remained a significant, though substantially weaker, predictor ($\beta = .203$, $p = .024$, down from $\beta = .501$ in Model 1). Ambiguity's effect, by contrast, was no longer statistically significant once organizational readiness was included ($\beta = .096$, $p = .333$,

down from β = .349), while Uncertainty and Complexity remained non-significant. This indicates that organizational readiness does not simply add to the predictive power of the VUCA dimensions; it substantially absorbs the effect previously attributed to Volatility and, more markedly, to Ambiguity. Substantively, readiness appears to function as the operational channel through which volatile and ambiguous conditions are converted into effective decisions, rather than as an independent factor operating alongside them ;a pattern more consistent with a mediating or mediated-moderation role than with a classical interaction-based moderation effect, a distinction addressed further in the Discussion.

Table 8: Regression Coefficients for the Final Model (VUCA + Organizational Readiness → Decision-Making Effectiveness)

Predictor	B	SE	β	t	p
(Constant)	.214	.162	—	1.323	.188
Volatility	.220	.097	.203	2.277	.024
Uncertainty	-.002	.087	-.002	-.022	.982
Complexity	-.054	.102	-.049	-.534	.595
Ambiguity	.087	.090	.096	.972	.333
Organizational Readiness	.686	.079	.688	8.695	<.001

Note. DV = Decision-Making Effectiveness. $R = .906$, $R^2 = .820$, Adj. $R^2 = .813$, $SE = .2546$, $F(5,129) = 117.655$, $p < .001$.

Multicollinearity Diagnostics

Given the strong intercorrelations among the four VUCA dimensions, collinearity diagnostics were examined to confirm the stability of the regression estimates. Condition indices for the final model ranged up to 38.731, remaining below the conventional threshold of 40, and no two predictors shared more than 90% of variance on a single dimension. Multicollinearity was therefore judged acceptable, and the pattern of non-significant coefficients for Uncertainty and Complexity reflects genuine shared variance with Volatility and Ambiguity rather than an estimation artefact.

Summary of Hypothesis Testing

Table 9 summarises the outcome of hypothesis testing based on the regression results reported above.

Table 9: Summary of Hypothesis Testing

Hypothesis	Statement	Result
H1	Volatility positively influences decision-making effectiveness.	Supported
H2	Uncertainty positively influences decision-making effectiveness.	Not Supported

Hypothesis	Statement	Result
H3	Complexity positively influences decision-making effectiveness.	Not Supported
H4	Ambiguity positively influences decision-making effectiveness.	Partially Supported
H5	Organizational readiness positively influences, and moderates, decision-making effectiveness.	Supported

DISCUSSION AND CONCLUSION

Discussion of Findings

The results address the study's three objectives. First, regarding the influence of VUCA factors on decision-making effectiveness (Objective 1), the findings offer a more differentiated picture than the bivariate correlations alone suggest. All four VUCA dimensions correlated significantly with decision-making effectiveness, but only Volatility and Ambiguity retained unique predictive power once shared variance among the four dimensions was accounted for. This indicates that operations leaders in the sampled manufacturing organizations are most affected, in terms of decision quality, by the speed of change and by the interpretive unclarity of events, rather than by the sheer unpredictability of outcomes (Uncertainty) or the structural density of interdependent factors (Complexity) per se. This is a theoretically meaningful refinement of the VUCA framework: not all VUCA dimensions carry equal weight for operational decision-making, and Volatility and Ambiguity may represent the more behaviourally salient dimensions for leaders operating at the point of execution, consistent with Baran and Woznyj's (2020) argument that adaptive leaders convert rapid change into timely decisions, and Duchek's (2020) view that decision-making under ambiguity shifts from optimisation toward discovery. Second, regarding the level of organizational readiness (Objective 2), respondents reported a moderate level of readiness ($M = 3.302$), correlating strongly with decision-making effectiveness ($r = .896$) and itself substantially predicted by VUCA exposure ($R^2 = .777$). This dual pattern ;readiness responding to VUCA pressure while also enabling effective decisions under that same pressure is consistent with Teece's (2019) sensing–seizing–transforming framework, in which capability develops iteratively through exposure to disruption rather than existing as a static, pre-formed asset.

Third, regarding moderation (Objective 3), the results are more nuanced than a simple moderating effect. Adding organizational readiness to the regression model substantially increased explained variance ($\Delta R^2 = .105$) and became the dominant predictor, while sharply reducing the coefficients for Volatility and, especially, Ambiguity. This pattern is consistent with readiness partially channelling, rather than purely moderating, the effects of VUCA on decision-making effectiveness. Methodologically, this study tested the readiness relationship through hierarchical multiple regression rather than through a formal interaction term (VUCA × Readiness); the results therefore more precisely demonstrate that readiness is a strong predictor whose inclusion attenuates the apparent VUCA effects, which is suggestive of, but

not equivalent to, statistical moderation in the strict sense. This distinction does not diminish the practical importance of the finding ;readiness clearly matters for decision-making effectiveness under VUCA ;but it does refine the theoretical claim, and is addressed further as a limitation below.

Theoretical Contribution

The study contributes to VUCA and decision-making theory in three ways. First, it demonstrates empirically that the four VUCA dimensions are not equally predictive of operational decision-making effectiveness once their shared variance is controlled, refining models that treat VUCA as a single composite pressure. Second, it extends dynamic capabilities theory (Teece, 2019) and organizational adaptation theory (Duchek, 2020) to the operations-leadership level, showing that readiness functions similarly whether decisions are strategic or operational in nature. Third, by documenting the shift in VUCA coefficients once readiness is introduced, the study surfaces a mediation-consistent pathway between environmental pressure and decision outcomes that existing VUCA–readiness models have largely treated as a simple moderating relationship, pointing toward a more precise, testable theoretical model for future research.

Practical Implications

For manufacturing organizations, the findings suggest that investment in readiness ;adaptive leadership, timely information systems, and flexible operating structures offers a more direct route to improved decision-making effectiveness than attempting to reduce VUCA exposure itself, which is often outside a firm's control. Given that Volatility and Ambiguity carry the strongest direct associations with decision quality, training and decision-support investment should prioritise rapid-response routines for sudden change and structured sense-making practices, such as scenario framing and cross-functional consultation, for interpreting ambiguous situations, rather than allocating resources evenly across all four VUCA dimensions. Because readiness itself is significantly shaped by exposure to Volatility, Complexity, and Ambiguity, organizations should also treat readiness-building as an ongoing, adaptive process embedded in operational routines, rather than a one-time capability investment. Three concrete actions follow from these results. First, manufacturing firms should build short, scenario-based response protocols that operations leaders can activate immediately when volatility indicators (demand spikes, supply disruptions) are detected, rather than relying on ad hoc escalation. Second, firms should formalise sense-making routines such as brief cross-functional review huddles for situations flagged as ambiguous, so that interpretation is shared rather than left to individual judgement under pressure. Third, given that organizational readiness explained the largest share of variance in decision-making effectiveness, firms should audit their existing readiness infrastructure (information systems, leadership development, cross-departmental coordination mechanisms) before investing further in VUCA-specific training, since readiness appears to be the more direct lever on decision outcomes.

Limitations

Several limitations qualify these findings. The cross-sectional design captures perceptions at a single point in time and cannot establish causal or developmental sequence between VUCA exposure, readiness, and decision-making effectiveness. The purposive sampling strategy, while appropriate for reaching operations leaders with relevant experience, limits generalisability beyond the Malaysian manufacturing sector. The moderating role of

organizational readiness was tested through hierarchical regression rather than a formal interaction term; future analyses using mean-centred interaction terms or the PROCESS macro (Hayes) would allow a more precise test of moderation versus mediation. Additionally, the composite organizational readiness measure was assessed for reliability through two overlapping combined-construct coefficients (α = .889 and α = .860) rather than a single dedicated alpha for the readiness index itself, which limits confidence in its measurement precision as a standalone construct. Finally, all data were self-reported, introducing the possibility of common-method bias and social-desirability responding.

Recommendations for Future Research

Future research should replicate this model across other high-VUCA sectors, such as logistics or healthcare, to test the generalisability of the Volatility–Ambiguity pattern observed here. Longitudinal designs would allow researchers to track how organizational readiness develops over successive disruption cycles and to establish temporal precedence between VUCA exposure, readiness, and decision outcomes. Formal moderation and mediation testing, using interaction terms or structural equation modelling, would clarify whether readiness operates as a moderator, a mediator, or both. Qualitative follow-up interviews with operations leaders could also illuminate the specific decision routines that convert readiness into effective action under volatile and ambiguous conditions.

Conclusion

This study examined the influence of VUCA factors on decision-making effectiveness among 135 operations leaders in the Malaysian manufacturing sector and tested the moderating role of organizational readiness. Volatility and Ambiguity emerged as the only VUCA dimensions with unique predictive power over decision-making effectiveness, while Uncertainty and Complexity, despite significant bivariate correlations, did not retain independent explanatory power once shared variance among the four dimensions was accounted for. Organizational readiness was both strongly predicted by VUCA exposure and, when added to the model, became the dominant predictor of decision-making effectiveness, substantially attenuating the direct effects of Volatility and Ambiguity.

These results support Hypotheses 1 and 5, provide partial support for Hypothesis 4, and do not support Hypotheses 2 and 3. Collectively, the findings position organizational readiness as the principal mechanism through which manufacturing firms convert environmental instability into effective operational decision-making, and they offer manufacturing organizations a more targeted basis for prioritising readiness investment under volatile and ambiguous, rather than uniformly VUCA, conditions.

More broadly, the study suggests that future VUCA research would benefit from disaggregating the four-dimension construct rather than treating it as a single composite pressure, and from testing organizational readiness explicitly as a mediator alongside its conventional treatment as a moderator. Doing so would sharpen both the theoretical understanding of how instability is converted into organizational outcomes and the practical guidance available to leaders who must make consequential decisions with imperfect information, under real time pressure, on the manufacturing floor.

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EMPLOYMENT TRENDS IN THE GIG ECONOMY SECTOR AT MALACCA PEOPLE AFTER COVID 19

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ABSTRACT
The gig economy has emerged as an important employment sector around the world, especially after the COVID-19 Pandemic. It explores how the pandemic is reshaping traditional employment patterns, leading to increased reliance on flexible, independent and short-term employment trends. This research aims to examine the relationship between the characteristics of the work environment, job benefits and the level of job satisfaction in the gig economy. Using quantitative methods, data was collected through the distribution of survey questionnaires to 100 respondents in Duyong district, Melaka. The information collected through the questionnaire was analyzed with the Statistical Package for Social Science (SPSS) software. This study was conducted with the aim of testing and analyzing whether there is a positive correlation between each independent variable including the characteristics of the work environment, job benefits and the level of job satisfaction in the gig economy as a dependent variable.

Keywords : Gig Economy, Employment Trends

INTRODUCTION
COVID-19 pandemic has profoundly impact the global economy, reshaping employment patterns and accelerating the shift toward non-traditional forms of works. In Malaysia, the Gig economy has emerged as a prominent sector, providing flexible job opportunities to many individuals who faced disruptions in traditional employment. For the people of Malacca, this shift has been particularly significant, as the pandemic caused major challenges in industries like tourism, manufacturing, and retail, which are key contributors to the state's economy. The Gig economy, characterized by short term, freelance, and platform-based works, has offered a lifeline for many workers during the economic downturn. As businesses and individuals adapted to new norms, including digitalization and remote work, the gig economy experienced rapid growth. Platforms such as e-hailing, food delivery, freelance digital services, and online marketplace participation became crucial for both workers seeking income and businesses striving to survive. This study examines the employment trends within the gig economy sector among the people of Malacca post-COVID-19. It seeks to understand the factors driving participation in gig work, the socio- economic impacts on workers, and the opportunities and

challenges this sector presents. By analyzing these trends, this research aims to provide a comprehensive understanding of how the gig economy has influenced labor market at Malacca and what it means for the state's future economic resilience.

LITERATURE REVIEW

The gig economy, defined by flexible, temporary, and often digital platform-mediated work, has become an increasingly relevant aspect of global labor markets. In Malaysia, the gig economy has witnessed accelerated growth, especially following COVID-19 pandemic, which disrupted traditional employment structures and intensified the adoption of non-conventional work models. This section explores existing literature on employment trends in the gig economy, focusing on key drivers, challenges, and implications for the Malaysian workforce. Several studies highlight the pandemic's role as a catalyst for the gig economy. According to Idris et al. (2021), economic disruptions caused by COVID-19 forced many Malaysians to explore alternative income sources, leading to increased participation in gig work. Platforms such as Grab, Foodpanda, and Shopee have experienced a surge in users, both as service providers and consumers, reflecting a shift towards platform-based employment. Similar findings by Ahmad and Lim (2022) suggest that technological advancements and increased digital literacy among Malaysians have further facilitated this transition. Research by Tan et al. (2023) identifies demographic trends among Malaysian gig workers, noting that young adults and those with mid-level education are predominant participants. These workers are often attracted by the flexibility and autonomy that gig jobs offer, although the lack of job security remains a concern. Additionally, studies indicate a rising involvement of women in gig work, particularly in e-commerce and home-based services, as they balance professional and domestic responsibilities post-pandemic.

The gig economy's expansion in Malaysia has had profound economic implications. According to Chong et al. (2022), Gig work has provided a safety net for displaced workers during economic downturns. However, the precarious nature of gig employment—marked by the absence of benefits, job stability, and formal contracts—has raised concerns about long-term sustainability. Furthermore, Ong and Yusoff (2021) argue that gig work often lacks adequate regulatory oversight, leaving workers vulnerable to exploitation.Digital platforms are the backbone of the gig economy. Research by Leong and Wong (2023) emphasizes the role of technological advancements in connecting workers with opportunities while streamlining transactions. However, they also caution about the growing digital divide, where rural populations and older individuals may face barriers to entry due to limited access to technology. Policy responses to the gig economy in Malaysia have been mixed. Studies by Zainal et al. (2022) reveal a lack of comprehensive legal frameworks to address the rights and welfare of gig workers. While some initiatives, such as social security coverage under PERKESO's Self-Employment Social Security Scheme, have been introduced, more robust measures are needed to ensure fair treatment and economic security for gig workers. Long-term sustainability remains a critical question. Scholars like Rahman and Hashim (2023) highlight the need for balancing flexibility with protections to ensure that gig work can support livelihoods without

exacerbating economic inequality. The role of public and private stakeholders in creating inclusive and sustainable gig work ecosystems is emphasized in recent discussions.

RESEARCH METHODOLOGY

In this research, the questionnaire is conducted using a survey. Data collection was done through a questionnaire that was distributed to the respondent . The quantitative research approach was used to collect data on the respondent's background and also depending on the degree of work environment, work benefit and gig satisfaction. Furthermore, Respondents are the people from Duyong, Malacca. In this research, the population for a month in a respondent is estimated at around 89 to 100. In this research, the number of samples taken is 100 respondents. The questionnaire is separated into 3 sections; section A, section B, and section C. Section A consists of demographics where personal information from the responses and insights. Gender, age, marital status, education and working sector how were among the socio-demographic data. Section B is the evaluation of the level employment trend Gig economy sector in Malacca. The questions in this section were graded on a five-point Likert Scale. Meanwhile, section C is to access customer satisfaction based on the employment trend and was graded on a five-point Likert scale. A Likert scale is commonly used in surveys and survey research to assess whether a person has a positive or negative reaction to a message (Dawes and Jones, 2005). As a result, respondents are required to score their level of satisfaction with employment trends according to each dimension at Duyong base on the Table 1 rating (1= Strongly Disagree to 5= Strongly Agree).

Table 1: Five-Point Likert Scale (Mahotra, and Peterson, 2004)

Likert Scale Value	***Rating***
1	**Strongly Disagree**
2	**Disagree**
3	**Neutral**
4	**Agree**
5	**Strongly Agree**

Data analysis gives useful information for evaluating the outcome (Malhotra, 2009). In this research, the Statistical Package for Social Science (SPSS) software was used to analyze data collected from respondents in this research. SPSS has been widely utilized by practitioners for quantitative analysis and data access and analysis. Moreover, in this research descriptive analysis, Pearson correlation analysis, and multiple regression analysis are among the methods being used to evaluate data acquired by researchers to get an acceptable and comprehensible conclusion.

DATA ANALYSIS

In this research, the results of data analysis are given in the form of tables and charts. The Statistical Package for Social Science (SPSS) version 25 were used to analyze the survey questionnaire data. Table 2 illustrates frequency and percentage analysis based on the summarized respondents' profiles. This helps in gaining important insights for the research.

Table 2: Summary of respondent's profile

Demographic	Category	Frequency	Percentage (%)
Gender	Male	43	43%
	Female	57	57%
Aged	18 to 23 years	14	14%
	24 to 40 years old	61	61%
	years and over	24	24%
	others	1	1%
Marital Status	Single	28	28%
	Married	65	65%
	Divorce	7	7%
Education	Degree	33	33%
	Diploma	30	30%
	Spm	25	7%
	Pmr	5	5%
	Others	7	7%
Working Sector	Own/Gig	44	44%
	Govermant Servant	20	20%
	Private	18	18%
	Housewife	7	7%
	Jobless	5	5%
	Others	6	6%

Table 3 shows all of the variables that affect trend employment. Work benefit is the most prominent dimension among the three dimensions, with a mean of 4.4075 and a standard deviation of 0.60891.

Work Benefit refers to freedom of works, flexibility working hours and benefit to income of employment trend gig economy.

Table 3: Mean and Standard Deviation of Employment trends

Dimensions	Mean	Standard Deviation	Level of Employment Trend
Work Enviroment	4.3800	0.63810	High
Work Benefit	4.4075	0.60891	High
Gig Satisfaction	4.2125	0.82371	High
erage Mean Score	4.3333	0.6968	High

Descriptive Statistics

	Mean	Std. Deviation	N
workenvironment	4.3800	.63810	100
workbenefit	4.4075	.60891	100
gigsatisfaction	4.2125	.82371	100

Figure 2 : Mean and Standard Deviation of Service Quality of Trend Employment in Gig Economy

The table shows the Pearson Correlation analysis to identify the relationship between the work environment given by people at Duyong, Malacca and work benefit. This may identify whether the coefficient value is in a weak or strong relationship between work enviroment and work benefit. Meanwhile, in Figure 3 the significance values for all the categories were less than 0.01, it was assumed that the relationship between work benefit and gig satisfaction was substantial and linear. According to Table 4 and Figure 3, at the 1.000 significance level, the relationship relationship between work environment and work benefit is considered a strong positive linear relationship with a "r" value of 0.771. Meanwhile, the relationship between work environment and gig satisfaction is a strong positive linear relationship with a "r" value of 0.555. Other than that, the "r" value for work benefit and gig satisfaction is 0.659. Since all correlations are positive and significant, organizations aiming to improve gig satisfaction should focus on enhancing work benefits and maintaining a positive work environment.

Table 4: Pearson Correlation Analysis

Title	Pearson Correlation
Work Enviroment	1.000

Work Benefit	0.771
Gig Satisfaction	0.555

Figure 3 Analysis of Correlation in SPSS

Correlations

		workenvironment	workbenefit	gigsatisfaction
Pearson Correlation	workenvironment	1.000	.771	.555
	workbenefit	.771	1.000	.659
	gigsatisfaction	.555	.659	1.000
Sig. (1-tailed)	workenvironment	.	<.001	<.001
	workbenefit	.000	.	.000
	gigsatisfaction	.000	.000	.
N	workenvironment	100	100	100
	workbenefit	100	100	100
	gigsatisfaction	100	100	100

Based on Figure 4, overall the relation (R) between gig satisfaction and work benefit is 0.773 which means it has a strong positive linear relationship with a magnitude of 59%. This signifies that 59% of work benefit in employment trend Gig Economy which are work environment, work benefit and gig satisfaction.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.773[a]	.598	.589	.40891	1.561

a. Predictors: (Constant), gigsatisfaction, workbenefit

b. Dependent Variable: workenvironment

Figure 4 : Summary of Relationship between Gig Satisfaction and Work Benefit

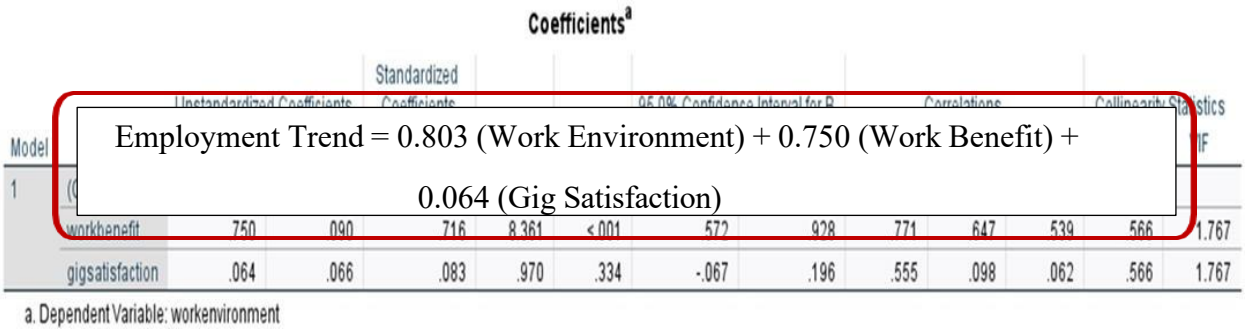
To identify the objective to determine which employment trend will have the most impact on people at Duyong, Malacca the standardized coefficients in Table 5 can be referred. The significance for this regression, where $p<0.09$ shows a confidence indicates statistical significance at the 1% level ($p < 0.01$). However, the Beta coefficient (0.000) suggests that the work environment has no measurable impact on the dependent variable despite being statistically significant. This may be due to rounding issues or model-related anomalies. Furthermore, both reliability and assurance dimensions were excluded from the regression model as their significance value (p) < 0.09. The standardized coefficient from Table 5 can indicate that in terms of work benefit with a value of 0.716 is high, suggesting that work

benefits have a strong positive influence on the dependent variable. The same goes for the other gig satisfaction dimensions, is not significant (p) > 0.05 with value 0.334, meaning gig satisfaction does not have a statistically meaningful effect and suggesting a weak relationship.

Table 5 : Standardized Coefficient Analysis

Title	Sig (p)	Standardized Coefficients Beta	Percentage
Work Environment	0.009	0.000	0.00 %
Work Benefit	0.001	0.716	71.6 %
Gig Satisfaction	0.334	0.083	83 %

Figure 5 : Result of Multiple Regression Analysis in SPSS



Employment Trend = 0.803 (Work Environment) + 0.750 (Work Benefit) + 0.064 (Gig Satisfaction)

Based on the unstandardized coefficient from Table 5, the mathematical equation for the model can be expressed as follows :

This shows that the employment trend in terms of work environment provided by people at Duyong, Malacca for Work Environment leads to a **0.803 unit increase** in Employment Trend, assuming other factors remain constant. This suggests that Work Environment has a positive and strong influence on Employment Trend. At the same time Work Benefit leads to a **0.750 unit increase** in Employment Trend. And this also shows a strong positive impact, but slightly lower than Work Environment. However, Gig Satisfaction leads to a **0.064 unit increase** in Employment Trend and this effect is very weak compared to the other two variables.

CONCLUSION

The gig economy at Malacca has experienced significant transformation following COVID-19 pandemic. The crisis accelerated the shift towards freelance, temporary, and digital-based employment as individuals and businesses adapted to economic uncertainties. Many workers, including those who lost traditional jobs, turned to gig opportunities in sectors such as food delivery, e-hailing, online services, and digital freelancing. This shift has provided increased flexibility and income opportunities for many, yet it has also raised concerns about job security, fair wages, and worker protections. While technology has facilitated gig work growth, long-term sustainability depends on better policies, upskilling initiatives, and social security

measures for gig workers. Moving forward, Malacca gig economy will continue evolving, with digital transformation, regulatory frameworks, and worker empowerment playing key roles in shaping its future. To maximize benefits and minimize challenges, collaboration between the government, private sector, and workers is essential in ensuring a balanced and sustainable gig economy in the post-pandemic era.

ACKNOWLEDGEMENT

Authors acknowledge the support of the Faculty of Management, Universiti Teknologi Malaysia (UTM) and the Ministry of Higher Education Malaysia (MOHE). Fundamental Research Grants FRGS/1/2020/STG06/UTM/02/9.

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CUSTOMS CLEARANCE DELAYS AND SUPPLY CHAIN PERFORMANCE AT THE PORT OF TANJUNG PELEPAS: A CONCEPTUAL FRAMEWORK

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ABSTRACT
Efficient customs clearance is essential to the reliability and competitiveness of port-based supply chains. Although customs procedures protect revenue, security and regulatory compliance, excessive or unpredictable processing time can interrupt cargo flows, increase logistics costs and weaken delivery performance. This review article examines the relationship between customs clearance delays and supply chain performance, with the Port of Tanjung Pelepas (PTP) positioned as the application context. A structured narrative review was undertaken by synthesising peer-reviewed studies, established supply chain literature and publications from authoritative institutions, including the World Bank, World Trade Organization, World Customs Organization and United Nations Conference on Trade and Development. Five recurring dimensions of customs clearance delay were identified: administrative delays, documentation delays, inspection delays, system delays and coordination delays. Supply chain performance was synthesised through five corresponding outcomes: cost efficiency, delivery reliability, lead-time performance, operational efficiency and responsiveness. Supply chain management theory explains how clearance bottlenecks propagate across interconnected logistics activities, while institutional theory explains how regulations, organisational norms and established administrative arrangements can sustain inefficient practices. The review proposes that each customs-delay dimension has a negative relationship with supply chain performance. However, the dimensions are interdependent; a documentation error may initiate administrative rework, trigger inspection and require coordination among several stakeholders. The resulting framework therefore conceptualises customs clearance delay as a systemic rather than isolated operational problem. The article contributes by consolidating fragmented customs and supply chain literature into a port-level framework applicable to PTP. It also identifies practical priorities relating to document quality, risk-based inspection, system resilience, process simplification and inter-organisational coordination. Future research should test the framework using practitioner surveys, customs-event timestamps, cargo dwell-time records and cross-port comparisons.

Keywords: customs clearance delays, supply chain performance, trade facilitation, port efficiency, Port of Tanjung Pelepas

INTRODUCTION
Maritime ports are essential nodes in global supply chains. They connect shipping networks with inland transportation, manufacturing, distribution and final markets. Their performance

depends not only on physical infrastructure and cargo-handling capacity but also on the efficient movement of information, documents and regulatory decisions. As ports become more integrated with international production and distribution systems, cargo clearance speed and predictability have become important determinants of overall logistics competitiveness (Notteboom et al., 2022). Customs clearance represents the regulatory process through which authorities verify that imported or exported goods comply with applicable legal, documentary, security and fiscal requirements. The process may include the submission of declarations, verification of supporting documents, tariff classification, valuation, risk assessment, payment of duties, physical inspection and formal release. These activities fulfil legitimate public responsibilities. Nevertheless, inefficient sequencing, unnecessary repetition and unpredictable waiting time can transform the clearance process into a significant supply chain bottleneck.

The World Bank's Logistics Performance Index recognises customs and border-management efficiency as one of the central components of logistics performance (Arvis et al., 2023). Similarly, the World Trade Organization's Trade Facilitation Agreement emphasises the simplification, modernisation and harmonisation of procedures governing the movement, release and clearance of goods (World Trade Organization [WTO], 2017). These international frameworks indicate that customs performance cannot be separated from broader supply chain performance.

Delays occurring during customs clearance may extend cargo dwell time and disrupt connections between maritime and inland transportation. They can create demurrage, detention, storage and rehandling costs. They may also cause missed delivery windows, delayed production inputs, inventory shortages and customer dissatisfaction. Research on time as a trade barrier demonstrates that firms and consumers attach considerable economic value to reliable and timely delivery (Djankov et al., 2010; Hummels & Schaur, 2013).

The Port of Tanjung Pelepas is an appropriate context for examining this relationship. PTP is located near major east–west shipping routes and functions as an important container and transshipment terminal in Malaysia. Its operations are supported by extensive terminal facilities, information systems and free-zone activities (Pelabuhan Tanjung Pelepas Sdn Bhd [PTP], n.d.). In a transshipment environment, schedule coordination is particularly important because a disruption affecting one process may influence vessel connections, yard planning, container positioning and subsequent transportation arrangements. Despite extensive international discussion of trade facilitation, several conceptual gaps remain. Customs clearance delay is frequently treated as a single measure, although its underlying causes differ substantially. An administrative approval delay, for example, is not equivalent to a documentation error, physical inspection queue, system interruption or coordination failure. Treating these sources as one aggregate variable limits the practical value of analysis because each problem requires a different intervention. This review addresses that limitation by conceptualising customs clearance delays through five dimensions: administrative, documentation, inspection, system and coordination delays. It then connects these dimensions with cost efficiency, delivery reliability, lead-time performance, operational efficiency and responsiveness. The review integrates supply chain management theory and institutional theory to explain both the operational consequences and organisational foundations of clearance inefficiency.

Review Questions

The review is guided by four questions:

i. What are the principal dimensions of customs clearance delay in port-based supply chains?
ii. How can customs clearance delays influence supply chain performance?
iii. Which theoretical perspectives explain the relationship between customs clearance delays and supply chain performance?
iv. What conceptual framework and research agenda are appropriate for studying this relationship at PTP?

Review objectives

The objectives are:

i. To synthesise the literature concerning customs clearance delays.
ii. To classify customs clearance delays into operationally meaningful dimensions.
iii. To examine the consequences of clearance delays for supply chain performance.
iv. To integrate relevant theoretical perspectives into a conceptual framework.
v. To identify managerial implications and priorities for future empirical research.

Significance of the review

The review has academic, managerial and policy significance. Academically, it connects trade-facilitation research with supply chain performance literature. Managerially, it provides a diagnostic structure for identifying where avoidable clearance time originates. For policymakers and customs authorities, it illustrates how regulatory processes can affect logistics competitiveness without suggesting that legitimate controls should be removed.

REVIEW METHODOLOGY

Review design

A structured narrative review was adopted. Narrative reviews are appropriate when the objective is to integrate concepts, theories and evidence from several related fields rather than calculate a combined statistical effect. They can support theory development when the search and synthesis procedures are explained transparently (Snyder, 2019).

The review covers customs administration, trade facilitation, port management, logistics and supply chain performance. It combines peer-reviewed journal articles, established academic books and institutional publications. Authoritative institutional sources were included because customs standards, border procedures and logistics indicators are frequently developed and documented by organisations such as the WTO, World Customs Organization (WCO), World Bank and United Nations Conference on Trade and Development (UNCTAD).

Search concepts

Literature was identified using combinations of the following concepts:

i. “customs clearance delay”
ii. “customs efficiency”
iii. “trade facilitation”
iv. “cargo dwell time”

v. "port logistics performance"
vi. "customs digitalisation"
vii. "single window"
viii. "customs inspection"
ix. "supply chain performance"
x. "delivery reliability"
xi. "lead-time performance"
xii. "inter-agency coordination"

The review prioritised sources directly addressing the mechanisms through which border and port procedures influence time, cost, reliability or operational flow. Seminal sources were retained where they established widely used theoretical or measurement foundations.

Selection principles

Sources were included when they met at least one of the following criteria:

i. Explained customs or trade-facilitation processes.
ii. Examined the economic or logistics consequences of border delays.
iii. Developed supply chain performance concepts or measures.
iv. Explained port competitiveness and cargo-flow management.
v. Provided theoretical foundations for inter-organisational or institutional analysis.
vi. Presented recognised international standards or measurement frameworks.

Sources were excluded when they lacked identifiable authorship, publication information or sufficient methodological and conceptual relevance. Commercial webpages and unsupported commentary were not used as evidence. The review was designed as a theory-building narrative synthesis rather than a systematic review or meta-analysis; therefore, it does not claim exhaustive coverage of every publication.

Analytical procedure

The selected literature was analysed in four stages. First, definitions and descriptions of customs inefficiency were extracted. Second, similar delay mechanisms were grouped into broader categories. Third, performance consequences were organised according to cost, reliability, lead time, efficiency and responsiveness. Finally, the categories were interpreted through supply chain management theory and institutional theory.

This process produced five customs-delay dimensions and five supply chain performance dimensions.

Table 1

Review component	Analytical focus	Result
Customs and trade-facilitation literature	Sources and mechanisms of delay	Five customs-delay dimensions
Supply chain literature	Operational and service outcomes	Five performance dimensions
Theoretical literature	Flow interdependence and institutional constraints	Integrated theoretical explanation

Review component	Analytical focus	Result
Port-management literature	Application to terminal and stakeholder relationships	Port-level conceptual framework
Evidence synthesis	Relationships among delay and performance concepts	Five conceptual propositions

CUSTOMS CLEARANCE IN PORT-BASED SUPPLY CHAINS

Customs clearance and trade facilitation

Trade facilitation generally concerns the simplification, harmonisation, standardisation and modernisation of international trade procedures. Its purpose is to reduce unnecessary transaction costs and procedural burdens while maintaining effective regulatory control (Grainger, 2008). Consequently, trade facilitation should not be interpreted as the elimination of customs requirements. It focuses on improving how information, decisions and controls are organised. The WTO Trade Facilitation Agreement contains provisions concerning pre-arrival processing, electronic payment, risk management, release of goods, border-agency cooperation and measurement of release time (WTO, 2017). These provisions recognise that efficiency and compliance can be complementary. Better information and risk management may allow customs authorities to concentrate resources on higher-risk consignments while facilitating lower-risk cargo.

The WCO Time Release Study provides a recognised methodology for measuring the time between cargo arrival and physical release. It encourages authorities to map individual process stages, identify bottlenecks and distinguish customs time from delays attributable to other parties (World Customs Organization [WCO], 2025). This distinction is important because total port dwell time may include pre-clearance, customs clearance and post-clearance activities.

Defining customs clearance delay

Customs clearance delay may be defined as an avoidable, abnormal or unplanned extension of the time required to complete customs-related procedures. The definition should distinguish delay from necessary processing time. A legitimate inspection requiring a reasonable duration is part of regulatory control; an inspection that waits unnecessarily because of scheduling failure represents avoidable delay. Three aspects of delay are particularly relevant:

i. Duration: the amount of additional time consumed.
ii. Variability: the degree to which clearance time differs across otherwise comparable transactions.
iii. Predictability: the extent to which supply chain participants can anticipate release time.

Average clearance time alone may conceal operational risk. Two ports could report similar average times while differing considerably in variability. A highly variable process forces firms to maintain larger time and inventory buffers, making predictability a central performance consideration (Arvis et al., 2023).

Clearance as an inter-organisational process

Customs clearance is not produced by customs authorities alone. Importers, exporters, customs brokers, freight forwarders, shipping lines, terminal operators, banks, inspection agencies and inland transport providers may contribute information or actions. A delay can originate when one party submits incomplete information, when systems cannot exchange data or when agencies apply inconsistent procedures. This interdependence means that assigning all clearance time to one organisation can be misleading. A terminal may be ready to release a container but unable to proceed without customs authorisation. Customs may be ready to process a declaration but unable to proceed because the supporting permit is missing. Accurate diagnosis requires a process-level view of the entire clearance chain.

DIMENSIONS OF CUSTOMS CLEARANCE DELAY

The literature suggests that customs clearance delay is best treated as a multidimensional construct.

Table 2

Dimension	Definition	Common manifestations
Administrative delay	Waiting or rework within formal administrative processes	Multiple approvals, queues, unclear authority and repetitive procedures
Documentation delay	Delay arising from incomplete, inaccurate, inconsistent or late information	Missing permits, classification errors and correction cycles
Inspection delay	Additional waiting associated with examination and control activities	Inspection queues, container positioning and delayed outcomes
System delay	Delay caused by failures or limitations in electronic systems	Downtime, poor interoperability and duplicate data entry
Coordination delay	Delay occurring at organisational hand-offs	Slow responses, inconsistent instructions and unclear escalation

Administrative delays

Administrative delays arise from the design and execution of formal procedures. They may involve unnecessary approval layers, repeated verification, inefficient task allocation or unclear decision authority. Even when documentation is accurate, a declaration may remain unresolved because it is waiting in a queue or because an officer cannot approve an exceptional case without further authorisation. Administrative delay reflects both process design and resource capacity. A workflow that functions under normal demand may become congested during peak periods. Delays may also occur when rules change and operational personnel require additional clarification. If responsibilities are fragmented across units, exceptions may circulate between decision-makers without clear ownership. Grainger (2008) explains that trade procedures involve numerous regulatory and commercial actors with different responsibilities.

Simplification therefore requires more than removing forms; it may require redesigning responsibilities and sequencing. Moïsé et al. (2011) similarly identify formalities, procedures and governance arrangements as important components of trade costs. Administrative delays can affect supply chain performance by extending approval time, increasing labour requirements and reducing predictability. Logistics firms may need to make repeated enquiries or adjust transport bookings. Cargo owners may incur storage charges while awaiting decisions. The administrative dimension therefore connects directly with cost efficiency, lead-time performance and operational efficiency.

Documentation delays

Documentation is the informational foundation of customs clearance. Customs declarations may depend on invoices, packing lists, bills of lading, certificates of origin, permits, valuation records and product-specific approvals. Incomplete or inconsistent information can prevent automated validation and require manual clarification. Documentation delays may originate from several causes:

i. Incorrect tariff classification.
ii. Inconsistencies between declarations and supporting documents.
iii. Missing certificates, permits or licences.
iv. Late submission of documents.
v. Differences between data held by separate parties.
vi. Repeated entry of the same information into multiple systems.
vii. Unclear documentary requirements.

The consequences extend beyond the time required to correct a form. A documentation discrepancy may alter risk assessment, trigger inspection or delay the payment of duties. It can require communication among the cargo owner, customs broker, shipping line and government agency. The correction process may therefore create a chain of secondary delays. The economic literature supports the importance of documentation and border time. Djankov et al. (2010) found that time required to complete trade procedures can significantly constrain trade. Portugal-Perez and Wilson (2012) also demonstrate that improvements in both physical and institutional trade-facilitation infrastructure are associated with stronger export performance. Document quality is therefore a shared supply chain responsibility. Customs authorities can publish clear requirements and provide automated validation, while traders and intermediaries must ensure accurate and timely submissions. Pre-arrival processing can reduce delay by allowing authorities to review information before the physical arrival of cargo, provided that the data are reliable.

Inspection delays

Customs inspections protect national security, revenue, public health and regulatory compliance. Inspection delay does not imply that physical examination is unnecessary. The relevant issue is whether inspection selection, scheduling, positioning, execution and communication are proportionate and efficiently coordinated. Inspection delays may arise when:

i. Too many low-risk consignments are selected for examination.
ii. Inspection resources are insufficient during peak periods.
iii. Containers are not positioned at the required time.

iv. Customs and other inspection agencies conduct separate examinations.
v. Inspection findings require additional authorisation.
vi. Traders respond slowly to requests for clarification.
vii. Examination outcomes are not promptly updated in shared systems.

Risk management is critical. Effective risk-based selection can reduce unnecessary physical intervention while directing resources towards higher-risk cargo. The WTO (2017) encourages customs administrations to concentrate controls on high-risk consignments and expedite lower-risk goods. Nevertheless, risk systems depend on accurate data, suitable analytical capability and regular evaluation.
Inspection delays can increase cargo dwell time, rehandling and storage costs. They can also reduce delivery reliability when examination completion is difficult to predict. For transshipment and time-sensitive cargo, a relatively short delay may result in a missed vessel or inland connection, magnifying the operational effect.

System delays
Electronic customs systems are intended to reduce paperwork, automate validation and improve visibility. Single-window platforms can allow traders to submit information through one entry point for use by multiple regulatory agencies. However, digitalisation does not automatically eliminate delay.
System delays may be caused by:
i. Platform downtime.
ii. Slow processing or network instability.
iii. Incompatible systems.
iv. Repeated manual entry across platforms.
v. Delayed status updates.
vi. Poor integration with terminal or port-community systems.
vii. Limited user capability.
viii. Cybersecurity or access-control problems.

A digital system can reproduce an inefficient manual procedure if the underlying process is not redesigned. It may also create new bottlenecks when stakeholders depend on a central platform without effective contingency procedures. Technology should therefore be evaluated according to process outcomes rather than the mere existence of electronic functions. The WCO (2025) emphasises business-process mapping, data analysis and coordinated participation in the measurement and improvement of release time. Effective digitalisation requires reliable infrastructure, standardised data, trained users and governance arrangements for information sharing. System resilience is particularly important for large terminals. A short system interruption can affect a substantial number of transactions when submissions, payments and release messages depend on the same platform. Consequently, system performance influences lead time, operational efficiency and supply chain responsiveness.

Coordination delays
Coordination delays occur when activities are individually completed but the overall process cannot proceed because stakeholders are not aligned. They may involve customs authorities,

terminal operators, shipping lines, freight forwarders, hauliers, cargo owners or other government agencies. Common coordination problems include:

i. Different working schedules.
ii. Delayed responses to enquiries.
iii. Inconsistent instructions.
iv. Lack of real-time status visibility.
v. Unclear escalation procedures.
vi. Fragmented inspection arrangements.
vii. Disagreement about responsibility for a delayed transaction.

Inter-agency cooperation is an important element of trade facilitation because cargo may be subject to customs, quarantine, safety and product-specific controls. If agencies request the same information separately or conduct examinations independently, total clearance time can increase even when each agency's individual process appears efficient.

Coordination also affects exception management. Routine transactions may move automatically, whereas unusual cases require communication and joint decisions. The absence of a shared problem-solving mechanism can make exceptions disproportionately time-consuming. Flynn et al. (2010) show that supply chain integration can influence operational and business performance. Although customs clearance involves public as well as private actors, the underlying principle remains relevant: performance depends on the quality of internal and external coordination.

Interdependence among delay dimensions

The five delay dimensions should be distinguished analytically but recognised as interdependent. A documentation error may create administrative rework and increase the likelihood of inspection. A system failure may prevent an officer from communicating approval. A coordination problem may extend every preceding delay because stakeholders cannot identify the current status or responsible party. This interaction creates a cumulative delay pathway as in Figure 1. Interdependence explains why isolated interventions may produce limited improvement. Adding inspection equipment may not reduce release time if documentation remains incomplete. Introducing a new system may not improve coordination if agencies use incompatible data standards. Effective intervention requires an integrated assessment of process, information, technology and governance.

SUPPLY CHAIN PERFORMANCE

Supply chain performance refers to the effectiveness and efficiency with which interconnected organisations manage product, service, information and financial flows. Mentzer et al. (2001) emphasise that supply chain management involves coordinated activities across multiple organisations. Performance should therefore be evaluated beyond the boundaries of one firm.

A balanced performance framework is important because improvement in one area may create costs elsewhere. For example, an authority could reduce processing cost by limiting staffing, but insufficient capacity might increase clearance time. Conversely, firms might protect delivery reliability through expensive inventory buffers. Performance measurement should capture several outcomes simultaneously (Gunasekaran et al., 2004; Neely et al., 1995).

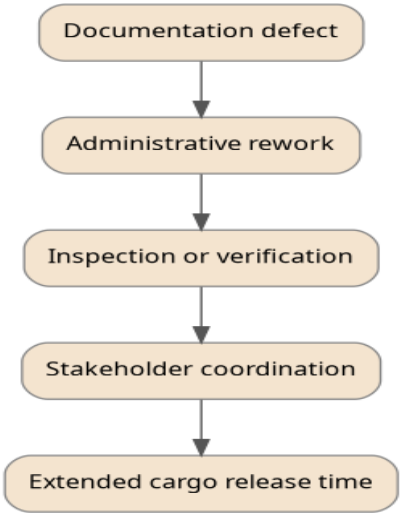

Figure 1: Cumulative Delay Pathway

Cost efficiency

Cost efficiency concerns the resources consumed in moving cargo through the supply chain. Customs-related delays can generate:

i. Storage charges.
ii. Demurrage and detention.
iii. Additional container movements.
iv. Overtime and administrative labour.
v. Rescheduling costs.
vi. Expedited transportation.
vii. Higher inventory carrying cost.
viii. Penalties associated with missed commitments.

Some costs are directly observable, while others are indirect. A manufacturer may avoid a production stoppage by holding additional inventory, but the buffer itself represents a cost of uncertainty. Hummels and Schaur (2013) demonstrate that time has economic value and that traders may select more expensive transportation to achieve faster delivery.

Delivery reliability

Delivery reliability refers to the ability to meet promised or planned schedules. Customers and supply chain partners depend on predictable delivery, not only rapid average movement. Variability in customs release time can make transport and production planning difficult.

A shipment that usually clears within one day but occasionally requires five days may create greater planning risk than a process consistently requiring two days. Reliable release information allows firms to schedule vehicles, labour, warehouse capacity and customer deliveries more accurately.

Lead-time performance

Lead time is the elapsed time between defined supply chain events. In the customs context, relevant milestones may include cargo arrival, declaration submission, assessment, inspection,

payment, release and terminal exit.

Lead-time performance includes both duration and consistency. Delays at clearance can propagate downstream because activities are connected. A late release can cause a missed delivery slot or vessel connection, turning a short customs delay into a much longer end-to-end delay.

Operational efficiency

Operational efficiency concerns the productive use of labour, systems, equipment and capacity. Uncleared cargo occupies yard or warehouse space and may require additional handling. Personnel may spend time following up on unresolved declarations rather than processing new transactions. At the port level, extended dwell time can reduce the effective capacity of storage areas. Operational efficiency therefore depends on the synchronisation of terminal, regulatory and inland transport processes. Port competitiveness increasingly reflects this integrated logistics role (Notteboom et al., 2022).

Responsiveness

Responsiveness is the ability to react quickly to demand changes, disruptions or unusual requirements. Customs delays can restrict responsiveness when firms lack accurate status information or when exceptional cases require lengthy approval.

Visibility and coordination can reduce the effect of unavoidable delay. If stakeholders receive timely information, they may reschedule transport, notify customers or redirect inventory. When information is late or inconsistent, response options narrow and disruption becomes more severe.

THEORETICAL FOUNDATIONS

Supply chain management theory

Supply chain management theory provides the operational foundation for the proposed framework. Supply chains consist of interdependent organisations whose activities collectively determine customer value and operational performance (Mentzer et al., 2001). No individual participant controls the complete flow. Customs clearance represents one process within this network, but its timing determines whether downstream activities can proceed. Administrative queues, documentation rework, inspections and system interruptions constrain the movement of cargo. Coordination and information visibility determine how quickly supply chain partners recognise and respond to the constraint. The theory suggests three main mechanisms. First, customs delay directly extends end-to-end lead time. Second, unpredictable clearance weakens coordination because transport, storage and delivery plans are based on uncertain release times. Third, organisations respond to uncertainty by creating buffers, such as additional inventory, time allowances or standby capacity. These buffers protect service but increase cost. Supply chain integration can improve performance by supporting shared information and coordinated decisions (Flynn et al., 2010). However, integration is challenging in a port community because actors have different objectives, authority and information requirements.

Institutional theory

Institutional theory explains how regulations, norms and shared assumptions shape organisational behaviour. Scott (2014) identifies regulative, normative and cultural-cognitive

elements of institutions. Customs and port stakeholders operate within all three. Regulative elements include customs laws, security requirements, tariff rules and agency mandates. Normative elements include professional standards and accepted administrative practices. Cultural-cognitive elements include established assumptions about how control and accountability should be organised. DiMaggio and Powell (1983) explain that organisational practices can become similar through coercive, normative and mimetic pressures. Coercive pressures arise from laws and powerful stakeholders. Normative pressures arise from professional standards. Mimetic pressures encourage organisations to copy established practices under uncertainty. These forces help explain why inefficient processes may persist. An approval layer may remain because it is associated with accountability, even if it creates waiting time. Agencies may retain separate information systems because their mandates and budgets were historically independent. Officers may avoid delegating decisions because exceptions create professional or legal risk.

Integrating the theories

Supply chain management theory explains how delays influence operational outcomes. Institutional theory explains why the procedures producing those delays may be difficult to change.

Table 3

Perspective	Main concern	Contribution
Supply chain management	Flow and coordination across organisations	Explains how local delay propagates into cost, time and service outcomes
Institutional theory	Rules, norms, authority and established practices	Explains why inefficient processes may persist
Integrated perspective	Operational improvement within regulatory constraints	Connects process redesign with governance and institutional change

An integrated perspective avoids the assumption that technology alone will resolve clearance inefficiency. Digitalisation may accelerate information processing, but benefits will remain limited when agencies cannot share data, when authority remains fragmented or when users lack confidence in the system.

SYNTHESIS OF DELAY–PERFORMANCE RELATIONSHIPS

The literature consistently indicates that border time and logistics performance are connected. Djankov et al. (2010) demonstrate that time required for trade procedures influences international trade. Hummels and Schaur (2013) show that firms assign substantial value to transportation time. Portugal-Perez and Wilson (2012) associate improvements in trade-facilitation infrastructure with stronger export performance, while Hillberry and Zhang (2018) demonstrate the importance of customs policy and implementation.

The synthesis identifies five primary pathways.

Direct time pathway
Clearance delay adds time between cargo arrival and release. The immediate consequence is weaker lead-time performance. If the delay causes a missed connection, the total downstream effect may be considerably larger than the original clearance delay.

Cost accumulation pathway
Additional time creates storage, demurrage, detention, labour and inventory costs. Uncertainty also encourages firms to maintain protective buffers. Customs delay can therefore affect cost even when no formal delay charge is imposed.

Reliability pathway
Variation in clearance time weakens delivery predictability. Supply chain partners may be unable to commit confidently to collection and delivery schedules. Reliability is particularly important for time-sensitive, perishable or high-value cargo.

Capacity pathway
Cargo awaiting clearance occupies space and may require rehandling. Extended dwell time reduces the effective capacity of terminals, warehouses and transport assets. A regulatory delay can consequently become an operational congestion problem.

Responsiveness pathway
Delayed or inaccurate status information prevents rapid response. Stakeholders may discover a problem only after a transport arrangement has been missed. Integrated information and clear escalation procedures can limit this effect.

Table 4

Delay dimensionPrimary performance effectsSupporting mechanism		
Administrative	Lead time, cost and efficiency	Waiting, approval queues and internal rework
Documentation	Reliability, lead time and cost	Correction cycles and incomplete information
Inspection	Lead time, cost and capacity	Scheduling, positioning, examination and release
System	Efficiency, visibility and responsiveness	Downtime, poor integration and delayed status
Coordination	Reliability, efficiency and responsiveness	Misaligned actions and slow exception resolution

PROPOSED CONCEPTUAL FRAMEWORK

The conceptual framework positions five customs clearance delay dimensions as antecedents of supply chain performance.

Figure 2. Conceptual framework linking customs clearance delays with supply chain performance.

Supply chain performance comprises cost efficiency, delivery reliability, lead-time performance, operational efficiency and responsiveness. The model proposes direct negative relationships while recognising that the delay dimensions can interact.

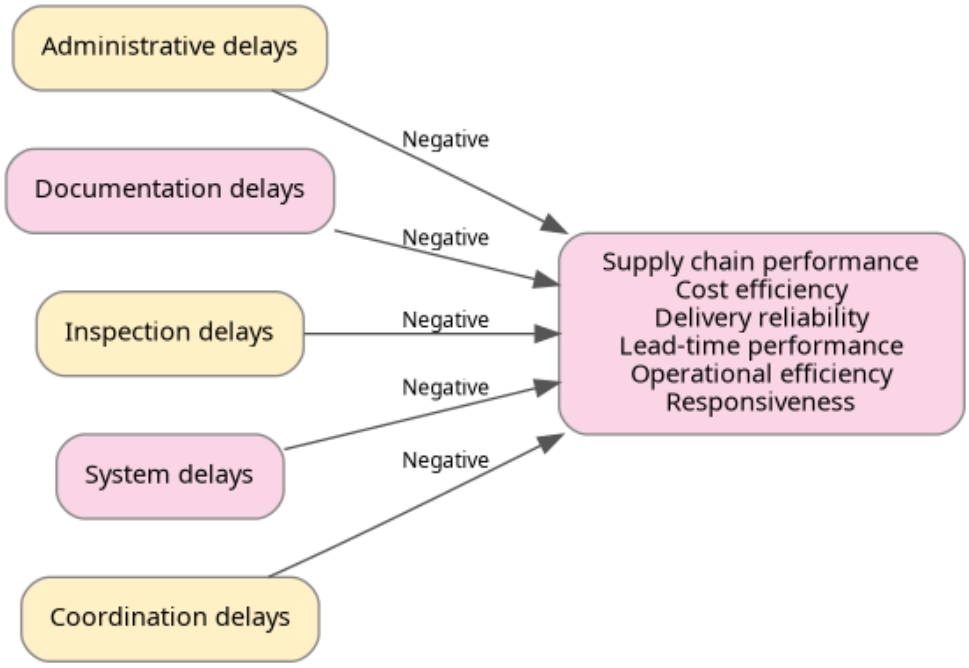

Figure 2: Conceptual Framework Linking Customs Clearance Delays with Supply Chain Performance

Administrative delay proposition

Administrative delays consume time and organisational resources without advancing the physical movement of cargo. Approval queues and repetitive procedures can also introduce variability.

P1: Administrative delays are negatively related to supply chain performance at the Port of Tanjung Pelepas.

Documentation delay proposition

Incomplete or inconsistent documents create correction cycles and may delay assessment, inspection and release. The resulting uncertainty affects scheduling and cost.

P2: Documentation delays are negatively related to supply chain performance at the Port of Tanjung Pelepas.

Inspection delay proposition

Extended inspection-related time increases cargo dwell time and may require additional handling. Unpredictable examination completion can weaken connection and delivery reliability.

P3: Inspection delays are negatively related to supply chain performance at the Port of Tanjung Pelepas.

System delay proposition

System downtime, limited interoperability and delayed electronic messages interrupt information and decision flows. These disruptions reduce efficiency and responsiveness.

P4: System delays are negatively related to supply chain performance at the Port of Tanjung Pelepas.

Coordination delay proposition

Poor coordination delays hand-offs and exception resolution across customs, terminal and logistics stakeholders. It can amplify every other delay category.

P5: Coordination delays are negatively related to supply chain performance at the Port of Tanjung Pelepas.

Boundary conditions

The strength of these relationships may vary according to:

- Cargo urgency and value.
- Import, export or transshipment status.
- Regulatory risk classification.
- Firm size and operational capability.
- Availability of alternative transport arrangements.
- Digital maturity and information visibility.
- Strength of stakeholder collaboration.
- Degree of schedule flexibility.

These conditions should be examined in future empirical research rather than assuming that every shipment experiences the same consequences.

DISCUSSION

The framework advances the discussion of customs efficiency in three ways. First, it treats clearance delay as multidimensional. This produces a more useful diagnosis than a single overall delay score. An administrative bottleneck should be addressed through workflow and authority redesign, while a system bottleneck requires infrastructure, interoperability or contingency improvements. Second, the framework connects customs performance with balanced supply chain outcomes. Clearance time affects more than speed. Its consequences include cost, reliability, resource efficiency and responsiveness. A reform that reduces average clearance time but increases variability may not provide the expected supply chain benefits.

Third, the framework integrates operational and institutional explanations. Supply chain processes may be redesigned technically, but implementation depends on authority, accountability, inter-agency relationships and professional practice. Sustainable improvement requires alignment between technology, procedures and governance. The review also indicates that the most visible delay may not be the original cause. A container waiting for inspection may appear to represent an inspection bottleneck, but the inspection might have been triggered by inconsistent documentation. A system message may be late because the responsible agency has not completed an administrative decision. Process mapping is therefore necessary before responsibility is assigned. PTP's transshipment role further increases the importance of coordination. Transshipment operations depend on schedule synchronisation. Delay affecting cargo availability may influence yard planning and vessel connections. However, the actual

magnitude and distribution of customs-related delay at PTP should be established empirically. The conceptual framework identifies relationships to investigate without presuming that PTP currently performs poorly.

MANAGERIAL AND POLICY IMPLICATIONS

Administrative simplification

Customs and port stakeholders should map the end-to-end clearance process, identify repeated approvals and clarify decision authority. Routine and exceptional transactions may require different pathways. Service standards should specify responsible units, expected processing times and escalation procedures.

Documentation quality

Document errors should be prevented before submission where possible. Useful interventions include:

- Clear documentary guidance.
- Pre-arrival processing.
- Automated validation.
- Standardised data definitions.
- Training for traders and intermediaries.
- Feedback on recurring declaration errors.
- Reuse of verified data across agencies.

These measures should improve both efficiency and compliance because better data support more accurate risk assessment.

Risk-based inspection

Inspection performance should be evaluated according to risk effectiveness, completion time and predictability. Authorities should coordinate examinations where several agencies require access to the same cargo. Adequate scheduling, equipment and container-positioning arrangements can reduce waiting without weakening control.

System resilience and interoperability

Customs digitalisation should prioritise operational outcomes. Systems should exchange data with terminal, port-community and other relevant platforms. Performance monitoring should include uptime, response time, message failures and the duration of service recovery.

Contingency procedures are necessary because even reliable systems can fail. Users should know how transactions will be prioritised and reconciled following an interruption.

Stakeholder coordination

Coordination can be strengthened through:

- Shared process milestones.
- Real-time status visibility.
- Joint operational meetings.
- Coordinated inspection scheduling.
- Common service standards.
- Clearly defined escalation channels.

- Post-incident reviews of significant delays.

A whole-of-port approach is more appropriate than separate improvement programmes because clearance performance emerges from interdependent activities.

Performance measurement

Average clearance time should be supplemented with:

- Median and percentile release times.
- Variability across comparable consignments.
- Proportion released within target time.
- Time attributed to each process stage.
- Frequency of document correction.
- Inspection selection and completion times.
- System downtime.
- Time required to resolve exceptional cases.
- Storage and demurrage consequences.
- Missed transport or delivery connections.

The WCO Time Release Study offers a suitable foundation for process measurement (WCO, 2025). Survey evidence from practitioners can complement these records by explaining why delays occur, but perceptions should not replace operational timestamps.

RESEARCH AGENDA

Validate the multidimensional structure

Future research should determine whether administrative, documentation, inspection, system and coordination delays are empirically distinguishable. Measurement items should be reviewed by customs, port and logistics specialists and tested for reliability and construct validity.

Combine perception and transaction data

Survey responses capture practitioner experience but may be influenced by memory and organisational perspective. Timestamp data show when events occur but may not explain why. Combining both sources would provide stronger evidence.

Examine cargo-level differences

The effect of delay is unlikely to be identical across cargo types. Perishable, hazardous, high-value or production-critical cargo may be more sensitive to clearance uncertainty. Research should also distinguish import, export and transshipment processes.

Test mediation and moderation

Several extensions are possible:

- Cargo dwell time may mediate the relationship between clearance delay and cost.
- Information visibility may reduce the effect of delay on responsiveness.
- Supply chain integration may moderate the effect on reliability.
- Cargo urgency may strengthen the effect on delivery performance.
- Institutional complexity may strengthen coordination delays.

Conduct cross-port comparisons

A single-port study provides contextual depth but limited generalisability. Comparative research involving Malaysian gateway and transshipment ports could determine whether the framework is stable across operational environments. Regional comparisons could also examine differences in digitalisation and border-agency governance.

Evaluate reforms longitudinally

Longitudinal research should assess performance before and after specific interventions, such as pre-arrival processing, inspection coordination, system integration or revised approval arrangements. Quasi-experimental approaches would provide stronger causal evidence than cross-sectional perception studies.

Balance facilitation and control

Future research should avoid defining success only as faster release. Customs performance also includes compliance, revenue protection and security. A balanced framework should evaluate whether reduced time is achieved without increasing regulatory risk.

LIMITATIONS OF THE REVIEW

This review has several limitations. First, it uses a structured narrative approach and does not claim exhaustive coverage. Second, customs terminology and process boundaries differ across countries and ports. A factor described as customs delay in one study may be classified as trader, terminal or other-agency delay elsewhere. Third, much of the available empirical literature examines national trade performance or ports outside Malaysia. International evidence provides useful mechanisms, but its direct applicability to PTP requires empirical confirmation. Fourth, publication bias may favour successful digitalisation or process-improvement initiatives. Unsuccessful implementations may be less visible in the literature. Finally, the conceptual framework focuses on five delay categories. Other factors—including terminal congestion, weather, vessel schedules, inland transport capacity and labour availability—can also affect supply chain performance. These factors should be controlled or separated in empirical testing.

CONCLUSION

Customs clearance is a regulatory gateway embedded within a broader supply chain. When administrative procedures, documentation, inspections, digital systems or stakeholder coordination create avoidable and unpredictable waiting time, the effects can propagate beyond the customs process. This review identifies five dimensions of customs clearance delay: administrative, documentation, inspection, system and coordination delays. It connects them with five dimensions of supply chain performance: cost efficiency, delivery reliability, lead-time performance, operational efficiency and responsiveness. Supply chain management theory explains how a local clearance bottleneck affects interconnected logistics activities. Institutional theory explains why the rules and organisational arrangements producing the bottleneck may persist. Together, the theories support a systemic interpretation of customs clearance delay. The proposed framework predicts a negative relationship between each delay dimension and supply chain performance at PTP. These relationships remain conceptual propositions until tested with appropriate evidence. Future studies should combine practitioner perceptions with customs-event timestamps, cargo dwell-time records and operational

performance data. The practical message is equally important. Clearance improvement should not focus exclusively on speed or technology. Effective reform requires accurate documentation, proportionate risk-based inspection, reliable systems, simplified administration and coordinated action among public and private stakeholders. Improvements must preserve legitimate customs control while increasing the predictability and efficiency of cargo movement.

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EFFECT OF SERVICE QUALITY (AIRQUAL) ON CUSTOMER SATISFACTION BY AIRASIA AIRLINE MALAYSIA

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ABSTRACT
Nowadays, the market is getting competitive in all aspects of company survival. Companies, especially in the service industry, realize that to win the market, they need to explore new ways of approaching customers. In this study, AIRQUAL is adapted to measure the service quality of AirAsia Airline Malaysia. The goal is to examine the relationship between airline service quality and customer satisfaction among AirAsia passengers in Malaysia. The study applies a quantitative approach through a cross-sectional survey using a questionnaire. The instrument is designed based on a modified AIRQUAL model containing five service quality dimensions: airline tangibles, terminal tangibles, personnel service, empathy, and airline image. Data will be collected from AirAsia passengers through an online questionnaire administered via Google Forms. To analyse the relationship between the five service performance components and customer satisfaction, Pearson's correlation analysis will be utilized. This research aims to provide actionable insights for low-cost carriers to enhance their competitive advantage through service quality optimization.

Keywords: Airline Tangibles, Terminal Tangibles, Personnel Service, Empathy and Airline Image.

INTRODUCTION
Customer satisfaction is one of the important elements that need to be protected for organizational survival in the competitive market. Moreover, a focus on quality is crucial to the service business; it acts as a baseline for an organization to survive competition, gain societal acceptance, and achieve its strategic missions (Natalisa & Subroto, 2003). One of the factors that affects the success of an airline is whether it provides a premium quality of service that creates a sense of satisfaction in the minds of customers post-consumption. Especially in the post-pandemic aviation landscape, the business environment has changed rapidly and dynamically. During such a critical recovery era, ensuring airline survival and sustainability remains a high priority for airline management and aviation governing bodies alike. The aviation industry comprises two main types of business models: Full-Service Carriers (FSC), also known as traditional legacy airlines, and Low-Cost Carriers (LCC). In Malaysia's local context, the LCC segment is prominently driven by operators such as AirAsia, AirAsia X, and Firefly. Compared with full-service airlines, low-cost carriers focus intensely on providing the core transportation function at a minimal base price. Other elements of the travel experience are unbundled and offered as ancillary options for additional fees, including charges for checked luggage, in-flight food and beverages, and seat selections (Schlumberger and Nora,

2014). To capture market share, these aviation companies continually alter their service delivery frameworks to boost service quality and win customer loyalty. Chao Shen and Yazkhiruni Yahya (2021) stated that measuring customer satisfaction in the aviation industry is becoming increasingly frequent and relevant, as delivering high-quality service is essential for airlines' survival and crucial to their competitive strength. Consequently, optimizing service quality has transformed from a differentiator into a fundamental market requirement among air carriers.

Background Of The Problem

As of the latter half of 2025, AirAsia holds approximately 41 percent of the overall aviation market share in Malaysia, commanding nearly 60 percent of the domestic sector specifically. While its passenger volume has experienced fluctuations during the industry's post-pandemic recovery era, the low-cost carrier consistently maintains its dominant leadership position with the largest passenger market share in the Malaysian aviation ecosystem. The primary driver behind AirAsia's sustained market dominance is its specialized business architecture, which provides a unbundled, no-frills, low-airfare service structure. This model aligns with national transport accessibility goals by offering base airfares that are significantly lower than traditional full-service carriers. However, rapid scaling and operational bottlenecks have generated persistent service quality challenges. According to the Malaysian Aviation Commission (MAVCOM) Consumer Reports (Civil Aviation Authority of Malaysia Consumer Report 2025), the carrier frequently ranks among the top contributors to aviation consumer grievances in the country, alongside major domestic players. Operational metrics compiled by aviation regulatory bodies indicate that recurring core grievances revolve tightly around flight cancellations, flight delays, and online booking complications, which account for a substantial percentage of total filed complaints.

Beyond formal regulatory complaints, widespread customer dissatisfaction is heavily documented across digital public squares. Negative consumer sentiment and complaints regarding AirAsia's operational standard are highly visible on X (formerly Twitter). The researcher then further explored by searching for customer's review across trusted travel review aggregates such as www.airlinequality.com, www.complaintsboard.com, and www.tripadvisor.com, constantly highlights continuous consumer dissatisfaction, All in all, there are still many complaints indicating that Customer satisfaction level is still not maximal because services are not yet running the maximum according to customers when flying with AirAsia airlines. Long flight delays, poor responsiveness in customer service channels, disorganized digital booking management systems, and sluggish refund processes remain critical pain points. This ongoing discrepancy establishes a clear rationale for investigating how specific dimensions of AirAsia's service performance directly influence passenger satisfaction.

This research listed five main research questions:

RQ 1: Are there any relationships between airline tangibles (AIRQUAL) and customer satisfaction provided by AirAsia airline Malaysia?

RQ 2: Are there any relationships between terminal tangibles (AIRQUAL) and customer satisfaction provided by AirAsia airline Malaysia?

RQ 3: Are there any relationships between personnel service (AIRQUAL) and customer satisfaction provided by AirAsia airline Malaysia?

RQ 4: Are there any relationships between empathy (AIRQUAL) and customer satisfaction provided by AirAsia airline Malaysia?
RQ 5: Are there any relationships between airline image (AIRQUAL) and customer satisfaction provided by AirAsia airline Malaysia?

This study listed five main research objectives:

1. To examine the relationship between airline tangibles (AIRQUAL) and customer satisfaction among AirAsia passengers in Malaysia.
2. To evaluate the relationship between terminal tangibles (AIRQUAL) and customer satisfaction among AirAsia passengers in Malaysia.
3. To analyse the relationship between personnel service (AIRQUAL) and customer satisfaction among AirAsia passengers in Malaysia..
4. To assess the relationship between empathy (AIRQUAL) and customer satisfaction among AirAsia passengers in Malaysia.
5. To determine the relationship between airline image (AIRQUAL) and customer satisfaction among AirAsia passengers in Malaysia.

LITERATURE REVIEW

Customer Satisfaction

Customer satisfaction has continuously gained increasing attention in business as a key metric to evaluate product and service performance. The definition of customer satisfaction has been widely debated as organizations progressively attempt to quantify its parameters. Customer satisfaction can be experienced across a variety of commercial interactions and is inherently connected to both tangible goods and intangible services. In simpler terms, customer satisfaction is regarded as a customer's post-consumption evaluation of their purchase experience to determine if a product or service successfully met their needs (Chen, Chang, Hsu, & Yang, 2011). Furthermore, satisfaction is constructed based on the customer‘s cumulative experiences across all touchpoints with an organization. This satisfaction construct occupies an essential role in marketing literature (Lin, 2003). To maintain market competitiveness and long-term survival, firms must deliver high-quality services that yield highly satisfied consumers (Fecikova, 2004). Consequently, satisfaction serves as a standard marketing benchmark of organizational performance (Bennet & Rundle-Thiele, 2004). Maintaining optimal customer satisfaction remains the key catalyst for customer retention and corporate profitability (Hansemark & Albinsson, 2004; Mittal et al., 2001). Beyond business applications, customer satisfaction has become a core focal area in social and behavioural studies, rooted in the foundational premise that a business must continuously satisfy its customer base to remain sustainable and profitable (Farooq et al., 2018).

Service Quality

Service quality is conceptually defined as a function of the discrepancy between customer expectations of a service and their actual perceptions of the service received (Parasuraman et al., 1988). To evaluate service quality systematically, an initial comprehensive model consisting of ten distinct dimensions was proposed by Parasuraman et al. (1985). This initial framework included tangibles, reliability, responsiveness, understanding the customer, access,

communication, credibility, security, competence, and courtesy. Later, Parasuraman et al. (1988) refined, simplified, and consolidated this model into five core dimensions: tangibles, reliability, responsiveness, assurance, and empathy, officially establishing the SERVQUAL instrument. This foundational model has been widely utilized and adapted across diverse academic research tracks (Leong et al., 2015; Chen et al., 2019). Despite its widespread application, the SERVQUAL model was criticized by contemporary scholars for its rigidity and lack of natural adaptability to the specific operational demands of the aviation sector, which simultaneously requires specialized measurements of complex on-board and on-ground environments. Consequently, various researchers have developed industry-specific frameworks to evaluate airline service quality, recognizing that a passenger's evaluation relies on heavily distinct operational touchpoints. Due to the highly subjective nature of services, standardizing the conceptualization and measurement of airline service quality remains complex. Therefore, the specialized AIRQUAL model provides a more psychometrically sound tool to measure both the tangible and intangible dimensions of airline service operations to satisfy passengers.

AIRQUAL Model

A model presented by Aksoy et al. (2003) categorized airline service quality into nine distinct dimensions for international carriers (including personnel, food and beverage service, internet services, cabin features, country of origin and promotion, in-flight activities, speed, punctuality, and aircraft configuration) and eight dimensions for domestic carriers. Similarly, Jiang (2013) assessed airline service quality using five primary elements: flight experience, ground service, airfare and schedule, service reliability, and consistency. Additionally, Mikulic and Prebezac (2011) incorporated the ticket purchase experience, flight and destination offers, flight experience, airport experience, and overall service reliability as critical facets of airline quality. To resolve these measurement inconsistencies and establish an industry standard, a comprehensive, sector-specific model named AIRQUAL was proposed by Ekiz et al. (2006). The primary objective of the AIRQUAL framework is to assess airline service quality using five tailored dimensions: airline tangibles, terminal tangibles, personnel service, empathy, and airline image. This specialized model has been rigorously tested, validated, and applied empirically by multiple researchers, including Nadiri et al. (2008), Ali et al. (2015), and Farooq et al. (2018).

Airline Tangible

Based on the research conducted by (Koklic et al., 2017), airline tangibles can be referred to as physical surroundings represented by objects and service subjects. In the aviation context, airline tangibles encompass the physical facilities, cabin environment, and hardware technologies inside the aircraft, such as seat comfort, cleanliness of the lavatories, in-flight entertainment systems, and cabin air conditioning, which directly dictate a passenger's perception of service quality (Farooq et al., 2018). It is widely considered one of the most critical determinants of satisfaction in aviation research. Similarly, Tsafarakis et al. (2018) defined airline tangibles as the internal environment of the aircraft cabin, including cleanliness, seat spatial configuration, internet connectivity, and entertainment systems. Sound airline operations and clean cabin facilities function as pillars of this physical dimension (Henderson et al., 2019).

***H1**: There is a significant positive relationship between airline tangibles (AIRQUAL) and customer satisfaction towards AirAsia airline Malaysia.*

Terminal Tangibles

Terminal tangibles function as a critical pre-flight factor that complements the core service quality supplied by an airline. These touchpoints include the clarity of boarding signage, the availability of duty-free shops, baggage trolley availability, terminal climate control, staff helpfulness, security processing efficiency, washroom cleanliness, and ground information counters (Ali et al., 2015). Because passengers spend substantial time at the airport before departure, terminal tangibles serve as highly visible baseline indicators of an airline's perceived operational quality (Farooq et al., 2018). Furthermore, check-in desk waiting times, boarding efficiency, and physical staff interactions during boarding are fundamental components of this ground service experience (Tsafarakis et al., 2018).

***H2**: There is a significant positive relationship between terminal tangibles (AIRQUAL) and customer satisfaction towards AirAsia airline Malaysia.*

Personnel Service

According to Farooq et al. (2018), personnel service comprises both ground operations personnel and cabin crew members and is a primary driver of service quality evaluation. Personnel service is heavily defined by responsiveness, which captures the employee's willingness to assist passengers, deliver prompt service, and handle passenger issues efficiently (Hussain et al., 2015). Additionally, personnel service is explicitly tied to employee communication skills, including multilingual capabilities during flight operations, the clarity of pilot safety briefings, and the effectiveness of crew updates during unexpected flight disruptions (Hussain et al., 2015).

***H3**: There is a significant positive relationship between personnel service (AIRQUAL) and customer satisfaction towards AirAsia airline Malaysia.*

Empathy

Empathy refers to the service that the firm’s ability and willingness to offer individual care and service to each customer (Leong et al., 2015). In the aviation sector, this dimension captures the airline's capacity to recognize and address specific passenger requirements. Flight crews who exhibit high levels of empathy can perceive, understand, and anticipate the feelings, physiological needs, and distinct preferences of individual passengers. Consequently, empathetic service delivery directly enhances consumer satisfaction and customer brand loyalty.

***H4**: There is a significant positive relationship between empathy (AIRQUAL) and customer satisfaction towards AirAsia airline Malaysia.*

Airline Image

Airline image is conceptually defined as the cognitive and emotional representation that passengers hold regarding an aviation brand; it encompasses the overall impression, reputation, and subjective perception of the carrier developed by both actual and potential consumers. A brand's image is dynamically constructed through continuous passenger experiences and multi-channel interactions with the firm, influenced heavily by critical performance factors such as

operational punctuality, safety records, and onboard comfort. According to Ekiz et al. (2006), an airline's corporate image structurally comprises its overall market perception, perceived value for money, promotional strategy positioning, and accumulated organizational goodwill. In the low-cost carrier context, brand image serves as a vital strategic asset, as a positive market reputation directly mitigates consumer perceived risk regarding unbundled service architectures and strengthens post-purchase satisfaction.

***H5**: There is a significant positive relationship between airline image (AIRQUAL) and customer satisfaction towards AirAsia airline Malaysia.*

METHODOLOGY

Research Design

This study examines the empirical relationship between perceived service quality and customer satisfaction among passengers of AirAsia Airline Malaysia. The researcher has adopted a quantitative research design to statistically test hypothesized relationships. This approach utilizes an online survey instrument to capture structural numeric data, allowing for objective statistical deductions. Unlike exploratory studies that investigate ill-defined problems, this study is classified strictly as explanatory and causal research. Causal research seeks to identify clear cause-and-effect or correlational relationships among variables when the research framework has already been narrowly and operationally defined (Zikmund, Babin, Carr, & Griffin, 2010). Primary data will be collected digitally by distributing a self-administered questionnaire via Google Forms. The distribution strategy will focus heavily on high-traffic communication networks—specifically WhatsApp and Telegram—to reach a vast cross-section of Malaysian air travelers. The instrument utilizes closed-ended, structured items with predetermined response scales, enabling high scalability and consistency. To evaluate the reliability and variance of participant responses, a five-point Likert scale is deployed. As noted by Qing Li (2013), the Likert scale remains the most widely applied psychometric tool in survey-based social science research. It prompts respondents to indicate their exact level of alignment with a specific declarative statement. For this study, the parameters are uniformly operationalized as follows: 1 = strongly disagree (SD), 2 = disagree (D), 3 = neither disagree nor agree (NN), 4 = agree (A), and 5 = strongly agree (SA). Depending on what is being measured, the scale labels may be worded differently.

Population And Sample

In its most general sense, a target population comprises the totality of individuals residing within a specific territory or possessing shared definable characteristics (Scott & Marshall, 2005). In this study, the target population is defined explicitly as Malaysian domestic and international business or leisure travelers who have flown with AirAsia Airline Malaysia. The inclusion criteria filter for respondents aged 18 years and above, as this demographic possesses independent purchasing power and consumer decision-making capacity. Sampling involves selecting a representative subset of individuals from a broader population to generate empirical conclusions (Parahoo, 2006). Due to operational constraints regarding time and financing, the minimum sample size for this quantitative study is determined using the variable-to-sample ratio guideline. According to Hair, Black, Babin, and Anderson (2010), multivariate analyses and multiple linear regressions require a minimum of 5 observations for each measurement parameter retained in the research instrument. The measurement scale used in this research

features a total of 30 distinct items across the structural survey framework (5 items for Airline Tangibles, 5 items for Terminal Tangibles, 5 items for Personnel Service, 5 items for Empathy, 5 items for Airline Image, and 5 items for Customer Satisfaction). Applying the 5-to-1 ratio requirement, the minimum sample size calculation is mathematically structured as follows:

Independent Variables = ($IV1$ items x 5) + ($IV2$ items x 5) + ($IV3$ items x 5)
+ ($IV4$ items x 5) + ($IV5$ items x 5)
= (5 x 5) + (5 x 5) + (5 x 5) + (5 x 5) + (5 x 5)
= 25 + 25 + 25 + 25 + 25
= 125
Dependent Variables = (DV x 5)
= (5 x 5)
= 25
Minimum Number of Sample = 125 + 25
= 150 respondents

Therefore, a minimum sample size of 150 valid respondents is mathematically sound and sufficient to satisfy statistical power requirements for this research design.

Theoritical Framework

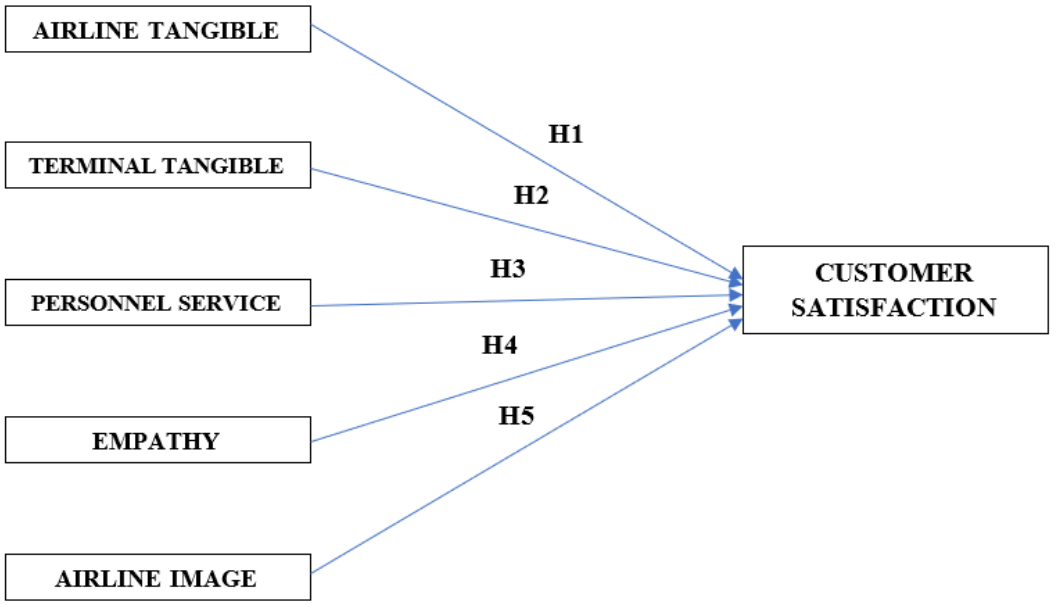

Figure 1 The proposed research framework adopted from AIRQUAL model, proposed from Ekiz et al. (2006)

Sampling Technique

This study implements a non-probability sampling framework, combining purposive and convenience sampling techniques. A purposive approach is initially applied to enforce strict, predefined inclusion criteria: respondents must be at least 18 years old and must have personally flown with AirAsia Airline Malaysia within the past 12 months. This ensures that

only qualified respondents with active, relevant consumption experience populate the dataset. Simultaneously, a convenience sampling approach is layered to maximize distribution efficiency, selecting respondents based on their accessibility within digital communication channels (Farrokhi & Mahmoudi-Hamidabad, 2012). Primary data collection will occur via a securely deployed Google Forms hyperlink. Before commencing the questionnaire, respondents will receive a brief introductory overview outlining the structural procedures of the study. Participant involvement is governed strictly by informed consent, absolute confidentiality, and voluntary participation, allowing respondents to withdraw from the survey at any stage without penalty.

DATA COLLECTION

Primary Data

Primary data refers to original, empirical information collected directly from source fields by researchers to address the specific objectives and requirements of an active study (Ajayi, 2017). For this research, primary data is gathered directly from qualified respondents using a structured, self-administered online questionnaire. This method allows for the collection of numeric customer feedback regarding perceived airline performance, enabling subsequent statistical hypotheses verification.

Secondary Data

Secondary data consists of pre-existing information that has undergone collection, processing, or formal synthesis by previous researchers, found across peer-reviewed journal articles, conference proceedings, academic books, and institutional publications (Ajayi, 2017). In this study, secondary data is extracted from reputable repositories, including Google Scholar, ScienceDirect, and ResearchGate, to establish the theoretical foundation, execute the literature review, and construct a conceptually validated research framework.

Research Instrument

A self-completion survey instrument utilizing structured, closed-ended items was operationalized for this investigation. Self-completion questionnaires represent a highly standard tool in business and management research; the design must remain exceptionally easy to navigate, and individual items must be phrased clearly to minimize response bias and participant fatigue (Bryman & Bell, 2003). To maximize distribution velocity and convenience, the instrument was built using Google Forms and disseminated digitally across prominent mobile communication networks, specifically WhatsApp and Telegram. Questionnaires function as an inexpensive data collection mechanism that generates highly standardized metrics, facilitating rapid, objective comparison across datasets (William, 2006). The survey is written in simple English to ensure clear, universal comprehension among both Malaysian and foreign travelers residing in Malaysia. The structural layout of the questionnaire is divided into three distinct operational sections:

Section A: Demographic Profile

This section captures the baseline demographic and travel background metrics of the participants. It comprises eight structural items: gender, age cohort, nationality, employment

status, personal monthly income range, highest educational attainment, primary purpose of travel, and annual flight frequency with AirAsia. These attributes are recorded to categorize passenger segments and contextualize the final empirical results.

Section B: Service Quality (AIRQUAL Model Dimensions)
Section B operationalizes the independent variables adapted from the specialized AIRQUAL architecture, measuring airline tangibles (5 items), terminal tangibles (5 items), personnel service (5 items), empathy (5 items), and airline image (5 items). Statements are measured using a standard five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) (Vagias & Wade, 2006).

Section C: Customer Satisfaction (Dependent Variable)
Section C evaluates the dependent variable: the post-consumption satisfaction levels of passengers following their experiences with AirAsia Airline Malaysia. To preserve structural symmetry, this section features five specific satisfaction indicators. Responses are uniformly evaluated on an identical five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) (Vagias & Wade, 2006), ensuring mathematical alignment for subsequent regression analysis.

Section D: Qualitative Feedback (Open-Ended)
Section D consists of three open-ended questions designed to capture descriptive insights regarding passengers' service improvement priorities, positive flight encounters, and additional localized suggestions. While this study relies primarily on the quantitative scale values derived from Sections B and C to verify its core statistical hypotheses, Section D provides supplementary qualitative context to enrich the quantitative findings.

Questionnaire Development
The researcher employed a questionnaire to obtain data from business and/or leisure travellers who have been flying with AirAsia Airline Malaysia. A questionnaire is a set of structured questions that respondents read and answer from the options provided (Bryman and Bell, 20ll). It is the most convenient method of gathering information from a big number of people.

Factor	Source From Literature Review	Scale Item
Section A: RESPONDENT'S DEMOGRAPHIC		
Gender	Self-Developed	Male
		Female
Age		18 - 25
		26 - 41
		42 - 57
		57 and above
Nationality		Malaysian
		Foreign Citizen
Employment Status		Student
		Entrepreneur @ Freelance
		Full-time employee

		Part-time employee
		Unemployed
		Retired
Income Range	Self-Developed	Below RM5,000
		RM5,001 – RM8,000
		RM8,001 – RM12,000
		RM12,001 – RM15,000
		Above RM15,000
Educational Level		SPM
		STPM
		Diploma
		Degree
		Master
		PHD
		Others
Purpose of Travel (More than one answer)		Leisure
		Business
		Education
		Others
Frequency of Travel with Airasia (Annually)		First Time
		1 – 3 times
		4 – 6 times
		More than 6 times
Section B: RELATIONSHIP BETWEEN SERVICE QUALITY (AIRQUAL) TOWARDS CUSTOMER SATISFACTION		
AIRLINE TANGIBLE (IV1)	Eng, Lee, Tan, & Yeoh (2012)	The air-conditioning in the aircraft is comfortable.
		The seats in the aircraft are comfortable.
		The lavatory facilities in the aircraft are clean.
		The lavatory facilities in the aircraft are well-maintained.
		There is a good variety of in-flight entertainment options.
TERMINAL TANGIBLE (IV2)	Chao Shen, Yazkhiruni Yahya (2021)	The airport terminal (e.g., KLIA2) has modern facilities.
		The check-in counters are efficient.
		The waiting areas are comfortable.
		The boarding process is efficient.
		Signage and information at the airport terminal are clear.

PERSONNEL SERVICE (IV3)	Eng, Lee, Tan, & Yeoh (2012)	Ground staffs are well-groomed.
		Ground staffs are professional.
		Ground staffs show sincere interest in fulfilling my needs.
		Ground staffs are friendly.
		Ground staffs are able to answer my questions.
EMPATHY (IV4)	Chao Shen, Yazkhiruni Yahya (2021)	Flight attendants give individual attention to passengers.
		Flight attendants are caring in serving passengers.
		Flight attendants have a good understanding of passenger's needs.
		Flight attendants show patience when dealing with passengers.
		Flight attendants make passengers feel valued.
AIRLINE IMAGE (IV5)	Chao Shen, Yazkhiruni Yahya (2021)	The airline prioritizes passenger's safety
		The airline provides sufficient safety information during flights.
		The airline ensures flights are generally on time with minimal delays.
		The airline's customer service responds promptly to inquiries, refund requests, and complaints.
		The airline delivers good value for money.
Section C: LEVEL OF SATISFACTION TOWARDS AIRASIA AIRLINE MALAYSIA		
Customer Satisfaction (DV)	Eng, Lee, Tan, & Yeoh (2012)	AirAsia provides good service that makes me feel safe when flying.
		AirAsia is reliable in communicating flight schedule changes.

		AirAsia is timely in processing refunds.
		Choosing to fly with AirAsia is a wise decision.
		In my opinion, AirAsia is the best low-cost airline in Malaysia
Section D: Qualitative Feedback		
Qualitative Feedback	Self-Developed	What aspects of AirAsia's service do you think need improvement?
		Can you share a positive experience you had while flying with AirAsia?
		Any additional comments or suggestions?

Table 1 Questionnaire Development

DATA ANALYSIS

The primary objectives of data analysis include examining the central tendency and dispersion of respondent metrics (descriptive analysis), verifying the structural reliability and validity of the measurement instruments (scale measurement), and evaluating the statistical significance of the research hypotheses (inferential analysis) (Sekaran, 2003). The data analysis process transforms raw empirical observations through systematic statistical procedures into actionable management insights (Zikmund, 2003). To execute these procedures, the IBM SPSS Statistics software suite is utilized for all data management and computational processing.

Pilot Test

A pilot test represents a preliminary small-scale administration of the survey instrument executed prior to the primary data collection phase. Its objective is to detect potential errors within the questionnaire design, such as ambiguous phrasing, double-barrelled items, or confusing layout structures, thereby allowing the researcher to mitigate potential field issues before full deployment (Pratt, 2008).For this investigation, a pilot test was conducted with a sample of 20 respondents selected via a purposive approach to ensure all participants strictly fulfilled the baseline inclusion criteria of being at least 18 years of age with past flight experience on AirAsia Airline Malaysia. The pilot instrument was built using Google Forms and distributed via WhatsApp and Telegram. Feedback from these 20 initial participants was reviewed to assess item readability, leading to minor formatting adjustments that optimized comprehension before launching the final field survey.

Reliability Test

Reliability evaluates the internal consistency of a measurement scale, verifying whether repeated administrations of the instrument under identical conditions yield stable, error-free results (Malhotra & Peterson, 2006). This study uses Cronbach's Coefficient Alpha to

determine the internal consistency of the items mapping to each AIRQUAL construct. Cronbach's alpha values range from 0 to 1, where higher coefficients reflect stronger mutual correlation among items within a single subscale (Malhotra, 2007). A value below 0.60 indicates unsatisfactory internal consistency, while values above 0.70 are widely accepted as statistically robust in social science research.

Alpha Coefficient Scale	Strength of Relationship
Less than 0.60	Poor
0.6 – 0.7	Moderate
0.7 – 0.8	Good
0.8 – 0.9	Very Good
0.9 and above	Excellent

Table 2 Alpha Coefficient Scale and the Strength of relationship

Validity Test

Validity reflects how accurately a research instrument operationalizes and measures the specific latent variables it was designed to evaluate (Middleton, 2019). High instrument validity ensures that the empirical findings mirror real-world variations and consumer behavioral characteristics.

This study establishes content validity by basing all measurement items on a comprehensive review of validated, peer-reviewed aviation literature—specifically drawing items from Eng et al. (2012) and Chao Shen and Yazkhiruni (2021). Grounding the questionnaire items directly in established AIRQUAL frameworks ensures that the final survey comprehensively covers all conceptual dimensions of the target service domains.

Normality Test

Normality analysis is conducted to determine whether the distribution of the collected sample data matches a normal distribution curve, which is a required assumption for running parametric statistical tests (Coakes, Steed, & Ong, 2010). This study utilizes Skewness and Kurtosis z-scores to evaluate data normality. Skewness examines the symmetry of the distribution, while kurtosis evaluates its peakedness relative to a normal curve (Coakes et al., 2010).According to Ghasemi and Zahediasl (2012), at a significance level of p=0.05, the acceptable range for normally distributed data requires both skewness and kurtosis metrics to fall strictly between the values of -1.96 and +1.96. If the metrics fall within these boundaries, the data satisfies the assumptions required to proceed safely with parametric inferential tests.

Descriptive Analysis

Descriptive analysis transforms raw categorical and continuous data into an easily interpretable layout, enabling the researcher to screen for data entry errors, examine distribution profiles, and prepare the dataset for formal inferential processing (Thompson & Cheryl, 2009). The raw data collected from Section A (Demographic Information) is processed using descriptive statistics. These profiles are arranged and presented through frequency distributions, percentages, mean scores, and standard deviations to summarize the underlying socio-economic and behavioral characteristics of the sampled AirAsia passengers.

Inferential Analysis

Inferential analysis comprises a suite of confirmatory statistical techniques used to draw conclusions, identify patterns, and project findings from a sample back to a broader target population (Collis & Hussey, 2003). It allows the researcher to generalize sample characteristics back to the overarching consumer population (Blaikie, 2011). In this study, the IBM SPSS Statistics software is used to run two primary parametric inferential tests:

I. Pearson Correlation Coefficient Analysis
II. Multiple Regressions Analysis

Pearson Correlation Coefficient Analysis

Pearson Correlation Coefficient analysis measures the linear strength and direction of the relationship between two continuous variables, utilizing a two-tailed significance test to evaluate the hypotheses (Zikmund, 2003). The correlation coefficient (rr*r*) ranges from -1.00 (a perfect negative linear relationship) to +1.00 (a perfect positive linear relationship), with 0.00 representing an absolute absence of a linear relationship (Hair et al., 2006). This test is applied to determine the individual bivariate relationships between each of the five independent AIRQUAL dimensions and the dependent variable, customer satisfaction.

Multiple Regression Analysis

Multiple Regression analysis is an advanced multivariate statistical technique used to evaluate the relationship between a single continuous dependent variable and two or more continuous independent variables simultaneously (Churchill & Brown, 2004). It expands on basic bivariate regression by integrating multiple predictors into a unified predictive equation (Burns & Bush, 2006).In this research, Multiple Linear Regression is applied to assess how well the five AIRQUAL dimensions (airline tangibles, terminal tangibles, personnel service, empathy, and airline image) collectively predict overall customer satisfaction, allowing the researcher to identify which service dimensions exert the strongest influence on passenger evaluations.

Summary Of Analysis Plan

Research Hypotheses	Variables Implicated	Proposed Statistical Analysis Plan
H1: There is a positive relationship between airline tangibles (AIRQUAL) and customer satisfaction toward AirAsia Airline Malaysia.	Independent: Airline Tangibles Dependent: Customer Satisfaction	• Descriptive Statistics • Pearson Bivariate Correlation • Multiple Linear Regression
H2: There is a positive relationship between terminal tangibles (AIRQUAL) and customer satisfaction toward AirAsia Airline Malaysia.	Independent: Terminal Tangibles Dependent: Customer Satisfaction	• Descriptive Statistics • Pearson Bivariate Correlation • Multiple Linear Regression
H3: There is a positive relationship between personnel service (AIRQUAL)	Independent: Personnel Service	• Descriptive Statistics • Pearson Bivariate Correlation

and customer satisfaction toward AirAsia Airline Malaysia.	Dependent: Customer Satisfaction	• Multiple Linear Regression
H4: There is a positive relationship between empathy (AIRQUAL) and customer satisfaction toward AirAsia Airline Malaysia.	Independent: Empathy Dependent: Customer Satisfaction	• Descriptive Statistics • Pearson Bivariate Correlation • Multiple Linear Regression
H5: There is a positive relationship between airline image (AIRQUAL) and customer satisfaction toward AirAsia Airline Malaysia.	Independent: Airline Image Dependent: Customer Satisfaction	• Descriptive Statistics • Pearson Bivariate Correlation • Multiple Linear Regression

Table 3 Summary of Hypothesis Testing and Analysis Plan

Expectation

This study expects to gain understanding on how AirAsia Airline Malaysia's service quality (AIRQUAL) affects the level of customer satisfaction. Besides, this research could be a base for airline companies to get insights on their service improvements.

CONCLUSION

To conclude this research helps me to understand the significance of service quality in fulfilling customer satisfaction. Not only that, it is also necessary to understand the dimensions in AIRQUAL model in order to identify the main problem and craft solutions for the company to make improvements in the future.

Acknowledgment

I extend my heartfelt gratitude to my supervisor, Dr. Norzaidahwati Zaidin for her supportive and excellent guidance and comments during the progress of this research proposal.

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THE INFLUENCE OF SOCIAL MEDIA ON CUSTOMER LOYALTY IN THE CAFÉ INDUSTRY

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ABSTRACT
This study examines the influence of social media on customer loyalty in the café industry. Social media platforms such as Instagram and TikTok have become important marketing tools for cafes to promote their products, interact with customers, and increase brand awareness. However, it is still unclear whether these marketing efforts can build long-term customer loyalty. While attractive content and promotional campaigns may encourage customers to visit a café, they may not always result in repeat purchases or strong customer relationships. Therefore, this study aims to investigate the relationship between social media engagement, promotional activities, content quality, customer trust, and customer loyalty. Specifically, it seeks to determine whether these factors significantly influence customers' loyalty toward cafes. The findings of this research are expected to help café owners and managers to understand better the role of social media in customer retention. In addition, the study may provide useful recommendations for developing more effective social media marketing strategies in a highly competitive café market.

Keywords: social media marketing, customer loyalty, café industry, customer engagement, customer trust

INTRODUCTION
In recent years, social media has become an important part of marketing for many businesses, including cafes. Platforms such as Instagram, TikTok, and Facebook allow café owners to connect directly with customers, promote their products, and increase awareness of their brand. Many cafes regularly post photos, videos, customer reviews, and promotional offers to attract new customers and encourage existing customers to return. According to Kaplan and Haenlein (2010), social media provides businesses with opportunities to interact and communicate with customers more effectively than traditional marketing methods. In the café industry, social media has become an effective tool for showcasing products and ambience. Studies in coffee retail confirm that social media presence significantly impacts customer interest and sales (Ersoy, Keceli, & Kwiatek, 2020). Customer loyalty is one of the key factors that contribute to the success of a café. Loyal customers are more likely to revisit the café, recommend it to their friends and family, and continue supporting the business even when there are many competitors in the market. Oliver (1999) defined customer loyalty as a customer's commitment to continue purchasing from the same business over time. Therefore, building and maintaining customer loyalty is important to cafes that want to achieve long-term success. The café

industry has become increasingly competitive due to the growing number of cafes and changing consumer preferences. As a result, many cafe businesses rely on social media marketing to attract customers and maintain strong relationships with them. However, having a large number of followers or likes on social media does not always guarantee customer loyalty. Customers are exposed to many advertisements and promotional messages every day, making it challenging for cafes to keep customers interested and encourage repeat visits.

Previous studies have shown that social media marketing can positively influence customer engagement, trust , and loyalty (Trisakti et al., 2025). In addition, customer trust plays an important role in developing long-term relationships between businesses and customers. According to Morgan and Hunt (1994), trust is a key factor that helps strengthen customer relationships and encourages continued support for a business. Research by Ismail (2017) also found that social media marketing activities can improve brand loyalty through customer engagement and positive customer experiences. Based on these findings, this study aims to examine the influence of social media on customer loyalty in the café industry. The study focuses on four important factors, which are engagement, promotions, content quality, and customer trust. It seeks to understand how these factors contribute to customer loyalty and customers' intention to revisit cafes. Specifically, this study will investigate whether social media engagement influences customer loyalty, whether promotions encourage customers to revisit cafes, whether high-quality content increases customer trust, and whether customer trust leads to stronger customer loyalty. To achieve these objectives, four hypotheses are proposed. First, social media engagement has a significant relationship with customer loyalty. Second, promotions positively influence customer revisit intention. Third, social media content quality positively affects customer trust. Finally, customer trust positively influences customer loyalty. This study focuses on café customers aged 18 years and above who actively use social media and have experience visiting cafes and interacting with café-related content online. Data will be collected through Google Form questionnaires. The findings of this study may help café owners to understand better how social media strategies can improve customer loyalty and retention. The results may also provide useful insights for marketers when designing campaigns and contribute to existing knowledge. In addition, this study may also serve as a useful reference for students and future researchers interested in digital marketing and consumer behavior.

LITERATURE REVIEW

This chapter reviews previous studies and theories related to social media marketing and customer loyalty in the café industry. The chapter discusses social media engagement, social media promotions, content quality, customer trust, and customer loyalty. It also explains the relationships between these variables and supports the development of the conceptual framework and hypotheses.

Social Media Marketing

Social media marketing refers to the use of digital platforms to promote products, services, and brands through interactive communication with customers. Businesses use social media platforms such as Instagram, TikTok, and Facebook to increase brand awareness and customer engagement. According to Philip Kotler and Keller (2016), social media marketing allows

businesses to build stronger relationships with customers through continuous interaction and personalized communication. In the café industry, social media has become an effective tool for showcasing products, café ambience, and promotional campaigns. Research by Kaplan and Haenlein (2019) found that businesses using social media marketing strategies can improve customer communication and brand visibility. Similarly, Tuten and Solomon (2021) stated that social media creates opportunities for businesses to engage directly with consumers and influence purchasing behavior.

Social Media Engagement

Social media engagement refers to customer interactions with online content through likes, comments, shares, reviews, and messages. According to Dave Chaffey (2022), customer engagement on social media strengthens customer relationships and increases customer satisfaction. Interactive communication between businesses and consumers may create emotional attachment and improve customer experiences. Also mentioned by Purwanti and Ramdan (2025), higher engagement on Instagram significantly increased customer loyalty in cafés, supporting the idea that interactive communication fosters stronger brand relationships. Research by Hollebeek et al. (2020) suggested that social media engagement positively influences brand loyalty because customers who frequently interact with online content tend to develop stronger connections with brands. In the café industry, customers often engage with café posts featuring food photography, promotions, and customer experiences. High engagement levels may encourage repeat visits and customer recommendations.

Social Media Promotions

Social media promotions include discounts, giveaways, loyalty rewards, and influencer collaborations promoted through social media platforms. Industry reports confirm that restaurants using social media promotions saw nearly a 10% revenue increase, with experiential campaigns driving repeat visits (Deloitte Digital, 2025; Anastasov, 2025). According to Smith (2021), promotional activities on social media can increase customer interest and influence purchasing decisions. Customers are often attracted to limited-time offers and promotional campaigns shared online. Research by Lee and Kim (2020) found that online promotions positively affect revisit intention and customer satisfaction. In the café industry, cafés commonly use social media promotions to encourage customer participation and repeat purchases. Platforms such as Instagram Stories and short-form videos on TikTok are frequently used to advertise discounts and seasonal products.

Content Quality

Content quality refers to the creativity, usefulness, relevance, and visual attractiveness of social media content. According to Tuten and Solomon (2021), high-quality content increases customer interest and improves brand image. Customers are more likely to engage with informative and visually appealing content. While attractive content improves perceptions, Indonesian café studies found that content quality alone did not sustain loyalty without engagement and trust (Trisakti, Santoso, & Widodo, 2025). Research by Johnson (2020) indicated that attractive visual content positively affects customer perceptions and trust toward café brands. In the café industry, aesthetic café photos and food videos play an important role in influencing customer behaviour. High-quality content may encourage customers to follow café social media accounts and maintain long-term engagement with the brand.

Customer Trust

Customer trust refers to the confidence customers have in a business's reliability, honesty, and service quality. Digital transparency and authentic communication build trust, as shown in studies of craft businesses in Thailand (Denes & Boonyasurat, 2023). According to Morgan and Hunt (1994), trust is one of the most important factors in relationship marketing because it influences long-term customer commitment and loyalty. Research by Chen and Lin (2019) found that positive online interactions and customer reviews improve trust toward businesses. Customers are more likely to remain loyal to cafés they trust. In social media environments, customer trust may develop through transparent communication, responsive customer service, and positive customer feedback.

Customer Loyalty

Customer loyalty refers to a customer's commitment to repeatedly purchase from or revisit a particular business. According to Oliver (1999), loyal customers are more likely to continue supporting a business despite competition and price changes. Customer loyalty is important because loyal customers contribute to long-term profitability and positive word-of-mouth marketing. Research by Rahman et al. (2021) found that social media engagement and customer trust significantly influence customer loyalty in the food and beverage industry. In the café industry, loyal customers often revisit cafés, recommend them to others, and interact with café brands online.

Relationship Between Social Media And Customer Loyalty

Previous studies indicate that social media marketing positively affects customer loyalty through engagement, promotions, content quality, and trust. According to Hollebeek et al. (2020), customer engagement strengthens emotional connections between businesses and customers. Similarly, Lee and Kim (2020) found that social media promotions increase customer revisit intention. Furthermore, Johnson (2020) stated that high-quality social media content improves customer trust, which eventually contributes to customer loyalty. Therefore, social media strategies may help cafés maintain long-term relationships with customers and improve competitive advantage.

Theoretical Framework

This study is supported by the relationship marketing theory introduced by Morgan and Hunt (1994). The theory emphasizes building long-term relationships through communication, trust, and customer satisfaction. Social media platforms provide opportunities for cafés to strengthen customer relationships through continuous interaction and engagement.

Hypothesis Development

Based on previous studies, social media engagement has been identified as an important factor influencing customer loyalty. Customers who actively interact with a café's social media content through likes, comments, shares, and reviews tend to develop stronger emotional connections with the brand. According to Hollebeek et al. (2020), higher levels of engagement contribute to stronger brand relationships and increased loyalty.

H1: *Social media engagement has a positive influence on customer loyalty in the café industry.*

Social media promotions are commonly used by cafés to attract and retain customers through discounts, giveaways, loyalty rewards, and special offers. Previous research by Lee and Kim (2020) found that promotional activities positively affect customer satisfaction and revisit intention. Customers who perceive social media promotions as valuable are more likely to continue supporting the business.

H2: *Social media promotions have a positive influence on customer loyalty in the café industry.*

Content quality plays a significant role in shaping customer perceptions and interactions on social media platforms. High-quality content that is informative, relevant, creative, and visually appealing can enhance customer engagement and strengthen brand image. Tuten and Solomon (2021) suggested that quality content encourages stronger customer relationships, while Johnson (2020) found that attractive content increases positive customer perceptions.

H3: *Content quality has a positive influence on customer loyalty in the café industry.*

Customer trust is considered a key determinant of long-term customer relationships. When customers perceive a café as reliable, honest, and consistent in delivering quality products and services, they are more likely to remain loyal to the business. Morgan and Hunt (1994) highlighted trust as a fundamental. Element in relationship marketing, while Chen and Lin (2019) found that positive online interactions and reviews help strengthen customer trust.

H4: *Customer trust has a positive influence on customer loyalty in the café industry.*

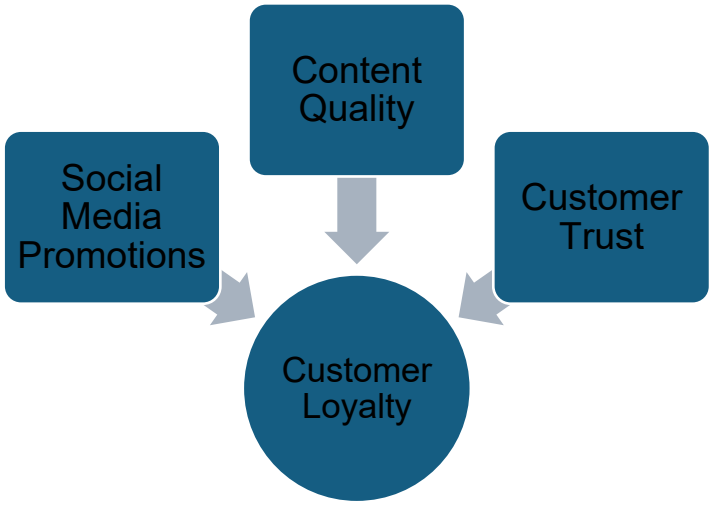

Figure 1. Research Framework

METHODOLOGY

The study aimed to investigate how social media engagement, customer trust, content quality, and promotional activities influence customer loyalty in the café industry. A quantitative approach was adopted, following a positivist philosophy and a deductive research design. Using Saunders' "research onion" as a guide, the study employed a survey strategy with a cross-sectional time horizon. Similar regression-based studies in Bandung and Indonesian cafés confirmed engagement and trust as significant predictors of loyalty (Purwanti & Ramdan,

2025; Trisakti et al., 2025). Data were collected at a single point in time from café customers who actively use social media.

Table 1: Respondent Profile

Variable	Categories	Frequency	Percentage
Age	18–24	12	11.9%
	25–34	75	74.3%
	35–44	14	13.8%
Gender	Male	58	57.4%
	Female	40	39.6%
	Prefer not to say	3	3.0%
Café Visit Frequency	Daily	8	7.9%
	Weekly	25	24.8%
	Monthly	55	54.5%
	Rarely	13	12.9%
Social Media Platform	Instagram	68	67.3%
	TikTok	61	60.4%
	Facebook	18	17.8%
	X (Twitter)	15	14.9%

The sample consisted of 101 respondents, selected through convenience sampling, with the majority of respondents being young adults (25–34), visiting cafés monthly, and using Instagram/TikTok most frequently. While this method was practical and efficient, it does limit the generalizability of the findings. The data were analyzed using SPSS, with techniques including reliability testing, descriptive statistics, correlation analysis, regression, and assumption testing. A pilot test was conducted to check the clarity and consistency of the questionnaire items. Reliability analysis showed that most constructs were reliable, except for customer loyalty, which had weaker internal consistency. The results are presented in Table 4.1.

Table 4.1: Reliability Statistics

Construct	Cronbach's Alpha	Reliability
Social Media Engagement	0.784	Good
Customer Loyalty	0.551	Weak
Customer Trust	0.626	Acceptable

Content Quality	0.754	Good
Promotional Activities	0.725	Acceptable

The table shows that social media engagement, content quality, and promotional activities demonstrated good reliability, while customer trust was acceptable. Customer loyalty, however, was weak, suggesting that some items did not align well with the construct. Descriptive statistics provided a clearer picture of the data. Respondents reported moderate engagement, relatively high loyalty, strong trust, positive perceptions of content quality, and high appreciation for promotions. These results are summarized in Table 4.2.

Table 4.2: Descriptive Statistics of Constructs

Construct	Mean	SD	Min	Max
Social Media Engagement (SME)	2.96	0.85	1.00	4.80
Customer Loyalty (CL)	3.63	0.56	2.33	5.00
Customer Trust (CT)	3.92	0.68	2.00	5.00
Content Quality (CQ)	3.89	0.69	2.00	5.00
Social Media Promotions (SMP)	4.09	0.68	2.00	5.00

The averages show that respondents trusted cafés and valued promotions highly, while engagement was moderate. Normality testing confirmed that skewness and kurtosis values were within the acceptable range of ±2, and histograms supported the assumption of normality. This meant that parametric tests such as correlation and regression could be used.

Correlation analysis revealed significant positive relationships between all independent variables and customer loyalty. The results are shown in Table 4.3.

Table 4.3: Correlation Results

Predictor	r with Loyalty	p-value	Strength
Engagement	0.563	<.001	Moderate–Strong
Trust	0.534	<.001	Moderate–Strong
Content Quality	0.512	<.001	Moderate
Promotions	0.508	<.001	Moderate

The table shows that all predictors were positively correlated with loyalty, with engagement and trust being slightly stronger predictors. Regression analysis provided further insights. The model summary indicated that the regression model was statistically significant, with $R=.686$, $R^2=.471$, and Adjusted $R^2=.449$. This means that about 47% of the variation in customer loyalty was explained by the four predictors. The ANOVA confirmed the model's significance, with $F(4,96)=21.33$ and $p<.001$.

Table 4.4: Regression Coefficients

Predictor	B	Beta	Sig.	Interpretation
Engagement	0.201	0.303	0.001	Significant
Trust	0.241	0.288	0.003	Significant
Promotions	0.190	0.229	0.017	Significant
Content Quality	0.047	0.058	0.592	Not significant

The coefficients show that engagement, trust, and promotions were significant predictors of loyalty, while content quality was not. This suggests that cafés cannot rely on attractive posts alone; they need to actively engage customers, build trust, and offer promotions to encourage loyalty. Collinearity statistics were also checked to ensure that the predictors were independent. The results are shown in Table 4.5.

Table 4.5: Collinearity Statistics

Predictor	Tolerance	VIF	Interpretation
Engagement	0.72	1.39	No multicollinearity
Trust	0.68	1.47	No multicollinearity
Promotions	0.74	1.35	No multicollinearity
Content Quality	0.65	1.54	No multicollinearity

All values were within acceptable limits, confirming that multicollinearity was not an issue. In summary, the results show that social media engagement, customer trust, and promotional activities significantly influence café customer loyalty, while content quality does not.

DISCUSSION

The findings of this study are consistent with previous research that highlights the importance of engagement and trust in building customer loyalty. In the café industry, customers value relational factors such as feeling connected to the brand and trusting its transparency. Promotions also play a major role by providing tangible incentives for repeat visits. Content quality, although appreciated, did not significantly predict loyalty once other factors were considered. This suggests that aesthetic appeal alone is not enough; cafés must combine attractive content with strategies that build relationships and offer value. Research by Ismail (2017) similarly emphasized that social media marketing activities strengthen brand loyalty through engagement and positive experiences, while Chaffey (2022) highlighted that digital engagement fosters emotional attachment and satisfaction. From a practical perspective, cafés should focus on creating interactive posts that encourage customers to comment, share, or participate in polls and contests. They should also respond to reviews and maintain transparency to build trust. Promotions such as discounts, loyalty rewards, and exclusive deals are effective in encouraging repeat purchases, consistent with Smith's (2021) findings on the

role of online promotions in consumer decision-making. This aligns with industry reports showing that promotions and interactive campaigns are more effective than static content in driving loyalty (Deloitte Digital, 2025; Anastasov, 2025). Trust remains a relational cornerstone, consistent with findings across industries where digital transparency sustains long-term loyalty (Denes & Boonyasurat, 2023). Additionally, studies in coffee retail confirm that social media presence significantly impacts customer interest and sales (Ersoy, Keceli, & Kwiatek, 2020), while methodological reviews highlight the importance of training and performance in ensuring reliable data collection (Arta, Leuhery, Abubakar, Yusuf, & Cakranegara, 2023).

CONCLUSION

Overall, the study found that social media presence does influence café customer loyalty, but not all aspects are equally important. Engagement and trust are the strongest predictors, with promotions also playing a role. Content quality alone does not guarantee loyalty. The objective of the study was achieved: it showed that social media can build loyalty, but cafés need to focus on the right elements. Cafés should prioritize interactive engagement and trust-building strategies, echoing Deloitte Digital's (2025) findings that social media-driven loyalty programs boost retention.

This conclusion is reinforced by Ismail (2017), who demonstrated that engagement and positive experiences enhance brand loyalty, and by Chaffey (2022), who emphasized the role of digital interaction in customer satisfaction. Promotions remain critical, consistent with Smith's (2021) evidence that online offers influence consumer decisions.

Finally, industry-specific studies confirm that coffee retail businesses benefit directly from social media strategies (Ersoy et al., 2020), and methodological insights suggest refining loyalty measures and sampling approaches for future research (Arta et al., 2023).

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EVALUATE CUSTOMER SATISFACTION ON NON-VESSEL OPERATING COMMON CARRIER (NVOCC) IN BLUE WAVE SHIPPING (M) SDN BHD

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ABSTRACT

Customer satisfaction is an important factor in determining the success and competitiveness of logistics service providers, especially in the Non-Vessel Operating Common Carrier (NVOCC) industry. This study aims to evaluate customer satisfaction towards the services provided by Blue Wave Shipping (M) Sdn Bhd by examining the relationship between service quality dimensions and customer satisfaction. The study focuses on five independent variables, namely tangibility, reliability, responsiveness, assurance, and empathy, which are measured using the SERVPERF model. A quantitative research methodology was applied in this study through the distribution of questionnaires to customers who have experience using the company's services. The collected data were analyzed using Statistical Package for Social Science (SPSS), including descriptive analysis, normality analysis, factor analysis, reliability analysis, Pearson correlation, and multiple linear regression analysis. The findings indicate that empathy has the strongest positive relationship with customer satisfaction, while tangibility and responsiveness show significant negative relationships. Assurance and reliability were found to have insignificant relationships with customer satisfaction. The study contributes to the shipping industry by providing insights into customer expectations and service quality improvement at Blue Wave Shipping. The findings may assist management in developing effective strategies to enhance customer satisfaction and maintain competitive advantage in the logistics market.

Keywords: Shipping, NVOCC, Service Quality, SERVPERF, Customer Satisfaction

INTRODUCTION

According to Datep Purwa Saputra (2025), the shipping industry plays an important role in supporting international trade and global business activities. In ocean freight operations, two main types of carriers exist, which are Non-Vessel Operating Common Carrier (NVOCC) and Vessel Operating Common Carrier (VOCC). NVOCCs do not own vessels but act as intermediaries by purchasing space from shipping lines and reselling it to customers. Blue Wave Shipping (M) Sdn Bhd is a total logistics service provider that operates as a Non-Vessel Operating Common Carrier (NVOCC) in Malaysia and India, offering comprehensive freight forwarding and shipping solutions for international cargo movement. As competition in the logistics sector continues to increase, customers expect efficient, reliable, and high-quality services from NVOCC service providers. Therefore, service quality has become an essential element in influencing customer satisfaction and maintaining long-term customer relationships. Based on Fatima (2024), evaluating customer satisfaction is important for the company to

identify customer expectations and improve service performance. Despite the growing importance of customer satisfaction in the logistics industry, there are still issues regarding service quality provided by NVOCC companies. Customers may experience delays in shipment, poor communication, lack of responsiveness, inaccurate documentation, and insufficient customer support services. These problems may affect customer trust and satisfaction towards the company. The main objective of this study is to evaluate customer satisfaction towards the services provided by Blue Wave Shipping (M) Sdn Bhd. Specifically, this study aims to examine the relationship between service quality dimensions, namely tangibility, reliability, responsiveness, assurance, and empathy, and customer satisfaction. The study also aims to identify the most significant factor that influences customer satisfaction. The findings may help the management of Blue Wave Shipping (M) Sdn Bhd improve their service quality and customer relationship strategies. In addition, the findings of this study have been shared with the Human Resource (HR) department of the company to support internal improvements.

Background Of Problem

Customer satisfaction plays a vital role in ensuring the success and sustainability of businesses in the shipping and logistics industry. For Non-Vessel Operating Common Carriers (NVOCC) such as Blue Wave Shipping (M) Sdn Bhd, customer satisfaction is an important factor that influences customer retention, profitability, and competitiveness. In the current globalized environment, customers increasingly expect high service quality, efficiency, transparency, and timely communication from logistics providers. However, several common operational issues can negatively affect customer satisfaction in NVOCC services. One of the main issues is the condition and quality of containers provided for shipment, where there is insufficient inspection. This increases the risk of product damage or contamination, especially for sensitive goods. In addition, inconsistencies in service delivery, such as delays in shipment handling, scheduling disruptions, and inefficient internal coordination, can affect the reliability of logistics services, which may sometimes be beyond the company's direct control. However, the company still holds responsibility in managing customer expectations and service recovery. Poor communication and lack of timely updates further reduce customer confidence and satisfaction, as customers may feel uninformed or unsupported during the service process. Another key issue is delays in booking confirmation, which create uncertainty for customers in planning their logistics and business operations. Inefficiencies in internal processes and coordination between departments may contribute to these delays, affecting overall service responsiveness. Furthermore, delays in documentation processing are also a major concern in NVOCC operations. When essential shipping documents are not prepared or issued on time, it can disrupt customs clearance, increase operational delays, and create additional costs for customers. In some cases, negative feedback has also been observed on platforms such as Google and Facebook, reflecting customer dissatisfaction with service performance. Overall, these operational challenges highlight service gaps in NVOCC operations that can significantly impact customer satisfaction. Therefore, improving service quality, communication, coordination, and process efficiency is essential to enhance customer satisfaction and strengthen overall performance in Blue Wave Shipping. This research uses the Service Performance (SERVPERF) model developed by Cronin and Taylor (1992) to measure customer satisfaction in the NVOCC operations of this organization.

Research Questions

This research is seeking to achieve the research objective by answering the following research questions.

What is the relationship between the tangible dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service?

What is the relationship between the assurance dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service?

What is the relationship between the responsiveness dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service?

What is the relationship between the reliability dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service?

What is the relationship between the empathy dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service?

Research Objective

1. To explore the relationship between the tangible dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service.
2. To determine the relationship between the assurance dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service.
3. To examine the relationship between the responsiveness dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service.
4. To investigate the relationship between the reliability dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service.
5. To inspect the relationship between the empathy dimension (SERVPERF) and customer satisfaction provided by Blue Wave Shipping on NVOCC service.

LITERATURE REVIEW

This literature review highlights the importance of customer satisfaction and service quality in the shipping and logistics industry. Customer satisfaction contributes to customer loyalty and business sustainability. To evaluate service quality, this study adopts the SERVPERF model developed by Cronin and Taylor (1992), which measures customers' perceptions of actual service performance through five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. These dimensions provide a framework for assessing customer satisfaction in Blue Wave Shipping (M) Sdn Bhd.

Customer Satisfication

According to Azadeh Amoo Zegar (2025), providing a good customer experience is essential for sustaining any business. Customer satisfaction remains a key objective for all organizations, as it directly influences long-term success and business continuity. Positive disconfirmation happens when a customer feels that the product or service's performance exceeds their expectations. Similarly, negative disconfirmation occurs when a customer believes the performance to be worse off than predicted. Positive disconfirmation leads to consumer pleasure, while negative disconfirmation leads to dissatisfied customers. Based on Sophia Bernazzani (2022), it is believed that maintaining high customer satisfaction is important for retaining more customers and increasing customer lifetime value. Otherwise, clients will not

hesitate to go to a competitor who provides lower rates, more product selections, and better service to its customers. However, given the close relationship between customer happiness and loyalty, it makes logical sense to use the customer's repeat use of our services, Neil Patel (2018). Alaina Franklin (2021) defines customer satisfaction (CSAT) as a measure of how well a company's products, services, and total customer experience fulfill consumer expectations. When a customer is satisfied with a company's product or service, he or she is more likely to purchase again and promote the product or service to potential customers.

Service Performance

Service performance refers to how well a service meets customer expectations and fulfills its intended purpose. It is a measure of the effectiveness, efficiency, and quality of a service delivery process. A new model was developed by A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry in 1985 and later refined in 1988, which is the SERVQUAL model referred to as “Service Quality." A framework used to measure the gap between customers' expectations of a service and their perceptions of the actual service delivered. According to Strickland, M. (2026), by utilizing service quality (SERVQUAL) models, companies can gain valuable insights into customer expectations and perceptions. Understanding these elements allows businesses to tailor their services more effectively, leading to enhanced customer satisfaction. SERVPERF, refer to service performance, is a model for evaluating and measuring the quality of services provided by organizations. This model focuses only on perceptions, making it a more straightforward and practical tool for measuring service quality. The SERVPERF scale's five dimensions can be categorized into five as shown below: (Cronin and Taylor, 1992)

- Tangibility: This dimension relates to the physical appearance of the physical service facilities, the equipment, the communication materials, and all tangible elements of service provider facilities or surroundings.
- Assurance: This dimension refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence—creating trust and confidence will gain the customers’ loyalty.
- Reliability: The service provider's ability to consistently and accurately deliver the promised service.
- Responsiveness: This dimension refers to the service provider's willingness to be helpful, timely in providing services, and responsive to customer requests, difficulties, or complaints.
- Empathy: Service providers deliver personalized attention to customers to fulfill their unique needs.

Tangible

The tangible dimension is the appearance of physical facilities, equipment, communication, materials, and personnel. At the same time, customers will utilize the physical picture of the service to evaluate quality (Hossam Haddad, 2019). Tangibles are extremely significant for service-providing companies because they are important components for developing strong,

positive, and inspiring customer relationships. In Blue Wave, the term "tangible" would refer to the physical elements. Example tangible assets such as the condition of the containers used for the shipments, such as 20' footer and 40' footer containers. It is essential to have the shipping containers cleaned properly. This includes cleaning the container in between shipments and maintaining proper container hygiene. Without cleaning, the container could get heavily contaminated with harmful chemicals such as mold, germs, dirt, and dust. This will result in the damage of commodities that are exported or imported. Other than that, cleanliness in facilities and equipment, such as forklifts and vehicles such as trucks used for land transportation between ports and warehouses. Thus, Ngaliman (2019) states the tangible factor has a positive direct impact on customer satisfaction. Continuous dissatisfaction with NVOCC services could lead to the loss of customers. To prevent this, the logistics departments should consistently inspect and monitor the condition of containers before loading. In addition, all equipment used for shipments must be fully functional and properly maintained. For example, if a forklift suddenly malfunctions, it could cause delays in loading commodities into containers. Furthermore, a poorly maintained forklift could damage the floorboards or even the customers' goods, leading to dissatisfaction and potential business losses.

H1: *There is a relation between tangibility (SERVPERF) and customer satisfaction.*

Assurance

According to Sharad Gupta (2026), it refers to the knowledge, competence, and courtesy of employees that instill confidence and trust in customers. According to Zygiaris, S (2022), assurance refers to the skills and competencies employed when providing services to clients. According to Madumere (2021), trust and confidence can be embodied in the individual who connects the client to the organization. Professional behavior, good manners, and a helpful attitude contribute to making customers feel valued and respected. Furthermore, essential documents such as booking confirmations and draft bills of lading must be prepared accurately and in a timely manner. Errors in documentation, particularly in bills of lading, often occur due to typographical mistakes and the failure of documentation staff to verify details with customers and relevant departments (Giao, 2019). Moreover, customers' goods must always be handled with care and professionalism, as they represent valuable assets. Warehouse personnel should ensure proper handling during loading and unloading processes, including appropriate lashing to prevent damage. In addition, the sales department must provide quotations promptly through communication channels such as email, phone, or WhatsApp. Delays in issuing quotations can lead to customer dissatisfaction and potentially result in the loss of business opportunities. Overall, assurance reflects the service provider's ability to instill trust and confidence in customers, which is crucial for maintaining customer loyalty and gaining a competitive advantage.

H2: *There is a relation between assurance (SERVPERF) and customer satisfaction.*

Reliability

According to Anderson (2025), promises made in business relationships, especially between customers and service providers, influence customer decision-making, shape brand

perceptions, and play a crucial role in maintaining long-term customer relationships. In this research, it is represented that this company should provide arrival notice and delayed notice on time. For example, if staff forgets to provide the delayed notice, the customer will gate in the cargo earlier, and it will incur storage costs. The customer will refuse to pay, and it will lead to a bad image and loss to the company. Customer always avoid long transit times, and they will expect to reach the destination as promised. If continuous delays in reaching the destination occur, the customer might be unsatisfied with the service. Additionally, issuance of invoices on time. Issuing invoices promptly is a critical aspect of maintaining a smooth and professional business operation. When invoices are generated and sent to customers on time, it ensures that payments are received within the agreed terms, contributing to healthy cash flow for the business. Timely invoicing also helps to build trust and reliability with customers. Timely delivery is crucial as it meets customer expectations, maintains trust, and helps avoid delays that could disrupt business operations. Consistently achieving this high standard ensures customer satisfaction, minimizes the risk of claims or complaints, and strengthens the company's reputation in the market.

H3: *There is a relation between reliability (SERVPERF) and customer satisfaction.*

Responsiveness

It refers to the willingness and ability of a service provider to assist customers promptly and address their needs or concerns. According to Mika Giofani Ek (2019), strong responsiveness can lead to consumer satisfaction with the services given by the company. According to Shakeerah Mohd Shukri (2020), staff' motivation to resolve problems encountered by customers while using services has a positive impact on their satisfaction. This indicates that the higher the responsiveness, which consists of the readiness and speed of staff in offering services. Responsiveness is the ability of service providers to support clients and provide timely service. In this study, the research investigates the willingness of the sales or customer service department to assist with urgent or last-minute shipments. It emphasizes the importance of promptly checking and providing accurate vessel details, as well as ensuring space availability on time. Employees should prioritize and address urgent shipments immediately to ensure customer satisfaction. Additionally, the availability of phone numbers and contact persons is crucial. If a company representative is on leave, an automatic email response should be set up to inform customers, directing them to a backup contact. For extended public holidays, it's important to send an email to all customers, informing them of the holiday schedule and providing alternate contact details. This ensures that if any issues arise, customers can directly reach the responsible person. This company should provide clear and timely updates on the status of a shipment; it ensures that customers are always informed about the progress of their orders or deliveries. These updates help build trust and transparency between the company and its customers. When customers are well-informed, they feel more secure in their purchase and are less likely to experience anxiety or frustration. Each department needs to be more responsive in handling customers to meet their expectations and satisfaction level towards NVOCC service.

H4*: There is a relation between responsiveness (SERVPERF) and customer satisfaction.*

Empathy

Refers to the care and individualized attention that a service provider gives to its customers. According to Karim M (2020), empathy is the firm's caring and individualized attention to its clients. Empathy in service quality, on the other hand, is concerned with the interaction between personnel and customers, according to Madumere (2021). For instance, customer service and sales personnel are expected to take immediate action when issues arise at the Port of Loading (POL) or Port of Discharge (POD). Delays in responding to customer complaints may lead to frustration and dissatisfaction, as customers expect timely communication and resolution. Failure to respond promptly can negatively impact customers' trust. Customer service that demonstrates understanding and attentiveness is key to building strong, positive relationships with customers. Customer service representatives should actively listen to customers' concerns, acknowledge their feelings, and respond thoughtfully; they show that they genuinely care about the customer's experience. For example, if a customer calls with a problem regarding a shipment, a representative should not only provide a solution but also show empathy by acknowledging the inconvenience to the customer.

H5: *There is a relation between empathy (SERVPERF) and customer satisfaction.*

Theoritical Framework

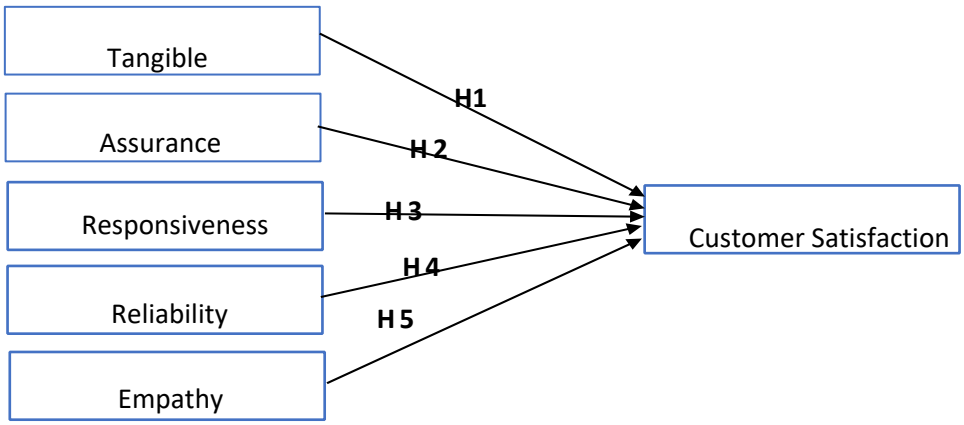

Figure 1: Research Framework (Cronin & Taylor, 1992)

METHODOLOGY

Research Design

According to Jain (2023), research design is defined as the overall plan or structure that guides the process of conducting research. This study aims to collect and analyze data to evaluate customer satisfaction towards the NVOCC services provided by Blue Wave Shipping (M) Sdn Bhd. Additionally, Sreekumar, D. (2023) used to observe events that affect a particular group of individuals, which is the sample population. The research was conducted using Google Forms, which facilitates efficient data collection from a large number of respondents. Questionnaires have been distributed via WhatsApp and email to the company's existing

customer base. To assess the strength of the responses and the relationship between the dependent and independent variables, a Likert scale model will be used in the questionnaire, with five response options: ('5: Strongly Agree', '4: Agree', '3: Neutral', '2: Disagree', and '1: Strongly Disagree').

Population And Sample

Population refers to the entire group or sets of individuals, objects, or events that possess specific characteristics and are of interest to the researcher, Thomas, R. (2023). Besides that, sampling refers to the process of selecting a sample from a larger group or population of interest. Furthermore, due to the large size of the population, researchers were often unable to test every individual, as it was too costly and time-consuming. This was the reason researchers relied on sampling methods. The samples for this study were collected from existing customers who had prior experience with the services offered by Blue Wave Shipping (M) Sdn Bhd.

Independent Variables

= (IV1 items × 5) + (IV2 items × 5) + (IV3 items × 5) + (IV4 items × 5) + (IV5 items × 5)
= (3 × 5) + (4 × 5) + (4 × 5) + (4 × 5) + (4 × 5)
= 15 + 20 + 20 + 20 + 20
= 95

Dependent Variable

= (DV items × 5)
= (3× 5)
= 15

Therefore, the minimum required sample size:

Minimum Sample Size
= 95 + 15
= 110 respondents

Sampling Technique

The sampling technique chosen for this research was judgmental sampling (non-probability sampling). This technique was selected because the researcher intentionally chose respondents who possessed specific knowledge and experience related to the research topic. In this study, only customers who had prior experience using the services of Blue Wave Shipping (M) Sdn. Bhd. were selected, as they were able to provide relevant and reliable information regarding customer satisfaction on NVOCC. Judgmental sampling is appropriate when the researcher needs respondents who meet predetermined criteria and are capable of providing meaningful insights for the study (Simkus, J., 2023). The research has a sample size of 110 respondents.

Data Collection

Primary Data

Based on Stewart, L. (2025), primary data is data collected firsthand by the researcher for a specific purpose or project. The researcher has opted for the survey method to collect data, employing a structured and systematic approach to achieve the research objectives. These questionnaires were distributed electronically via platforms such as email and WhatsApp.

Secondary Data

Secondary data refers to information that has already been collected, recorded, and analyzed by other researchers or organizations for purposes different from the current study. Unlike primary data, which is gathered directly by the researcher, secondary data is obtained from existing sources such as academic journals, articles, books, reports, and previous research studies. In this study, secondary data was mainly collected from journal articles and scholarly publications to support the literature review.

Research Instrument

The questionnaire was developed by the researcher and distributed to customers through Google Forms to assess customer satisfaction. A five-point Likert scale was used for responses; however, the scale description should typically range from “very dissatisfied” (1) to “very satisfied” (5). The study used convenience sampling, where respondents provided feedback based on their experience with Blue Wave Shipping (M) Sdn Bhd by rating the service performance using the given scale.

Section A: Demographic Profile

Contains information about the respondent's demographic profile, such as type of firm, company size, and department. According to Susan E. (2019), collecting demographic information will enable you to cross-tabulate and compare subgroups to see how responses vary between these groups.

Section B: The Determinant Variables

This study adopts the SERVPERF model, focusing on the dimensions of reliability, responsiveness, assurance, and empathy to evaluate customer satisfaction in NVOCC services. A 5-point Likert scale was used as a unidimensional scale. The scale ranges from 1 (strongly disagree) to 5 (strongly agree), allowing respondents to express different levels of agreement or disagreement regarding service quality.

Section C: The Level of Satisfaction

Measures the overall customer satisfaction with Blue Wave Shipping (M) Sdn Bhd’s NVOCC services using a simple yes/no format. The responses help identify overall satisfaction trends and highlight areas that may require improvement in service delivery to better meet customer expectations.

Factor	Source From Literature Review	Scale Item
Section A: Respondent's Demographic		
Type of Firm		Manufacturing
		Logistics / Shipping
Company Size		0-10
		10-25
		25- 50
		50 – 100
		100 & above
Department		Sales Executive / Assistant
		Customer Service Executive /Assistant
		Logistics Executive /Assistant
		Others
Section B: Relationship between service performance towards customer satisfaction		
Tangible	Bae, H.-S. (2024)	The cleanliness of facilities and equipment
		Containers used for shipments are in good condition
		Equipment used for shipments is fully functional and well-maintained
Assurance	Jusufbasic,Z. (2023)	Employees demonstrate knowledge and courtesy
		Required documents are prepared accurately and on time
		Employees are polite and respectful to customers
		The sales department provides rate quotations immediately upon request
Reliability	Ovidijus Jurevicius. (2025)	Delayed and early arrival notices are provided on time.
		Providing services as promised
		Invoices are issued on time.
		Containers are delivered on time and in good condition.
		Urgent shipment requests are given priority

Responsiveness	Yuan, Q. & Gao, Q. (2019)	Phone numbers and concerned personnel are always available when needed.
		Clear and timely updates on shipment status are provided.
		Feedback is responded to promptly
Empathy	Sojipun, W., Abdul Aziz, Z., & Mohd Zain, R. (2024)	The staff provides solutions for any issues faced by my company
		Customer service representatives show understanding and attentiveness.
		The company provides good support to my business
		The staff takes ownership of issues and follows up to ensure resolution.
Section C: Level of satisfaction towards Blue Wave Shipping (M) Sdn Bhd		
Customer Satisfaction	Gupta, A. (2025)	My company will continue supporting this company
		We will recommend this company to others
		Our company currently has no plans to switch to a different service provider.

Table 1.0: Questionnaire Development

Data Analysis Plan

SPSS software was used to analyse the data collected in this study. Descriptive analysis was conducted to summaries respondents' demographic profiles, while normality testing examined data distribution. Factor analysis was performed to assess the validity of measurement items, and reliability analysis using Cronbach's Alpha evaluated the internal consistency of the scales. Multiple linear regression analysis was then used to determine the relationship between the SERVPERF dimensions (tangibles, assurance, reliability, responsiveness, and empathy) and customer satisfaction in NVOCC services at Blue Wave Shipping (M) Sdn Bhd. Overall, these analyses ensured accurate and reliable research findings.

Pilot Test

A pilot test was conducted before the main data collection to ensure the questionnaire was clear and understandable. A total of 30 experienced NVOCC customers from Blue Wave Shipping (M) Sdn Bhd participated in the pilot test via Google Forms. The purpose was to identify any unclear or confusing questions, and improvements were made based on the feedback before the actual survey was carried out.

RELIABILITY ANALYSIS (PILOT TEST)

Construct	Item	Alpha	Strength of Relationship
Tangible	3	0.854	Excellent
Assurance	4	0.910	Excellent
Reliability	4	0.877	Good
Responsiveness	4	0.870	Good
Empathy	4	0.969	Excellent
Customer Satisfaction	3	0.610	Moderate

Table 2.0 Reliability Analysis for Pilot Te*st*

A pilot test involving 30 respondents with experience in NVOCC services at Blue Wave Shipping (M) Sdn Bhd was conducted to assess the clarity and reliability of the questionnaire. The results showed good reliability for all SERVPERF dimensions, with Cronbach's Alpha values above 0.70: Tangibles (0.854), Assurance (0.910), Reliability (0.877), Responsiveness (0.870), and Empathy (0.969). Customer Satisfaction recorded an acceptable value of 0.610 for a pilot study Overall, the findings indicate that the questionnaire is reliable and suitable for the main study.

DESCRIPTIVE ANALYSIS

The researcher also calculates the mean and standard deviation of the questionnaire's statement to identify the customer satisfaction in Blue Wave Shipping (M) Sdn Bhd. The results of this analysis are presented below.

	N	Minimum	Maximum	Mean	Std. Deviation
Tangible	110	1.00	5.00	3.2939	1.02838
Assurance	110	1.00	5.00	3.2614	0.97643
Reliability	110	1.00	5.00	3.3909	0.96885
Responsiveness	110	1.00	5.00	3.3136	1.10433
Empathy	110	1.00	4.25	2.7886	0.82686
CustomerSatisfication	110	1.00	2.00	1.3697	0.42440
Valid N (listwise)	110				

Table 3.0 Descriptive Analysis

The descriptive analysis was conducted to examine the mean and standard deviation values of the independent variables and dependent variable in this study. A total of 110 valid responses were used in the analysis. Based on the findings, the reliability dimension recorded the highest mean value of 3.3909 with a standard deviation of 0.96885. This indicates that respondents

generally agreed that Blue Wave Shipping provides reliable services, such as delivering services accurately and consistently. The responsiveness dimension also showed a relatively high mean value of 3.3136 with a standard deviation of 1.10433, indicating that respondents perceived the company as reasonably responsive in handling customer requests and shipment-related matters. In addition, the tangible dimension obtained a mean value of 3.2939 and a standard deviation of 1.02838. This suggests that respondents were moderately satisfied with the physical facilities, equipment, and overall appearance of the company's service operations. The assurance dimension recorded a mean value of 3.2614 with a standard deviation of 0.97643, showing that respondents had moderate confidence in the employees' knowledge, professionalism, and ability to provide trustworthy services. Among all SERVPERF dimensions, empathy recorded the lowest mean value of 2.7886 with a standard deviation of 0.82686. For the dependent variable, customer satisfaction recorded a mean value of 1.3697 with a standard deviation of 0.42440.

NORMALITY TEST

Normality is assessed based on skewness and kurtosis values, where values within ±2 indicate acceptable normal distribution for research. Based on the results, all variables recorded skewness values ranging from -0.290 to 0.525, while kurtosis values ranged from -1.466 to -0.441. The tangible dimension showed a skewness value of -0.164 and kurtosis value of -0.650. Assurance recorded a skewness value of -0.126 and kurtosis value of -0.441. Reliability showed a skewness value of -0.213 and kurtosis value of -0.636, while responsiveness recorded a skewness value of -0.290 and kurtosis value of -0.604. In addition, empathy showed a skewness value of -0.052 and kurtosis value of -0.670. The dependent variable, customer satisfaction, recorded a skewness value of 0.525 and kurtosis value of -1.466. Since all skewness and kurtosis values were within the acceptable range, the data can be considered normally distributed.

	N	**Min**	**Max**	**Mean**	**Std. Deviation**	**Skewness**		**Kurtosis**	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Tangible	110	1	5	3.2939	1.02838	-0.164	0.23	-0.650	0.457
Assurance	110	1	5	3.2614	0.97643	-0.126	0.23	-0.441	0.457
Reliability	110	1	5	3.3909	0.96885	-0.213	0.23	-0.636	0.457
Responsiveness	110	1	5	3.3136	1.10433	-0.290	0.23	-0.604	0.457
Empathy	110	1	4.25	2.7886	0.82686	-0.052	0.23	-0.67	0.457

Customer Satisfaction	110	1	2	1.3697	0.4244	0.525	0.23	-1.466	0.457

Table 4.0 Normality Analysis

RELIABILITY ANALYSIS

Reliability analysis was conducted using Cronbach's Alpha to assess the internal consistency of all constructs in this study, which applies the SERVPERF model to evaluate customer satisfaction in Blue Wave company.

Construct	Item	Alpha	Strength of Relationship
Tangible	3	0.722	Good
Assurance	4	0.751	Good
Reliability	4	0.759	Good
Responsiveness	4	0.888	Good
Empathy	4	0.722	Good
Customer Satisfaction	3	0.847	Good

Table 5.0 Reliability Analysis

Based on the results, all constructs demonstrated acceptable to high reliability. The responsiveness dimension recorded the highest Cronbach's Alpha value of 0.888, indicating very good internal consistency among its four items. This suggests that the items used to measure responsiveness are highly consistent in capturing respondents' perceptions of service responsiveness. Customer satisfaction also showed a high reliability value of 0.847, indicating strong internal consistency among its items. Reliability (0.759) and assurance (0.751) also recorded good reliability levels, suggesting that the items for these constructs are reliable and consistent. Meanwhile, tangible (0.722) and empathy (0.722) both recorded acceptable reliability values, meeting the minimum threshold of 0.70. Although these values are relatively lower compared to other constructs, they are still considered adequate and acceptable for further analysis. Overall, all constructs in this study achieved Cronbach's Alpha values above 0.70.

Factor Analysis

The KMO value obtained was 0.683, which is above the minimum acceptable level of 0.60. According to Kaiser (1974), a KMO value between 0.60 and 0.70 is considered acceptable. Bartlett's Test shows a significant result (p = 0.000), indicating that the variables are sufficiently correlated and suitable for factor analysis.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.683
Bartlett's Test of Sphericity	Approx. Chi-Square	407.846
	df	10
	Sig.	0.000

Table 6.0 Factor Analysis

Inferential Analysis

Multicollinearity Analysis

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Tangible	0.150	6.671
	Assurance	0.148	6.748
	Reliability	0.417	2.397
	Responsiveness	0.333	3.004
	Empathy	0.354	2.823

Table 7.0 Multicollinearity Analysis

According to Hair et al. (2019), multicollinearity does not exist when Tolerance values are above 0.10 and VIF values are below 10. Based on the results, all variables meet the required threshold. The Tangible dimension recorded a Tolerance value of 0.150 and VIF of 6.671, while Assurance showed a Tolerance value of 0.148 and VIF of 6.748. Reliability recorded a Tolerance value of 0.417 and VIF of 2.397, Responsiveness showed a Tolerance value of 0.333 and VIF of 3.004, and Empathy recorded a Tolerance value of 0.354 and VIF of 2.823. Although Tangible and Assurance show relatively higher VIF values compared to other variables, all values are still below the critical threshold of 10. Therefore, there is no serious multicollinearity problem among the independent variables.

Multiple Linear Regression Analysis

		Unstandardized Coefficients		**Standardized Coefficients**			
Hypothesis	**B**	**Std Error**		**Beta**	**t**	**Sig**	**Outcome**
	(Constant)	**1.271**	**0.177**		**7.183**	**0.000**	
H1	Tangible	-0.193	0.101	0.469	-1.909	0.050	Supported
H2	Assurance	0.165	0.107	- 0.380	1.538	0.127	Not Supported
H3	Reliability	0.061	0.064	- 0.139	0.948	0.346	Not Supported
H4	Responsiveness	-0.093	0.063	0.242	-1.470	0.045	Supported
H5	Empathy	0.107	0.082	0.209	1.307	0.044	Supported

Table 8.0 Multiple Linear Regression Analysis

The regression analysis shows that Tangibles (H1) has a standardized beta value of 0.469 with a significance level of 0.050, indicating a moderate positive relationship with customer satisfaction. Since the p-value is equal to the threshold (0.05), the result is considered statistically significant, and therefore H1 is supported. Implies that physical facilities play an important role in shaping customers' perceptions and satisfaction. Assurance (H2) recorded a beta of -0.380 with a significance value of 0.127. Indicates that assurance has a negative but statistically insignificant relationship with customer satisfaction. Therefore, H2 is not supported. Similarly, Reliability (H3) has a beta value of -0.139 and a significance level of 0.346, indicating a weak and insignificant negative relationship. Since the p-value is much higher than 0.05, H3 is not supported. Responsiveness (H4) shows a beta value of 0.242 with a significance level of 0.045, which is below 0.05. This indicates a positive and statistically significant relationship, supporting H4. It suggests that prompt service and willingness to help customers positively influence satisfaction levels among clients of the NVOCC service. Empathy (H5) demonstrates a beta coefficient of 0.209 and a significance value of 0.044, which is statistically significant. Therefore, H5 is supported, indicating that personalized attention and caring service provided to customers contribute positively to their satisfaction. In summary, the regression results reveal that Tangibles, Responsiveness, and Empathy are significant predictors of customer satisfaction, while Assurance and Reliability do not significantly influence satisfaction in this study.

4.7 SUMMARY OF ANALYSIS PLAN

Research Hypotheses	Analysis Plan
H1: There is a relation between tangibility dimension (SERVPERF) and customer satisfaction.	Multiple Regression
H2: There is a relation between assurance dimension (SERVPERF) and customer satisfaction.	Multiple Regression
H3: There is a relation between responsiveness dimension (SERVPERF) and customer satisfaction.	Multiple Regression
H4: There is a relation between reliability dimension (SERVPERF) and customer satisfaction.	Multiple Regression
H5: There is a relation between empathy dimension (SERVPERF) and customer satisfaction.	Multiple Regression

Table 9.0 Summary of Hypothesis Testing and Analysis Plan

Expectation

This study aims to evaluate customer satisfaction with the NVOCC services provided by Blue Wave Shipping (M) Sdn Bhd and identify the factors influencing customer satisfaction. The findings will help the company improve service quality, strengthen customer relationships, and enhance its competitiveness in the shipping and logistics industry.

CONCLUSION

In conclusion, this research helps to enhance understanding of the importance of customer satisfaction in the NVOCC industry. It is essential to identify the key factors that contribute to customer satisfaction, such as service reliability, responsiveness, communication, and

operational efficiency. By evaluating these factors, Blue Wave Shipping (M) Sdn Bhd can recognize areas that require improvement and implement strategies to provide better services and achieve higher customer satisfaction in the future.

Acknowledgement

I would like to express my sincere gratitude to my advisor, Dr. Zeida, for her guidance and valuable advice throughout the preparation of this research. I would also like to thank my boss, Mr. Saravanan Kumar, HR and salesperson of Blue Wave Shipping (M) Sdn Bhd, for their cooperation and willingness to provide information and insights that contributed to the completion of this study. Their assistance and support are greatly appreciated.

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FACTORS INFLUENCING CUSTOMER SATISFACTION AND REVISIT INTENTION: EVIDENCE FROM ZUS COFFEE CUSTOMERS IN MALAYSIA

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ABSTRACT
ZUS Coffee has rapidly emerged as one of Malaysia's leading homegrown specialty coffee chains. In an increasingly competitive food and beverage industry, maintaining customer satisfaction and promoting revisit intention are of strategic importance. This study investigates the influence of SERVPERF service quality dimensions — Tangibles, Reliability, Responsiveness, Assurance, and Empathy — on customer satisfaction, and the subsequent effect of customer satisfaction on revisit intention among ZUS Coffee customers in Malaysia. Grounded in the Expectation-Confirmation Theory (ECT) and the SERVPERF model (Cronin & Taylor, 1992), a quantitative cross-sectional survey design was employed. A structured questionnaire was distributed online to 307 ZUS Coffee customers in Malaysia. Data were analysed using IBM SPSS Statistics via descriptive statistics, Pearson correlation, multiple regression, and simple regression analyses. Results indicate that Tangibles, Reliability, Responsiveness, and Assurance significantly predict customer satisfaction, while Empathy was not a significant independent predictor. Customer satisfaction was further found to be a strong and significant predictor of revisit intention. These findings affirm the applicability of SERVPERF in the Malaysian café context and provide actionable insights for ZUS Coffee management.

Keywords: SERVPERF, Service Quality, Customer Satisfaction, Revisit Intention, ZUS Coffee, Malaysia

INTRODUCTION
The Malaysian food and beverage (F&B) market has transformed significantly over the past decade, with the coffee café sector emerging as one of the most competitive and rapidly expanding segments. Malaysian coffee culture has evolved from traditional kopitiam settings to a sophisticated specialty coffee sector that serves a growing cohort of quality-conscious consumers. Urbanisation, rising disposable incomes, changing lifestyles, and the growing influence of global coffee culture among millennials and Generation Z have all contributed to this transformation (Nair & Ahmad, 2022). Founded in 2019, ZUS Coffee has quickly expanded to over 500 outlets across Malaysia, positioning itself as 'the everyday coffee for everyone.' The brand competes with established international chains such as Starbucks and McCafe, while differentiating itself through competitive pricing, technological integration, and strong digital ordering infrastructure via its mobile application (ZUS Coffee, 2024). In this highly saturated market, service quality has become a key differentiator for retaining existing

customers and attracting new ones. The SERVPERF model, developed by Cronin and Taylor (1992), measures service quality based on customers' perceptions of actual service performance across five dimensions: Tangibles, Reliability, Responsiveness, Assurance, and Empathy. Unlike the SERVQUAL model, SERVPERF does not measure the gap between expectations and perceptions, offering superior psychometric properties and predictive validity (Cronin & Taylor, 1992; Brady et al., 2002). This study adopts SERVPERF within the theoretical framework of the Expectation-Confirmation Theory (ECT) (Oliver, 1980), which posits that satisfaction arises when perceived performance meets or exceeds expectations.

Problem Statement

Despite ZUS Coffee's rapid growth, there remains a significant gap in scholarly research examining the specific service quality factors that drive customer satisfaction and revisit intention for this brand. The SERVPERF model has been extensively validated in Western service environments and in the context of established international chains (Norizan et al., 2018; Lim & Cham, 2015), yet its application to fast-growing Malaysian homegrown coffee brands remains relatively limited. While prior studies have examined service quality in Malaysian restaurant and hotel contexts (Noorizan et al., 2016; Norizan et al., 2018), no published study has empirically tested the SERVPERF dimensions specifically within the ZUS Coffee brand environment. This gap is particularly noteworthy given that ZUS Coffee's rapid multi-outlet expansion and app-based service model introduce unique service quality dynamics that may not be fully captured by findings from other F&B contexts. Additionally, anecdotal evidence from social media platforms and consumer review websites suggests that ZUS Coffee customers have reported instances of inconsistent service quality, including order accuracy and staff responsiveness, which may negatively impact satisfaction and discourage repeat business. This study addresses these gaps by empirically testing SERVPERF dimensions in the ZUS Coffee context.

Research Questions

The research questions for this study are as follows: (RQ1) Do Tangibles significantly influence Customer Satisfaction among ZUS Coffee customers in Malaysia? (RQ2) Does Reliability significantly influence Customer Satisfaction among ZUS Coffee customers in Malaysia? (RQ3) Does Responsiveness significantly influence Customer Satisfaction among ZUS Coffee customers in Malaysia? (RQ4) Does Assurance significantly influence Customer Satisfaction among ZUS Coffee customers in Malaysia? (RQ5) Does Empathy significantly influence Customer Satisfaction among ZUS Coffee customers in Malaysia? (RQ6) Does Customer Satisfaction significantly influence Revisit Intention among ZUS Coffee customers in Malaysia?

Research Objectives

This study is guided by six research objectives: (RO1) to examine the extent to which Tangibles predict customer satisfaction at ZUS Coffee; (RO2) to assess the influence of Reliability on customer satisfaction at ZUS Coffee; (RO3) to determine whether Responsiveness contributes significantly to customer satisfaction at ZUS Coffee; (RO4) to evaluate the effect of Assurance on customer satisfaction at ZUS Coffee; (RO5) to explore the relationship between Empathy and customer satisfaction at ZUS Coffee; and (RO6) to ascertain whether customer satisfaction is a significant driver of revisit intention among ZUS Coffee customers in Malaysia.

Significance of the Study

Theoretically, this study contributes to the service quality literature by providing empirical validation of the SERVPERF model in the context of a rapidly growing, homegrown Malaysian coffee chain. By integrating all five SERVPERF dimensions within a single framework that links service quality perceptions to customer satisfaction and revisit intention, this study extends the application of Expectation-Confirmation Theory (ECT) to a previously underexplored domestic F&B brand context. The study also adds to the growing body of knowledge on consumer behaviour in emerging markets by testing established theoretical frameworks in a new and meaningful context, particularly relevant given Malaysia's rapidly evolving specialty coffee sector. Practically, the findings offer actionable insights for ZUS Coffee management and the broader Malaysian F&B industry. Given that customer satisfaction explained 85.7% of the variance in revisit intention ($R^2 = .857$) in this study, even marginal improvements in service quality delivery carry significant implications for repeat patronage rates and revenue sustainability. A clear empirical ranking of the SERVPERF dimensions enables ZUS Coffee's management to prioritise staff competency development, order accuracy, and outlet aesthetics—the dimensions with the strongest demonstrated influence—over less impactful areas, supporting more efficient allocation of training budgets and operational resources. The findings further provide evidence-based guidance for customer retention strategies that can be benchmarked against measurable KPIs such as Net Promoter Score, app re-order frequency, and outlet revisit rates.

Purpose of the Study

The purpose of this study is to empirically examine the influence of SERVPERF service quality dimensions — Tangibles, Reliability, Responsiveness, Assurance, and Empathy — on customer satisfaction, and to determine the subsequent effect of customer satisfaction on revisit intention among ZUS Coffee customers in Malaysia.

LITERATURE REVIEW

SERVPERF Model and Theoretical Framework

Introduced by Cronin and Taylor (1992), SERVPERF reconceptualises service quality assessment by concentrating exclusively on customer-perceived performance, drawing on the same five evaluative dimensions established by Parasuraman et al. (1988) in the SERVQUAL instrument: Tangibles, Reliability, Responsiveness, Assurance, and Empathy. The fundamental distinction is that SERVPERF eliminates the gap-score approach — it does not contrast expectations against perceptions — contending that performance perception alone provides a more parsimonious and empirically robust measure. Across diverse service sectors, this approach has consistently outperformed gap-based models in terms of explained variance and predictive accuracy (Brady et al., 2002; Lee et al., 2001). The theoretical anchor of this study is Oliver's (1980) Expectation-Confirmation Theory (ECT), which frames customer satisfaction as an outcome of the cognitive comparison between what was expected from a service and what was actually experienced. When perceived performance aligns with or surpasses prior expectations, the result is confirmation and a positive satisfaction response; when performance falls below expectations, disconfirmation and dissatisfaction follow. Extending the theory to post-consumption behaviour, Oliver (1999) established that

satisfaction generated through positive confirmation meaningfully elevates customers' propensity to return and engage in repeat patronage.

Service Quality Dimensions and Customer Satisfaction

Each of the five SERVPERF dimensions occupies a distinct conceptual space in the service quality literature. Tangibles capture the visible, physical dimension of the service encounter — including outlet design, equipment condition, and staff presentation — and have been shown to shape customer satisfaction in café environments (Ryu & Han, 2010; Qin & Prybutok, 2009). Reliability concerns whether service providers consistently fulfil their commitments; in food service, this encompasses product accuracy and the fulfilment of promotional claims (Andaleeb & Conway, 2006; Noorizan et al., 2016). Responsiveness concerns staff agility in addressing customer needs, with faster and more attentive service linked to higher satisfaction, particularly in high-volume dining settings (Qin & Prybutok, 2009; Clemes et al., 2008). Assurance reflects the degree to which employees demonstrate expertise and engender confidence, factors associated with satisfaction across multiple service contexts (Ali & Raza, 2017; Ladhari, 2009). Empathy captures the extent to which customers receive individualised, attentive service, and has been linked with both satisfaction and positive behavioural intentions in restaurant research (Markovic & Raspor, 2010; Ha & Jang, 2010).

Tangibles

Tangibles encompass the observable, physical elements of a service setting — including the condition and aesthetics of facilities, the modernity of equipment, the grooming of frontline personnel, and the visual quality of communication materials (Parasuraman et al., 1988). Within a coffee shop context, these elements translate into outlet cleanliness, interior design coherence, staff presentation, and beverage packaging quality. Bitner (1992) theorised that the physical servicescape functions as a behavioural cue shaping customer affect and evaluation; this was empirically substantiated by Ryu and Han (2010), who found servicescape quality to be a meaningful predictor of satisfaction. For ZUS Coffee, whose brand identity is closely tied to contemporary outlet design and distinctive packaging, the tangibles dimension carries particular evaluative weight among customers.

Reliability

Reliability captures a service provider's capacity to perform what has been promised dependably and accurately (Parasuraman et al., 1988). In the coffee chain context, this manifests as uniform beverage quality across visits, precision in order processing, and consistent delivery on promotional offers. Zeithaml et al. (1990) positioned reliability as one of the most strategically critical dimensions in the service quality construct, given its direct bearing on customer trust. For ZUS Coffee, which processes a high volume of orders through its mobile application and must maintain uniform standards across more than 500 outlets, reliability is especially consequential to how customers assess their overall service experience.

Responsiveness

Responsiveness concerns the degree to which frontline employees demonstrate proactive, timely assistance to customers (Parasuraman et al., 1988). In busy food service environments, this translates into how swiftly orders are fulfilled and how readily staff address complaints or special requests. Qin and Prybutok (2009) identified responsiveness as a statistically significant

driver of customer satisfaction in quick-service restaurant settings. For ZUS Coffee, which caters predominantly to time-conscious working professionals and students, the speed and attentiveness of service interactions are closely tied to how customers ultimately evaluate their visit experience.

Assurance

Assurance pertains to the extent to which employees project competence, professionalism, and trustworthiness in their interactions with customers (Parasuraman et al., 1988). In a coffee shop setting, this is conveyed through staff beverage knowledge, courteous conduct, adherence to hygiene protocols, and the secure handling of transactions. Akbar and Parvez (2009) and Ali and Raza (2017) both confirmed assurance as a significant antecedent of customer satisfaction across service contexts. For ZUS Coffee, where cashless and app-based payments are the norm, customers' perceptions of transactional safety and staff expertise are likely to exert a heightened influence on their satisfaction judgments.

Empathy

Empathy reflects the degree to which a service provider makes customers feel individually valued through attentive, considerate service interactions (Parasuraman et al., 1988). In a coffee shop context, empathetic service behaviour includes remembering the preferences of returning customers, accommodating customisation requests without friction, and demonstrating genuine concern for customer comfort. Ha and Jang (2010) and Markovic and Raspor (2010) documented positive associations between empathy and customer satisfaction in hospitality settings. Given ZUS Coffee's heterogeneous patronage — encompassing students, young professionals, and working adults — the ability to deliver personalised service interactions is expected to contribute positively to customers' overall satisfaction assessments. Taken together, the body of literature reviewed above converges on several key insights. First, while all five SERVPERF dimensions are theoretically linked to customer satisfaction, empirical studies vary in the relative weight of each dimension across service contexts. Assurance and Reliability consistently emerge as stronger predictors in high-volume, trust-dependent settings (Akbar & Parvez, 2009; Andaleeb & Conway, 2006), whereas Empathy's independent contribution tends to diminish in contexts where efficiency and tangible cues dominate (Norizan et al., 2018). Second, evidence consistently supports Customer Satisfaction as the principal bridge between service quality perceptions and repeat patronage (Ryu et al., 2012; Noorizan et al., 2016). Third, no prior study has applied this integrated framework specifically to ZUS Coffee, creating the empirical gap that this study is positioned to address. These observations collectively motivate the research framework and hypotheses presented in the following section.

Customer Satisfaction

Customer satisfaction represents a post-consumption judgement in which customers compare the perceived quality of a product or service against their prior expectations (Oliver, 1997). Within the food and beverage industry, this judgement is formed across multiple service encounters simultaneously — encompassing product quality, physical environment, staff conduct, service speed, and overall outlet presentation. Anchored in the ECT framework, this study anticipates that customers' evaluations of ZUS Coffee across the five SERVPERF dimensions will collectively shape their level of overall satisfaction with the brand.

Revisit Intention

Revisit intention refers to a customer's expressed inclination to patronise the same service establishment on a future occasion (Oliver, 1999; Baker & Crompton, 2000). As a behavioural intention construct, it serves as a reliable proxy for customer loyalty and is widely regarded as an important indicator of sustained business performance in competitive service markets (Zeithaml et al., 1996). Ryu et al. (2012) demonstrated that in restaurant settings, customer satisfaction played a mediating role in translating service quality perceptions into revisit intentions. Similarly, Noorizan et al. (2016) confirmed that Malaysian F&B customers who reported higher satisfaction levels were substantially more inclined to return to the same establishment.

Research Framework and Hypotheses

Based on the above review, the research framework posits five SERVPERF dimensions as independent variables predicting Customer Satisfaction, which in turn predicts Revisit Intention. The following six hypotheses are advanced:

H1: Tangibles have a significant positive relationship with customer satisfaction among ZUS Coffee customers in Malaysia.

H2: Reliability has a significant positive relationship with customer satisfaction among ZUS Coffee customers in Malaysia.

H3: Responsiveness has a significant positive relationship with customer satisfaction among ZUS Coffee customers in Malaysia.

H4: Assurance has a significant positive relationship with customer satisfaction among ZUS Coffee customers in Malaysia.

H5: Empathy has a significant positive relationship with customer satisfaction among ZUS Coffee customers in Malaysia.

H6: Customer satisfaction has a significant effect on revisit intention among ZUS Coffee customers in Malaysia.

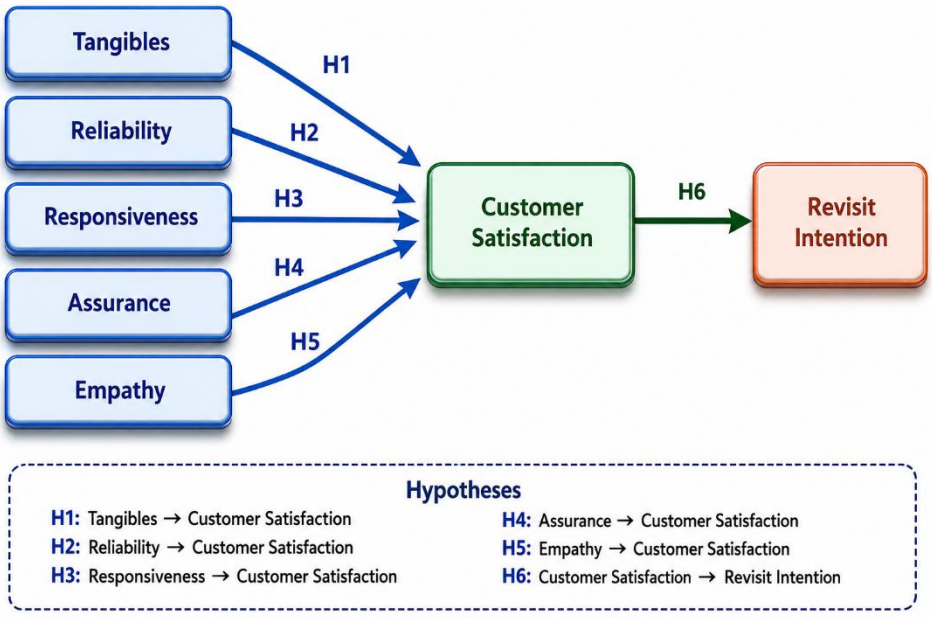

Figure 2.10: Conceptual Framework of the Study

RESEARCH METHODOLOGY

Research Design

A quantitative, cross-sectional survey design was employed in this study. This approach was selected because the research objectives require the measurement and statistical testing of relationships between well-defined constructs — service quality dimensions, customer satisfaction, and revisit intention. The positivist philosophical paradigm underpins the research, reflecting the assumption that these constructs are measurable phenomena whose relationships can be systematically examined through deductive hypothesis testing (Bryman, 2016). A cross-sectional design was adopted as it is cost-effective and consistent with the majority of published SERVPERF studies in food service contexts (Cronin & Taylor, 1992; Qin & Prybutok, 2009).

Population and Sampling

The target population comprises all individuals in Malaysia who have visited a ZUS Coffee outlet at least once. Given that ZUS Coffee operates over 500 outlets and serves thousands of customers daily, the population is effectively infinite. The sample size was established using Tabachnick and Fidell's (2007) five-to-one ratio rule, which requires a minimum of five respondents per survey item. With 28 total items across seven constructs, the minimum sample size was computed as 140 respondents. A target of 307 questionnaires was set to allow for incomplete responses. Purposive sampling was employed to ensure that only actual ZUS Coffee customers were included, supplemented by convenience sampling to facilitate access to an adequate number of respondents.

Research Instrument

The data collection instrument was a structured questionnaire distributed via Google Forms. The survey link was disseminated through convenience-based online channels, including WhatsApp groups, Facebook, and Instagram, targeting Malaysian ZUS Coffee customers. Screening questions at the outset ensured that only respondents who had visited ZUS Coffee within the previous three months were included. The questionnaire comprised nine sections. Section A collected demographic data. Sections B to F (each containing four items) measured the five SERVPERF dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy). Section G (four items) measured Customer Satisfaction, and Section H (four items) measured Revisit Intention. All construct items were adapted from validated scales in prior service quality research (Parasuraman et al., 1988; Cronin & Taylor, 1992; Ryu & Han, 2010). A five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) was employed throughout. Content validity was established through the adaptation of well-established, peer-reviewed measurement scales, ensuring that the items adequately represent the theoretical domain of each construct. Face validity was further confirmed through a pre-distribution review by the supervising academic to assess item clarity and relevance.

Table 3.3: Measurement Scale for Variables

Section	Construct	Items	Source
B	Tangibles	T1: ZUS Coffee has modern and up-to-date equipment. T2: The physical environment and outlet of ZUS Coffee are visually appealing.	Parasuraman et al. (1988), Cronin & Taylor

		T3: ZUS Coffee employees appear neat and professional. T4: The interior design and ambience are comfortable.	(1992); Qin & Prybutok (2009), Ryu & Han (2010)
C	Reliability	RL1: ZUS Coffee delivers orders accurately without errors. RL2: ZUS Coffee provides consistent service quality on every visit. RL3: ZUS Coffee keeps its promises (e.g., promotions, delivery time). RL4: ZUS Coffee's food and beverages are consistently of good quality.	Parasuraman et al. (1988); Cronin & Taylor (1992); Andaleeb & Conway (2006); Noorizan et al. (2016)
D	Responsiveness	RS1: ZUS Coffee staff serve customers in a timely manner. RS2: Staff are always willing to help when I have a request. RS3: Staff handles complaints or problems quickly and efficiently. RS4: Waiting time for orders at ZUS Coffee is reasonable.	Parasuraman et al. (1988); Cronin & Taylor (1992); Qin & Prybutok (2009)
E	Assurance	AS1: ZUS Coffee staff are knowledgeable about the menu and products. AS2: I feel safe and secure when making transactions at ZUS Coffee. AS3: Staff are polite and courteous in every interaction. AS4: ZUS Coffee instils confidence in the quality of its products.	Parasuraman et al. (1988); Cronin & Taylor (1992); Akbar & Parvez (2009); Ali & Raza (2017)
F	Empathy	EM1: ZUS Coffee staff give personal attention to individual customers. EM2: ZUS Coffee staff understand my specific needs and preferences. EM3: ZUS Coffee has operating hours that are convenient for me. EM4: ZUS Coffee genuinely cares about customer well-being.	Parasuraman et al. (1988); Cronin & Taylor (1992); Norizan et al. (2018); Markovic & Raspor (2010)
G	Customer Satisfaction	CS1: Overall, I am satisfied with my experience at ZUS Coffee. CS2: ZUS Coffee meets my expectations as a coffee brand.	Oliver (1980); Ryu et al. (2012); Zeithaml et

		CS3: My decision to visit ZUS Coffee was a good choice. CS4: ZUS Coffee provides better value compared to similar cafes.	al. (1996); Fornell et al. (1996); Ryu & Han (2010)
H	Revisit Intention	RI1: I intend to revisit ZUS Coffee in the future. RI2: I will recommend ZUS Coffee to my family and friends. RI3: ZUS Coffee would be my first choice among coffee brands in Malaysia. RI4: I am likely to increase my visits to ZUS Coffee in the future.	Zeithaml et al. (1996); Baker & Crompton (2000); Ha & Jang (2010); Chi & Qu (2008); Han & Ryu (2009); Um et al. (2006)

Data Analysis Method

Prior to the main analyses, data screening was conducted to ensure the dataset met the assumptions required for regression. Specifically, normality of the dependent variable (Customer Satisfaction) was assessed using the Kolmogorov–Smirnov test and inspection of histograms and normal P–P plots; results confirmed approximately normal distribution. Outliers were examined using standardised residuals (threshold: ±3.0 SD), and no cases warranting removal were identified. Data were analysed using IBM SPSS Statistics Version 32. Cronbach's alpha reliability analysis was conducted to assess internal consistency of each construct ($\alpha \geq 0.70$ threshold; Hair et al., 2019). Descriptive statistics (mean, standard deviation) were computed to summarise respondent perceptions. Pearson correlation analysis examined bivariate relationships among all constructs, interpreted using Cohen's (1988) guidelines: r = .10–.29 (weak), .30–.49 (moderate), ≥ .50 (strong). Multiple regression analysis was employed to test H1–H5, with Customer Satisfaction as the dependent variable. Simple linear regression tested H6, examining the effect of Customer Satisfaction on Revisit Intention. Multicollinearity was assessed via Tolerance and VIF values

RESULTS AND DATA ANALYSIS

Demographic Profile of Respondents

A total of 307 respondents participated in this study. In terms of gender, the majority were female (59.3%) compared to male respondents (40.7%). Regarding ethnicity, Malay respondents formed the largest group at 58.6%, followed by Chinese (15.6%), Indian (13.4%), and other ethnicities (12.4%), which broadly reflects Malaysia's multiracial population. In terms of age, most respondents fell within the 26–35 years bracket (46.6%), while the smallest group was those above 45 years (10.4%). Consistent with this, Gen Y or Millennials (28–43) represented the largest generational group at 47.2%, followed by Gen Z at 36.5% and Gen X at 16.3%, indicating a predominantly young and working-age sample. Most respondents were married (55.7%), followed by single (38.4%) and divorced or widowed (5.9%). Educationally, the sample was well-qualified, with more than half holding a Bachelor's Degree (53.1%) and

27.4% holding a Diploma. In terms of employment, private sector employees made up the largest group (50.2%), followed by government employees (19.9%). The most common monthly income range was RM3,001–RM5,000 (30.3%). Finally, an overwhelming majority of respondents (93.5%) had prior experience with ZUS Coffee, and 42.3% visited a few times a month, suggesting that the sample was highly relevant and suitable for a study centered on the ZUS Coffee brand.

Table 4.1: Demographic Profile of Respondents (N = 307)

Variable	Category	Frequency (n)	Percentage (%)
Gender	Female	182	59.3%
	Male	125	40.7%
Ethnicity	Malay	180	58.6%
	Chinese	48	15.6%
	Indian	41	13.4%
	Others	38	12.4%
Age Group	18–25 years	66	21.5%
	26–35 years	143	46.6%
	36–45 years	66	21.5%
	Above 45 years	32	10.4%
Generation	Gen Z (18–27)	112	36.5%
	Gen Y / Millennial (28–43)	145	47.2%
	Gen X (44–59)	50	16.3%
Marital Status	Married	171	55.7%
	Single	118	38.4%
	Divorced / Widowed	18	5.9%
Educational Level	Bachelor's Degree	163	53.1%
	Diploma	84	27.4%
	SPM / Secondary School	30	9.8%
	Master's Degree	29	9.4%
	PhD	1	0.3%
Current Employment Status	Private Sector Employee	154	50.2%
	Government Employee	61	19.9%

	Unemployed / Retiree	37	12.1%
	Student	35	11.4%
	Self-Employed / Freelancer	20	6.5%
Monthly Income	RM3,001 – RM5,000	93	30.3%
	Less than RM1,000	74	24.1%
	RM1,001 – RM3,000	56	18.2%
	RM5,001 – RM7,000	53	17.3%
	RM7,001 or more	31	10.1%
ZUS Coffee Experience	Yes	287	93.5%
	No	14	4.6%
	Maybe	6	2.0%
Frequency of Visits	A few times a month	130	42.3%
	Once a week	50	16.3%
	Rarely	50	16.3%
	Several times a week	47	15.3%
	Daily	18	5.9%
	Never	12	3.9%

Reliability Analysis

Cronbach's alpha reliability analysis was performed for all seven constructs. As presented in Table 4.2, all constructs achieved values well above the acceptable threshold of 0.70. Customer Satisfaction recorded the highest alpha (α = .940), while Reliability recorded the lowest at α = .889. These results confirm excellent to good internal consistency across all measures.

Table 4.2: Summary of Reliability Analysis (N = 307)

Construct	No. of Items	Cronbach's Alpha (α)	Level
Tangibles (TAN)	4	.927	Excellent
Reliability (REL)	4	.889	Good
Responsiveness (RES)	4	.913	Excellent
Assurance (ASS)	4	.919	Excellent
Empathy (EM)	4	.915	Excellent
Customer Satisfaction (CS)	4	.940	Excellent

Revisit Intention (RI)	4	.917	Excellent

Descriptive Statistics

Descriptive statistics for all seven constructs are presented in Table 4.3. All constructs recorded mean scores above 3.79, indicating that respondents generally agree with the statements across each construct. Tangibles obtained the highest mean (M = 3.9414, SD = 0.83396), while Empathy and Revisit Intention tied for the lowest mean (M = 3.7972). The moderate standard deviations suggest reasonable homogeneity in respondent perceptions. These findings indicate that ZUS Coffee customers hold broadly favourable perceptions of service quality, customer satisfaction, and revisit intention.

Table 4.3: Descriptive Statistics for All Constructs (N = 307)

Construct	N	Min	Max	Mean	Std. Deviation	Interpretation
Tangibles (TAN)	307	1.00	5.00	3.9414	0.83396	Agree
Reliability (REL)	307	1.00	5.00	3.8298	0.80297	Agree
Responsiveness (RES)	307	1.00	5.00	3.8477	0.81713	Agree
Assurance (ASS)	307	1.00	5.00	3.9194	0.80199	Agree
Empathy (EM)	307	1.00	5.00	3.7972	0.83002	Agree
Customer Satisfaction (CS)	307	1.00	5.00	3.9104	0.88013	Agree
Revisit Intention (RI)	307	1.00	5.00	3.7972	0.87763	Agree

Pearson Correlation Analysis

Pearson correlation analysis was conducted to examine bivariate relationships among all study variables. As shown in Table 4.4, all correlations are statistically significant at $p < .001$, indicating strong positive relationships among all constructs. Customer Satisfaction and Revisit Intention exhibited the strongest correlation ($r = .926$, $p < .001$). Among the SERVPERF dimensions, Assurance demonstrated the strongest correlation with Customer Satisfaction ($r = .871$), followed by Reliability ($r = .852$). These results provide preliminary support for all six hypotheses.

Table 4.4: Pearson Correlation Matrix (N = 307)

	TAN	REL	RES	ASS	EM	CS	RI
TAN	1	.851***	.848***	.885***	.849***	.842***	.827***
REL	.851***	1	.863***	.861***	.830***	.852***	.833***
RES	.848***	.863***	1	.894***	.829***	.844***	.822***

ASS	.885***	.861***	.894***	1	.865***	.871***	.834***
EM	.849***	.830***	.829***	.865***	1	.819***	.820***
CS	.842***	.852***	.844***	.871***	.819***	1	.926***
RI	.827***	.833***	.822***	.834***	.820***	.926***	1

***. Correlation is significant at the 0.001 level (2-tailed).

Multiple Regression Analysis (H1–H5)

Multiple regression analysis was conducted with Customer Satisfaction as the dependent variable and the five SERVPERF dimensions as predictors. The model produced R = .900 and R^2 = .811, indicating that the five dimensions collectively explained 81.1% of the variance in Customer Satisfaction (Adjusted R^2 = .808). The overall model was statistically significant [$F(5, 301) = 258.126$, $p < .001$]. As presented in Table 4.5, Assurance emerged as the strongest predictor ($\beta = .308$, $p < .001$), followed by Reliability ($\beta = .265$, $p < .001$), Tangibles ($\beta = .153$, $p = .012$), and Responsiveness ($\beta = .136$, $p = .029$). Empathy was not a statistically significant predictor ($\beta = .089$, $p = .110$), thus H5 is not supported. Multicollinearity diagnostics confirmed acceptable Tolerance values (.127–.205) and VIF values (4.869–7.879) for all predictors, all of which fall within Hair et al.'s (2019) recommended threshold of VIF < 10, indicating that multicollinearity does not unduly distort the regression estimates.

Table 4.5: Multiple Regression Coefficients (DV: Customer Satisfaction)

Predictor	B	Std. Error	Beta (β)	t	Sig. (p)	Tolerance	VIF
(Constant)	-.087	.113	-	-.770	.442	-	-
Tangibles (TAN)	.162	.064	.153	2.526	.012	.171	5.847
Reliability (REL)	.291	.063	.265	4.603	<.001	.189	5.282
Responsiveness (RES)	.147	.067	.136	2.195	.029	.163	6.153
Assurance (ASS)	.338	.077	.308	4.378	<.001	.127	7.879
Empathy (EM)	.094	.059	.089	1.603	.110	.205	4.869

Simple Regression Analysis (H6)

Simple linear regression was conducted to test H6. Customer Satisfaction significantly predicted Revisit Intention ($\beta = .926$, $t = 42.737$, $p < .001$), explaining 85.7% of the variance in Revisit Intention (R^2 = .857, Adjusted R^2 = .856). The model was statistically significant [$F(1, 305) = 1826.466$, $p < .001$]. For every one-unit increase in Customer Satisfaction, Revisit Intention increases by 0.923 units. This exceptionally strong predictive relationship fully supports H6.

Table 4.6: Simple Linear Regression Coefficients (DV: Revisit Intention)

Predictor	B	Std. Error	Beta (β)	t	Sig. (p)
(Constant)	.188	.087	-	2.168	.031
Customer Satisfaction (CS)	.923	.022	.926	42.737	<.001

Summary of Hypothesis Testing

Table 4.7 summarises the outcomes of all six hypotheses tested in this study based on the results of multiple regression, simple regression, and Pearson correlation analyses.

Table 4.7: Summary of Hypothesis Testing Results

H	Hypothesis Statement	p-value	β	Decision
H1	Tangibles has a significant positive relationship with Customer Satisfaction.	.012	.153	**Supported**
H2	Reliability has a significant positive relationship with Customer Satisfaction.	<.001	.265	**Supported**
H3	Responsiveness has a significant positive relationship with Customer Satisfaction.	.029	.136	**Supported**
H4	Assurance has a significant positive relationship with Customer Satisfaction.	<.001	.308	**Supported**
H5	Empathy has a significant positive relationship with Customer Satisfaction.	.110	.089	**Not Supported**
H6	Customer Satisfaction has a significant effect on Revisit Intention.	<.001	.926	**Supported**

DISCUSSION OF FINDINGS, IMPLICATIONS, AND CONCLUSION

Discussion of Findings

H1 is supported: Tangibles significantly predicted Customer Satisfaction (β = .153, p = .012). This is consistent with Bitner (1992) and Ryu and Han (2010), who demonstrated that the physical servicescape positively influences customer satisfaction. ZUS Coffee's visually distinctive outlet design and modern equipment appear to meaningfully shape customer evaluations of service quality. H2 is supported: Reliability demonstrated the second strongest significant effect (β = .265, p < .001). This aligns with Andaleeb and Conway (2006) and Noorizan et al. (2016), who identified reliability as a key driver of satisfaction in food service. ZUS Coffee's consistent product quality and fulfilment of promotional commitments are particularly important given its mobile app-based ordering model. H3 is supported: Responsiveness significantly predicted Customer Satisfaction (β = .136, p = .029), consistent with Cronin and Taylor (1992) and Qin and Prybutok (2009). For a high-volume chain like ZUS Coffee, maintaining responsive frontline staff is essential to sustaining satisfaction levels. H4 is supported: Assurance emerged as the strongest predictor (β = .308, p < .001), consistent

with Akbar and Parvez (2009) and Ladhari (2009). In the ZUS Coffee context, where digital payments are common, transactional security and staff product knowledge play a pivotal role in customer satisfaction. H5 is not supported: Empathy did not exert a statistically significant independent effect ($\beta = .089$, $p = .110$). This outcome contrasts with Norizan et al. (2018) and Ong and Tan (2019). A plausible explanation lies in the suppression effect arising from multicollinearity — empathy shares strong correlations with the other SERVPERF dimensions ($r = .819–.865$), and its unique variance contribution is substantially absorbed by the other predictors in the simultaneous regression model. Importantly, this finding should not be interpreted as evidence that empathy is inconsequential to customer satisfaction. The strong bivariate correlation ($r = .819$, $p < .001$) confirms that empathy is meaningfully associated with satisfaction at the zero-order level; it is only in the presence of the other four correlated dimensions that its independent incremental contribution diminishes to non-significance. This distinction is theoretically important: empathy may still influence satisfaction indirectly, or its effect may be more detectable in-service contexts where high-throughput, efficiency-oriented interactions are less dominant. Future research using Structural Equation Modelling (SEM) or partial correlation analysis, controlling for the remaining dimensions individually, may better isolate empathy's true contribution. H6 is supported: Customer Satisfaction is an exceptionally strong predictor of Revisit Intention ($\beta = .926$, $R^2 = .857$, $p < .001$). This finding aligns with Oliver's (1999) ECT framework and Ryu and Han (2010), confirming that satisfied customers are significantly more likely to engage in repeat patronage behaviour at ZUS Coffee.

Implications of the Study

Theoretical Contributions

This study advances the service quality literature by providing empirical evidence for SERVPERF's applicability within a Malaysian homegrown coffee chain — an organisational context that has received comparatively limited scholarly attention. The model's strong explanatory performance ($R^2 = .811$) without recourse to gap-score measurement lends further weight to Cronin and Taylor's (1992) original proposition that customer perceptions of actual service performance constitute a more effective basis for quality assessment than expectation-perception discrepancies. The non-significant result for Empathy adds nuance to this theoretical landscape: it suggests that in high-throughput, efficiency-oriented service contexts, the individualised nature of empathetic interaction may contribute less incremental explanatory value when robust tangibles, reliability, responsiveness, and assurance signals are already present.

Practical Contributions

Since Assurance emerged as the strongest predictor of customer satisfaction ($\beta = .308$, $p < .001$), ZUS Coffee management should prioritise staff training in product knowledge, professional conduct, and digital transaction security. Structured onboarding and regular upskilling workshops would directly strengthen customer confidence in the brand. Reliability, the second strongest significant predictor ($\beta = .265$, $p < .001$), highlights the importance of consistent service delivery and order accuracy — the ZUS Coffee mobile app should be leveraged to minimise order errors and fulfil promotional commitments. Tangibles ($\beta = .153$, $p = .012$) and Responsiveness ($\beta = .136$, $p = .029$) also significantly predict satisfaction, signalling that investment in outlet aesthetics and service speed will yield measurable returns

in customer evaluations. Given the exceptional predictive power of Customer Satisfaction on Revisit Intention (β = .926), management should treat satisfaction as a strategic priority. Every service quality improvement — in physical environment, responsiveness, or assurance — is likely to produce a multiplier effect on repeat visit behaviour and long-term revenue.

Limitations of the Study

Several limitations should be acknowledged. First, the use of convenience sampling limits the generalisability of findings, as respondents were self-selected rather than randomly drawn from the full population of ZUS Coffee customers. The sample may consequently over-represent digitally active, younger, and more highly educated individuals, potentially inflating satisfaction scores relative to the broader customer base. Second, common method bias is a concern inherent to single-source, self-reported survey data; since both independent and dependent variable responses were collected from the same respondents at the same time, artificial inflation of observed correlations is possible. Third, the cross-sectional design captures perceptions at a single point in time, meaning that seasonal fluctuations in service quality, outlet-specific differences, or changes in brand perception following marketing campaigns cannot be detected. Fourth, this study focused exclusively on ZUS Coffee, and its findings may not transfer directly to other Malaysian F&B brands with different service models, price positioning, or target demographics without further validation.

Recommendations for Future Research

Addressing the limitations identified above, several directions for future research are proposed. To improve generalisability, future studies should adopt probability sampling — such as systematic random sampling at outlet entry points — to ensure more representative coverage of the ZUS Coffee customer base. To mitigate common method bias, researchers may triangulate self-report survey data with observational methods, mystery shopper assessments, or archival customer records. To address the cross-sectional limitation, longitudinal panel designs tracking the same respondents across multiple time points would provide richer insights into how service quality perceptions and revisit behaviour evolve. Future research could also employ Structural Equation Modelling (SEM) to simultaneously examine direct and indirect pathways among SERVPERF dimensions, customer satisfaction, and revisit intention — enabling mediation testing of empathy's indirect effect through customer satisfaction. A multi-brand comparative study across ZUS Coffee, Starbucks, and other Malaysian coffee chains would further determine whether the SERVPERF dimension rankings observed here are brand-specific or sector-wide. Additionally, incorporating constructs such as perceived value, brand image, and e-service quality into future models could improve explanatory power beyond the current framework.

Conclusion

This study successfully examined the influence of SERVPERF service quality dimensions on customer satisfaction and revisit intention among 307 ZUS Coffee customers in Malaysia. Five of six hypotheses were supported. Assurance was identified as the most influential predictor of customer satisfaction, followed by Reliability, Tangibles, and Responsiveness. Empathy, while positively correlated with satisfaction, did not independently predict it beyond the other dimensions in the multivariate context. Most notably, Customer Satisfaction demonstrated an exceptionally strong positive effect on Revisit Intention (β = .926, R^2 = .857), underscoring its centrality as a driver of repeat patronage. These findings affirm the applicability of the

SERVPERF model in the Malaysian coffee shop context and highlight the strategic importance of holistic service quality management. For ZUS Coffee specifically, whose high-volume, app-based service model places particular demands on transactional reliability and staff competency, the empirical ranking of SERVPERF dimensions provides a clear roadmap: prioritising Assurance and Reliability in staff training, digital ordering accuracy, and outlet consistency will yield the highest returns in customer satisfaction and, consequently, in repeat patronage. ZUS Coffee and similar Malaysian F&B brands should continuously invest in these service quality dimensions to cultivate a satisfied and loyal customer base that sustains long-term revenue growth.

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PENGARUH KREDIBILITI IKLAN TIKTOK TERHADAP NIAT PEMBELIAN PRODUK PENJAGAAN KULIT DALAM KALANGAN GENERASI Z DI MALAYSIA

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ABSTRAK

Perkembangan media sosial telah mengubah landskap promosi produk organisasi, terutamanya menerusi platform TikTok yang popular dalam kalangan Generasi Z. Dalam industri penjagaan kulit, TikTok dimanfaatkan secara meluas sebagai medium pemasaran video pendek melalui ulasan produk, testimoni, dan kandungan pempengaruh. Bagaimanapun, lambakan kandungan pemasaran ini menimbulkan persoalan mengenai tahap kredibiliti iklan yang disampaikan kepada pengguna. Oleh itu, kajian ini dijalankan untuk mengkaji pengaruh kredibiliti iklan TikTok terhadap niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia. Kajian ini memfokuskan kepada empat dimensi utama iaitu kepakaran sumber, kebolehpercayaan sumber, daya tarikan sumber, dan kualiti kandungan iklan. Pendekatan kuantitatif menggunakan kaedah tinjauan soal selidik secara dalam talian telah diaplikasikan dengan melibatkan seramai 302 orang responden Generasi Z di Malaysia. Data dianalisis menerusi analisis deskriptif serta analisis inferensi seperti Korelasi Pearson dan Regresi Berganda. Hasil kajian menunjukkan bahawa kesemua instrumen kajian mempunyai tahap konsistensi dalaman yang sangat baik. Dapatan kajian membuktikan bahawa kepakaran sumber, kebolehpercayaan sumber, daya tarikan sumber, dan kualiti kandungan iklan mempunyai hubungan positif yang signifikan terhadap niat pembelian, sekali gus menyokong kesemua hipotesis kajian. Selain itu, kualiti kandungan iklan dikenal pasti sebagai faktor paling dominan yang mempengaruhi niat pembelian pengguna. Kajian ini memberikan sumbangan penting kepada bidang pemasaran digital dengan memperincikan elemen kredibiliti iklan yang kritikal dalam membentuk tingkah laku pengguna, sekali gus membantu organisasi dan pemasar merangka strategi pemasaran yang lebih efektif untuk memacu niat pembelian.

Kata Kunci: Kredibiliti Iklan TikTok, Kepakaran Sumber, Kebolehpercayaan Sumber, Daya Tarikan Sumber, Kualiti Kandungan Iklan, Niat Pembelian, Generasi Z.

PENGENALAN

Perkembangan teknologi digital dan penggunaan internet yang semakin meluas telah mengubah cara pengguna mendapatkan maklumat serta membuat keputusan pembelian. Kemunculan media sosial telah mewujudkan pelbagai peluang kepada organisasi dan pemasar untuk mempromosikan produk serta berinteraksi secara langsung dengan pengguna. Platform media sosial seperti Facebook, Instagram dan TikTok kini menjadi medium penting dalam aktiviti pemasaran digital kerana keupayaannya menyampaikan maklumat secara pantas, interaktif, dan bersesuaian dengan pengguna (Chaffey & Ellis-Chadwick, 2019; Kaplan & Haenlein, 2010).

Menurut Appel et al. (2020), media sosial merupakan komponen utama dalam strategi pemasaran moden yang berkesan untuk mempengaruhi interaksi serta keputusan pembelian pengguna. Dalam beberapa tahun kebelakangan ini, TikTok telah muncul sebagai salah satu platform media sosial yang paling popular di dunia. Di Malaysia, penggunaan TikTok semakin meningkat terutamanya dalam kalangan Generasi Z yang terdiri daripada individu yang lahir dalam era digital dan mempunyai tahap penggunaan internet yang tinggi. DataReportal (2024) melaporkan bahawa penggunaan media sosial di Malaysia terus meningkat dan TikTok merupakan antara platform yang paling aktif digunakan oleh golongan muda. Platform ini menawarkan kandungan video pendek yang ringkas dan menarik. Trend ini mendorong organisasi dan jenama memanfaatkan TikTok bukan sahaja untuk hiburan, malah sebagai platform pemasaran utama bagi mempromosikan produk mereka. Industri penjagaan kulit merupakan antara sektor yang aktif menggunakan TikTok sebagai medium pemasaran. Kandungan visual seperti video tutorial, ulasan produk, testimoni, dan sumbangan pempengaruh digunakan secara meluas untuk meningkatkan kesedaran jenama. Sifat kandungan yang interaktif ini berupaya mempengaruhi persepsi serta membentuk niat pembelian pengguna. Oleh itu, keberkesanan pemasaran melalui TikTok banyak bergantung kepada sejauh mana pengguna mempercayai maklumat yang disampaikan melalui platform tersebut.

Walau bagaimanapun, peningkatan jumlah kandungan pemasaran di TikTok turut menimbulkan persoalan berkaitan tahap kredibiliti iklan yang dipaparkan. Pengguna sering terdedah kepada pelbagai bentuk promosi yang melibatkan pempengaruh, selebriti media sosial dan kandungan berbayar yang mungkin tidak menggambarkan keadaan sebenar sesuatu produk. Situasi ini menyebabkan pengguna menjadi lebih berhati-hati sebelum membuat keputusan pembelian, terutamanya bagi produk penjagaan kulit yang melibatkan kesan kesihatan dan keselamatan diri. Menurut Teori Kredibiliti Sumber (Source Credibility Theory), keberkesanan sesuatu mesej pemasaran banyak dipengaruhi oleh tahap kredibiliti sumber yang menyampaikan mesej tersebut. Kredibiliti sumber lazimnya diukur melalui dimensi kepakaran, kebolehpercayaan dan daya tarikan sumber (Ohanian, 1990). Dalam konteks pemasaran digital, kualiti kandungan iklan juga dikenal pasti sebagai faktor penting yang mempengaruhi penerimaan pengguna terhadap sesuatu mesej pemasaran (Lou & Yuan, 2019). Oleh itu, gabungan faktor-faktor tersebut dijangka memainkan peranan penting dalam mempengaruhi niat pembelian pengguna terhadap produk penjagaan kulit yang dipromosikan melalui TikTok. Walaupun terdapat banyak kajian berkaitan pemasaran media sosial dan tingkah laku pengguna, kajian yang memberi tumpuan khusus kepada pengaruh kredibiliti iklan TikTok terhadap niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia masih terhad. Kebanyakan sorotan literatur terdahulu lebih tertumpu kepada platform media sosial secara umum. Tambahan pula, kajian yang menguji pengaruh faktor kredibiliti sumber dan kualiti kandungan secara serentak masih kurang dijalankan dalam konteks Malaysia. Sehubungan itu, kajian ini dijalankan bagi mengkaji pengaruh kredibiliti iklan TikTok terhadap niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia. Kajian ini diharapkan dapat memberikan sumbangan kepada bidang pemasaran digital dengan menjelaskan faktor-faktor yang mempengaruhi niat pembelian pengguna serta membantu organisasi dan pemasar membangunkan strategi pemasaran yang lebih berkesan melalui platform TikTok. Objektif utama kajian ini adalah untuk mengenal pasti hubungan antara kepakaran, kebolehpercayaan, daya tarikan sumber, dan kualiti kandungan iklan TikTok terhadap niat pembelian produk

penjagaan kulit dalam kalangan Generasi Z di Malaysia. Dapatan kajian ini dijangka dapat membantu organisasi memperkukuh kredibiliti kandungan pemasaran mereka, selaras dengan pandangan Haenlein et al. (2020) yang menyatakan pemasaran pempengaruh amat penting dalam membina kepercayaan pengguna.

SOROTAN LITERATUR

Bahagian ini membincangkan sorotan literatur berkaitan kredibiliti iklan TikTok dan niat pembelian produk penjagaan kulit berasaskan Teori Kredibiliti Sumber (*Source Credibility Theory*). Penjelasan menyeluruh turut merangkumi hubungan antara pemboleh ubah bebas dan pemboleh ubah bersandar bagi membentuk kerangka konseptual serta hipotesis kajian. Dalam konteks pemasaran digital, pengguna sering bergantung kepada maklumat yang diperoleh melalui media sosial sebelum membuat keputusan pembelian. Oleh itu, tahap kredibiliti sesuatu iklan memainkan peranan penting dalam mempengaruhi persepsi pengguna terhadap sesuatu produk. Kredibiliti iklan yang tinggi mampu meningkatkan keyakinan pengguna dan seterusnya mendorong niat pembelian terhadap produk yang dipromosikan.

Teori Kredibiliti Sumber (Source Credibility Theory)

Teori Kredibiliti Sumber diperkenalkan bagi menjelaskan bagaimana ciri-ciri sumber maklumat mempengaruhi penerimaan sesuatu mesej oleh penerima. Menurut Ohanian (1990), keberkesanan sesuatu komunikasi pemasaran bergantung kepada tahap kredibiliti individu atau sumber yang menyampaikan mesej tersebut. Melalui teori ini, pengguna lebih cenderung menerima mesej pemasaran digital sekiranya pempengaruh atau pencipta kandungan dinilai mempunyai tahap kepakaran, kebolehpercayaan, dan daya tarikan yang tinggi (Ohanian, 1990). Penggunaan teori ini dalam kajian adalah bersesuaian kerana pemasaran produk penjagaan kulit di TikTok banyak melibatkan pempengaruh yang berfungsi sebagai sumber utama maklumat kepada pengguna. Oleh itu, tahap kredibiliti pempengaruh dan kandungan yang dikongsikan dijangka mempunyai pengaruh yang signifikan terhadap niat pembelian pengguna.

Niat Pembelian

Niat pembelian merujuk kepada kecenderungan seseorang pengguna untuk membeli sesuatu produk atau perkhidmatan pada masa hadapan. Menurut Dodds, Monroe dan Grewal (1991), niat pembelian merupakan petunjuk penting yang menggambarkan kemungkinan seseorang pengguna melakukan pembelian sebenar. Dalam persekitaran digital, pengguna menilai kandungan media sosial terlebih dahulu sebelum membentuk keputusan pasca-tontonan. Oleh itu, niat pembelian dipilih sebagai pemboleh ubah bersandar bagi mengukur impak kredibiliti iklan TikTok terhadap tingkah laku pengguna.

Kepakaran Sumber dan Niat Pembelian

Sumber yang berpengetahuan tinggi dinilai lebih berwibawa dalam mempengaruhi penerimaan mesej pengguna (Ohanian, 1990). Dalam konteks TikTok, ulasan penjagaan kulit daripada pakar kecantikan, dermatologis, atau pempengaruh berpengalaman terbukti lebih meyakinkan berbanding kandungan oleh pengguna biasa. Kajian terdahulu menunjukkan bahawa kepakaran sumber mempunyai hubungan positif dengan niat pembelian pengguna. Pengguna yang menganggap sumber maklumat mempunyai kepakaran yang tinggi lebih cenderung mempercayai cadangan yang diberikan dan seterusnya menunjukkan kecenderungan untuk

membeli produk yang dipromosikan.

H1, Terdapat hubungan yang signifikan antara kepakaran sumber dan niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia.

Kebolehpercayaan Sumber dan Niat Pembelian

Kebolehpercayaan sumber merujuk kepada tahap kejujuran, integriti dan keikhlasan seseorang dalam menyampaikan maklumat. Menurut Ohanian (1990), pengguna lebih mudah menerima maklumat yang disampaikan oleh individu yang dianggap jujur dan boleh dipercayai. Pengguna TikTok sering menilai ketelusan pempengaruh sama ada mereka benar-benar menggunakan produk tersebut atau sekadar memenuhi kontrak promosi berbayar. Sifat kejujuran ini kritikal bagi meningkatkan keyakinan terhadap jenama. Kajian lepas mendapati bahawa kebolehpercayaan sumber mempunyai pengaruh yang signifikan terhadap tingkah laku pengguna serta mampu meningkatkan niat pembelian. Apabila pengguna mempercayai sumber maklumat, mereka lebih cenderung menerima cadangan yang diberikan dan membuat keputusan pembelian.

H2, Terdapat hubungan yang signifikan antara kebolehpercayaan sumber dan niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia.

Daya Tarikan Sumber dan Niat Pembelian

Daya tarikan sumber merujuk kepada ciri-ciri fizikal, personaliti dan gaya komunikasi yang mampu menarik perhatian pengguna. Menurut Ohanian (1990), individu yang mempunyai daya tarikan tinggi lebih mudah mempengaruhi sikap dan tingkah laku pengguna. Kandungan kreatif yang disampaikan oleh pempengaruh berpersonaliti menarik berupaya meningkatkan keberkesanan iklan di TikTok. Sifat fizikal dan personaliti yang positif ini mendorong pengguna mengaitkan imej baik pempengaruh dengan produk yang dipromosikan, sekali gus meningkatkan niat pembelian (Djafarova & Rushworth, 2017; Ohanian, 1990).

H3, Terdapat hubungan yang signifikan antara daya tarikan sumber dan niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia.

Kualiti Kandungan Iklan dan Niat Pembelian

Kualiti kandungan iklan merujuk kepada tahap kejelasan, ketepatan, kesempurnaan dan kegunaan maklumat yang disampaikan dalam sesuatu kandungan pemasaran. Menurut Lou dan Yuan (2019), kandungan yang berkualiti mampu meningkatkan penglibatan pengguna serta mempengaruhi tingkah laku pembelian. Maklumat iklan yang jelas, tepat, dan relevan dengan keperluan pengguna amat berkesan untuk menarik perhatian di TikTok. Kandungan digital yang bernilai tinggi ini secara langsung membina persepsi positif dan meningkatkan penglibatan pembelian pengguna (Lou & Yuan, 2019; Tuten & Solomon, 2017).

H4, Terdapat hubungan yang signifikan antara kualiti kandungan iklan dan niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia.

Kerangka Konseptual Kajian

Berdasarkan Rajah 2.1, kerangka konseptual kajian ini meletakkan kepakaran, kebolehpercayaan, daya tarikan sumber, dan kualiti kandungan iklan sebagai pemboleh ubah

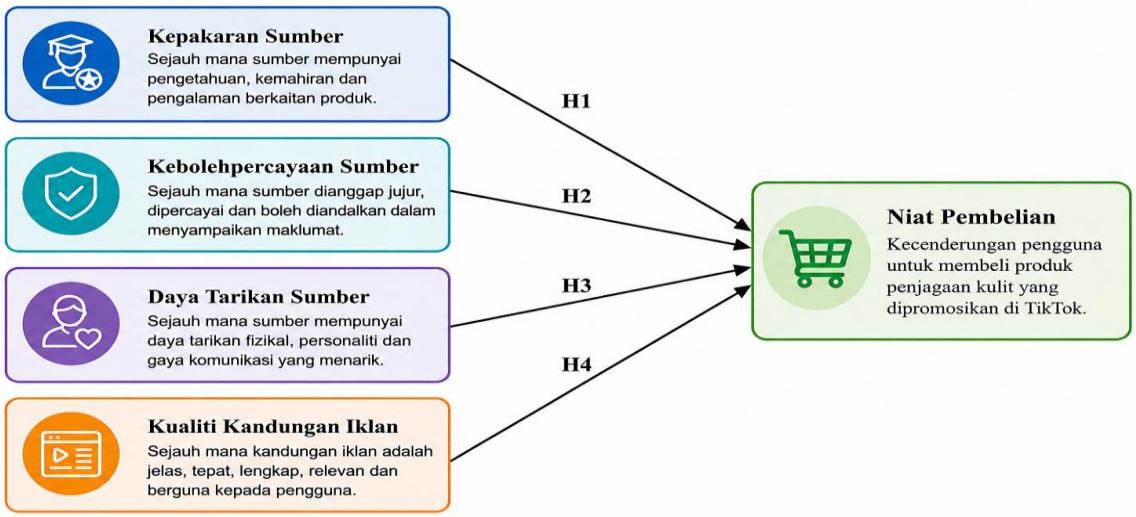
bebas yang dihipotesiskan mempengaruhi niat pembelian produk penjagaan kulit sebagai pemboleh ubah bersandar.

Rumusan Sorotan Literatur

Secara keseluruhannya, sorotan literatur mengukuhkan peranan kredibiliti iklan dalam memicu tingkah laku pembelian digital. Keempat-empat dimensi yang disandarkan pada model adaptasi Ohanian (1990) serta Lou dan Yuan (2019) iaitu kepakaran, kebolehpercayaan, daya tarikan sumber, dan kualiti kandungan iklan secara tuntasnya menjadi asas pembentukan kerangka konseptual serta penetapan hipotesis hala tuju bagi kajian ini.

Reka Bentuk Kajian

Rajah 2.1: Kerangka Konseptual Kajian



Sumber: Diadaptasi daripada Ohanian (1990) dan Lou & Yuan (2019)

Populasi dan Sampel Kajian

Populasi kajian sasaran ialah pengguna TikTok dalam kalangan Generasi Z di Malaysia yang mempunyai pendedahan tinggi terhadap iklan produk penjagaan kulit di platform tersebut. Kajian ini melibatkan seramai 302 orang responden yang dipilih mengikut kriteria persampelan bertujuan. Jumlah sampel ini memadai untuk menjalankan analisis inferensi dan pengujian hipotesis.

Instrumen Kajian

Instrumen utama yang digunakan dalam kajian ini ialah borang soal selidik berstruktur yang diadaptasi daripada kajian terdahulu. Instrumen ini dibahagikan kepada dua bahagian utama, iaitu Bahagian A yang memfokuskan kepada maklumat demografi bagi mengumpul latar belakang responden merangkumi aspek jantina, umur, tahap pendidikan, dan tempoh penggunaan TikTok harian. Seterusnya, Bahagian B merangkumi item pengukuran bagi lima konstruk utama kajian yang terdiri daripada kepakaran sumber, kebolehpercayaan sumber, daya tarikan sumber, kualiti kandungan iklan, dan niat pembelian. Setiap item bagi pemboleh ubah

tersebut diukur secara tersurat menggunakan skala Likert lima mata bermula daripada nilai satu untuk sangat tidak setuju sehingga nilai lima untuk sangat setuju bagi membolehkan responden menyatakan tahap persetujuan mereka secara sistematik.

J adual 3.1 Item bagi Konstruk Kepakaran Sumber

Kod Item	Item	Sumber Rujukan
KS1	Saya percaya pempengaruh di TikTok mempunyai pengetahuan berkaitan produk penjagaan kulit.	Ohanian (1990)
KS2	Pempengaruh di TikTok dianggap berpengalaman dalam memberikan ulasan produk penjagaan kulit.	
KS3	Saya yakin maklumat produk penjagaan kulit yang disampaikan oleh pempengaruh adalah tepat.	
KS4	Pempengaruh di TikTok mempunyai kemahiran dalam menerangkan penggunaan produk penjagaan kulit.	
KS5	Saya menganggap pempengaruh TikTok memahami produk penjagaan kulit yang dipromosikan.	

Jadual 3.2 Item bagi Konstruk Kebolehpercayaan Sumber

Kod Item	Item	Sumber Rujukan
KB1	Saya percaya ulasan produk penjagaan kulit di TikTok disampaikan secara jujur.	Ohanian (1990)
KB2	Maklumat produk penjagaan kulit di TikTok boleh dipercayai.	
KB3	Saya yakin kandungan pemasaran di TikTok memberikan maklumat yang benar.	
KB4	Pempengaruh di TikTok menyampaikan maklumat produk dengan ikhlas.	
KB5	Saya percaya kandungan produk penjagaan kulit di TikTok tidak mengelirukan pengguna.	

Jadual 3.3 Item bagi Konstruk Daya Tarikan Sumber

Kod Item	Item	Sumber Rujukan
DT1	Penampilan pempengaruh di TikTok menarik perhatian saya terhadap produk penjagaan kulit.	Ohanian (1990)
DT2	Saya tertarik dengan gaya penyampaian pempengaruh di TikTok.	
DT3	Pempengaruh TikTok mempunyai personaliti yang menarik.	

DT4	Kandungan pemasaran di TikTok disampaikan secara kreatif dan menarik.	
DT5	Saya lebih berminat terhadap produk penjagaan kulit yang dipromosikan oleh pempengaruh yang menarik.	

Jadual 3.4 Item bagi Konstruk Kualiti Kandungan Iklan

Kod Item	Item	Sumber Rujukan
KK1	Kandungan iklan produk penjagaan kulit di TikTok mudah difahami.	Lou & Yuan (2019)
KK2	Kandungan pemasaran di TikTok memberikan maklumat yang lengkap berkaitan produk penjagaan kulit.	
KK3	Kandungan iklan di TikTok mempunyai visual yang menarik.	
KK4	Kandungan produk penjagaan kulit di TikTok membantu saya memahami produk dengan lebih baik.	
KK5	Kandungan pemasaran di TikTok memberikan maklumat yang berguna kepada pengguna.	

Jadual 3.5 Item bagi Konstruk Niat Pembelian

Kod Item	Item	Sumber Rujukan
NP1	Saya berminat untuk membeli produk penjagaan kulit yang dipromosikan di TikTok.	Dodds, Monroe & Grewal (1991), Tuten & Solomon (2017)
NP2	Saya bercadang membeli produk penjagaan kulit selepas melihat kandungan di TikTok.	
NP3	Saya akan mempertimbangkan untuk membeli produk penjagaan kulit yang dipromosikan di TikTok.	
NP4	Saya cenderung membeli produk penjagaan kulit yang sering dipromosikan di TikTok.	

Prosedur Pengumpulan Data

Data dikumpul secara digital melalui edaran pautan Google Forms di platform media sosial. Sebelum mengisi soal selidik, responden diberikan penerangan ringkas mengenai matlamat kajian, jaminan kerahsiaan data, serta pengesahan bahawa penyertaan mereka adalah secara sukarela demi etika akademik.

Kaedah Analisis Data

Data yang diperoleh daripada soal selidik dikodkan dan dianalisis secara statistik menggunakan perisian Statistical Package for the Social Sciences (SPSS). Bagi analisis demografi, statistik deskriptif melibatkan pengiraan kekerapan dan peratusan digunakan secara tersurat untuk menerangkan profil responden yang merangkumi jantina, umur, tahap pendidikan, dan tempoh penggunaan TikTok harian. Seterusnya, analisis kebolehpercayaan

dijalankan dengan merujuk nilai Cronbach's Alpha bagi menilai tahap konsistensi dalaman item instrumen kajian, di mana nilai yang melebihi 0.70 dianggap memuaskan (Hair et al., 2019). Bagi meneliti tahap persepsi responden terhadap setiap konstruk, analisis deskriptif diaplikasikan bagi menentukan nilai min dan sisihan piawai secara terperinci. Akhir sekali, analisis inferensi yang melibatkan kaedah Korelasi Pearson digunakan bagi menguji hipotesis kajian dengan menentukan kekuatan, arah, dan tahap kesignifikanan hubungan antara pemboleh ubah bebas iaitu kepakaran, kebolehpercayaan, daya tarikan sumber, dan kualiti kandungan iklan dengan pemboleh ubah bersandar iaitu niat pembelian.

Rumusan Metodologi

Secara keseluruhannya, reka bentuk metodologi kuantitatif dalam talian ini dibentuk secara teliti bagi memastikan ketepatan instrumen dan keabsahan data primer yang dikumpul daripada 302 orang responden. Segala kaedah pengujian statistik deskriptif dan inferensi yang dirangka menerusi perisian SPSS mematuhi syarat etika serta piawaian penyelidikan akademik untuk menguji hipotesis yang telah ditetapkan.

DAPATAN DAN ANALISIS

Hasil analisis data yang diperoleh daripada responden kajian dibentangkan secara terperinci menerusi kaedah statistik. Analisis data dijalankan menggunakan perisian *Statistical Package for the Social Sciences* (SPSS) bagi menjawab objektif kajian dan menguji hipotesis yang telah dibangunkan. Skop ulasan merangkumi Analisis Demografi Responden, Analisis Kebolehpercayaan, Analisis Deskriptif, Analisis Korelasi Pearson, Analisis Regresi Berganda dan pengujian hipotesis.

Analisis Demografi Responden

Jadual 4.1 Taburan Responden Mengikut Jantina

Jantina	Kekerapan	Peratus (%)
Lelaki	114	37.7
Perempuan	188	62.3
Jumlah	302	100.0

Berdasarkan Jadual 4.1, majoriti responden ialah perempuan iaitu seramai 188 orang (62.3%), manakala lelaki berjumlah 114 orang (37.7%). Taburan ini mengesahkan penglibatan dominan pengguna perempuan dalam pasaran produk penjagaan kulit di TikTok.

Jadual 4.2 Taburan Responden Mengikut Umur

Umur	Kekerapan	Peratus (%)
14–20 Tahun	58	19.2
21–23 Tahun	58	19.2
24–26 Tahun	105	34.8
27 Tahun ke atas	81	26.8
Jumlah	302	100.0

Berdasarkan Jadual 4.2, majoriti responden berumur antara 24 hingga 26 tahun iaitu seramai 105 orang (34.8%). Angka ini mencerminkan kumpulan usia tersebut merupakan kelompok pengguna digital yang paling responsif terhadap iklan produk penjagaan kulit.

Jadual 4.3 Taburan Responden Mengikut Tahap Pendidikan

Tahap Pendidikan	Kekerapan	Peratus (%)
SPM	69	22.8
Diploma	88	29.1
Ijazah	98	32.5
Lain-lain	47	15.6
Jumlah	302	100.0

Berdasarkan Jadual 4.3 menunjukkan majoriti responden bertaraf ijazah iaitu seramai 98 orang (32.5%), diikuti diploma seramai 88 orang (29.1%). Tahap pendidikan ini membolehkan kumpulan sasaran menilai maklumat media sosial secara lebih kritikal.

Jadual 4.4 Taburan Responden Mengikut Kekerapan Penggunaan TikTok

Kekerapan Penggunaan TikTok	Kekerapan	Peratus (%)
Kurang daripada 1 jam	51	16.9
1–3 jam	143	47.4
4–6 jam	69	22.8
Lebih daripada 6 jam	39	12.9
Jumlah	302	100.0

Berdasarkan Jadual 4.4, majoriti responden melayari TikTok antara satu hingga tiga jam sehari iaitu seramai 143 orang (47.4%). Kekerapan ini membuktikan tingginya kebarangkalian kumpulan subjek menerima paparan mesej pemasaran setiap hari.

Analisis Kebolehpercayaan

Analisis kebolehpercayaan dijalankan menggunakan nilai Cronbach's Alpha bagi menilai tahap konsistensi dalaman item-item yang digunakan dalam instrumen kajian.

Jadual 4.5 Ringkasan Analisis Kebolehpercayaan Instrumen Kajian

Konstruk	Bilangan Item	Cronbach's Alpha
Kepakaran Sumber	5	0.929
Kebolehpercayaan Sumber	5	0.935
Daya Tarikan Sumber	5	0.946
Kualiti Kandungan Iklan	5	0.947
Niat Pembelian	4	0.942

Berdasarkan Jadual 4.5, kesemua konstruk mencatatkan nilai *Cronbach's Alpha* melebihi 0.90. Indeks konsistensi dalaman yang tinggi ini membuktikan instrumen kajian mempunyai kestabilan serta kebolehpercayaan yang kukuh untuk analisis statistik inferensi seterusnya.

Analisis Deskriptif

Analisis deskriptif dijalankan bagi mengenal pasti tahap persepsi responden terhadap setiap pemboleh ubah yang dikaji berdasarkan nilai min dan sisihan piawai.

Jadual 4.6 Ringkasan Analisis Deskriptif

Pemboleh Ubah	Min	Sisihan Piawai
Kepakaran Sumber	3.2152	0.71503
Kebolehpercayaan Sumber	3.1066	0.72425
Daya Tarikan Sumber	3.5305	0.80071
Kualiti Kandungan Iklan	3.3497	0.73244
Niat Pembelian	3.2467	0.90426

Berdasarkan Jadual 4.6, daya tarikan sumber mencatatkan nilai min tertinggi (3.5305), diikuti kualiti kandungan iklan (3.3497), niat pembelian (3.2467), kepakaran sumber (3.2152), dan kebolehpercayaan sumber (3.1066). Kesemua purata yang melepasi nilai ambang 3.00 ini mengesahkan persepsi responden berada pada tahap sederhana hingga tinggi terhadap kredibiliti iklan TikTok..

Analisis Korelasi Pearson

Analisis korelasi Pearson dijalankan bagi menentukan hubungan antara pemboleh ubah bebas dengan pemboleh ubah bersandar iaitu Niat Pembelian.

Jadual 4.7 Ringkasan Analisis Korelasi Pearson

Pemboleh Ubah	Nilai r	Sig.
Kepakaran Sumber	0.733	<0.001
Kebolehpercayaan Sumber	0.714	<0.001
Daya Tarikan Sumber	0.785	<0.001
Kualiti Kandungan Iklan	0.817	<0.001

Berdasarkan Jadual 4.7, kesemua pemboleh ubah bebas mempunyai korelasi positif yang signifikan dengan niat pembelian ($p < 0.001$). Hubungan paling kuat diterajui oleh kualiti kandungan iklan ($r = 0.817$), disusuli daya tarikan sumber ($r = 0.785$), kepakaran sumber ($r = 0.733$), dan kebolehpercayaan sumber ($r = 0.714$).

Analisis Regresi Berganda

Analisis regresi berganda dijalankan bagi mengenal pasti pengaruh Kepakaran Sumber, Kebolehpercayaan Sumber, Daya Tarikan Sumber dan Kualiti Kandungan Iklan terhadap Niat Pembelian.

Jadual 4.8 Ringkasan Model Regresi Berganda

R	R^2	Adjusted R^2
0.860	0.740	0.737

Rujukan nilai R^2 sebanyak 0.740 pada Jadual 4.8 menandakan 74.0 peratus varians dalam niat pembelian berjaya dijelaskan oleh pemboleh ubah bebas, manakala baki 26.0 peratus dipengaruhi faktor luar. Indeks ini membuktikan model mempunyai kuasa ramalan yang kuat.

Jadual 4.9 Keputusan Ujian ANOVA

F	Sig.
211.614	<0.001

Keputusan ANOVA pada Jadual 4.9 mengesahkan model regresi adalah munasabah dan signifikan ($F = 211.614$, $p < 0.001$), sekali gus membuktikan data empirikal sepadan dengan model linear yang dibangunkan untuk menerangkan niat pembelian.

Jadual 4.10 Pekali Regresi Berganda

Pemboleh Ubah	Beta	t	Sig.
Kepakaran Sumber	0.137	2.587	0.010
Kebolehpercayaan Sumber	0.144	2.888	0.004
Daya Tarikan Sumber	0.291	5.658	<0.001
Kualiti Kandungan Iklan	0.378	6.652	<0.001

Berdasarkan Jadual 4.10, kualiti kandungan iklan merupakan peramal paling dominan mempengaruhi niat pembelian dengan nilai Beta tertinggi (0.378), diikuti daya tarikan sumber ($\beta = 0.291$), Kebolehpercayaan Sumber ($\beta = 0.144$) dan Kepakaran Sumber ($\beta = 0.137$).

Jadual 4.11 Nilai Variance Inflation Factor (VIF)

Pemboleh Ubah	VIF
Kepakaran Sumber	3.209
Kebolehpercayaan Sumber	2.830
Daya Tarikan Sumber	3.025
Kualiti Kandungan Iklan	3.692

Bersandarkan data Jadual 4.11, kesemua nilai VIF adalah kurang daripada 5.0. Output ini menjamin tiada ralat multikolineariti berlaku, bermakna keputusan regresi yang diperoleh adalah stabil dan boleh dipercayai.

Pengujian Hipotesis

Jadual 4.12 Ringkasan Keputusan Pengujian Hipotesis

Hipotesis	Pernyataan Hipotesis : Terdapat hubungan yang signifikan	Keputusan
H1	Antara Kepakaran Sumber dan Niat Pembelian	Disokong
H2	Antara Kebolehpercayaan Sumber dan Niat Pembelian	Disokong
H3	Antara Daya Tarikan Sumber dan Niat Pembelian	Disokong
H4	Antara Kualiti Kandungan Iklan dan Niat Pembelian	Disokong

Berdasarkan Jadual 4.12, kesemua hipotesis kajian (H1, H2, H3, dan H4) adalah disokong kerana nilai signifikan yang diperoleh adalah kurang daripada 0.05, sekali gus mengesahkan pengaruh tulen setiap pemboleh ubah terhadap niat pembelian dalam kalangan Generasi Z di Malaysia..

Perbincangan Dapatan Kajian

Hasil kajian ini secara tuntas menyokong premis Teori Kredibiliti Sumber (Ohanian, 1990). Pemetrian hubungan signifikan bagi faktor kepakaran dan kebolehpercayaan sumber membuktikan golongan Generasi Z di Malaysia amat mementingkan aspek kejujuran, ketelusan, dan tahap kedalaman pengetahuan pempengaruh sebelum meletakkan kepercayaan terhadap sesuatu jenama penjagaan kulit. Penemuan ini diperkukuhkan lagi oleh keabsahan pengaruh daya tarikan sumber yang selari dengan kajian Djafarova dan Rushworth (2017), di mana aura personaliti positif serta estetika komunikasi kreatif pencipta kandungan bertindak sebagai magnet penarik perhatian pasaran. Seterusnya, pengiktirafan kualiti kandungan iklan sebagai penentu paling dominan dalam memacu niat pembelian memanifestasikan kebergantungan tinggi pengguna digital terhadap ketepatan serta kegunaan info produk yang disampaikan. Senario ini sejajar dengan kerangka Lou dan Yuan (2019) serta kupasan Tuten dan Solomon (2017) yang menegaskan bahawa nilai komersial sesuatu iklan tidak lagi terletak pada jenama semata-mata, sebaliknya pada keupayaan kandungan itu membekalkan maklumat yang bernilai dan relevan bagi menyelesaikan isu kesihatan kulit pengguna. Analisis lebih lanjut menunjukkan bahawa dominasi kualiti kandungan iklan ini berakar umbi daripada sifat TikTok yang pantas dan visual-sentrik. Pengguna daripada kelompok Generasi Z tidak hanya mencari maklumat, tetapi mereka mencari "pengalaman" melalui kandungan yang dihasilkan. Apabila kualiti kandungan tersebut digabungkan dengan pempengaruh yang memiliki kredibiliti tinggi (dari aspek kepakaran dan kebolehpercayaan), ia secara automatik menurunkan tahap skeptisisme pengguna terhadap iklan berbayar. Ini menjelaskan mengapa pempengaruh yang mampu menyeimbangkan antara nilai hiburan (daya tarikan) dan nilai informasi (kualiti kandungan) mempunyai kadar penukaran (conversion rate) yang lebih tinggi. Selain itu, dapatan ini juga memberi indikasi bahawa dimensi-dimensi kredibiliti sumber tidak berfungsi secara terasing. Sebaliknya, wujudnya kesan sinergi di mana daya tarikan fizikal dan personaliti pempengaruh bertindak sebagai pemangkin (catalyst) yang membuka pintu penerimaan mesej, manakala kualiti kandungan berfungsi sebagai pengesah (validator) yang memujuk pengguna untuk melakukan tindakan pembelian. Dengan kata lain, Generasi Z di Malaysia kini lebih sofistikated dalam penilaian mereka; mereka menilai iklan bukan berdasarkan siapa yang bercakap, tetapi sejauh mana relevansi maklumat yang diberikan dengan keperluan kulit mereka sendiri. Justeru, keberkesanan pemasaran TikTok bukan lagi sekadar bergantung kepada popularitи pempengaruh, tetapi kepada kualiti, ketelusan, dan kegunaan maklumat yang dikongsi dalam setiap kandungan iklan tersebut.

Analisis Psikologi Tingkah Laku Generasi Z

Penemuan kajian ini secara tidak langsung mencerminkan perubahan paradigma dalam tingkah laku pengguna Generasi Z di Malaysia terhadap pemasaran digital. Berbeza dengan generasi terdahulu yang mungkin lebih mudah dipengaruhi oleh pemasaran tradisional atau iklan arus perdana, Generasi Z lebih cenderung mengamalkan active information seeking behavior. Mereka melihat platform TikTok bukan sekadar sebagai hiburan, tetapi sebagai enjin carian sosial untuk mendapatkan maklum balas yang sahih (social proof). Apabila pempengaruh menunjukkan kepakaran dan kebolehpercayaan yang tinggi, ia mewujudkan satu bentuk "ikatan parasosial" (parasocial interaction) yang unik. Dalam konteks penjagaan kulit, hubungan ini sangat kritikal kerana produk tersebut melibatkan aspek kesihatan fizikal pengguna. Oleh itu, keupayaan pempengaruh untuk bertindak sebagai "penasihat rakan sebaya" (peer-advisor) berbanding "jurujual" (salesperson) merupakan faktor penentu yang

membezakan niat pembelian antara iklan yang berjaya dan yang diabaikan. Selain itu, elemen daya tarikan sumber dan kualiti kandungan dalam kajian ini membuktikan bahawa Generasi Z mempunyai toleransi yang rendah terhadap kandungan iklan yang bersifat generic atau tidak autentik. Mereka menghargai naratif yang raw, jujur, dan boleh dikaitkan dengan realiti kehidupan mereka. Apabila sesuatu kandungan iklan berjaya menggabungkan estetika visual yang menarik (daya tarikan) dengan maklumat yang relevan (kualiti kandungan), ia tidak lagi dilihat sebagai gangguan (disruption) dalam suapan TikTok, sebaliknya dianggap sebagai nilai tambah (value-add) yang membantu mereka membuat pilihan produk yang lebih bijak. Fenomena ini membuktikan bahawa kejayaan pemasaran di TikTok pada masa kini sangat bergantung kepada keupayaan jenama dalam memenuhi keperluan emosional dan kognitif Generasi Z secara serentak.

Rumusan Dapatan Kajian

Secara keseluruhan, analisis data mengesahkan bahawa kesemua pemboleh ubah bebas mempamerkan hubungan dan pengaruh positif yang signifikan terhadap niat pembelian. Dimensi kualiti kandungan iklan dikenal pasti sebagai pemacu paling dominan dalam membentuk kecenderungan membeli, diikuti oleh elemen daya tarikan sumber, kebolehpercayaan sumber, dan kepakaran sumber. Output empirikal ini membuktikan secara tuntas bahawa kekuatan kredibiliti pengiklanan di platform TikTok adalah pemangkin utama kepada pembentukan niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia.

KESIMPULAN DAN CADANGAN

Kajian ini memfokuskan kepada pengaruh kredibiliti iklan TikTok terhadap niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia. Fokus penelitian tertumpu kepada empat dimensi kredibiliti iklan iaitu kepakaran sumber, kebolehpercayaan sumber, daya tarikan sumber, dan kualiti kandungan iklan. Analisis data terhadap 302 responden mengesahkan kesemua pemboleh ubah bebas mempunyai hubungan signifikan dengan niat pembelian. Keputusan empirikal ini membuktikan kredibiliti iklan memainkan peranan kritikal dalam membentuk kecenderungan pengguna terhadap produk penjagaan kulit di TikTok. Selain itu, kualiti kandungan iklan dikenal pasti sebagai faktor paling dominan, disusuli oleh daya tarikan sumber, kebolehpercayaan sumber, dan kepakaran sumber. Justeru, objektif kajian berjaya dicapai dengan pengesahan kesemua hipotesis yang dibina, sekali gus mengukuhkan peranan platform TikTok sebagai medium pemasaran yang efektif bagi kumpulan Generasi Z.

Implikasi Kajian

Kajian ini memberikan sumbangan yang signifikan dari aspek teoretikal serta implikasi praktikal kepada industri pemasaran digital.

Implikasi Teoretikal

Dari perspektif teori, dapatan kajian ini secara empirikal menyokong dan memperkukuhkan Teori Kredibiliti Sumber (Ohanian, 1990) yang menegaskan bahawa dimensi kepakaran, kebolehpercayaan, dan daya tarikan sumber adalah elemen kritikal dalam penerimaan mesej oleh pengguna. Selain itu, kajian ini meluaskan skop teori tersebut dengan mengintegrasikan faktor Kualiti Kandungan Iklan sebagai pemboleh ubah tambahan yang relevan dalam

persekitaran pemasaran media sosial TikTok. Hasil kajian membuktikan bahawa model kredibiliti sumber masih relevan dan efektif apabila diaplikasikan dalam platform digital moden.

Implikasi Praktikal

Dari sudut praktikal, kajian ini menyediakan panduan strategik kepada organisasi dan pemasar produk kosmetik. Pertama, pemasar perlu mengutamakan kualiti kandungan iklan kerana ia dikenal pasti sebagai faktor paling dominan. Strategi kandungan haruslah bersifat informatif dan kreatif bagi memenuhi keperluan Generasi Z yang celik maklumat. Kedua, pemilihan pempengaruh tidak seharusnya tertumpu kepada populariti semata-mata, sebaliknya perlu mementingkan tahap kepakaran dan kebolehpercayaan pempengaruh tersebut terhadap produk yang dipromosikan. Ketelusan dalam ulasan dan penyampaian maklumat yang jujur adalah kunci utama dalam membina kepercayaan pengguna, yang akhirnya akan memacu niat pembelian secara signifikan.

Limitasi Kajian

Kajian ini mempunyai beberapa limitasi. Pertama, kajian hanya melibatkan Generasi Z di Malaysia dan tidak melibatkan generasi lain. Kedua, kajian memberi fokus kepada produk penjagaan kulit sahaja. Ketiga, penggunaan kaedah soal selidik menyebabkan dapatan bergantung kepada persepsi responden tanpa mengambil kira pengalaman pembelian sebenar.

Cadangan Kajian Akan Datang

Berdasarkan limitasi kajian, beberapa cadangan boleh dipertimbangkan untuk kajian akan datang. Pertama, skop kajian boleh diperluaskan dengan melibatkan kumpulan generasi yang berbeza bagi membolehkan perbandingan dibuat antara pengguna media sosial. Kedua, kajian boleh melibatkan kategori produk lain selain produk penjagaan kulit bagi menilai kesan kredibiliti iklan TikTok terhadap niat pembelian pengguna. Selain itu, pendekatan kajian campuran yang menggabungkan kaedah kuantitatif dan kualitatif boleh digunakan untuk memperoleh pemahaman yang lebih mendalam. Akhir sekali, pemboleh ubah lain seperti kepercayaan pengguna, kesedaran jenama dan e-WOM boleh dimasukkan bagi memperluaskan pemahaman terhadap tingkah laku pengguna dalam persekitaran pemasaran digital.

Rumusan Keseluruhan Kajian

Secara keseluruhannya, kajian ini berjaya membuktikan bahawa kredibiliti iklan TikTok mempunyai pengaruh yang signifikan terhadap niat pembelian produk penjagaan kulit dalam kalangan Generasi Z di Malaysia. Kepakaran sumber, kebolehpercayaan sumber, daya tarikan sumber dan kualiti kandungan iklan didapati memainkan peranan penting dalam membentuk persepsi serta kecenderungan pengguna untuk membeli produk yang dipromosikan. Dapatan kajian ini diharapkan dapat memberi manfaat kepada organisasi, pemasar dan penyelidik dalam memahami tingkah laku pengguna serta meningkatkan keberkesanan strategi pemasaran digital pada masa hadapan.

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BRAND LOYALTY VERSUS QUALITY PERCEPTION: A STUDY OF COOKIE CONSUMPTION IN MALAYSIA

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ABSTRACT
This study investigated the influence of brand equity dimensions—brand awareness, perceived quality, and brand associations—on purchase intention for fresh-baked cookies among Malaysian consumers, guided by Aaker's (1991) Customer-Based Brand Equity model. A quantitative survey of 143 respondents, with 120 valid cases analysed using multiple regression, revealed that brand associations were the strongest predictor of purchase intention, followed by perceived quality, while brand awareness showed no significant direct effect. The model explained 64.6% of the variance in purchase intention, with all constructs demonstrating high reliability. These findings extend brand equity research to the underexplored artisan cookie market in Malaysia and provide practical guidance for entrepreneurs to prioritise emotional brand storytelling and consistent product quality as strategies to strengthen consumer loyalty in a competitive environment.

Keywords: brand awareness, perceived quality, brand associations, purchase intention, fresh-baked cookies, Malaysia, brand equity, CBBE, artisan food

INTRODUCTION
The bakery industry in Malaysia has grown significantly in recent years, driven by evolving lifestyles, urbanisation, and rising demand for convenient, high-quality products. Within this sector, fresh-baked cookies have emerged as a valued category, appreciated for their freshness, taste, premium ingredients, and artisanal qualities. Consumers increasingly consider both functional value and brand-related attributes when making purchase decisions. Prior studies identified freshness and perceived quality as key determinants of bakery purchases (Rahman et al., 2022), yet research specifically addressing cookies in the Malaysian context remains limited. Despite their cultural importance, academic attention to fresh-baked cookies has been scarce. Most consumer behaviour studies focus on packaged FMCG or broader food service industries, leaving artisanal bakery goods underexplored (Rahman et al., 2022; Pang, 2020). Moreover, low brand awareness raises questions about how consumers evaluate quality and form brand associations. This highlights a clear research gap in understanding the influence of brand awareness, perceived quality, and brand associations on purchase intention and loyalty in Malaysia's cookie market. Accordingly, this study examined whether brand awareness significantly influenced purchase intention, whether perceived quality shaped consumer decision-making, and how brand associations affected preferences. A quantitative design was employed, with data collected via structured questionnaires from Malaysian consumers of

fresh-baked cookies. Constructs were measured using established scales and analysed through multivariate techniques.

The study contributed theoretically by extending consumer behaviour literature with empirical evidence from the under-researched cookie market and by integrating brand awareness, perceived quality, and brand associations into a single framework. Practically, the findings provided insights for bakeries and marketers to strengthen branding strategies, enhance perceived product quality, and build customer loyalty in a competitive market.

LITERATURE REVIEW

This chapter reviews literature on the relationship between brand awareness, perceived quality, brand association, and purchase intention in fresh-baked cookie consumption in Malaysia. Prior research suggests that both product-related evaluations and brand-related perceptions affect bakery and food purchase decisions. This is true especially when consumers assess freshness, quality, and brand familiarity. Bakery consumption is growing in Malaysia. Studies show that freshness, quality, convenience, and product variety shape consumer decision-making. However, most local studies focus on general bakery products or broader food categories, not on fresh-baked cookies. This highlights the need for more focused empirical work in this niche market. Branding literature shows that consumers do not judge products only by functional attributes. They also consider the meanings and values attached to a brand. Brand awareness, perceived quality, and brand association are important aspects of consumer-based brand equity. These may shape outcomes like purchase intention. This chapter uses a brand-equity perspective to explain how these three variables may influence intentions to buy fresh-baked cookies in Malaysia.

Dependent Variable (DV) Purchase intention and Underpinning Theory

Purchase Intention

Purchase intention refers to a consumer's conscious plan or willingness to buy a product or brand in the future. It is widely regarded as a strong predictor of actual buying behaviour, as explained by Ajzen's Theory of Planned Behaviour. In marketing research, purchase intention reflects consumer responses to product cues, brand knowledge, and value perceptions. Studies such as Dodds, Monroe, and Grewal (1991) showed that favourable brand and store information positively influenced perceived quality and willingness to buy. In Malaysia, bakery research similarly found that product attributes, particularly quality, significantly affect purchase intention (Rahman et al., 2022).

Underpinning Theory

This study was grounded in Customer-Based Brand Equity (CBBE) theory (Keller, 1993) and supported by Aaker's brand equity framework (1991, 1996). Keller defined brand equity as the differential effect of brand knowledge on consumer response, comprising brand awareness and brand associations. Aaker identified brand awareness, perceived quality, and brand associations as key assets that add value and strengthen competitive advantage. These models provide the theoretical foundation for examining how brand equity dimensions influence purchase intention in the fresh-baked cookie market.

Independent Variables (IVs)

Brand Awareness: The extent to which consumers recognise or recall a brand. Keller (1993) noted that even minimal awareness can influence choice, especially in low-involvement settings. In Malaysia, Pang (2020) found brand awareness significantly related to purchase intention in the baking industry.

Perceived Quality: Consumers' judgment of a product's overall excellence. Aaker highlighted it as a core brand equity dimension. For bakery products, freshness, taste, and ingredients are central. Husni et al. (2018) and Bashir et al. (2024) confirmed perceived quality as a strong predictor of purchase intention in Malaysia.

Brand Associations: The meanings and perceptions linked to a brand in consumer memory. Keller (1993) described associations as the basis of brand image. In cookies, associations may include freshness, nostalgia, or exclusivity. Empirical studies (Wijaya et al., 2024; Prasetia & Hidayat, 2021) found brand associations significantly influence purchase intention.

Framework: Relationship between IV and DV

Based on the literature, this study proposed that brand awareness, perceived quality, and brand associations each directly influence purchase intention. Stronger awareness increases brand salience, higher perceived quality builds confidence, and favourable associations enhance emotional appeal—together shaping consumer choice in the fresh-baked cookie market. The conceptual framework of this study is therefore as follows:

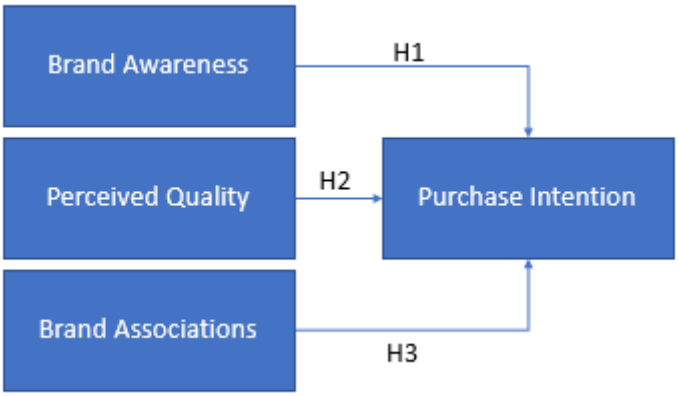

Figure 1. Research Framework

This framework was appropriate for the fresh-baked cookie market because consumers were likely to make purchase decisions based on both functional judgments and brand-related impressions. In a niche bakery segment where products were highly sensory and often purchased with limited search effort, these three variables were expected to significantly influence consumer buying intention .

Hypotheses Development

Brand Awareness and Purchase Intention

Brand awareness increases the likelihood that consumers will recognise, recall, and consider a brand when making a purchase decision. When consumers are familiar with a brand, they are more likely to perceive it as trustworthy and less risky, particularly in competitive markets with many alternatives. Keller (1993) explained that brand awareness affects whether a brand enters the consumer's consideration set, while Pang (2020) found that brand awareness significantly influenced purchase intention in the Malaysian baking industry. In addition, Wijaya et al. (2024) reported that brand awareness had a significant influence on purchase intention. Therefore, the following hypothesis is proposed.

H1: Brand awareness has a significant positive relationship with purchase intention.

Perceived quality has a significant positive relationship with purchase intention.

Perceived quality reflects consumers' evaluation of a product's excellence and acts as an important basis for comparison and choice. In food and bakery contexts, quality perceptions often arise from freshness, taste, ingredients, and presentation, all of which affect willingness to buy. Dodds et al. (1991) demonstrated that favourable quality perceptions positively influence willingness to buy, and Husni et al. (2018) found that perceived quality significantly and positively affected purchase intention among Malaysian consumers. Bashir et al. (2024) further confirmed that perceived quality contributes positively to bakery product purchase intention. Thus, the following hypothesis is proposed

H2: Perceived quality has a significant positive relationship with purchase intention.

Brand Association and Purchase Intention

Brand association shapes how consumers interpret and evaluate a brand by linking it with specific meanings, emotions, and experiences. When consumers hold favourable and unique associations toward a brand, they are more likely to develop positive attitudes and stronger purchase tendencies. Keller (1993) emphasised that favourable, strong, and unique associations are essential to customer-based brand equity, while recent empirical studies have found that brand association positively influences purchase intention. For instance, Wijaya et al. (2024) reported that brand association significantly affected purchase intention, and Prasetia and Hidayat (2021) also found a positive effect. Accordingly, the following hypothesis is proposed

H3: Brand association has a significant positive relationship with purchase intention.

Summary of Literature Review

In conclusion, the literature indicates that purchase intention is an important behavioural outcome influenced by brand-related perceptions and quality evaluations. Based on Customer-Based Brand Equity theory and Aaker's brand equity framework, brand awareness, perceived quality, and brand association are relevant dimensions for explaining why consumers intend to purchase a particular brand. Although prior studies provide support for these relationships, limited research has examined them specifically in the context of fresh-baked cookie consumption in Malaysia. Therefore, this study extends the literature by applying these constructs to a niche and underexplored bakery segment.

METHODOLOGY

Chapter details the methodology used to investigate the relationships among brand awareness, perceived quality, brand association, and purchase intention within the Malaysian fresh-baked cookie market. The chapter presents the research design, target population, sampling method, sample size, data collection procedures, variable measurement, and data analysis methods. To test the relationships among the identified variables and obtain quantifiable responses from consumers, a quantitative research approach was selected. Data will be gathered using a structured questionnaire administered to Malaysian consumers with experience purchasing or consuming fresh-baked cookies. A minimum sample size of 120 respondents is set to ensure adequate data for statistical analysis. The study constructs will be measured using items adapted from established literature and evaluated on a five-point Likert scale. The collected data will be analyzed using appropriate statistical techniques to assess the significance of the relationships between the independent variables and purchase intention. This chapter establishes the methodological framework necessary to ensure the validity and reliability of the study's findings.

Research Design

A quantitative, descriptive–correlational research design was adopted. This approach is appropriate as the primary aim is to measure the direction and strength of relationships between brand equity dimensions and purchase intention using inferential statistics (Creswell, 2014). The research proceeds deductively from Aaker's (1991) Customer-Based Brand Equity (CBBE) model to testable hypotheses, aligning with a positivist epistemological stance.

Population and Sampling Technique

The target population comprises Malaysian adults (18+) who have purchased fresh-baked cookies from an artisan bakery, HBB, or online vendor at least once in the preceding six months. A non-probability purposive and snowball sampling strategy was employed. A total of 143 responses were collected; 120 (83.9%) were valid after listwise deletion. This satisfies the minimum of 112 respondents calculated via G*Power for a medium effect size ($f^2 = 0.15$), alpha = 0.05, power = 0.80, and three predictors (Faul et al., 2007).

Research Instrument

A structured English online questionnaire was distributed via Google Forms through social media and academic networks. It comprised five sections:

Section A: Screening and demographic information (age, gender, ethnicity, income, education, purchase frequency).

Section B: Brand Awareness — 5 items measuring recognition, recall, and familiarity.

Section C: Perceived Quality — 7 items covering taste, freshness, ingredients, texture, value, and batch consistency.

Section D: Brand Associations — 5 items covering emotional memories, cultural associations, brand personality, identity congruence, and pride.

Section E: Purchase Intention — 5 items measuring future purchase likelihood, first-choice selection, regularity, preference, and recommendation intent.

All construct items used a five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).

Measurement of Variables

Construct	Items	Measurement Focus	Sources
Brand Awareness (IV)	5	BA1 - I am aware of my preferred fresh-baked cookie brand. BA2 - I can recognise my preferred fresh-baked cookie brand among other cookie brands. BA3 - My preferred fresh-baked cookie brand quickly comes to mind when I think about buying cookies. BA4 - I am familiar with the name and logo of my preferred fresh-baked cookie brand. BA5 - I can easily recall my preferred fresh-baked cookie brand when I want to make a purchase.	Aaker (1991); Keller (1993); Yoo et al. (2000); Pappu et al. (2005)
Perceived Quality (IV)	7	PQ1 - My preferred fresh-baked cookie brand consistently delivers excellent taste. PQ2 - The cookies from my preferred brand are always fresh when I receive or purchase them. PQ3 - My preferred fresh-baked cookie brand uses high-quality, premium ingredients. PQ4 - The texture and appearance of cookies from my preferred brand meet my expectations consistently. PQ5 - The overall quality of my preferred fresh-baked cookie brand is very high. PQ6 - My preferred fresh-baked cookie brand offers good value for money given its quality. PQ7 - My preferred brand maintains consistent quality across different orders and batches.	Zeithaml (1988); Aaker (1996); Yoo et al. (2000); Oude Ophuis & Van Trijp (1995)
Brand Associations (IV)	5	BR1 - My preferred fresh-baked cookie brand brings back positive personal memories (e.g., festive occasions, family gatherings). BR2 - My preferred brand is associated with Malaysian cultural traditions and festive celebrations. BR3 - My preferred fresh-baked cookie brand has a distinct personality or identity that I find appealing. BR4 - Purchasing from my preferred brand reflects who I am and what I value. BR5 - I feel a sense of pride or satisfaction when I purchase from my preferred fresh-baked cookie brand.	Aaker (1991); Keller (1993); Fournier (1998); Pappu et al. (2005)

		BR6 - The image and reputation of my preferred fresh-baked cookie brand match my personal expectations.	
Purchase Intention (DV)	5	PI1 - I am very likely to purchase fresh-baked cookies from my preferred brand in the near future. PI2 - I will consider my preferred fresh-baked cookie brand as my first choice the next time I buy cookies. PI3 - I intend to continue purchasing from my preferred fresh-baked cookie brand regularly. PI4 - If given the opportunity, I would purchase fresh-baked cookies from my preferred brand over other options. PI5 - I am willing to recommend my preferred fresh-baked cookie brand to others and purchase it myself.	Dodds et al. (1991); Schivinski & Dabrowski (2016); Jalilvand & Samiei (2012)

Table 1: Construct Measurement Summary

Validity and Reliability

Content validity was established via expert review by two academic marketing scholars and two HBB cookie business practitioners, with minor item wording revisions based on their feedback. A pilot test with 30 respondents assessed item clarity and preliminary reliability. Internal consistency was assessed using Cronbach's alpha (threshold: $\alpha \geq 0.70$; Hair et al., 2019). All four constructs achieved excellent reliability (α range: .896–.956) as reported in Chapter 4.

Data analysis

All analyses were performed using IBM SPSS Statistics Version 27:

- Descriptive statistics: frequency distributions, means, and standard deviations for all constructs and demographics.
- Reliability analysis: Cronbach's alpha and item-total correlations for all scales.
- Pearson correlation: bivariate relationships between all construct pairs.
- Multiple linear regression (Enter method): H1, H2, H3 tested with PI as DV and BA, PQ, BAS as simultaneous IVs. Model fit assessed via R^2, Adjusted R^2, and ANOVA F-test. Multicollinearity assessed via Tolerance and VIF (VIF < 10 = acceptable).

H	Statement	Method	Decision Criterion
H1	BA → PI (positive)	Multiple Regression	$\beta > 0$, $p < .05$ → Supported
H2	PQ → PI (positive)	Multiple Regression	$\beta > 0$, $p < .05$ → Supported
H3	BAS → PI (positive)	Multiple Regression	$\beta > 0$, $p < .05$ → Supported

Table 2: Hypothesis Testing Framework

RESULT AND ANALYSIS

This chapter presents empirical results from 143 survey responses, organized as: demographic profile, descriptive statistics, reliability analysis, correlation analysis, regression and hypothesis testing, and discussion.

Demographic Profile of Respondents

Of 143 responses, 120 (83.9%) were valid for inferential analysis; 23 (16.1%) were excluded through listwise deletion due to respondent not purchase freshly baked cookies for the last 6 months.

Age

The age distribution of respondents indicates that the majority were aged 25–34 years old (56.67%), followed by those aged 35–44 years (15.00%), 45–54 years (13.33%), 55 years and above (9.17%), and 18–24 years (5.83%). This shows that the sample is dominated by young adult respondents, suggesting that the study mainly reflects the views and purchase intentions of consumers within the working-age population. The high proportion of respondents aged 25–34 may indicate that fresh-baked cookies are more frequently consumed by this age group.

Age Group	Frequency (N)	Percentage
18 -24	7	5.83%
25–34	68	56.67%
35–44	18	15.00%
45–54	16	13.33%
55 and above	11	9.17%
Grand Total	120	100.00%

Table 3: Age Distribution (n = 120)

Gender

The gender distribution of respondents shows that female respondents represented the majority, with 68 individuals (56.67%), while male respondents accounted for 52 individuals (43.33%). This indicates that the sample was slightly dominated by females. The result suggests that the findings of this study may reflect the perceptions and purchase intentions of female consumers more strongly than those of male consumers. However, since both genders were adequately represented, the study still provides a fairly balanced view of consumer behaviour in the Malaysian fresh-baked cookie market.

Gender	Frequency (N)	Percentage
Female	68	56.67%
Male	52	43.33%
Grand Total	120	100.00%

Table 4: Gender Distribution (n = 120)

Ethnicity

The ethnicity distribution of respondents shows that the study was heavily dominated by Malay respondents, with 113 individuals (94.17%). In contrast, Chinese and Indian respondents each accounted for 3 individuals (2.50%), while Sino Dusun respondents represented only 1 individual (0.83%). This indicates that the sample was not evenly distributed across ethnic groups and was largely concentrated on Malay consumers. Therefore, the findings of this study may reflect the perceptions and purchase intentions of Malay consumers more strongly than those of other ethnic groups in the Malaysian fresh-baked cookie market.

Ethnicity	Frequency (N)	Percentage
Chinese	3	2.50%
Indian	3	2.50%
Malay	113	94.17%
Sino Dusun	1	0.83%
Total	120	100.00%

Table 5: Ethnic Distribution (n = 120)

Monthly Household Income

The monthly household income distribution shows that the largest group of respondents earned RM 2,001–RM 4,000, with 41 individuals (34.17%), followed by those earning RM 4,001–RM 7,000, with 33 individuals (27.50%). Respondents with a household income of above RM 10,000 accounted for 26 individuals (21.67%), while 12 respondents (10.00%) reported an income of RM 7,001–RM 10,000. The smallest group consisted of respondents earning below RM 2,000, with 8 individuals (6.67%). This suggests that the majority of respondents were from the middle-income group, indicating that the study mainly reflects the perceptions and purchase intentions of consumers with moderate household income levels in the Malaysian fresh-baked cookie market.

Monthly Household Income	Frequency (N)	Percentage
Above RM 10,000	26	21.67%
Below RM 2,000	8	6.67%
RM 2,001–RM 4,000	41	34.17%
RM 4,001–RM 7,000	33	27.50%
RM 7,001–RM 10,000	12	10.00%
Grand Total	120	100.00%

Table 6: Monthly Household Income Distribution (n = 120)

Education Level

The distribution of respondents' highest education level shows that the majority held a Bachelor's Degree, with 70 individuals (58.33%). This was followed by respondents with a

Diploma, consisting of 30 individuals (25.00%). In addition, 10 respondents (8.33%) reported having a Postgraduate qualification, while 8 respondents (6.67%) had SPM / O-Level as their highest education level. Only 1 respondent (0.83%) held a Master's degree, and 1 respondent (0.83%) held a PhD. This indicates that most respondents were well-educated, particularly at the undergraduate level, suggesting that the study largely reflects the perceptions and purchase intentions of consumers with higher educational backgrounds in the Malaysian fresh-baked cookie market.

Highest Education Level	Frequency (N)	Percentage
Bachelor's Degree	70	58.33%
Diploma	30	25.00%
Master's	1	0.83%
PHD	1	0.83%
Postgraduate	10	8.33%
SPM / O-Level	8	6.67%
Grand Total	120	100.00%

Table 7: Highest Education Level Distribution (n = 120)

Descriptive Statistics

Table 8 presents descriptive statistics for the four primary constructs based on n = 120 valid cases.

Construct	N	Min	Max	Mean	SD
Brand Awareness (BA)	120	1.00	5.00	3.993	0.743
Perceived Quality (PQ)	120	1.17	5.00	4.107	0.686
Brand Associations (BAS)	120	1.00	5.00	3.910	0.740
Purchase Intention (PI)	120	1.00	5.00	4.108	0.725

Table 8: Descriptive Statistics for Study Constructs (n = 120)

Perceived Quality (M = 4.107) and Purchase Intention (M = 4.108) recorded the highest means, both approaching the 'Agree' anchor, indicating high quality perceptions and strong forward-looking purchase intention. Brand Awareness (M = 3.993) and Brand Associations (M = 3.910) are also above the neutral midpoint. Standard deviations (0.686–0.743) indicate relatively homogeneous response patterns.

Reliability Analysis

Table 7 shows Cronbach's alpha results. All constructs achieved excellent reliability ($\alpha \geq 0.896$), substantially exceeding the 0.70 minimum threshold (Hair et al., 2019).

Construct	Items	Valid N	Cronbach's Alpha	Interpretation
Brand Awareness (BA)	5	120	0.902	Excellent
Perceived Quality (PQ)	7	120	0.956	Excellent
Brand Associations (BAS)	5	120	0.896	Excellent
Purchase Intention (PI)	5	120	0.919	Excellent

Table 9: Reliability Statistics for All Constructs

All corrected item-total correlations exceeded 0.69, and the 'Cronbach's Alpha if Item Deleted' values for every item remained at or below the overall scale alpha, confirming that no individual item should be removed.

Pearson Correlation Analysis

Construct	BA	PQ	BAS	PI
Brand Awareness (BA)	**1.000**	.710***	.611***	.636***
Perceived Quality (PQ)	.710***	**1.000**	.731***	.733***
Brand Associations (BAS)	.611***	.731***	**1.000**	.749***
Purchase Intention (PI)	.636***	.733***	.749***	**1.000**

Table 10: Pearson Correlation Matrix (n = 120)

*** $p < 0.001$ (2-tailed)

All three IVs exhibited significant positive correlations with PI (all $p < .001$). BAS showed the strongest bivariate link with PI ($r = .749$), followed by PQ ($r = .733$) and BA ($r = .636$). Inter-predictor correlations ranged from .611 to .731 — moderate to strong, but within acceptable multicollinearity limits (confirmed by VIF below).

Multiple Regression Analysis and Hypothesis Testing

Model Fit

Model	R	R Square	Adj. R Square	Std. Error of Estimate
1	.804	.646	.637	0.43663

Table 11: Model Summary

The model explains 64.6% of variance in Purchase Intention ($R^2 = .646$, Adjusted $R^2 = .637$), with $R = .804$ indicating a strong collective correlation between the three IVs and PI.

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.	
Regression	40.437	3	13.479	70.703	< .001	
Residual	22.115	116	0.191	—	—	
Total	62.552	119	—	—	—	

Table 12: ANOVA Results

The overall model is statistically significant ($F(3, 116) = 70.703$, $p < .001$), confirming that the combination of BA, PQ, and BAS significantly predicts Purchase Intention.

Regression Coefficients

Variable	B	SE	Beta (β)	t	p	Tol.	VIF
(Constant)	.519	.255	—	2.039	.044	—	—
Brand Awareness (BA)	.150	.078	.154	1.923	.057	.478	2.092
Perceived Quality (PQ)	.329	.098	.312	3.367	.001	.355	2.814
Brand Associations (BAS)	.419	.081	.427	5.185	< .001	.448	2.230

Table 13: Regression Coefficients — Dependent Variable: Purchase Intention

Regression equation: $PI = 0.519 + 0.150(BA) + 0.329(PQ) + 0.419(BAS)$

Hypothesis Outcomes

H1 — Brand Awareness: $\beta = .154$, $t = 1.923$, $p = .057$. Since $p > .05$, H1 is NOT SUPPORTED at the 5% significance level. However, BA was strongly correlated with PI bivariately ($r = .636$, $p < .001$), suggesting BA operates indirectly through PQ and BAS — a suppression effect attributable to multicollinearity. Awareness remains a necessary precondition but not an independent direct driver once quality and associations are controlled. H2 — Perceived Quality: $\beta = .312$, $t = 3.367$, $p = .001$. Significant at $p < .01$. H2 is SUPPORTED. Perceived quality is a reliable independent predictor of Purchase Intention, consistent with Zeithaml (1988), Aaker (1996), and Zainudin et al. (2020). H3 — Brand Associations: $\beta = .427$, $t = 5.185$, $p < .001$. Highly significant. H3 is SUPPORTED. Brand Associations is the strongest independent predictor — consistent with Fournier (1998) and Murray & Khamitov (2021) — underscoring the power of culturally resonant emotional brand linkages in the Malaysian context.

H	Hypothesis	β	t	p	Decision	
H1	Brand Awareness → Purchase Intention	.154	1.923	.057	**NOT Supported**	p > .05
H2	Perceived Quality → Purchase Intention	.312	3.367	.001	**SUPPORTED**	p < .01
H3	Brand Associations → Purchase Intention	.427	5.185	< .001	**SUPPORTED**	p < .001

Table 14: Hypothesis Testing Summary

All VIF values are below 3.0 and Tolerance values above 0.35, confirming multicollinearity is not a concern (Hair et al., 2019).

DISCUSSION OF FINDINGS

Brand Associations as the Dominant Driver

The primacy of Brand Associations (β = .427, p < .001) over Perceived Quality in driving Purchase Intention is the most striking finding of this study. In the Malaysian fresh-baked cookie context, emotional and cultural brand linkages — tied to festive traditions, family heritage, and social identity — appear more powerfully motivating than quality perceptions or familiarity in isolation. This extends Fournier's (1998) consumer-brand relationship theory to the artisan food sector, confirming that meaningful cultural associations translate directly into purchase intent in this emotionally rich consumer environment.

Perceived Quality as a Reliable Independent Driver

Perceived Quality (β = .312, p = .001) is confirmed as a significant independent predictor, consistent with Zeithaml (1988) and Zainudin et al. (2020). Its standardised beta coefficient, while smaller than BAS, reflects quality's role as a necessary but not fully sufficient condition: consumers who rate quality highly still require emotional brand connections to maximise purchase intention. The high PQ item means (all above M = 4.04) suggest consumers hold strong quality expectations for the fresh-baked cookie segment.

Brand Awareness: Indirect Influence

Brand Awareness did not independently predict Purchase Intention (p = .057 > .05), though it correlates strongly bivariately with PI (r = .636). This suppression effect is consistent with Keller's (1993) brand knowledge framework: awareness is the foundational node enabling quality evaluation and association formation, but once those constructs are controlled, awareness itself adds no independent predictive power. The strategic implication is clear — awareness alone does not sell cookies; it must be coupled with quality delivery and emotional brand building.

CONCLUSION

This study tested whether Brand Awareness (H1), Perceived Quality (H2), and Brand Associations (H3) predicted Purchase Intention for fresh-baked cookies among Malaysian

consumers. Multiple regression on 120 cases yielded three main findings.

i. **Brand Associations** were the strongest predictor ($\beta = .427$, $p < .001$), confirming H3. Emotional and cultural linkages, especially tied to festive traditions and personal memories, drove purchase intent more than functional cues.
ii. **Perceived Quality** was also significant ($\beta = .312$, $p = .001$), supporting H2. Freshness, taste, and ingredient quality reliably translated into purchase intention.
iii. **Brand Awareness** did not independently predict purchase intention ($\beta = .154$, $p = .057$), leading to non-support of H1. Awareness appeared to operate indirectly through quality and associations.

Overall, the model explained 64.6% of variance in purchase intention ($R^2 = .646$, $F(3,116) = 70.703$, $p < .001$), demonstrating the strong explanatory power of the CBBE framework in this context.

Managerial Recommendations

Recommendation 1: Prioritise Emotionally Resonant Brand Storytelling
Since Brand Associations is the strongest predictor, cookie entrepreneurs should invest in culturally grounded brand narratives — content connecting their brand to Malaysian festive traditions, family heritage, and community values. Social media content should evoke emotional memories and cultural identity, not merely showcase product aesthetics. Entrepreneurs should identify one or two core associations they want to own and reinforce these consistently across all customer touchpoints.

Recommendation 2: Maintain Uncompromising Quality Consistency
As the second most significant predictor, quality must be treated as a non-negotiable operational priority. Standardize recipes, source premium ingredients, invest in freshness-preserving packaging, and conduct quality checks before every order. Communicate quality actively — through ingredient transparency, production date labelling, and handling instructions — to reinforce quality perceptions before the first bite.

Recommendation 3: Use Brand Awareness as a Gateway, Not a Destination
Awareness alone does not drive purchase intention. Entrepreneurs who focus exclusively on growing Instagram followers without simultaneously building quality, consistency and emotional associations are creating awareness without conversion. Redirect resources from pure awareness campaigns toward quality delivery and cultural brand story building once initial recognition is established.

Recommendation 4: Target the Dominant Consumer Segment Strategically
The sample's concentration in the 35–44 age group, mid-to-high income bracket, and Sino Dusun ethnicity suggests strategies should be calibrated to mature, culturally engaged consumers. Emphasise quality, credibility and cultural heritage over novelty and trend-chasing. Build long-term customer relationships through personalised service and festive packaging propositions that resonate with community celebrations.

Recommendation 5: Convert Festive Buyers to Year-Round Loyal Customers
With a significant portion of fresh-baked cookie purchasing concentrated in festive seasons, entrepreneurs should implement post-festive retention strategies: exclusive non-festive flavour launches, loyalty reward programs, early access pre-orders, and personalised WhatsApp reorder reminders to sustain revenue and deepen loyalty beyond seasonal peaks.

Limitations and Future Research
This study's findings were limited by sample composition, with 79% Sino Dusun respondents from East Malaysia, reducing generalisability to Peninsular Malaysia's more diverse populations. Future research should adopt broader geographic and ethnic stratification. The cross-sectional design also restricted causal inference. Longitudinal or experimental studies, particularly across festive and non-festive periods, would provide stronger evidence. Structural equation modelling (SEM) could further test mediation pathways (BA → PQ/BAS → PI). Finally, the omission of perceived authenticity represents a theoretical gap. Incorporating authenticity as a mediating construct, alongside qualitative approaches such as interviews or netnography, would add contextual depth to future studies.

Contribution of the Study
Theoretically, this study extended Aaker's (1991) CBBE model to Malaysia's artisan fresh-baked food segment, showing that **Brand Associations** surpassed **Perceived Quality** as the dominant purchase driver — a context-specific adaptation of the FMCG hierarchy that enriches Southeast Asian consumer behaviour literature. Empirically, it provided early quantitative evidence on brand equity and purchase intention in Malaysia's fresh-baked cookie market, with a high explanatory model (R^2 = .646). Practically, it offered **entrepreneurs** guidance to prioritise emotional storytelling and quality consistency over awareness alone, delivering actionable insights for the growing home-based bakery community.

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THE EFFECT OF BNPL ON DEBT ACCUMULATION AMONG SMALL BUSINESS IN JOHOR

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ABSTRACT
The growth in the use of Buy Now Pay Later (BNPL) schemes has made digital credit an integral part of the business financing for small businesses. In this study, we attempt to explore the factors affecting debt accumulation in small businesses in Johor focusing particularly on usage pattern, repayment structure, and financial literacy. In this research, a quantitative methodology was used where the structured online survey was sent to small businesses in Johor. In total, 100 samples were collected from the respondents through online surveys which were analyzed using SPSS. Descriptive analysis, reliability test, correlation analysis, and multiple regression analysis were conducted to explore the relationship between the variables. The results indicate that usage pattern is the most significant factor which affects the debt accumulation, followed by financial literacy and repayment structure. From the above discussion, it can be concluded that usage pattern of credit facilities along with financial literacy of owners of small businesses plays a significant role in debt management for small businesses.

Keywords: Debt Accumulation, Buy Now Pay Later (BNPL), Usage Pattern, Repayment Structure, Financial Literacy, Small Business.

INTRODUCTION
With the swift evolution of financial technology (FinTech), traditional lending practices have undergone tremendous changes, resulting in digital credit becoming an essential part of business operations. Traditional banking loans are usually quite inflexible due to high collateral requirements, thus making it difficult for numerous small businesses to avail themselves of financing services (Mian & Sufi, 2008). Besides this trend in the industry, Buy Now, Pay Later (BNPL) services have gained popularity quite quickly as another option for paying in installments without interest charges. Nevertheless, while being convenient for temporary cash management purposes, BNPL services used incorrectly and without control may result in over-purchasing and debt accumulation to a very high level (Chua, 2025). BNPL services are popular in Malaysia because of the highly digitalized country and the high level of potential adoption among citizens. The reason for choosing the state of Johor for the research is the fast-growing economy, urbanization, and high business expenses of conducting business there. Such dynamics of the business environment in Johor creates a situation where small entrepreneurs are exposed to digital credit obligations; hence, any lack of financial control may lead to the accumulation of debts by small businesses.

Background of Study

In Malaysia, the use of fintech and digital payment systems is very high. As per the Department of Statistics of Malaysia, there has been an unprecedented adoption rate of digital technology by companies where more than 90% of companies are using mobile payments and e-commerce in their business dealings. It is evident that most Malaysian traders and customers have easy access to digital credit facilities. Since internet access and digital ecosystems are widely available, the business owners find it very convenient to adopt financial technologies, thereby making digital credit facilities extremely popular in Malaysia.

The other group of people who are the most susceptible to the use of BNPL services is that of small businesses and micro-entrepreneurs as they are always in the lookout for alternatives for working capital in order to keep their business liquidity going. They are very familiar with digital payments as well as quick credit apps in order to handle their cash flow problems. While there is instant availability of money and convenience in using such services, the repetitive use of digital credits can significantly impact their future liabilities as well as cash flow situation. As per the financial literacy survey, more than half of the small business operators in Malaysia have expressed great concern about handling their business liabilities and financial sustainability in the long run.

Problem Statement

The use of Buy Now Pay Later (BNPL) systems affects how small businesses seek credit and manage their finances. According to Lee et al. (2022), BNPL allows small businesses to acquire products instantly. But according to Morse (2020), excessive use of credit without regulation results in high debt levels. In the same line of thought, Chua (2025) pointed out that young business leaders often experience “illusion of liquidity,” leading them to spend excessively and incur multiple debts from various firms. Also, repayment mechanisms are significant in determining the use of BNPL services by small companies. According to Experian (2022), 84% of people are adopting digital credit services. Nonetheless, there are no stringent regulatory policies in Malaysia, similar to Singapore and Australia. Digital credits are loosely regulated since the service providers can impose non-transparent charges and difficult repayment schedules. Consequently, small business owners face a lot of monetary risks and poor cash flows due to non-compliance with the repayment schedules. Another factor affecting debt buildup is financial literacy. Though BNPL products are easily accessible, having several debts will add to the burden of the business financially. According to the findings of SME Corp Malaysia (2022) and Johnson & Nguyen (2021), more than 60% of the Malaysian business proprietors lack basic knowledge of financial terms such as cash flow and penalties. In essence, the availability of BNPL coupled with low levels of financial literacy contributes to poor decision making, resulting in massive debt buildup.

Research Objectives

The aim of this study is:

RO1: To identify the relationship between usage patterns with debt accumulation among small businesses in Johor.

RO2: To analyse the relationship between repayment structures with debt accumulation among small businesses in Johor.

RO3: To investigate the relationship between financial literacy with debt accumulation among small businesses in Johor.

Research Questions

The study seeks to address the following questions:

RQ1: What is the relationship between usage patterns with debt accumulation among small businesses in Johor?

RQ2: What is the relationship between repayment structures with debt accumulation among small businesses in Johor?

RQ3: What is the relationship between financial literacy with debt accumulation among small businesses in Johor?

Significances of the Study

There are various stakeholders who can benefit from the findings of this study including small business owners, financial institutions, and policymakers like Bank Negara Malaysia. The results can assist the small business owners to understand the impacts of usage pattern, structure of repayment, and financial literacy in determining their debt levels. To the financial institutions and fintech companies, the findings will provide insights into the characteristics of the small business owners for the provision of safe credit that includes proper spending caps or cash flow repayments. To the policymakers, the study can assist in coming up with credit laws like Consumer Credit Act that will be balanced with fees and financial literacy program.

Scope of Study

In this research, the target population is the small business owners and operators. According to Karim et al. (2020), the young adults within the age bracket of 20-40 years are targeted as they are involved in making financial decisions and handling financial matters of their business every day. This research will also target the small businesses operating in Johor Bahru, Malaysia specifically the street vendors, night market sellers, and local small retailers in the F&B and retail sector. This research will be targeting the small businesses since they need instant liquidity and depend on short-term financing options; 50 percent of the SMEs have used digital credit (Statista, 2023). For this reason, the main objective of this research is to examine the determinants of the emergence of debt within small businesses in Johor, considering factors such as usage trends, repayment plans, and financial literacy. Johor was selected as the primary subject for this research due to its fast economic development, urbanization process, and high operating expenses. According to SME Corp Malaysia (2022), services comprise 84.7% of SMEs, which means that small companies in this rapidly developing economy are extremely prone to digital borrowing and the associated financial illiteracy problems.

LITERATURE REVIEW

This chapter reviews the past studies related to Buy Now, Pay Later (BNPL) services. It explains the meaning of BNPL mechanisms and why small businesses were chosen for this study. This chapter also discusses about usage patterns, repayment structures, and financial literacy influence the debt accumulation among small businesses. Lastly, it presents the research framework of the study.

Debt Accumulation

The debt build-up process involves the continuous build-up of debts and outstanding balances

owing by small businesses to their financiers. In contrast to immediate cash flow payments, this is a case of future payment commitments and repeated overdue fines (Morse, 2020). This is a financial phenomenon that is prevalent in unstable sectors such as retail, food and beverages, and microservices locally (Hazar & Babuscu, 2023). More than 50% of small businesses are transitioning to online financing because it eliminates initial transaction hurdles; however, unchecked borrowing increases their default and liability risks.

Small Businesses in Johor

The small businesses within the state of Johor involve micro and small firms such as street vendors, night market vendors, and local shopkeepers from the food and beverages industry. In accordance with the findings from SME Corp Malaysia (2022), the services sector accounts for 84.7% of SMEs in Malaysia, thereby indicating the importance of small businesses in driving the economic development of the region. The small business owners make use of online credit services to manage their everyday expenses and procure stock before prices escalate (Bhoopathy & Kanagaraj, 2023). These firms have high exposure to income volatility, and hence they show preference towards the convenience and accessibility of online credit services and do not want any auditing by any institutions (Lasi, Tat, & Jantan, 2025).

Usage Pattern

Usage pattern refers to the usage habits, frequency, and level of dependence affecting the small business' choice to engage with digital credit. As argued by Lee, Tan, and Lim (2022), BNPL platforms play a significant role in the spending practices of businesses through their creation of a seamless habit loop and greater chances of borrowing without supervision. In effect, this gives rise to a misconception of financial protection. In Bhoopathy and Kanagaraj (2023), it was reported that increased transaction velocity, credit monitoring through alternative data, and fast digital approvals may result in unconscious dependence on credit. The same was observed by Morse (2020), wherein small business owners engaged in multiple accounts tend to spend more for credit services due to "cognitive numbing."

Repayment Structure

Repayment structures involve the manner in which financial installment arrangements affect a small business's decision to engage, retain, or manage digital credit facilities. According to Nasution et al. (2023), innovative fintech arrangements play a significant role in affecting adoption patterns, financial expectations, borrowing patterns, and financial management patterns. Tun-Pin et al. (2019) found a significant association between motivation patterns, convenience, operational requirements, and financing arrangements. Further, financial inclusion literature indicates that instant arrangements, promotion frameworks, payment arrangements, and platform confidence play a significant role in influencing entrepreneur repayment patterns. However, empirical research did not find a significant difference in structural long-term stability of different non-bank financial service providers.

Financial Literacy

The concept of financial literacy is defined by how entrepreneurs handle and decide on the use of money through digital credit solutions. In her research, Chua (2025) discovered that financial technology greatly impacts spending patterns due to the "illusion of liquidity," where there is increased unanticipated and repetitive over-buying of items, making it difficult to budget

finances. Likewise, in Johnson and Nguyen's study (2021), it was shown that financial literacy, misperception of credit score, and hidden payment fees may lead to higher overdue payment charges, but cash flow management and risk management techniques ensure financial stability. Also, in another study, Petroccione et al. (2024) found that poor financial literacy negatively impacts credit decisions..

Underpining Theories

Theory of Planned Behaviour (TPB)

According to Theory of Planned Behavior (TPB), individual behaviors are greatly determined by behavioral intention and perceived behavioral control (Liao et al., 2007). Further, Ajzen (2006) suggests that the behavior of human beings is greatly determined by three key types of beliefs that include behavioral, normative and control beliefs. These beliefs affect attitude, subjective norms and perceived behavioral control, which will in turn affect a person's intentions towards undertaking a particular action. Applying TPB on digital credit, the theory can be useful for understanding why small business owners choose to adopt, continue or refuse the use of Buy Now Pay Later (BNPL) services. A business owner is likely to continue using BNPL services if he/she has good attitude about having an easy access to credit, being affected by friends or industry players around him/her, and confidence in managing online repayments (Lasi, Tat, & Jantan, 2025).

Debt Overhang Theory

Debt Overhang Theory is used to demonstrate how firms restrain themselves from making long-term investments and suffer financially due to their pre-existing debts (Petroccione et al., 2025). As per this theory, the main reason for the poor performance of firms is attributed to the excess of liabilities, strict repayment schedule, and poor credit rating (Alrawi et al., 2020). Similarly, Rosli et al. (2020) have mentioned that the compounding late payments in the form of short-term liabilities could affect the firm’s ability to survive financially, grow, and experience corporate defaults. In terms of small businesses, the concept of debt overhang theory is used to determine how micro-entrepreneurs face tough financial situations since their future incomes will consistently be directed towards paying off several credits. Moreover, if there is an increasing amount of digital borrowing that is unregulated and not being monitored, then there are chances of facing debt overhang (Shah et al., 2025). Hence, Debt Overhang Theory is ideal for my research study.

Hypotheses Development

The following hypothesis are formulated for the research:

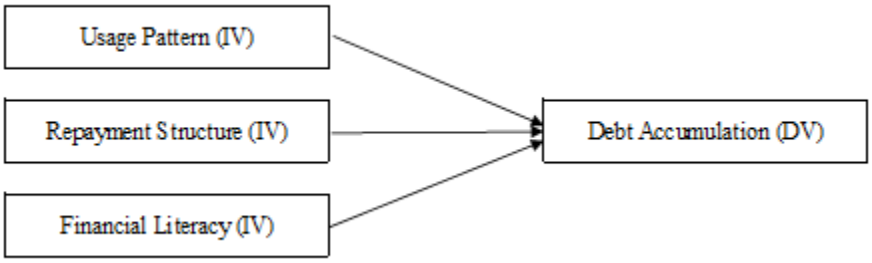
H1: There is a relationship between usage patterns with debt accumulation among small businesses in Johor.

H2: There is a significant association between modes of repayment and debt creation among small firms in Johor.

H3: There is a significant association between financial literacy and debt creation among small firms in Johor.

Conceptual Framework

Figure 2.1. Research Framework



METHODOLOGY

This chapter explained the research design, sample, data collection method, questionnaire, and data analysis used in this study.

Research Paradigm

The research paradigm influences how researchers view the world and the way in which knowledge is created and interpreted (Pretorius, 2024). In this case, the positivist paradigm is adopted because it operates under the assumption that social reality is objectified and not influenced by people's views of the world (Salihah & Fernando, 2024). According to Ali (2024), positivist research follows the use of a rigorous application of quantitative techniques, surveys and deduction through statistics to uncover relational patterns that may be generalized. Consequently, the positivist paradigm is an appropriate research paradigm in this study since it will help the researcher obtain highly structured data to objectively measure the exact drivers of debt among businesses using BNPL in Johor.

Research Design

Figure 3.1 presents a flowchart that outlines the methodology procedure applied in this research.

Select Factors and Extended Literature Review

In this research, the following three important variables are considered that can affect the extent of debt that exists in small business organizations. The three important variables include the use pattern of BNPL, structure of repayments, and financial literacy of small business owners/managers. These variables have been selected based on the previous literature and studies conducted in the area.

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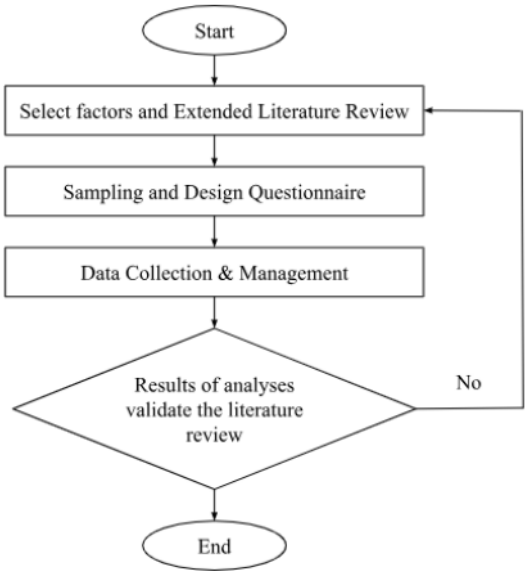

Figure 3.1. **Flowchart of the research methodology procedure**

Sampling Technique and Size

The target respondents of this study are small businesses and micro-entrepreneurs in Johor who currently use or have previously used Buy Now Pay Later (BNPL) services. Small business owners were chosen as the respondents due to their familiarity with digital finance, mobile applications, and e-commerce platforms. This study employed non-probability purposive sampling. Non-probability sampling was employed since the sample selection was done through some specific criteria. The respondents had to be small business owners, operate in Johor, and have experience in using the BNPL platform, such as SPayLater, Grab PayLater, and Atome. A total of 76 valid responses were needed for this research.

Design Questionnaire

The questionnaire was developed to gather data from the respondents and is divided into several sections. The first section contained questions regarding background information and business profile of the respondents like gender, nature of organization, industrial category, years of business, and active BNPL platforms. The second section measured the independent variables that included usage patterns of BNPL, repayment structures, and financial knowledge of managers. The third section measured the dependent variable, which includes debt accumulation by small businesses.

Data collection and Management

The data for this research was gathered via Google Forms and shared through social media sites like WhatsApp, Telegram, Instagram, and Facebook. Upon gathering the data, the responses were screened to ensure that only those who have answered all questions were considered for the analysis. Data analysis was done using SPSS software.There were several analytical techniques used in this research, which included descriptive analysis, reliability analysis, correlation analysis, and multiple regression analysis. Descriptive analysis was utilised to provide a summary of the demographic details and business profile of the respondents.

Reliability analysis was conducted to measure the consistency of the questions in the questionnaire. Correlation analysis was performed to determine the relationship between variables. Lastly, multiple regression analysis was performed to analyse the effect of BNPL usage practices, repayment schemes, and financial knowledge of managers on debt creation.

RESULT AND DISCUSSION

The findings contained herein are those obtained from the results obtained from the data collected from 100 respondents and analyzed using SPSS. This data was collected from a Google Forms questionnaire that was sent to the respondents who are small business owners and micro-entrepreneurs from Johor Bahru via WhatsApp, Telegram, Instagram, and Facebook. A total of 100 respondents were obtained for the study within a particular period of time. The data collected was analyzed using SPSS 29.0.

Demographic Analysis

These demographic factors include the sex of the participants, form of legal organization or business registration, kind of business category, years of running the business and the online platforms utilized for conducting business procurement. These demographic factors have been presented in frequencies to indicate the number of occurrences of each factor while percentages indicate their proportions within the groups. From Table 4.1, a total of 100 participants were used in this study. In terms of sex, females were dominant with 61% (61) whereas males constituted 39% (39). This shows that the majority of the participants were female entrepreneurs. In regard to legal structure or business registration, the highest percentage of respondents was running as sole proprietorship, accounting for 34% (34) of the total number of respondents, followed by not registered / part time (29%), partnership (19%), and private limited company (18%). In regard to the business category type, most respondents were in the Food & Beverage industry with 34% (34), followed by Services (24%), Retail & Wholesale (21%), and E-commerce (20%). As for the estimated years of business operation, the majority of respondents have operated in business for 1–3 years, comprising 40% (40) of the total respondents. Lastly, in regards to the platforms actively used in business procurement, the majority of respondents used SPayLater, comprising 51% (51) of the total respondents, followed by Grab PayLater (20%) and Atome (17%). It is clear that most respondents use e-commerce credit facilities, which can be an important factor when making decisions about financial resources allocation and risk management. Overall, it can be concluded that respondents are mostly females, who run registered sole proprietorships in the food & beverage industry, with 1–3 years experience of business operation, and use SPayLater for business procurement.

No.	Demographic	Detail	Frequency (N)	Percentage (%)
1.	**Gender**	Male	39	39
		Female	61	61
2.		Sole Proprietorship	34	34
		Not Registered / part time	29	29

No.	Demographic	Detail	Frequency (N)	Percentage (%)
	Legal Structure or Business Registration	Private Limited Company	18	18
		Partnership	19	19
3.	**Type of Business Category**	Services	24	24
		Food & Beverage	34	34
		E-commerce	20	20
		Retail & Wholesale	21	21
		Others	1	1
4.	**Estimated Years of Business Operations**	Less than 1 Years	23	23
		1 – 3 Years	40	40
		4 – 5 Years	14	14
		More than 5 years	23	23
5.	**Platforms actively use for business procurement**	SPaylater	51	51
		Atome	17	17
		Grab PayLater	20	20
		Others	12	12

Table 4.1: Respondents Demographic Analysis Result

Descriptive Analysis

Descriptive analysis is applied to summarize and interpret the data to know its major features and patterns. It gives a general impression of the data and emphasizes important points without drawing any wider conclusions beyond the findings made. From Table 4.2, the descriptive analysis of the variables of BNPL usage pattern, repayment structure, financial literacy and debt accumulation is given. Debt accumulation obtained a mean of 3.22 and a standard deviation of 1.186. This means that the level of debt accumulation of small businesses is moderately high. Repayment structure scored the highest mean of 3.77 with a standard deviation of 1.002. This suggests that the respondents agreed that repayment structure is an important variable related to debt accumulation. Financial literacy obtained a mean of 3.68 and a standard deviation of 0.898. This suggests that the level of financial literacy of small business owners is also moderately high. Finally, BNPL usage pattern obtained a mean of 3.07 and a standard deviation of 1.183. This suggests that respondents' BNPL usage pattern is moderately high in relation to debt accumulation, and high standard deviation means that their responses were relatively varied. Overall, all variables scored mean above 3.01 but below 4.00 which implies that they are moderately high.

Variable	Mean	Standard deviation	Interpretation
BNPL Usage Pattern	3.07	1.183	Moderately High
Repayment Structure	3.77	1.002	Moderately High
Financial Literacy	3.68	0.898	Moderately High
Debt Accumulation	3.22	1.186	Moderately High

Table 4.2: Descriptive Statistics

Normality Analysis

Skewness is a measure of symmetry in the distribution of data, while kurtosis measures the shape of the data and how concentrated the data is around the central point. In reference to Table 4.3, the skewness and kurtosis of debt accumulation were -0.401 and -0.592, respectively. All the two values are within the acceptable range, implying normal distribution of the dependent variable.On the other hand, for the patterns of BNPL, skewness and kurtosis of the data are -0.138 and -0.609, respectively. All the two values are within the acceptable range, implying normal distribution of the variable. For repayment structure, the skewness and kurtosis are -0.249 and -0.219, respectively, implying normal distribution of this variable. Further, the financial literacy skewness and kurtosis values are -0.430 and 0.302, respectively. The two values are within the acceptable range, implying normal distribution of this variable. Overall, all variables in this study are normally distributed because they have skewness and kurtosis values within the accepted range.

Variable	Skewness	Kurtosis	Interpretation
BNPL Usage Pattern	-0.138	-0.609	Normally Distributed
Repayment Structure	-0.249	-0.219	Normally Distributed
Financial Literacy	-0.430	0.302	Normally Distributed
Debt Accumulation	-0.401	-0.592	Normally Distributed

Table 4.3: Normality Analysis

Reliability test

By definition, reliability is the ability of a measurement tool to produce reliable and stable results when used under identical conditions. Table 4.4 illustrates the values obtained from Cronbach's alpha for both the dependent and independent variables. In this case, the value of Cronbach's alpha obtained for the dependent variable, debt accumulation, was 0.929, indicating a good level of reliability. Among the independent variables, the one with the highest Cronbach's alpha value was BNPL usage pattern ($\alpha = 0.917$), followed by financial literacy ($\alpha = 0.856$). The value of Cronbach's alpha for the repayment structure was 0.838. From this information, it can be seen that all the independent variables had good reliability.

Type of Variables	Variables	N of Items	Cronbach's Alpha	Interpretation
Independent variable	BNPL Usage Pattern	5	0.917	Good
Independent variable	Repayment Structure	5	0.838	Good
Independent variable	Financial Literacy	5	0.856	Good
Dependent variable	Debt Accumulation	5	0.929	Good

Table 4.4: Reliability Statistics for Study Variables

Table 4.5 shows the overall reliability result for all questionnaire items. The Cronbach's Alpha value for all 20 items is 0.871, which falls under the good category. This indicated that the questionnaire has a high level of internal consistency. Overall, the reliability test shows that all variables recorded Cronbach's Alpha values above 0.7. This means that the questionnaire items

used in this study are reliable, consistent, and appropriate for examining the factors influencing debt accumulation among small businesses in Johor.

N of Items	Cronbach's Alpha	Interpretation
20	0.871	Good

Table 4.4: Overall Reliability Statistics

Correlation Analysis

Correlation analysis was done in order to find out the connection between the dependent variable and the independent variables. Spearman correlation was used to test for the strength and direction of the correlation between the variables. From Table 4.6, it can be noted that all connections between the variables are significant with p values less than 0.01. Thus, it can be seen that the BNPL payment pattern, repayment structure and financial literacy have a significant relationship with debt accumulation by the small business in Johor. Among them, the most significant correlation was between debt accumulation and repayment structure with r = 0.509. On the other hand, there is a low positive correlation between debt accumulation and BNPL payment pattern, with r = 0.284. The relationships among the independent variables were also significant. BNPL usage pattern and repayment structure recorded a low positive correlation, with r = 0.490. Meanwhile, BNPL usage patterns had a low negative correlation with financial literacy, with r = -0.091. In addition, repayment structure and financial literacy recorded a low negative correlation, with r = -0.106. Overall, the findings show that BNPL usage patterns and repayment structures have significant positive relationships with debt accumulation, while financial literacy has a significant negative relationship. Among the three independent variables, repayment structure showed the strongest relationship with debt accumulation among small businesses in Johor.

Size of Correlation between		Spearman Correlation (r)	Sig. (2-tailed)	Interpretation
Usage Pattern	Repayment Structure	0.490	<0.01	Low positive correlation
Usage Pattern	Financial Literacy	-0.091	<0.01	Low positive correlation
Repayment Structure	Financial Literacy	-0.106	<0.01	Low positive correlation
Repayment Structure	Debt Accumulation	0.509	<0.01	Moderate positive correlation
Usage Pattern	Debt Accumulation	0.284	<0.01	Low positive correlation

Financial Literacy	Debt Accumulation	-0.142	<0.01	Low positive correlation

Note: Correlation is significant at the 0.01 level (2-tailed). N=100

Table 4.5: Correlation analysis

Multiple Regression Analysis

Multiple regression analysis was carried out in order to investigate the impact of BNPL usage patterns, repayment systems and managerial financial literacy on debt accumulation amongst small businesses in Johor. This statistical tool is used commonly to identify the level at which several independent variables account for changes or variations in the dependent variable. Moreover, through this statistical tool, it is possible to find out the nature and strength of relations in the model. From Table 4.6, the value of R, which is equal to 0.775, shows the existence of a very strong positive relationship between the independent variables and debt accumulation. This means that BNPL usage patterns, repayment systems and managerial financial literacy have a close relation with changes in debt levels amongst small businesses. On the other hand, an R-squared value of 0.601 shows that 60.1% of the changes in debt accumulation can be accounted for by the three independent variables, whereas 39.9% can be attributed to external factors not considered in this study. Additionally, the adjusted R square of 0.589 shows that even after making adjustments for the number of predictors used in the regression model, a considerable amount of variance (58.9%) in the generation of debt is still accounted for by the model. This means that the regression model has fairly good explanatory power. Also, the significance value of less than 0.001, which is below the critical value of 0.05, proves that the overall regression model is statistically significant.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F Change	Sig. F Change
1	0.775	0.601	0.589	0.756	48.271	<0.001

Table 4.6: Model Summary of Multiple Regression Analysis

From Table 4.7, it is evident that only two variables have a significant positive impact on the amount of debt that is accumulated since their significance values are below 0.05 whereas one variable has an insignificant value. The use of BNPL patterns exhibited the largest value for the beta coefficient at 0.659, followed by financial literacy with 0.249. On the other hand, repayment patterns exhibit the smallest beta value of 0.023 with an insignificant p-value of 0.764.

Variable	B	Std. Error	Beta	t-value	Sig.	Result
(Constant)	0.327	0.310	-	1.054	0.294	-
Usage Pattern	0.657	0.067	0.659	9.772	<0.001	Significant

Repayment Structure	0.027	0.088	0.023	0.302	0.764	Unsignificant
Financial Literacy	0.247	0.076	0.249	3.246	0.002	Significant

Table 4.7: Regression Coefficient Analysis

Hypotheses 1 and 3 were proven true based on Table 4.8 since their significance values were less than 0.05. Thus, H_1 and H_3 were proven true. However, hypothesis 2 was found to be false since the significance value of repayment patterns was greater than 0.05. Thus, H2 was proven false.

Research Question	Hypothesis	Sig.	Result
RQ1: What is the relationship between BNPL usage patterns and debt accumulation among small businesses in Johor?	H1: There is a significant relationship between BNPL usage patterns and debt accumulation among small businesses in Johor.	<0.001	Supported / Accepted
RQ2: What is the relationship between repayment structures and debt accumulation among small businesses in Johor?	H2: There is a significant relationship between repayment structures and debt accumulation among small businesses in Johor.	0.764	Not Supported / Rejected
RQ3: What is the relationship between managerial financial literacy and debt accumulation among small businesses in Johor?	H3: There is a significant relationship between managerial financial literacy and debt accumulation among small businesses in Johor.	0.002	Supported / Accepted

Table 4.8: Hypothesis Supported by Results

CONCLUSION AND RECOMMENDATIONS

This chapter summarizes the main findings of the study. It also explains the limitations and provides recommendations for future research

Conclusion

The data gathered from the respondents gives useful information about the factors that contribute to the accumulation of debts for small businesses in Johor Bahru. This research has focused on the impact of the use of BNPL, repayment structure, managerial financial literacy, and debt accumulation. In the first place, there is a strong relationship between the repayment structure and debt accumulation. The correlation coefficient for this is 0.509, while the p-value is below 0.01. This is based on the Unified Theory of Acceptance and Use of Technology (UTAUT). According to UTAUT, the operational and financial risks are determined by the structural facilitating conditions of the technology systems. This study revealed that the settings of the platform, like the hidden rollover plans and the complex late fee, can remove psychological barriers and contribute greatly to debt accumulation. Likewise, this research shows that there is a significant relationship between the repayment structure and debt accumulation. Secondly, there was a significant relation between the use patterns of BNPL and debt accumulation. The correlation analysis revealed that there was a low positive correlation

with a correlation coefficient of 0.284 and a p-value less than 0.01. This shows that high usage frequency does not automatically equate to a harmful default risk if transaction terms are clear. In a similar manner, the current study has concluded that the use patterns of BNPL are significantly related to debt accumulation among small business owners in Johor. Thirdly, there was a significant relation between the financial literacy of managers and debt accumulation. The correlation analysis revealed that there was a low negative correlation with a correlation coefficient of -0.142 and a p-value less than 0.01. This implies that even though cognitive literacy aids general decision-making, it fails to act as an instant defense shield to counter the technological elements of FinTech lending systems. In a similar manner, the current study has concluded that the financial literacy of managers is significantly related to debt accumulation among small business owners in Johor.

Limitations of The Study

There are some constraints for this research. First of all, the research was conducted through an online survey; hence, the researcher was not sure that all respondents had a full understanding of questions, answered truthfully, and did not experience any kind of social desirability bias. Second of all, the number of participants was only 100 people due to limited time; therefore, the results of this study may not be applicable to all small business owners and micro entrepreneurs in Johor. The last constraint is the focus of this study on only some independent variables such as BNPL usage behavior, repayment mechanisms, and financial literacy of managers. There were no other environmental variables such as psychological characteristics or macroeconomic conditions considered in this research.

Recommendation of The Study

Through the data analysis process of regression, the structure of the repayment system becomes the only significant variable that affects enterprise debt. The new conceptual framework of the research work is therefore structured as follows:

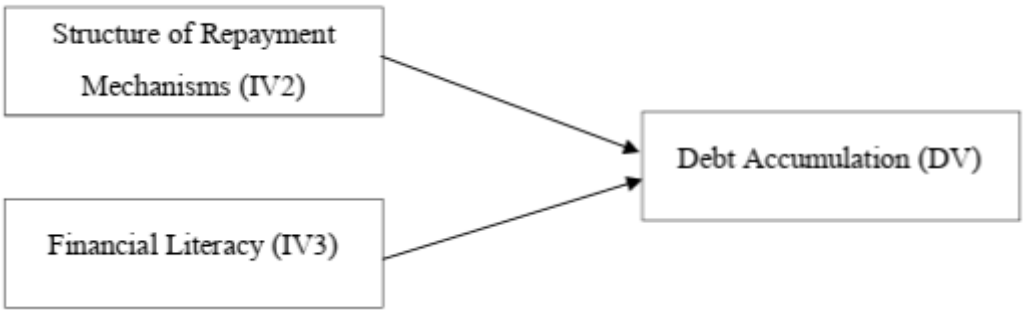

Figure 5.1: Framework for this study

The present study shows the significance of the repayment system structures and financial literacy in determining enterprise debt formation by small businesspeople operating in Johor. The strong impact of the two variables indicates that the FinTech platform suppliers, as well as policy makers, need to concentrate on developing transparent systems for repayment, ethical collection policies, and disclosure of rollover fees. Through implementation of these tactics, it

will be possible for FinTech companies to improve loan dashboard apps in order to ensure that micro-entrepreneurs avoid financial pitfalls online.

Recommendation for Future Study

In future researches, the size of the sample used for the study should be increased to have more representative results of the usage of BNPL and how debt accumulates among small business operators. Future research can also include expanding the scope of the research to other regions or states apart from Johor to compare the experience of entrepreneurs in various parts of Malaysia. Future research can adopt the longitudinal research design in order to follow up the changes in the dynamics of the alternative FinTech use and its implications. Apart from that, other variables like psychological characteristics (overconfidence or risk-taking behavior), macroeconomic environment, and interface design are some of the variables that can help to understand debt accumulation better.

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THE IMPACT OF FINANCIAL LITERACY ON FINANCIAL SUSTAINABILITY AMONG YOUTH IN JOHOR

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ABSTRACT
Financial literacy is becoming a key factor among the youth because of the increase in the cost of living, vulnerability to debt, the proliferation of financial services in the digital age, and an increasing burden of financial responsibility at a young age. Financial literacy is still a pertinent issue in Johor as it could affect young people's ability to attain financial sustainability. This study aims to investigate the relationship of financial literacy to financial sustainability among youths in Johor. In this study, financial literacy is defined as financial knowledge, financial attitude, and financial behaviour, whereas financial sustainability is defined as budgeting ability, saving behavior, debt management, having an emergency fund, and planning for the future. A quantitative research design was used, which involved a questionnaire survey to be distributed to the youth in Johor. There were 151 responses which were analysed using SPSS version 30.0. In this study, statistical techniques like descriptive analysis, normality analysis, reliability analysis, and Pearson correlation were applied. The results indicated that the respondents had relatively high and moderate financial literacy and financial sustainability, as well as instrument reliability was acceptable. Besides, findings also showed that financial literacy has a significant positive correlation with financial sustainability among youths in Johor. This study offers valuable insights and recommendations for educational institutions, policy makers, financial institutions and youth development organisations in the effort to create effective financial education programmes.

Keywords: Financial literacy, financial sustainability, financial behaviour, financial knowledge

INTRODUCTION
Financial literacy (FL) is a crucial issue in the Malaysian context as youths are expected to make financial decisions early on, from spending and saving to borrowing, digital transactions, investing, insurance and retirement planning in an era where financial landscape is gradually moving into digitalization. The OECD defines Financial Literacy as the awareness, knowledge, skills, attitudes and behaviours which enable individuals to make informed financial decisions and gain financial well-being, and hence financial literacy is about not only financial knowledge, but also how to use it effectively in practice. Financial sustainability (FS) has been defined in this study as the individual's capacity to manage the current financial needs while also being able to create financial sustainability, budget, save, manage debt responsibly and plan for the future. However, if the financial literacy level of Malaysian youths is inadequate, they will have poor money management and weak saving attitude, have difficulty in repaying their debts and have high financial stress level as previous studies showed that financial literacy

has a positive correlation with money management, saving behaviour, repayment behaviour of credit card and financial stress among students and youths in Malaysia. Financial Literacy is one of the key enablers of Financial well-being and Financial resilience of Malaysia. The Financial Capability and Inclusion Demand Side Survey (FCIDS) 2024 by Bank Negara Malaysia measures financial capability through financial knowledge, financial behaviour, and financial attitude which forms the Malaysia Financial Literacy and Capability Index (MYFLIC Index). Financial well-being and digital financial literacy have been introduced as new survey areas for the 2024 survey, because the persistence of financial strain and emergence of a digital economy had an impact on the financial behaviour of Malaysians. (Financial Education Network. (2024).

Recently, Malaysian youths altogether have been confronting economic difficulties. The impact of the increase in college fees and auto costs, consumer debt and "Buy Now, Pay Later" have been exacerbated over the past decade. More than half of those who seek the help of Credit Counselling and Debt Management Agency (AKPK) are under the age of 39. This is because youths are economically insecure, it says. Although Bank Negara Malaysia (BNM) and other bodies like Financial Education Network (FEN) have undertaken numerous initiatives to encourage financial education for the Malaysian population, incidences of financial illiteracy in the younger generation are still high when it comes to basic budgeting, financial saving and rate of interest. It is essential that young people are equipped with financial management skills, to help them make good financial decisions and to support their financial wellbeing in the longer term. The figures on bankruptcies also provide an indication of financial literacy and financial sustainability of the young. According to Bernama (2025), during the period 2020 to early 2025, a total of 5,272 youths aged under 34 bankrupted, majority of which consisted of those aged between 25 to 34. Furthermore, Malaysia Department of Insolvency (2026) showed that bankrupt people aged 25-34 years are the highest number of bankrupt people at 3,473 cases, while the main reason why bankrupts are in the position in 2022-2026 is due to personal loans. The figures illustrate the devastating consequences of overborrowing and bad debts on youth's financial future. This study is significant for the youth in Johor as it can help to groom them with the importance of financial literacy in order to reach their financial sustainability. With the emergence of a wide variety of financial products and services in Malaysia's rapidly evolving financial landscape, such as personal financing, credit cards, online banking, e-wallets, Buy Now Pay Later (BNPL) facilities and investment platforms, financial literacy and digital financial literacy play a critical role in fostering informed financial decision-making (Wan Nawang & Abdul Shukor, 2023; OECD, 2023). Lack of financial knowledge could cause young people to make wrong financial decisions, which can cause them to overspend, have problems with repayments, suffer financial stress and have a low level of financial well-being (Sabri & MacDonald, 2010; Hamid & Loke, 2021). Previous studies in Malaysia also highlight the relationship between financial literacy and saving (Sabri et al., 2012), debt (Chong et al., 2021) and overall financial well-being among youths and college students. Thus, the results of this study can be beneficial to youths in Johor as they will have a better understanding of the importance of budgeting, saving, debt management and financial planning for future, thus reducing the financial vulnerability and improving their financial well-being (Ahmad & Zabri, 2023; Bank Negara Malaysia, 2024).

LITERATURE REVIEW

Underpinning Theory

The Theory of Planned Behaviour (TPB) is used as the underpinning theory in this study as it best explains the relation between financial literacy (FL) and financial sustainability (FS) among youth. From Ajzen (1991), it is known that behaviour is dependent on behavioural intention, which depends on three main factors: attitude, subjective norms, and perceived behavioural control. TPB is especially pertinent to this study as financial sustainability is not only contingent on the knowledge that youth have of finance but also on the attitudes, social influence, and self-efficacy that youth exhibit in practicing good financial behaviour. Financial literacy is knowledge of and awareness of financial issues, including budgeting, saving, borrowing, investing, planning and more, among young people. On the other hand, financial sustainability is the capacity to remain financially stable over time and to practice responsible spending, regular saving, effective debt management and long-term financial planning. TPB can account for the fact that financial literacy does not necessarily result in sustainable financial outcomes, unless it contributes to positive attitudes towards the concept of money, to an increase in perceived control over financial decisions and to the intention to adopt responsible financial practices. Empirical studies in Malaysia also confirm that the TPB is suitable. For instance, Isa and Kim (2024) used TPB to explore the saving behaviour of young people in Malaysia and found that financial literacy, attitude, subjective norms and saving intention are significant factors in determining saving behaviour. In a similar way, She et al. (2024) found a positive correlation between financial knowledge and attitude, subjective norms, perceived behavioural control, and financial behaviour in the case of working adults in Malaysia. These results indicate that TPB offers a valuable perspective on the translation of financial knowledge to financial behaviour via behavioural intention and perceived control. This is further supported by earlier research in Malaysia on the positive correlation between financial literacy, money management and credit repayment behaviour among young adults as well as financial behaviour. The financial literacy and money management skills were found to have a significant positive impact on credit card repayment decisions (Hamid & Loke, 2021), and financial literacy was found to be a significant predictor of financial behaviour among emerging adults (Chong et al., 2021). Furthermore, Yeo et al. (2023) found that TPB can be applied to financial planning behaviour and financial resilience, which are closely related to financial sustainability.

Overview of the Study

The knowledge of how to comprehend and use financial information to make informed financial decisions is known as financial literacy. Financial literacy in Malaysia can be defined as financial knowledge, financial behaviour and financial attitude. Financial Education Network (2025) indicates that the Index MYFLIC looks at financial capability of Malaysians in financial knowledge, financial behaviour and financial attitude. Thus, these three can be used as a tool to measure Financial Literacy in this study. Financial knowledge is knowing about financial phenomena such as budgeting, saving, interest rates, inflation, indebtedness, investment, insurance and risk. It is expected that the youth with more financial knowledge will be able to take better financial decisions. According to Kenayathulla et al. (2020) who conducted a study on the financial literacy among undergraduate students in selected higher education institutions of Malaysia and highlighted the need to improve financial literacy among

the students, which will contribute to their future financial wellness. In addition, Abdullah et al., (2019) revealed that financial knowledge is a skill that empowers individuals to make knowledgeable financial decision without overspending. Sabri et al. (2024) discovered that financial knowledge is an intervening variable between financial attitude. For instance, making and sticking to a budget, saving regularly, paying bills on time, avoiding impulse buying, checking around for the best price and managing debt may enhance their financial well-being
In general, the previous studies indicated the importance of financial literacy in enhancing financial sustainability. A high level of financial literacy is more likely to lead a young person to have good financial knowledge, positive financial attitudes, to have responsible financial behaviours, to save money well and to have a better financial well-being. Therefore, this study is to observe the effects of financial literacy towards financial sustainability of youth in Johor.

Research Framework

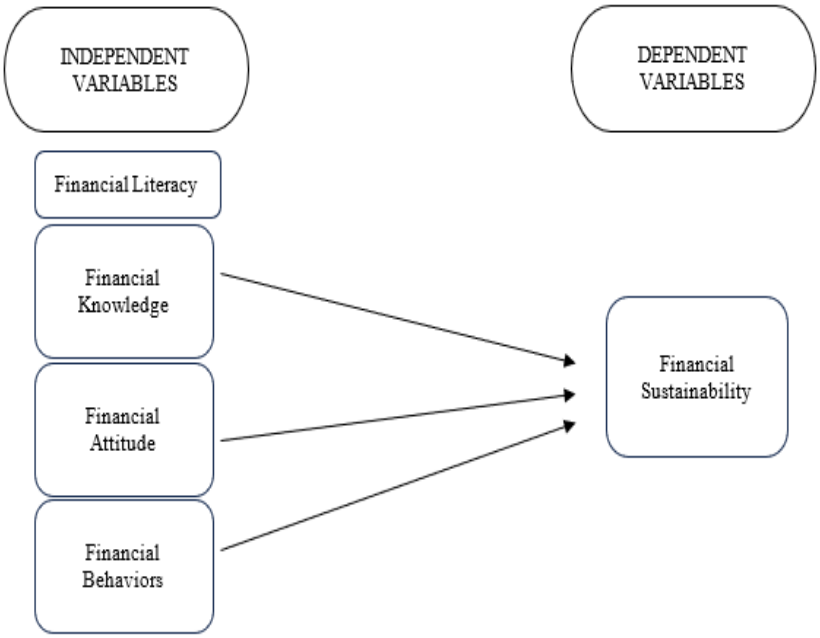
The conceptual framework in this study is constructed based on the literature and theories. Independent Variable is Financial Literacy, and Dependent Variable is Financial sustainability. Financial Literacy consists of three elements namely Financial Knowledge, Financial Attitude and Financial Behaviour. The dimensions correspond with the Financial Education Network's (2025) MyFLIC (My Financial Literacy Index) that comprises Financial Capability Knowledge, Financial Capability Behaviour, and Financial Capability Attitude (FCA). Financial sustainability is measured based on budgeting skills, saving attitude and avoiding unnecessary debt, preparedness of emergencies and future planning. These indicators are appropriate since they assess both young people's current and future financial responsibility. To add, these factors are even more pertinent in Malaysian setting because the country is also plagued by some issues concerning the challenges that the youth are faced with, including rising cost of living, lack of savings among youths and debts. The overall objective of this concept framework is to explore the various influences for young investors in Johor when they are investing in the cryptocurrency market and how it affects their preference towards the traditional investment vehicles. Specifically, the framework highlights the impact of four critical independent variables, increased volatility and risk in cryptocurrencies, low barriers to entry and lack of financial literacy and lack of knowledge about cryptocurrencies. From this framework led towards the hypotheses that "The financial literacy will have a positive effect on financial sustainability of Johor youth. If young people are well informed about money, it becomes much easier to appreciate the importance of having a budget and saving, while not spending what they do not have. Youth with a positive attitude towards money are more disciplined and future orientated. Youth who are financial literate will be able to save regularly and will be prepared for emergencies and have control of their spending.

Hypotheses Development

From the literature review, financial literacy has been proposed to have a good association with financial sustainability. Financial education makes youth more likely to make good financial decisions. They may be able to budget, limit their spending, save regularly, repay their debts and plan their future needs. In addition, the National Strategy for Financial Literacy 2026-2030 Malaysia also emphasizes that financial literacy is crucial for a person's financial resilience and financial well-being (Financial Education Network, 2025).
This relationship has been supported by previous Malaysian studies. Sabri et al. (2024) found that financial literacy and financial behaviour are important factors affecting financial well-

being among young adults in Malaysia. The study conducted by Mad et al. (2024) revealed that financial literacy has an impact on saving habits among Malaysian youth. Hence the following hypotheses is formulated:

H1: There is a significant positive relationship between financial literacy and financial sustainability among youth in Johor
H1a: There is a significant positive relationship between financial knowledge and financial sustainability among youth in Johor.
H1b: There is a significant positive relationship between financial attitude and financial sustainability among youth in Johor.
H1c: There is a significant positive relationship between financial behaviour and financial sustainability among youth in Johor



METHODOLOGY

Study philosophy, research design and sample method will be discussed in detail to get the conclusions of this research. This section is designed to portray how the study was conducted, how the data was collected and how it was controlled during the study period. The aim of this chapter is to ensure that the study is carried out systematically, validly and reliably in order to be able to generalise the findings to the target population. The target group for this study are the youths aged 15 to 30 years old in Johor, Malaysia, which is similar to the age range of youths in Malaysia as defined in the Youth Societies and Youth Development (Amendment) Act 2019 (YSYDA). The Department of Statistics Malaysia (DOSM) estimated that Johor's total state population in 2025 is 4,205,900. Given this population size, the minimum sample size needed is 384 respondents at a 95% confidence level and 5% margin of error, which is the same size as the Krejcie and Morgan approach (1940) for large populations because the sample size stabilizes at about 384 respondents.

Research Design

This quantitative research design by questionnaire is used in this study to analyze the financial literacy and financial sustainability relationship among Johor's youth. In quantitative research statistical measurement of relationship between independent variables (financial literacy) and dependent variable (financial sustainability) is suitable (Cohen, 1992).

Key Determinants and Comprehensive Literature Analysis

The key determinants used in this study include independent variables from the conceptual framework in chapter 2 that is financial literacy and dependent variable is financial sustainability. This is done because they are seen as a critical factor in influencing financial outcomes among youths, as evidenced in the previous literature especially in Malaysia (Sabri et al., 2024; Mad et al., 2024). In general, this extensive literature review suggests that financial literacy and its elements are important factors to promote financial sustainability among youths. The study aims to offer a comprehensive understanding of the predictors to financial sustainability in the Johor youth by looking at the knowledge, attitude, behaviour and demographic factors. The key determinants are chosen based on the theories: Financial Capability Theory, Theory of Planned Behaviour, and Human Capital Theory, and Malaysian empirical studies (Sherraden, 2017; Abdullah et al., 2019; Sabri et al., 2024).

Sampling Technique and Size

This study's target population is youth aged 15-30 years in Johor, Malaysia. The age group is appropriate as it corresponds with the definition of a youth under Malaysia's Youth definition framework (up to age 30) and national financial capability assessment also included the age group of age 15 and above where the interest in financial literacy is increasingly important (Youth Societies and Youth Development (Amendment) Act 2019; Bank Negara Malaysia, 2025). This group is a pivotal phase of life, where people move from being dependent on others' finances to managing their own finances, which encompasses earning income, controlling expenses, saving, borrowing, and preparing for future financial responsibilities (Sabri et al., 2024; Ghazali et al., 2025). The respondents were selected by the purposive sampling method that comprises of respondents' attributes that meet the study criteria. It is also a non-probability sampling method given that, participants are the people who cannot only have prior experience in personal financial management, but they have interest in the issue, so as to get the relevant and correct data. The focus of the research is financially active youth or planning youth which is the most relevant on financial literacy and sustainability. Appropriate sample size is chosen for the purpose of securing statistical validity and reliability. The target number of respondents is at least 384, based on the guidelines of Krejcie and Morgan approach for correlational studies.

Design Questionnaire

The questionnaire used was based on the 5-point Likert scale, a widely-used method for measuring the attitudes, perceptions and opinions of the respondents. Each statement on this scale has five options (1 = Strongly Disagree to 5 = Strongly Agree) to show how much the person agrees or disagrees with the statement. The five-point Likert scale provides a wider range of responses and can gather richer and more meaningful data than the simple dichotomous response format which is either yes or no (Koo & Yang, 2025). Strongly Disagree (1) means that the item is completely disagreeable and the perception or belief is strongly negative. Disagree (2) is also a negative attitude, but less than that of Disagree (1). Neutral (3)

means that a person is not sure, has not decided or has a neutral opinion about the statement. Meanwhile, Agree (4) indicates a positive attitude, but not as certain as Strongly Agree (5) which indicates a strong and confident agreement with the statement.

Data Collection and Management

Questionnaire which was the selected method in this study is following previous studies. For instance, Sabri et al., 2024, conducted the questionnaire on four different youth organisations in from five states in Malaysia. Meanwhile, Mad et al., 2024 in their study targeted on young youths aged below 30. Google Form was used in distributing the questionnaire with a total of 332 respondents. Both dependent and independent data are obtained from the answers of the questionnaire. Regarding data collection, data was collected by posing seven different questions for each variable followed by segregated data in many sections. The questions should be clear and concise, avoiding confusion and the time it takes for the respondents to understand and answer the questions because that may lead them to drop out of the process of answering the questions. In addition, each was expressed as a simple sentence with simple vocabulary terms so that it would be easily understood by the participants, even if they were not familiar or had no prior knowledge of the study. Share the questionnaire on various social media (WhatsApp, Telegram, Instagram, Facebook) and get other interesting results. The questionnaire will be open for four weeks for collection of the desired number of responses. Each answer will be carefully considered and any incomplete or inconsistent answers will be rejected. Respondents' rights are upheld and their confidentiality is protected throughout the research by adhering to ethical consideration such as informed consent and voluntary participation as described by Sherraden (2017) and Sabri et al. (2024).

The data were analysed with SPSS Software (30.0). Then, it validates results from data analysis with evidence and support of other researchers. If compatible, this research can yield new findings about the object or problem being studied, which may present new insights or even place under review findings of other researchers.

Result of Analysis

It is essential to validate the results of the data analysis with the evidence and supporting results of other research. If it is found to be incompatible, then this article will yield new findings on the topic being studied and may provide material to refute findings of other researchers.

4.0

RESULT AND ANALYSIS

Response Rate

The sampling technique used in this research was convenience sampling through emails, WhatsApp, Facebook and Telegram. There are 151 youth in Johor who have completed the survey. The number of complete questionnaires was divided by the number of individuals invited and multiplied by 100 to calculate the response rate:

By dividing the number of completed questionnaires, the total number of the people answered and then multiply the result by 100, the response rate was determined:

$$Response\ Rate\ = \frac{151}{384}\ \text{X}\ 100\ =\ 39.32\%$$

The 39.32 % response rate is considered moderate with regard to our target group. The response rate might have been higher but, because the data collection method used was convenience sampling and social media, it was considered adequate to analyze and interpret the data statistically.

Demographic Analysis

Items	Frequency	Percentage (%)
Gender	**151**	**100**
Male	88	58.3
Female	63	41.7
Age	**151**	**100**
15-20 years old	2	1.3
21-25 years old	36	23.8
26-30 years old	98	64.9
31 and above	15	9.9
Education Level	**151**	**100**
High School	13	8.6
Diploma	55	36.4
Bachelor's Degree	82	54.3
Master	1	0.7

Table 4.2 Frequency and Percentage of Demographic Analysis

Descriptive Analysis

Descriptive analysis was used to analyze the general tendency with regard to the major variables in this study; financial sustainability dependent and financial literacy independent. In quantitative studies descriptive statistics are crucial to give an initial understanding of the central tendency, variation and distribution of the data before it is analysed inferentially (Pallant, 2020). In this study, analysis is based on 151 valid responses without any missing in both the variables.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Sustainability	151	1.20	5.00	3.4530	.60815
Financial Literacy	151	1.64	5.00	3.5286	.62363
Valid N (listwise)	151				

Table 4.3 Descriptive Statistics

Normality Analysis

Data were analysed by Normality to check the approximate normal distribution of the data prior to parametric statistical analyses. Skewness and kurtosis values are routinely used to examine the shape of a distribution in quantitative studies, in particular when dealing with composite variables. Normally, data will be considered acceptable for normality if skewness and kurtosis score is in the recommended score ranges as cited by Kline (2016).

	N	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
FS	151	.60815	-.541	.197	1.139	.392
FL	151	.62363	-.226	.197	.046	.392
Valid N (listwise)	151					

Table 4.4 Normality Analysis

Financial sustainability (FS) with skewness value as -0.541 and kurtosis value as 1.139. In the meantime, the value of skewness of financial literacy (FL) measured -0.226 while the value of kurtosis measured 0.046. Both variables had a slightly negative skewness as the skewness value for both was negative. Values were small though and acceptable for normal. The values of the kurtosis, as well, were in an acceptable range which did not present serious peakedness or flatness in the distribution.

Reliability Analysis

The Cronbach's alpha value that represents financial sustainability is 0.785 with 10 items. This shows that the items measuring financial sustainability were found to be internally consistent at acceptable level. The Cronbach's Alpha scores for financial literacy was 0.816 (11/11). This value demonstrates that the items measuring Financial Literacy were consistent and appropriate to be used in the study and were considered to be financially reliable.

Reliability Statistics

Cronbach's Alpha	N of Items
.785	10

Table 4.5 Reliability Statistics (Financial Sustainability)

Reliability Statistics

Cronbach's Alpha	N of Items
.816	11

Table 4.5 Reliability Statistics (Financial Literacy)

Correlation Analysis

Correlations

		DV	IV
FS	Pearson Correlation	1	.524**
	Sig. (1-tailed)		<.001
	N	151	151
FL	Pearson Correlation	.524**	1
	Sig. (1-tailed)	<.001	
	N	151	151

**. Correlation is significant at the 0.01 level (1-tailed).

Table 4.6 Correlation Analysis

The Pearson correlation analysis was performed to check the relationship between Financial Literacy and financial Sustainability. The correlation analysis can be used to identify the type and strength of association between two continuous variables. A one-tailed significance test was employed in this study as the hypotheses suggested a directional relationship between the independent variable and dependent variable. Results showed there was a significant positive correlation between financial literacy and financial sustainability with a Pearson correlation value of $r = 0.524$ and $p < 0.001$. This indicates that the more people know about money and finance, the more they have chances to be financially sustainable. According to Cohen (1988) correlation coefficient value of 0.50 can be interpreted as large or strong correlation coefficient value in behavioural and social sciences research. The result also shows that financial literacy and financial sustainability had accounted for about 27.5% of variance implying that there was a significant relationship both the variables. The hypothesis for this study is strength of financial literacy and financial sustainability of youth in Johor is significantly connected in with positive correlation. To test this hypothesis, correlation between financial literacy (independent variable) and financial sustainability (dependent variable) was tested using

Pearson correlation technique. Correlation SPSS value indicates that the value of financial literacy and financial sustainability r = 0,524 and p value < 0,001. Both the variables are significant at 0.01 level as the value of significance is less than 0.01. Hence, this study is validated by the hypothesis. The positive correlation value is indicative of the fact that there is a relationship between financial literacy and financial sustainability. That is, as financial literacy of the young people rises then so does the likelihood of them becoming financially sustainable. In other words, when youths' financial knowledge, financial awareness, budgeting skill, saving behaviour and financial management are higher, then they have higher in likelihood of managing their financial resources better. This is a result that aligns with the idea that financial literacy is an important factor in helping people make informed financial choices, keep spending controlled, pay debts and have long-term financial stability taking care of their finances.

DISCUSSION AND CONCLUSION

Discussion on Research Hypotheses

There is a significant positive correlation between the research hypotheses on financial literacy and financial sustainability among youth population. The Pearson correlation analysis showed that the result is r = 0.524 and p < 0.001. The p-value is under 0.01 which is much less than 0.05, therefore the association between financial literacy and financial sustainability is statistically significant it means that the hypotheses is acceptable. This signifies that there is a significant positive correlation between financial literacy and financial sustainability of the youth in Johor. The positive relationship seen in this study shows that financial literacy and financial sustainability move in the same direction, meaning that higher financial literacy scores are accompanied by higher financial sustainability scores. This is in line with the Theory of Planned Behaviour (TPB) which suggests that behaviour is determined by behavioural intention, which in turn is determined by attitude, subjective norms and perceived behavioural control (Ajzen, 1991). Youth with more knowledge about finance and a better understanding about budgeting, saving, debt management and financial decision making are more likely to have positive financial attitudes, greater confidence in their ability to manage their finances and more responsible financial behaviours all of which are linked to financial sustainability in this study. The discovery is also in line with the earlier studies conducted, that financial literacy affects the ability of people to make financial decisions. Lusardi and Mitchell (2014) have found that financial literacy is associated with increased financial risk management, saving and planning. Likewise, Atkinson and Messy (2012) stated that financial literacy will increase the financial behavior as the individuals know how to handle their income, bills, savings and future financial needs. Hence, the results obtained in this study can be used to substantiate that financial literacy is significant in improving the financial sustainability of the youths in Johor. This result is important with regard to the relationship financial literacy and financial sustainability, but it should be interpreted carefully. The correlation analysis does not establish a cause and effect relationship, it merely demonstrates a relationship between two variables. Thus, the findings of the study can finalize that the financial literacy has significant relation with the financial sustainability but the study could not be concluded that the financial literacy is directly the reason for the financial sustainability. But the positive correlation which is moderate to strong indicates the importance of financial literacy and its need to be considered along with financial sustainability improvement among youth.

Limitation

The following are also some limitations of this study. Firstly, the study was only conducted on the youth of Johor. Therefore, the results might not be a representative of youth in different states/region in Malaysia. The financial literacy and financial sustainability of youth in different circumstances, contexts and locations may differ. Thus, the findings of this study can only be generalized to the people and context of this study. Secondly, the method used in this study was quantitative type which was adopted from responses to the questionnaires used. Though the survey is a very helpful way to have data gleaned from a greater number of respondents, it is limited by the respondents' honesty and understanding. The respondents might respond in a socially desirable manner instead of what they actually do when it comes to money. Consequently, the findings of the study might be affected by the fact that financial sustainability is related to personal financial behaviors such as spending, saving and financial commitment management. Another drawback of this research is that only correlation analysis was used, which is used to determine the direction and strength of the relationship between two variables. Does not identify cause and effect. The result was that there is a significant positive relationship between financial literacy and financial sustainability, but it cannot be concluded that financial literacy to financial sustainability is direct because it is a relationship. In the future, more advanced analysis methods of this causal effect, such as regression, mediation analysis or even longitudinal research design, can be used.

Recommendations

Based reported results suggests that the financial literacy program should be improved amongst the youth of Johor. Based on the positive and significant relationship between financial literacy and financial sustainability in this study, there is a need to design and introduce more financial education programmes by educational institutions, government and youth organisations. These programmes should be held which would include practical financial skills such as budgeting, saving, financial management, restrain on finance related issues, awareness on investment, long time financial planning, etc. Educating about financial literacy is also suggested to start from as young an age as possible. Financial education needs to be incorporated in the learning activities of schools, colleges and universities so that students get the important tips on financial management. In addition to theory, young people should be taught practical skills such as preparation of a monthly budget, understanding how to keep track of expenses, understanding loans and savings towards emergencies. This would enable them to have a clearer idea of how to manage their finances when they begin to officially work. Future recommendations would be to add additional variables that may impact financial sustainability. The financial attitude, financial behaviour and the income level, employment status and family background could be further factors to be analysed in future research studies. The sample may be extended to involve youth from other States in Malaysia to extend the generalisability of the findings. There is also a need for a qualitative study to gain insight into the financial difficulties experienced by young people, and their coping mechanisms for their financial needs.

CONCLUSION

To conclude, this study revealed that financial literacy is significantly positively related to financial sustainability of the youths in Johor. The results indicate that generally the financial literacy of the respondents was found to be moderate to very high and financial sustainability

was found to be very high, and also that the instruments used were reliable. Results from Pearson correlation show that the youths who have higher financial literacy are more likely to have better financial sustainability. Hence, there is a need to increase financial literacy to assist youths in making better financial decisions, which will help them manage their income properly, cut down on unnecessary spending and plan for the future for their financial well-being.

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ASSESSMENT OF KNOWLEDGE AND AWARENESS OF SUSTAINABILITY INITIATIVES AMONG EMPLOYEES IN AFRIMA CONSULTING ENGINEER SDN. BHD.

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ABSTRACT
Despite the growing importance of sustainability in the engineering sector, there is limited empirical evidence on the factors that influence employees' participation in sustainability initiatives within consulting engineering firms. Therefore, this study aims to examine the influence of employees' knowledge and awareness on sustainability initiatives at AFRIMA Consulting Engineer Sdn. Bhd. A quantitative research approach was adopted using structured questionnaires distributed to employees across various departments in AFRIMA. A total of 104 valid responses were obtained and analysed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics were used to summarise respondents' demographic characteristics, and multiple regression analysis was conducted to examine the effects of knowledge and awareness on sustainability initiatives. The results indicate that sustainability knowledge and awareness have a significant positive effect on employees' participation in sustainability initiatives. This study contributes to the growing body of knowledge on organisational sustainability by extending empirical evidence from the Malaysian consulting engineering sector. The findings have practical implications for organisational managers and policymakers, highlighting the importance of continuous sustainability training, effective communication, and organisational support to strengthen employees' knowledge, enhance sustainability awareness, and increase participation in sustainability initiatives, thereby supporting long-term organisational sustainability and competitiveness.

Keywords: Knowledge, Awareness, Sustainability Initiatives, Employees, AFRIMA Consulting Engineer

INTRODUCTION
Sustainability has become a critical issue for organisations worldwide, driven by growing concerns about environmental degradation, climate change, and resource depletion. Sustainability is defined as the ability to meet present needs while ensuring that future generations can meet their own needs (Diaz-Iglesias, Blanco-Gonzalez, & Orden-Cruz, 2021). In today's business environment, organisations are expected to integrate economic, environmental, and social considerations into their operations and strategic decision-making to achieve long-term sustainable development. Sustainability has evolved from a voluntary initiative into a strategic business priority embedded in organisational decision-making and operations. To achieve sustainability goals, organisations implement various initiatives, such as energy conservation, waste reduction and recycling programmes, carbon emission

reduction, sustainable procurement, community engagement, employee well-being programmes, and environmental awareness campaigns. These initiatives are designed to minimise environmental impacts, create social value, and enhance long-term organisational performance (Liu, Sahore, Gupta, Coppola, & Della Puca, 2026). The successful implementation of sustainability initiatives depends not only on organisational policies but also on employees' knowledge, awareness, and active participation. Employees who understand the objectives and benefits of sustainability initiatives are more likely to support and engage in sustainable workplace practices, thereby contributing to the achievement of organisational sustainability goals.

Knowledge and awareness are important factors that influence employee participation in sustainability initiatives. Employees with greater knowledge of environmental issues are generally more willing to support sustainability practices in the workplace (El-Shqeirat, 2024). However, awareness alone does not always lead to positive environmental behaviour. Various barriers, including lack of training, insufficient communication, and limited organisational support, can prevent employees from actively participating in sustainability activities (Hariani & Mardikaningsih, 2024). Therefore, organisations need to provide adequate training, clear communication, and supportive leadership to encourage employee engagement in sustainability efforts. In engineering organisations, sustainability is particularly important because engineering activities directly influence the use of natural resources, energy consumption, infrastructure development and environmental management. Engineers are increasingly expected to incorporate sustainability principles into project planning, design, and implementation (Azapagic, Perdan, & Shallcross, 2005). Consequently, engineering organisations must ensure that their employees possess sufficient knowledge and awareness of sustainability concepts to support sustainable business practices and decision-making processes.

AFRIMA Consulting Engineering Sdn. Bhd. is an engineering consultancy firm that contributes to the planning and development of engineering projects. As sustainability becomes increasingly important in the engineering sector, it is essential that AFRIMA employees understand and support sustainability initiatives implemented within the organisation. However, employees' knowledge, awareness, and participation may influence the effectiveness of these initiatives. Hence, employees who are not adequately informed or trained may have difficulty understanding the importance of sustainability and their role in achieving organisational sustainability objectives. Although numerous studies have examined sustainability awareness among university students and employees in manufacturing and service industries, limited research has focused on consulting engineering firms, particularly in Malaysia. Consequently, there is insufficient empirical evidence on how employees' knowledge and awareness influence sustainability initiatives within engineering consultancy organisations. This study addresses this gap by examining AFRIMA Consulting Engineer Sdn. Bhd. and providing practical recommendations to enhance employee engagement in sustainability initiatives. Therefore, this study aims to assess the knowledge and awareness of sustainability initiatives among employees of AFRIMA Consulting Engineering Sdn. Bhd.

LITERATURE REVIEW

Knowledge Attitude Behaviour (KAB) Theory

The Knowledge Attitude Behaviour (KAB) Theory explains that individuals' knowledge provides the foundation for developing positive attitudes, which subsequently influence their behaviour. The theory proposes that increasing knowledge about a particular issue enhances individuals' understanding and awareness, leading to favourable attitudes that promote behavioural change (Ramsey & Rickson, 1976). In the context of this study, sustainability knowledge refers to employees' understanding of sustainability concepts, organisational sustainability policies, and the environmental, social, and economic impacts of sustainability initiatives implemented (Radzi, Olateye, Saidi, Hassan, & Khumalo, 2025). Employees with greater sustainability knowledge are more likely to recognise the importance and benefits of sustainability practices within the organisation. The theory further suggests that positive awareness and attitudes encourage behavioural change. In this study, the behavioural outcome is employees' participation in sustainability initiatives, such as joining recycling programmes, reducing energy consumption, practising waste management, supporting sustainable engineering practices, and engaging in organisational sustainability activities (Indiran, Rizkiyah, Nian, & Na, 2025). Consequently, KAB theory provides a suitable theoretical foundation for explaining how sustainability knowledge and awareness influence employees' participation in sustainability initiatives within AFRIMA Consulting Engineering Sdn. Bhd. The theory supports the assumption that improving employees' knowledge through training, communication, and organisational learning will enhance their awareness and encourage greater participation in sustainability practices.

Overview of Sustainability Initiatives

Sustainability has become a critical issue for organisations because of increasing environmental challenges, resource scarcity, and rising stakeholder expectations. The World Commission on Environment and Development (1987) defined sustainability as development that meets present needs without compromising the ability of future generations to meet their own needs. Sustainability initiatives are organisational policies, programmes, and activities designed to improve environmental and social performance. Examples include waste reduction programmes, recycling campaigns, energy conservation measures, sustainable procurement practices, and environmental awareness activities (Mansour, Al-Ahmed, Shajrawi, Alshaketheep, & Alshurideh, 2025). The success of these initiatives depends largely on employees, as they are responsible for implementing sustainability practices in their daily work activities. Therefore, organisations need to ensure that employees possess adequate knowledge and awareness of sustainability-related issues.

Dimensions of Sustainability Initiatives

Knowledge

Knowledge refers to employees' understanding of sustainability concepts, environmental issues, and organisational sustainability policies. Knowledge is a fundamental prerequisite for developing sustainability awareness and environmentally responsible behaviour (Msengi, Doe, Wilson, & Fowler, 2019). According to Alhassani, Saleem, and Messner (2025), sustainability knowledge is particularly important in engineering-related professions, as

engineers play a significant role in designing and implementing solutions that affect environmental outcomes. Employees with greater sustainability knowledge are better able to understand environmental impacts and support sustainability initiatives within the organisation. Trivedi (2025) further argued that environmental knowledge positively influences employees' willingness to participate in sustainability-related activities. Therefore, knowledge is an important dimension when assessing employees' awareness of sustainability initiatives.

Awareness

Awareness refers to employees' recognition and understanding of sustainability issues and organisational sustainability efforts. It reflects the extent to which employees are aware of environmental challenges and understand the importance of sustainability within their workplace (El-Sheqirat, 2024). Employees with higher levels of sustainability awareness are generally more likely to engage in environmentally responsible behaviour and support organisational sustainability objectives. Hence, awareness also helps employees understand their role in achieving sustainability goals and encourages stronger commitment to sustainability initiatives.

Hypotheses Development

Knowledge is an important factor in promoting sustainable behaviour within organisations. Employees who have a stronger understanding of sustainability concepts are more likely to appreciate and support sustainability-related activities implemented by their organisations (Trivedi, 2025). Knowledge helps employees understand environmental challenges, organisational sustainability goals, and the benefits of sustainable workplace practices. Similarly, El-Sheqirat (2024) found that knowledge contributes to increased understanding and acceptance of sustainability initiatives. Therefore, employees with higher sustainability knowledge are expected to show stronger support for sustainability initiatives implemented within AFRIMA. Therefore, this research proposes the following hypotheses:

H_1 : Knowledge has a significant influence on sustainability initiatives in AFRIMA Consulting Engineering Sdn. Bhd.

Awareness is considered an important factor influencing employees' participation in sustainability initiatives, as it enables them to recognise the importance, objectives, and benefits of sustainable practices in the workplace. Employees who are aware of organisational sustainability policies and environmental issues are more likely to support and actively participate in sustainability initiatives. Recent studies indicate that sustainability awareness through education, communication, and organisational engagement enhances their willingness to adopt sustainable practices and contribute to organisational sustainability goals (Msengi et al., 2019; Michael, Sumilan, Bandar, Hamidi, Jonathan, & Md Nor, 2020). Therefore, employees with higher sustainability awareness are expected to participate more actively in sustainability initiatives implemented by AFRIMA Consulting Engineering Sdn. Bhd. Therefore, this research proposes the following hypotheses:

H_2 : Awareness has a significant influence on sustainability initiatives in AFRIMA Consulting Engineering Sdn. Bhd.

Conceptual Framework

The conceptual framework is shown in the figure below. The study's dependent variable is sustainability initiatives, while the independent variables are knowledge and awareness.

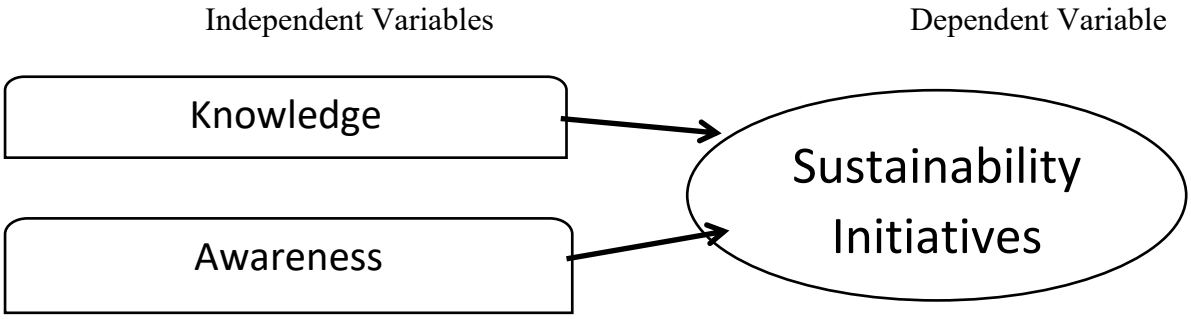

Figure 1. Research Framework

METHODOLOGY

This study adopted a quantitative research design using a cross-sectional survey to examine the influence of employees' knowledge and awareness on sustainability initiatives in AFRIMA Consulting Engineer Sdn. Bhd. A quantitative approach was considered appropriate because it enables the collection of numerical data and facilitates statistical analysis to test the proposed hypotheses. Data were collected using a structured questionnaire developed with Google Forms. The questionnaire was adapted from previous studies on sustainability knowledge, awareness, and initiatives, with minor modifications to suit the context of AFRIMA Consulting Engineer Sdn. Bhd. The instrument comprised three sections. Section A collected respondents' demographic information, including gender, race, age, academic qualification, department, position level, and years of service. Section B measured employees' knowledge and awareness of sustainability initiatives, while Section C assessed employees' perceptions of sustainability initiatives implemented within the organisation. All measurement items were rated on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The target population comprised employees of AFRIMA Consulting Engineer Sdn. Bhd. from various departments and organisational levels. Based on Cohen's (1992), sample size recommendation for multiple regression analysis with two independent variables, a minimum of 97 respondents was required. A total of 104 completed questionnaires were collected and used for data analysis. The collected data were analysed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics, including frequencies and percentages, were used to summarise the respondents' demographic characteristics. Multiple regression analysis was conducted to examine the influence of knowledge and awareness on sustainability initiatives. The regression model was evaluated using the coefficient of determination (R^2), ANOVA, standardised beta coefficients, t values, and p values to assess the significance and strength of the relationships between the study variables.

FINDINGS

Demographic Analysis

A total of 104 employees from AFRIMA Consulting Engineer Sdn Bhd participated in this study. The demographic profiles of the respondents are presented in Table 1. The findings indicate that 56.7% (n = 59) of respondents were male, while 43.3% (n = 45) were female. In terms of race, the majority were Malay (51.9%), followed by Indian (37.5%), Chinese (9.6%), and others (1.0%). Regarding age, the largest group was 35–44 years old (33.7%), followed by 26–34 years (31.7%), 45 years and above (25.0%), and below 25 years (9.6%). Regarding academic qualifications, most respondents held an undergraduate degree (70.2%), while 22.1% had a master's degree, 6.7% held a PhD, and 1.0% reported other qualifications. More than half of the respondents (52.9%) worked in the Engineering Department (Mechanical & Electrical, Overhead Line, and Geotechnical), followed by Finance (15.4%), Human Resources/Administration (13.5%), IT (8.7%), Tender (6.7%), and other departments (2.9%). Regarding position level, most respondents were Executives (52.9%), followed by heads of department (21.2%), non-executives (17.3%), top management (4.8%), and others (3.9%). Lastly, in terms of years of service, 37.5% had worked at AFRIMA for 1–3 years, followed by 4–6 years (25.0%), less than one year (21.2%), and 7 years or more (16.3%).

Table 1 Respondents Demographic Analysis Result

No.	Demographic	Frequency (N)	Percentage (%)
1.	**Gender:**		
	Male	59	56.7
	Female	45	43.3
2.	**Race:**		
	Malay	54	51.9
	Indian	39	37.5
	Chinese	10	9.6
	Other	1	1.0
3.	**Age:**		
	Below 25 years old	10	9.6
	26 – 34 years old	33	31.7
	35 – 44 years old	35	33.7
	45 years old and above	26	25.0

4.	**Academic Qualification:**		
	Undergraduate	73	70.2
	Master	23	22.1
	PHD	7	6.7
	Other	1	1.0
5.	**Department:**		
	Human Resources / Administration	14	13.5
	Finance	16	15.4
	Engineering (M&E / OHL /GEOTECH)	55	52.9
	IT Department	9	8.7
	Tender Department	7	6.7
	Other	3	2.9
6.	**Position Level:**		
	Top Management	5	4.8
	Head of Department	22	21.2
	Executive	55	52.9
	Non-Executive	18	17.3
	Other	4	3.9
7.	**Years of Service at AFRIMA:**		
	Less than 1 year	22	21.2
	1 – 3 years	39	37.5
	4 – 6 years	26	25.0
	7 years and above	17	16.3

Multiple Regression Analysis

Multiple regression analysis was used to examine the influence of knowledge and awareness (independent variables) on sustainability initiatives (dependent variable). In this study, multiple regression analysis was conducted to test the following hypotheses:

H1: Knowledge has a significant influence on sustainability initiatives in AFRIMA Consulting Engineering Sdn. Bhd.

H2: Awareness has a significant influence on sustainability initiatives in AFRIMA Consulting Engineering Sdn. Bhd.

Table 2 Multiple Regression Analysis Result (Model Summary & ANOVA[a])

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.587	0.345	0.332	0.39313
	F		Sig	
	26.300		0.001***	

Notes: ***significant on α = 0.001, ** significant on α = 0.005, * significant on α = 0.05
Source: Hussin et al. (2014)

The multiple regression analysis results, including the Model Summary and ANOVA outputs, are presented in Table 2. The R^2 value indicates the proportion of variation in the dependent variable explained by the independent variables. According to the table, the R^2 value is 0.345, meaning that 34.5 per cent of the variation in sustainability initiatives is explained by the two independent variables: knowledge and awareness. Furthermore, the ANOVA results show that the F value is 26.300 with a p-value of 0.001, which meets the rule of thumb of α = 0.001. Therefore, the results indicate that the regression model is statistically significant and that both independent variables jointly contribute to explaining variation in the dependent variable.

Table 3 Multiple Regression Analysis Result (Coefficients[a])

Model	Independent Variables	Standardised Beta	t	Sig.
1	Knowledge	0.354**	3.144	0.002
	Awareness	0.283*	2.514	0.014

Notes: Dependent variable: Sustainability Initiatives *Significant at $p < 0.05$ ($t > 1.645$); **Significant at $p < 0.01$ ($t > 2.326$); ***Significant at $p < 0.001$ ($t > 3.090$) Source: Hussin et al. (2014)

The table above presents the coefficient results. The findings show that both independent variables, namely knowledge and awareness, have significant positive effects on sustainability

initiatives. The p-value for knowledge is 0.002, which is lower than the second rule-of-thumb threshold (0.01). In addition, the t-value is valid, as it is above 2.326. Meanwhile, the p-value for awareness is 0.014, which is less than the first rule-of-thumb threshold ($p < 0.05$), with a t-value of 2.514, which is greater than 1.645. Furthermore, the standardised beta value for knowledge is $\beta = 0.354$, while the beta value for awareness is $\beta = 0.283$. These findings indicate that both knowledge and awareness positively influence sustainability initiatives. In other words, the greater the beta coefficients for knowledge and awareness, the stronger their impact on sustainability initiatives. From the analysis above, it can be concluded that H1 (knowledge significantly influences sustainability initiatives) and H2 (awareness significantly influences sustainability initiatives) are supported in this study.

DISCUSSION

The findings indicate that both knowledge of sustainability and awareness have a significantly positive influence on employees' sustainability initiatives at AFRIMA Consulting Engineer Sdn. Bhd. Knowledge of sustainability was found to be the strongest predictor of employees' sustainability initiatives ($\beta = 0.354$, $t = 3.144$, $p = 0.002$), supporting Hypothesis 1 (H1). This finding suggests that employees with a stronger understanding of sustainability concepts are more likely to adopt sustainable practices in their daily work. The result is consistent with previous studies by Msengi et al. (2025). Therefore, these findings reinforce the view that enhancing employees' sustainability knowledge can increase their active participation in organisational sustainability initiatives. Awareness of sustainability initiatives also had a significant positive effect on employees' participation in sustainability initiatives ($\beta = 0.283$, $t = 2.514$, $p = 0.014$), supporting Hypothesis 2 (H2). This finding suggests that employees who are aware of the organisation's sustainability policies, programmes, and objectives are more likely to actively support and participate in sustainability initiatives within the organisation. It is consistent with the findings of Mansour et al. (2025), who reported that employees with greater environmental awareness are more likely to participate in organisational sustainability initiatives. Similarly, El-Sheqirat (2024) found that employees who are aware of organisational environmental goals and receive adequate communication are more willing to engage in workplace environmental initiatives. Therefore, the present findings indicate that increasing employees' awareness through effective communication, training, and organisational support can enhance their participation in sustainability initiatives at AFRIMA Consulting Engineering Sdn. Bhd.

CONCLUSION

This study examined the influence of employees' knowledge of sustainability and their awareness of sustainability initiatives on the implementation of sustainability initiatives at AFRIMA Consulting Engineer Sdn. Bhd. The findings revealed that both variables have a significant positive effect on employees' sustainability initiatives, with knowledge of sustainability identified as the stronger predictor. These results indicate that employees who possess greater sustainability knowledge and are more aware of the organisation's sustainability initiatives are more likely to actively support and participate in sustainable workplace practices. The findings highlight the importance of employees' sustainability knowledge and awareness through continuous training, effective communication, and active involvement in sustainability programmes. By fostering a strong sustainability culture, AFRIMA Consulting Engineering Sdn. Bhd. can improve employee engagement and enhance

the effectiveness of its sustainability initiatives. Although this study was limited to employees of a single engineering consultancy firm, it provides valuable insights into the factors influencing employees' participation in sustainability initiatives within the consulting engineering sector. Future research should include a larger sample from different engineering consultancy firms and other industries to improve the generalisability of the findings. In addition, future studies may examine other factors, such as organisational support, leadership commitment, sustainability training, and organisational culture, that could influence employees' participation in sustainability initiatives. Overall, this study reinforces the importance of enhancing employees' sustainability knowledge and awareness as main drivers of participation in sustainability initiatives, thereby contributing to the long-term sustainability and competitiveness of engineering consultancy organisations.

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EVALUATING THE EFFECTIVENESS IN MANAGING THE COMPLEX PRODUCTION COSTS OF INTERNAL COMBUSTION ENGINE (ICE) VS. ELECTRIC VEHICLE (EV) ASSEMBLY

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ABSTRACT
This study examines the relationship between manufacturing processes, labour requirements, material costs, and technological innovations on production costs of internal combustion engine (ICE) and electric vehicle (EV) assembly in Malaysia. A quantitative cross-sectional survey was conducted among 384 automotive industry employees in Klang Valley using structured questionnaires and analyzed with SPSS. Findings reveal that three factors significantly influence production costs, with material costs identified as the most critical driver, particularly due to reliance on battery-related raw materials in EVs. Labour requirements and manufacturing complexity further increase EV production costs compared to ICE vehicles. However, technological innovation improves efficiency but does not immediately reduce costs. Overall, EV production remains costlier due to supply chain constraints and material dependencies.

Keywords: Internal Combustion Engine, Electric Vehicles, Manufacturing, Production, Costs

INTRODUCTION
Over the past few decades, the main factors that have been all contributed to substantial changes in the automotive sector include technical breakthroughs, shifting customer preferences, and stricter environmental restrictions. One of the most revolutionary advances is the switch from internal combustion engine (ICE) vehicles to electric vehicles (EVs). According to Gnanavendan et al. (2024), even though ICE vehicles have dominated transportation for more than a century, the increase in cutting the carbon emissions and reliance on fossil fuels has led to a sharp increase in the use of EV all over the world. Furthermore, over many years, manufacturers have refined the production of ICE vehicles by having to create complicated supply chains and production systems that effectively manage the intricate assembly of parts like engines, fuel systems, and exhaust systems.

Background of Study
Over many years, manufacturers have refined the production of ICE vehicles by having to create complicated supply chains and production systems that effectively manage the intricate assembly of parts like engines, fuel systems, and exhaust systems. According to Rani and Jayapragash (2024), due to these procedures having been improved to lower expenses and boost output, ICE automobiles are now reasonably priced for many kinds of customers. As

EVs become more widely used, there is a need to understand the economic factors that drive production costs that eventually are crucial in determining the competitiveness of EV against traditional ICE vehicles.

Problem Statement

The main causes of these discrepancies due to technological advancements, supply chain complexity, and battery production prices. The cost of batteries, which account for roughly 30–40% of the entire production cost of a conventional electric vehicle, has a relatively huge impact on the cost of producing an EV (Koniak et al., 2024). At the global perspective, EV production costs are further complicated by the global automobile industry's reliance on a convoluted web of multinational supplier chains. For example, in the year 2024, the United States levied tariffs of up to 25% on Chinese imports of EVs and EV batteries, which eventually increased the cost of production for manufacturers (Dunn et al., 2023). Meanwhile in Malaysia, even though Malaysia is gradually becoming an EV-friendly market, local manufacturers still have a hard time controlling the production costs related to EV assembly. In comparison to other nations like China or Norway, Malaysia's automotive industry is still significantly dependent on the production of ICE vehicles. According to Sang et al. (2024), that only roughly 1.5% of new cars sold in Malaysia were EVs in the year 2023 which eventually it was a significantly less than the 20% market share of EVs in China, one of the world's top automakers. The main gap in the body of available knowledge is the absence of a thorough and integrated analysis of the numerous and interacting factors that influence production costs for ICE vehicles in comparison to EVs. In addition, the regional specificity of current research is another important gap. Most studies often concentrate on developed EV markets where EV adoption is already well-established, like China, Europe, or the United States (Houache et al., 2022). However, the cost dynamics of EV manufacture are greatly impacted by the difficulties that emerging countries like Malaysia confront, such as the absence of domestic battery production, inadequate charging infrastructure, as well as less encouraging EV regulations.

Research Objectives

The aim of this study is:

RO1: To examine the relationship between manufacturing processes and production costs of ICE and EV assembly.

RO2: To analyse the relationship between labour requirements and production costs of ICE and EV assembly.

RO3: To review the relationship between material costs and production costs of ICE and EV assembly.

RO4: To investigate the relationship between technological innovations and production costs of ICE and EV assembly.

Research Questions

The study addresses the following questions:

RQ1: What is the relationship between manufacturing processes and production costs of ICE and EV assembly?

RQ2: What is the relationship between labour requirements and production costs of ICE and EV assembly?

RQ3: What is the relationship between material costs and production costs of ICE and EV assembly?

RQ4: What is the relationship between technological innovations and production costs of ICE and EV assembly?

Significances of the Study

This study offers the researcher a chance to offer fresh perspectives on the shifting dynamics of the automobile industry. The researcher will close a gap in the literature, which has mostly focused on developed markets like the U.S., Europe, and China, by critically analysing the production cost discrepancies between ICE and EVs as well as addressing the regional issues unique to Malaysia. In conjunction to that, this research will further assist the researcher better comprehend the intricate aspects driving production decisions by having to engage with interdisciplinary domains like manufacturing economics, technology adoption, and policy analysis. Furthermore, the researcher will also be able to provide a more nuanced view of the future of EV manufacturing, particularly in emerging nations.

Scope of Study

The main objective of this study is to evaluate important cost factors that affect production costs for both ICE and EV assembly, like manufacturing processes, labour requirements, material costs and technology innovations, especially in the context of Malaysia's automotive industry. This study will use a quantitative research approach and a structured questionnaire to collect data from pertinent automotive industry stakeholders, like manufacturers, legislators, and supply chain managers. In such that, the study will focus on mid-to-senior level managers and industry specialists who are directly involved in the manufacture, assembly, or policymaking of automobiles in Malaysia. A sample size of between 500-600 people will be surveyed about guarantee adequate representation of the industry.

LITERATURE REVIEW

This chapter further highlighted the concept and classifications of production costs of ICE and EV assembly, manufacturing processes, labour requirements, material costs, technological innovations, related theories, hypotheses development and conceptual framework.

Production costs of ICE and EV assembly

The total costs associated with the production of both ICE and EVs can be referred to as production costs and it include labour, material, technology, and overhead costs, whereby all of which have a direct impact on the relative financial viability of vehicle production (Dunn et al., 2022). The production costs of ICE and EV assembly are fundamentally different, reflecting the technological maturity, supply chain complexity, and material specificity inherent in both systems. Critically, ICE production benefits from decades of process optimisation, which results in relatively stable cost structures with known labour, material, and administrative costs (Pramod et al., 2024).

Manufacturing processes

Manufacturing processes can be referred to as the techniques, technologies, and systems used to construct ICE and EV automobiles that include the effect production speed, efficiency, and

cost-effectiveness (Arvidsson et al., 2022). Gnanavendan et al. (2024) used machine-hour rates, depreciation, tooling, and energy usage to assess the production costs of permanent magnet synchronous machines (PMSMs) for electric vehicles. Their analysis revealed a strong sensitivity of overall costs to production volume and machine utilization, with manufacturing processes, rather than raw material costs, dominating unit costs at lower quantities.

Labor requirements

The labour requirement in this study can be referred to as the quantity and kind of labour required for the assembly of ICE and EVs, like specialised skills for battery installation and electric powertrains (Rani & Jayapragash, 2024). Osatis and Asavanirandorn (2022) used shop-floor process data and a PBCM to estimate labour hours for manufacturing powertrain components (ICE vs BEV). Their approach estimates labour intensity throughout 252 production steps by integrating cycle times, batch sizes, yield rates, machine use, and worker hours from real-world industry sources. Their findings reveal that BEV powertrain components require much more labour hours than ICE counterparts when battery production is included in, with BEV labour intensity exceeding ICE even under high efficiency scenarios.

Material Costs

The term material costs refer to the costs of obtaining and using raw materials in the manufacturing of ICE and EVs, particularly the acquisition of parts like batteries, metals, and fuel systems (Ali et al., 2025). Veza et al. (2023) analysed the component costs of B-segment EVs and corresponding ICE vehicles, utilising expert workshops and material cost aggregation to identify cost discrepancies. Their methodology breaks down overall delivery costs into manufacturing, logistical, and material categories, indicating that EVs have material costs that are around 65% more than ICE counterparts due to the weight of battery packs and associated electrical systems.

Technological Innovations

Technological innovations refer to advancements in manufacturing, battery technology, and automation which could eventually decrease the production costs and enhance the efficiency of both ICE and EV production, which influence the overall cost structure and competitiveness in the automotive industry (Forsythe et al., 2023). The research conducted by Forsythe et al. (2023) employed a difference-in-differences econometric model to evaluate how assembly line automation affects per-unit costs in ICE and EV plants. The collection included plant-level cost and output statistics from six global assembly plants during an eight-year period. While automation lowered direct labour costs in ICE assembly by 12-18% during the period, it only reduced total production costs in EV assembly by 4-7% due to the overriding cost share of battery systems, which are generally manual or semi-automated.

Underpining Theories

Resource-Based View (RBV) Theory

The RBV theory emphasises that a company's competitive advantage stems from its capacity to acquire, develop, and strategically manage valuable, unique, inimitable, and non-substitutable resources (Nayak et al., 2023). In the context of automobile manufacturing, RBV offers a critical lens through which to study how the strategic management of physical,

technological, and human resources influences ICE and EV car production costs. ICE manufacture takes advantage of abundant, standardised mechanical resources such as engine components, steel, and traditional fuel systems whose developed supply chains and known costs decrease risk and unpredictability (Tsou & Kim, 2025). These resources, while cost-effective, provide little opportunity for strategic differentiation, showing incremental rather than transformational cost advantages.

Technology-Organization-Environment (TOE) Framework

The TOE framework provides a complete view of how technological adoption, organisational capabilities, and external environmental forces interact to determine production cost structures in ICE and EV manufacturing (Mishra et al., 2025). Unlike ICE assembly, which is based on mature, standardised production technologies, EV manufacturing necessitates the use of cutting-edge technologies such as high-voltage battery assembly systems, automated powertrain installation, and advanced quality control sensors (Pramod et al., 2024). Critically, the TOE framework emphasises that technology advances alone cannot ensure efficiency or cost savings; they must be accompanied by organisational readiness and environmental alignment.

Hypotheses Development

The following hypothesis are formulated for the research:

H1: There is a significant relationship between manufacturing processes and production costs of ICE and EV assembly.

H2: There is a significant relationship between labour requirements and production costs of ICE and EV assembly.

H3: There is a significant relationship between material costs and production costs of ICE and EV assembly.

H4: There is a significant relationship between technological innovations and production costs of ICE and EV assembly.

Conceptual Framework

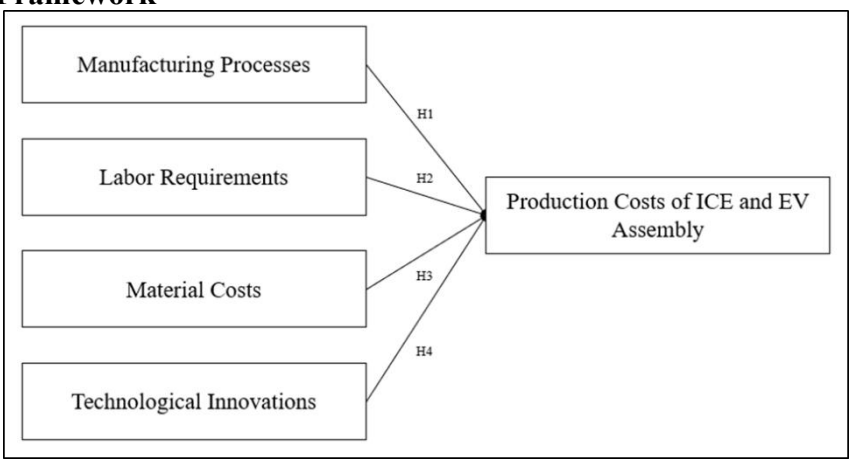

Figure 2.1. Research Framework

METHODOLOGY

This chapter explained the research design, sample, data collection method, questionnaire, and data analysis used in this study.

Research Design

This study uses a quantitative research design to assess and compare the production cost structures of ICE and EV assembly processes. A quantitative approach is ideal since it provides for numerical variable measurement as well as statistical examination of the correlations between cost drivers and total production cost efficiency. The study used a cross-sectional design, with data collected at a specific point in time from respondents working in the car manufacturing industry. In addition, the study adopts a survey method, with a structured questionnaire serving as the major data gathering instrument. The questionnaire is divided into sections that address manufacturing processes, manpower needs, material costs, technological advancements, and perceived production cost differences between ICE and EV systems. Each item is evaluated on a 5-point Likert scale to guarantee consistency and statistical reliability.

Population and Sampling Technique

This study's demographic consists of employees who work in the automotive manufacturing industry in Malaysia's Klang Valley region which is 2.4 million employees (Department of Statistics, 2025).

Sampling Technique and Size

This study selects respondents using a non-probability sampling technique, specifically convenience sampling. Meanwhile, the sample size for this study is calculated using the Krejcie and Morgan sampling table and method, which is widely accepted for generating suitable sample sizes in quantitative. Due to the population surpasses one million, as per the Krejcie and Morgan, it suggests 384 respondents is required to accurately represent the population.

Design Questionnaire

The questionnaire was prepared to collect data from the respondents. The questionnaire is organised into six main sections which include Section A (Demographic Profile), Section B (ICE and EV Assembly Production Costs), Section C (Manufacturing Processes), Section D (Labour Requirements), Section E (Material Costs), and Section F (Technological Innovations).

Data Collection Method

This study uses a structured questionnaire to acquire quantitative data from respondents in Malaysia's car manufacturing industry. The questionnaire for this study is self-administered and uses a 5-point Likert scale ranging from "1-strongly disagree" to "5-strongly agree." Data is collected through both physical distribution and online platforms such as Google Forms. In addition, this study employs a cross-sectional data collection strategy, in which data is collected at a specific point in time.

RESULT AND DISCUSSION

This chapter is consisting of results of the study based on the data collected from 384 respondents. Data was gathered from Google Forms questionnaire that had been sent to employees in manufacturing companies in Klang Valley. The collected data was analyzed using SPSS version 31.0. The analysis included demographic analysis, descriptive, reliability, correlation, and regression analysis.

Demographic Analysis

The workforce in the manufacturing and automotive sectors is predominately male, with 278 respondents (72.4%) being male and 106 respondents (27.6%) being female. In terms of age distribution, 211 respondents (54.9%) are between the ages of 26 and 35. The next age groups are 36–45 years old (107 respondents, or 27.9%), 46–55 years old (36 respondents, or 9.4%), and 18–25 years old (28 respondents, or 7.3%). The workforce is primarily made up of young to mid-career professionals, as only 2 respondents (0.5%) are 56 years of age or older. Meanwhile, in terms of educational attainment, 334 respondents (87.0%) have a bachelor's degree. 28 respondents (7.3%) have a diploma, 16 respondents (4.2%) have a PhD, and 6 respondents (1.6%) have a master's degree. This points to a highly educated workforce, which is crucial for managing intricate production cost processes in the manufacturing of ICE and EVs. Furthermore, most respondents (332 respondents, 86.5%) have four to six years of work experience, followed by one to three years (28 respondents, 7.3%), seven to ten years (18 respondents, 4.7%), and more than ten years (6 respondents, 1.6%). Finally, most respondents come from Quality Assurance (130 respondents, 33.9%), Supply Chain (118 respondents, 30.7%), and R&D (112 respondents, 29.2%), followed by Production/Assembly (10 respondents, 2.6%) and Others (14 respondents, 3.6%).

Demographics		**Frequency**	**Percentage (%)**
Gender	Male	278	72.4
	Female	106	27.6
	Total	384	100.0
Age	18-25 years old	28	7.3
	26-35 years old	211	54.9
	36-45 years old	107	27.9
	46-55 years old	36	9.4
	56 years old and above	2	0.5
	Total	384	100.0
Education Level	Diploma	28	7.3
	Bachelor’s Degree	334	87.0
	Master’s Degree	6	1.6
	PhD	16	4.2
	Total	384	100.0

Years of Experience in Automotive Manufacturing	1-3 years	28	7.3
	4-6 years	332	86.5
	7-10 years	18	4.7
	More than 10 years	6	1.6
	Total	384	100.0
Department or Role	Production/ Assembly	10	2.6
	R&D	112	29.2
	Quality Assurance	130	33.9
	Supply Chain	118	30.7
	Others	14	3.6
	Total	384	100.0

Table 4.1: Respondents Demographic Analysis Result

Descriptive Analysis

Descriptive analysis is used to summarize and interpret data to understand its characteristics and patterns. The purpose is to provide a clear overview of the data and identify the meaningful information without drawing conclusions or making inferences beyond the observed results. Table 4.2 shows at 4.50 (SD = 0.37), technological innovations had the highest mean, indicating that respondents firmly believe that technical innovation is essential to efficiently controlling production costs. Also, there have been a strong relation on their significance is shown by material costs' mean of 4.37 (SD = 0.38) and labour requirements' mean of 4.30 (SD = 0.40). manufacturing processes has the lowest mean at 4.06 (SD = 0.40), yet it still demonstrates agreement, whereas production costs of ICE and EV Assembly have a mean of 4.27 (SD = 0.40). The comparatively low standard deviation values (0.37–0.40) indicate limited variation in perceptions across all dimensions, suggesting consistent responses across individuals.

Constructs	Mean	Standard Deviation
Production Costs of ICE and EV Assembly	4.27	0.40
Manufacturing Processes	4.06	0.40
Labor Requirements	4.30	0.40
Material Costs	4.37	0.38
Technological Innovations	4.50	0.37

Table 4.2: Descriptive Statistics

Reliability test

Reliability refers to consistency and dependability of a measurement instrument in producing stable and accurate results under repeated conditions. Table 4.3 shown the findings of Cronbach's Alpha for the dependent variable and independent variables. With $\alpha = 0.71$, production costs of ICE and EV assembly show a high degree of dependability. Meanwhile, for labour requirements ($\alpha = 0.60$), material costs ($\alpha = 0.60$), technological innovations ($\alpha = 0.61$), and manufacturing processes ($\alpha = 0.69$) all exhibit reasonable reliability. All constructs

reach acceptable reliability levels overall, indicating consistent measurement items appropriate for the study's additional statistical analysis and hypothesis testing.

Constructs	No. of Items	Cronbach's Alpha	Interpretation
Production Costs of ICE and EV Assembly	5	0.71	Good
Manufacturing Processes	5	0.69	Moderate
Labor Requirements	5	0.60	Moderate
Material Costs	5	0.60	Moderate
Technological Innovations	5	0.61	Moderate

Table 4.3: Reliability Statistics for Study Variables

Table 4.4 shows the overall reliability result for all questionnaire items. The Cronbach's Alpha value for all 25 items is 0.80, which falls under the excellent category. This indicated that the questionnaire has a high level of internal consistency. Overall, the reliability test shows that all variables recorded Cronbach's Alpha values above 0.7. This means that the questionnaire items that used in this study are reliable, consistent, and appropriate for further examining.

N of Items	Cronbach's Alpha	Interpretation
25	0.80	Excellent

Table 4.4: Overall Reliability Statistics

Correlation Analysis

Correlation analysis was conducted to examine the relationship between subscription-based apps usage and the independent variables. Spearman correlation was used to identify the strength and direction of the relationship between the variables. Based on Table 4.5, all relationships between the variables were positive and significant, with p-values of less than 0.001. Manufacturing processes (r = 0.47), labour requirement (r = 0.43), material costs (r = 0.55), and technological innovations (r = 0.34) all have significant positive correlations with production costs of ICE and EV assembly. This implies that manufacturing processes, labour requirements, material costs, and technological innovations are strongly correlated with production costs of ICE and EV assembly.

	MP	LR	MC	TI	PCIE
Manufacturing Processes	1				
Labor Requirements	0.47**	1			
Material Costs	0.46**	0.54**	1		
Technological Innovations	0.38**	0.42**	0.41**	1	
Production Costs of ICE and EV Assembly	0.47**	0.43**	0.55**	0.34**	1

Note: Correlation is significant at the 0.01 level (2-tailed). N=139

Table 4.5: Correlation Analysis

Multiple Regression Analysis

Multiple regression analysis was conducted to examine the influence of manufacturing processes, labour requirements, material costs, and technological innovations on production costs of ICE and EV assembly. Based on table 4.6, the R value is 0.61, indicate a strong positive relationship between independent variables and production costs of ICE and EV assembly. The R Square is 0.37, which means that 37% of the variation in production costs of ICE and EV assembly can be explain by manufacturing processes, labour requirements, material costs, and technological innovations. The remaining 63 may be explained by other factors not included in this study. The adjusted R Square value is 0.36, showing the model still explains 36% of the variance after considering the number of predictors. The significance value is less than 0.01, which is below 0.05. Therefore, the regression model is statistically significant.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F Change	Sig. F Change
1	0.61	0.37	0.36	0.32	56.51	0.00

Table 4.6: Model Summary of Multiple Regression Analysis

Based on Table 4.7, there were three variables (manufacturing processes, labour requirements, material costs) have significant positive effects on production costs of ICE and EV assembly because their significance value is below 0.05. While there was one variable (technological innovations) that has not had significant effects on production costs of ICE and EV assembly. Material costs the highest Beta Value of 0.36, followed by manufacturing processes with 0.23, then labour requirements with 0.10 and technological innovations with 0.06. This shows that material costs are the strongest predictor of production costs of ICE and EV assembly in manufacturing companies in Klang Valley.

Item	Standard Beta	(t)	Significance (p)
Manufacturing Processes	0.23	4.77	0.00
Labor Requirements	0.10	1.93	0.05
Material Costs	0.36	7.09	0.00
Technological Innovations	0.06	1.37	0.17

Table 4.7: Regression Coefficient Analysis

Based on Table 4.8, there were three hypotheses were supported because the significance values for manufacturing processes, labour requirements, material costs were below 0.05. While technological innovations were rejected due to significance value is more than 0.05. Therefore, H1, H2, and H3 were accepted and H4 was rejected.

No.	Hypotheses	p-value	Interpretation
H1	There is a significant relationship between manufacturing processes and production costs of ICE and EV assembly.	0.00	Accepted
H2	There is a significant relationship between labor requirements and production costs of ICE and EV assembly.	0.05	Accepted
H3	There is a significant relationship between material costs and production costs of ICE and EV assembly.	0.00	Accepted
H4	There is a significant relationship between technological innovations and production costs of ICE and EV assembly.	0.17	Rejected

Table 4.8: Hypothesis Supported by Results

CONCLUSION AND RECOMMENDATIONS

This chapter summarizes the main findings of the study. It also explains the limitations and provides recommendations for future researchers.

Conclusion

Based on the findings, the results show that production costs in both ICE and EV assembly systems are significantly influenced by manufacturing processes. This result is further supported by Cotterman et al. (2024), the manufacture of EVs necessitates the use of increasingly sophisticated assembly systems, which call for flexible manufacturing lines and ongoing process modifications. Secondly, labour requirements have a significant relationship on production costs in both ICE and EV assembly systems, with the effect being more pronounced in EV manufacture. This is consistent with the RBV, which highlights human capital as an essential organisational resource that has a direct impact on operational effectiveness. According to Chen et al. (2024), labour is more specialised and intense in EV manufacturing, necessitating ongoing training and upskilling to keep up with production systems' technological improvements. Third, the results unequivocally show that the most important element affecting production costs in both ICE and EV assembly systems is material costs. According to Kamble et al. (2023), EV material costs vary greatly because of reliance on essential minerals, while ICE material costs are comparatively stable because of established supply systems involving steel and aluminium. Fourth, the findings show that while technology innovations are generally seen as crucial for increasing manufacturing efficiency, they do not immediately result in appreciable lower production costs inside ICE and EV assembly processes. This interpretation is supported by Xia and Li (2022), which mentioned that operational disturbances and difficulties with system integration can cause short-term inefficiencies in EV manufacturing.

Limitations of The Study

First, the study uses a cross-sectional research approach, in which information is gathered all at once. Although this method works well for documenting present attitudes in the automobile sector, it makes it impossible to track changes over time. Second, rather than using real cost data, the study uses a quantitative survey method with Likert-scale replies to capture respondents' impressions. Third, the study employs a convenience sample method in the automobile sector of the Klang Valley. This restricts the findings' applicability to the larger car manufacturing sector in Malaysia or other nations, even though it enables effective data collecting from pertinent respondents. Fourth, the study's geographical scope is restricted to the Malaysian car manufacturing sector, specifically the Klang Valley. Cost structures and industrial maturity levels vary greatly between countries like China, Japan, and European countries, despite Malaysia being an emerging hub for automotive and electric vehicle development. Finally, the study only looks at four key factors: labour needs, material costs, production procedures, and technological advancements. Other significant cost drivers, however, were left out, including energy use, the effectiveness of logistics, government policy incentives, and the expenses associated with environmental compliance.

Recommendation of The Study

Recommendation for Automotive Industry Practice

Automakers should give top priority to improving supply chain resilience and material cost management techniques since material costs are found to be the main factor influencing the difference in manufacturing costs between ICE and EV assembly. Furthermore, manufacturers should establish long-term strategic alliances with suppliers, obtain fixed-price or hedging contracts whenever feasible, and make investments in local sourcing of essential components to lessen this problem.

Recommendation for Technology Implementation

Automobile companies should take a methodical, staged approach rather than implementing technology quickly and widely. Additionally, producers want to concentrate on data-driven production technologies that facilitate process optimization, quality assurance, and predictive maintenance.

Recommendation for Future Researchers

It is recommended that future studies broaden the scope of this study by comparing the cost structures of ICE and EV production over time and across national borders. Furthermore, future research should also consider other elements that are progressively affecting the economics of automobile manufacture, such as energy consumption costs, logistical efficiency, government policy incentives, and the implications of carbon taxes. Lastly, future studies could also think about employing a mixed-method approach, which combines qualitative interviews with industry experts with quantitative analysis.

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THE INFLUENCE OF TAX KNOWLEDGE, TAX SIMPLICITY AND TAX MORALE ON TAXPAYER COMPLIANCE BEHAVIOR IN MALAYSIA

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ABSTRACT
In this study, the determinants of tax compliance behavior of salaried taxpayers in the Klang Valley, Malaysia, under the fully Self-Assessment System (SAS) will be explored. Drawing upon the theoretical construct of the Theory of Planned Behavior (TPB), this study seeks to investigate the impact of individual and joint effects of tax knowledge, tax simplicity, and tax morale on the tax compliance behavior of salaried individuals. Employing a quantitative research design, data were collected using a survey questionnaire adapted from previous studies, providing 207 valid samples obtained from salaried individuals mainly working in the private sector. Using Pearson correlation test on SPSS 27, the statistical analysis was performed. The results show that all three explanatory variables have significant and positive correlations with tax compliance behavior. More specifically, tax morale shows the highest absolute value correlation, followed by perceived tax simplicity and tax knowledge. Therefore, civic morality, simple digital tax platforms like the MyTax website, and adequate knowledge of the tax laws are the key determinants of voluntary tax compliance. It can be argued that the government must move from enforcing penalties to a more trustful system by creating user-friendly digital platforms and instilling moral values.

Keywords: Tax Compliance Behavior, Theory of Planned Behavior (TPB), Tax Morale, Tax Simplicity, Tax Knowledge, Salaried Taxpayers.

INTRODUCTION
Taxation serves as the financial backbone of Malaysia's national development, funding vital public infrastructure, healthcare systems, and social welfare programs. However, the tax system can only work properly if people willingly and honestly pay their taxes. With the fully implemented Self-Assessment System (SAS), individual income tax forms one of the major sources of government revenues with the legal responsibility of computation and liability declaration directly falling on the shoulders of the citizens (Torgler, 2007; Inland Revenue Board of Malaysia [IRBM], 2023). Though this approach enhances the efficiency of the system, it imposes a significant demand on the cognitive capability, systemic adaptability, and psychological conformity of the citizens. In order to improve the system's administration, IRBM has initiated various digitalization processes, including MyTax platform, universal issuance of Tax Identification Number (TIN) card, and progressive implementation of e-Invoicing. However, even with the presence of all these digital layers, non-compliance continues to be a vulnerable area. For example, in 2024 alone, through enforcement and audit

activities, IRBM recovered approximately RM1.48 billion additional tax from non-compliant taxpayers (The Star, 2025). This compliance gap suggests that technological enforcement and administrative monitoring alone are insufficient to ensure tax compliance. Instead, taxpayers' compliance decisions are also influenced by their knowledge, perceptions, and attitudes. Drawing on the Theory of Planned Behavior, perceived behavioural control is reflected through taxpayers' confidence in their ability to fulfil their tax obligations. Tax knowledge enhances this confidence by improving taxpayers' understanding of tax regulations and filing requirements, while tax simplicity reflects the ease with which taxpayers can understand and comply with the tax system. A simple and user-friendly tax system strengthens taxpayers' perceived behavioural control by making tax regulations, reliefs, and filing procedures easier to understand and follow. In contrast, a lack of clarity in tax regulations or filing procedures may reduce taxpayers' confidence and increase the likelihood of non-compliance. Lastly, tax morale serves as an internal ethical motivation that encourages taxpayers to comply voluntarily. Taxpayers with stronger moral values and greater trust in the fairness of the tax system are generally more willing to fulfil their tax obligations (Kirchler et al., 2008).

While previous researches study the impact of these factors independently, there exists a research gap about the combined effect of all these factors in the era of rapid digitization and on an urban workforce population. This study addresses this gap by focusing on salaried taxpayers in the Klang Valley, the primary economic and urban nerve center of Malaysia. Although these workers face automatic Monthly Tax Deductions (MTD), they are still fully responsible under SAS for claiming personal reliefs, declaring alternative income streams, and navigating new digital interfaces like e-invoicing. This urban demographic experiences unique economic pressures and higher exposure to complex digital tools, making them highly sensitive to variations in tax literacy and morale. Consequently, this research applies the TPB as a conceptual framework to provide updated empirical evidence from a developing country perspective, which would help policymakers to shift from punitive compliance structure towards trust-based compliance. The purpose of this study is to to analyze the factors that influence tax compliance behavior among salaried taxpayers in the Klang Valley. This study will focus on achieving the following specific research objectives. Based on these research questions, the following research objectives are developed:

RQ1: What is the influence of tax knowledge on tax compliance behavior among salaried taxpayers in the Klang Valley, Malaysia?
RQ2: What is the influence of tax simplicity on tax compliance behavior among salaried taxpayers in the Klang Valley, Malaysia?
RQ3: What is the influence of tax morale on tax compliance behavior among salaried taxpayers in the Klang Valley, Malaysia?

RO1: To investigate the influence of tax knowledge on tax compliance behavior among salaried taxpayers in the Klang Valley, Malaysia.
RO2: To examine the influence of tax simplicity on tax compliance behavior among salaried taxpayers in the Klang Valley, Malaysia.
RO3: To examine the influence of tax morale on tax compliance behavior among salaried taxpayers in the Klang Valley, Malaysia.

LITERATURE REVIEW

Underlying Theories

This study is based on the Theory of Planned Behavior (TPB), which explains that human behavior is driven by behavioral intention, which are co-determined by personal attitudes, subjective norms, and levels of perceived behavioral control (Ajzen, 2005). Attitude refers to an individual's positive or negative evaluation of performing a behavior. Subjective norms refer to perceived social pressure from others, while perceived behavioral control refers to the perceived ease or difficulty of performing the behavior based on available resources and ability (Ajzen, I., 2020). TPB has been widely applied in tax compliance studies in various countries, including Australia, Canada, and the United States (Bobek & Hatfield, 2003; Trivedi et al., 2005). In Malaysia, previous studies also confirm that TPB is useful in explaining taxpayer behavior (Saad, 2011; Mohdali & Pope, 2014; Ghani et al., 2020). However, subjective norm might not be an important factor in influencing personal tax compliance since personal tax compliance can be viewed as a private action on the part of an individual and not a social behavior. Furthermore, tax compliance behavior is mainly dictated by law and not by any social pressure at all.

Tax Compliance Behavior

Tax compliance is an important matter in Malaysia because tax collection is vital for government spending and the growth of the country. However, even though tax collection has improved, problems like underreporting and misrepresentation still exist and affect tax compliance. Under the existing tax collection scheme, the taxpayer will have to report their income and compute their tax. It is, therefore, imperative that individual comprehension, ethics, and intention be used in predicting tax compliance behavior. Therefore, this study attempts to explore three main determinants of tax compliance behavior; tax knowledge, tax simplicity and tax morale. For the purpose of this study, tax compliance behaviour is measured by the extent to which taxpayers fulfil their statutory tax obligations, including filing tax returns on time, accurately declaring income, claiming eligible tax reliefs, and paying their tax liabilities in full (Mat Jusoh et al., 2021; Hassan et al., 2021). This study adopts the Theory of Planned Behavior (TPB) as its theoretical foundation to explain taxpayers' compliance behavior in Malaysia. The theory provides a framework for understanding how personal attitudes, social subjective norms, and perceived behavioral control shape an individual's intent and actual execution of a behavior. In this study, TPB is defined as a framework for explaining tax compliance behavior based on taxpayers' behavioral intention. Even though TPB consists of three elements such as attitude, subjective norm, and perceived behavioral control, in this research only two elements including attitude and perceived behavioral control are considered. The variable 'tax morale' has been used as attitude of taxpayers towards tax compliance whereas the variables 'tax knowledge' and 'tax simplicity' have been used as perceived behavioral control.

Tax Knowledge (Self-efficacy)

Tax knowledge refers to taxpayers' understanding of tax laws, procedures, and obligations, playing an important role in ensuring accurate tax reporting and reducing errors (Mat Jusoh et al., 2021; Hassan et al., 2021). Within the framework of the Theory of Planned Behavior (Ajzen, 1991), tax knowledge is regarded as one of the key factors influencing the compliance attitude of a person. According to the definition provided by Salawati et al. (2021), tax

knowledge can be considered the technical knowledge of tax laws, along with general knowledge about taxation. Higher levels of tax knowledge positively affect compliance behavior because of low uncertainty and understanding of the tax liabilities (Kirchler et al., 2008). (Kirchler et al., 2008). When salaried taxpayers have clear cognitive literacy regarding tax rules, available relief options, and system requirements, their evaluation of the tax system becomes more favorable, resulting in a positive attitude toward tax compliance. In contrast, limited tax knowledge may lead to misunderstanding and uncertainty, which can result in a negative attitude toward compliance behavior, where taxation is perceived as a financial burden rather than a civic responsibility. However, there have been research works indicating that only tax knowledge is insufficient for tax compliance since behavioral aspects can also be considered as influential factors. This limitation aligns with the core principles of the Theory of Planned Behavior, which asserts that an individual's final behavioral intention is not driven by a cognitive attitude alone, but is co-determined by systemic control and social pressures. Therefore, while the relationship between tax knowledge and tax compliance behavior remains fundamentally important, it is not entirely conclusive in isolation, highlighting the critical need to analyze it alongside other behavioral dimensions like complexity and morale.

Tax Simplicity (Facilitating Condition)

Tax simplicity can be defined as the extent to which taxpayers perceive tax laws, regulations, and procedures as clear, straightforward, and easy to understand. It is recognised as one of the factors that can significantly influence tax compliance behaviour (Saad, 2011). According to the Theory of Planned Behavior (Ajzen, 1991), tax simplicity can be regarded as a structural factor that enhances taxpayers' Perceived Behavioral Control (PBC). When the tax system is simple and easy to understand, taxpayers are more confident in their ability to fulfil their tax obligations accurately and on time. In Malaysia, salaried taxpayers are required to understand various aspects of the Income Tax Act 1967, including tax reliefs, deductions, rebates, and electronic filing procedures. Although the tax system has become increasingly digital through the MyTax portal, taxpayers are more likely to comply when tax regulations and filing procedures are presented in a clear and user-friendly manner. According to the Theory of Planned Behavior (Ajzen, 1991), a simple tax system enhances taxpayers' perceived behavioural control by increasing their confidence in completing tax returns correctly and reducing the likelihood of filing errors. Tax simplicity can be reflected through several aspects, including the clarity of tax regulations, ease of understanding tax requirements, user-friendly filing procedures, and manageable compliance costs (Gambo et al., 2014). It also encompasses clear record-keeping requirements and consistent tax regulations that enable taxpayers to fulfil their obligations without unnecessary difficulty (Alm et al., 1992). When taxpayers perceive the tax system as simple and straightforward, they are more likely to feel capable of complying with tax requirements. Therefore, tax simplicity is expected to positively influence tax compliance behaviour by strengthening taxpayers' perceived behavioural control over the tax filing process.

Tax Morale (Attitude)

Tax morale represents the internal motivation of individuals taxpayers to comply with tax obligations based on ethical values, personal beliefs, and perceptions of fairness (OECD, 2021). Under the framework of the Theory of Planned Behavior (Ajzen, 1991), tax morale can be regarded as an indicator of attitude towards tax compliance as it is a positive or negative

moral judgment of taxpayers related to tax payment. It is influenced by trust in government, fairness of the tax system, and social norms (OECD, 2021; Mat Jusoh et al., 2021). Higher tax morale is associated with better voluntary compliance, but low tax morale can result in tax avoidance (Mat Jusoh et al., 2021). Taxpayers in Malaysia that have a positive view of the tax system tend to engage in voluntary compliance (Abu Hassan et al., 2021; Mat Jusoh et al., 2021). Thus, it can be stated that tax morale has a considerable impact on the taxpayers' compliance attitudes. Unlike subjective norms, which refer to external social pressure from referent groups such as family, friends, and society, tax morale is internally driven and reflects taxpayers' personal ethical values, beliefs, and sense of moral obligation toward paying taxes. Therefore, in this study, tax morale is expected to positively influence tax compliance behavior by strengthening taxpayers' favorable attitude toward fulfilling their tax obligations.

Hypotheses Development

This study examines how three key factors which is tax knowledge, tax simplicity, and tax morale influence tax compliance behavior among salaried taxpayer in Klang Valley, Malaysia.

Relationship Between Tax Knowledge And Tax Compliance Behavior

Tax knowledge is expected to positively influence tax compliance behavior. Higher levels of tax knowledge improve taxpayers' understanding of tax obligations, enabling them to comply more accurately (Loo et al., 2010; Saad, 2014).

H1: Tax knowledge has significant and positive relationship with tax compliance behavior among salaried taxpayers.

Relationship Between Tax Simplicity And Tax Compliance Behavior

Tax simplicity is expected to positively influence tax compliance behavior when tax regulations are clear, simple, and easy to understand. A less complex tax system enhances taxpayers' ability to comprehend tax rules, thereby reducing errors and increasing accurate and timely compliance (Mat Jusoh et al., 2021; Abu Hassan et al., 2021).

H2: Tax simplicity has significant positive relationship with tax compliance behavior among salaried taxpayers.

Relationship Between Tax Morale And Tax Compliance Behavior

Tax morale is expected to positively influence tax compliance behavior. Taxpayers with higher moral obligation, trust in government, and perception of fairness are more likely to comply voluntarily (OECD, 2021; Mat Jusoh et al., 2021).

H3: Tax morale has significant positive relationship with tax compliance behavior among salaried taxpayers.

Conceptual Framework

Figure 1 outlines the conceptual framework of this study. The independent variables of this study are tax knowledge, tax simplicity, and tax morale, while the dependent variable of this study is tax compliance behavior.

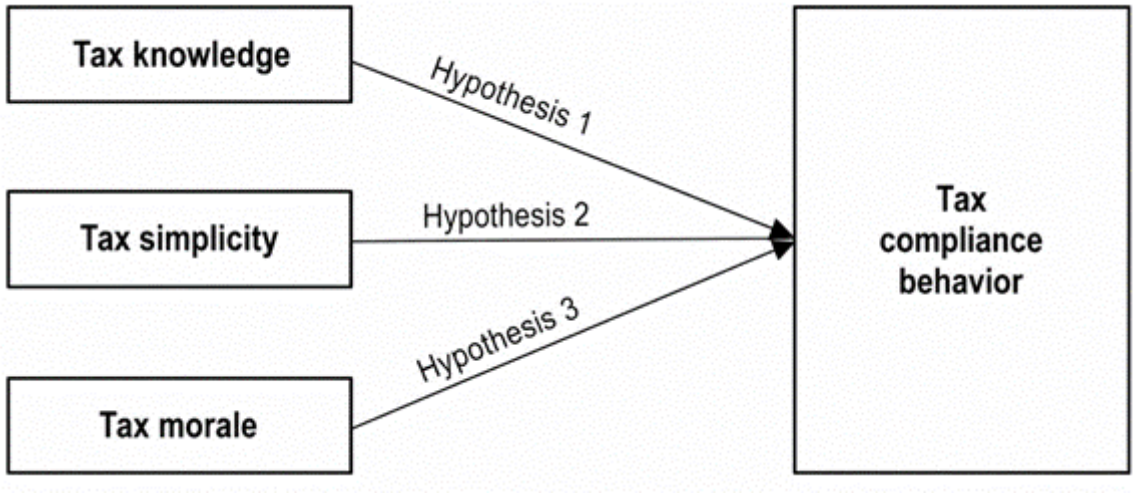

Figure 1: Conceptual framework

RESEARCH METHODOLOGY

This study adopts a quantitative research design in order to conduct hypothesis testing on the relationship between tax knowledge, tax simplicity, tax morale, and tax compliance behavior of salaried taxpayers in the Klang Valley, Malaysia. A quantitative approach is appropriate as it allows variables to be converted into numerical data and processed via statistical tools to evaluate the proposed hypotheses (Creswell & Creswell, 2023). The target respondents of this study are salaried taxpayers who are required to declare income tax and are directly affected by tax regulations and digital tax initiatives introduced by the Inland Revenue Board of Malaysia (IRBM). This makes them a suitable group for examining tax compliance behavior. The questionnaire was adapted from Mat Jusoh et al. (2021), who exploit TPB to examine the effects of tax knowledge, tax simplicity, and tax morale on tax compliance behavior among salaried taxpayers in Malaysia.

Table 1 Structure of Questionnaire

Variable	**Questionnaire Item**	**Reference Authors**
Tax Knowledge	I know paying tax is a responsibility of citizens to help the government generate revenue for managing the country.	Mat Jusoh et al., 2021
	I know that Malaysia does not apply a flat rate income tax system for individual taxpayers.	
	I know that taxpayers may face penalties or legal action for non-compliance with the Income Tax Act.	

	I know the deadlines for submitting income tax returns.	
	I know I need to maintain all my relevant records for the whole year for tax purposes.	
Tax Simplicity	The wording and instructions in the Individual Income Tax Return form are clear and easy to understand.	
	The tax publications and IRB guidebooks are easy for people like me to understand.	
	I can maintain accurate document for tax purpose easily.	
	I find the self-assessment tax system easy to understand and use.	
	The online tax filing system is more user-friendly compared to hard copy forms.	
Tax Morale	I feel guilty to myself if I make an unauthorized claim/rebate.	
	I feel comfortable if I make income tax payments within the period allowed.	
	I feel guilty to myself if I under declare of my income.	
	I believe the government distributes the taxes I pay fairly to support low-income groups.	
	I believe the government utilizes a reasonable amount of tax revenue to achieve social goals.	
Tax Compliance Behavior	The fairness of tax deductions and rebates encourages me to comply with my tax obligations.	
	I will take part of voluntary disclosure program when I fail to comply with the tax law.	
	I feel satisfied when I make an honest declare in the income tax return.	

	I think the likelihood of being audited by the Inland Revenue Board is high when tax return incorrect.	
	I acknowledge that non-compliance with tax return regulations may result in a tax investigation.	

FINDINGS

The study obtained 207 usable responses. Referencing Roscoe's (1975) methodology rule of thumb, a sample size between 30 and 500 is generally considered acceptable for most research studies. Accordingly, this study aims to obtain at least 200 to 300 usable responses, which is considered sufficient for conducting correlation and multiple regression analysis using Statistical Package for the Social Sciences (SPSS).

Demographic Analysis

Based on Table 2, majority of the respondents were female (66.7%), while males accounted for 33.3%. In terms of age, most respondents were between 31 and 40 years old (48.8%), followed by those aged 21 to 30 years (43.5%). For marital status, 50.7% were single and 46.9% were married. Educational wise, most respondents held a Bachelor's degree (69.1%), followed by Diploma holders (26.6%). The majority were employed in the private sector (89.4%) and earned between RM3,001 and RM5,000 per month (67.1%). In terms of tax experience, most respondents had 1 to 3 years of tax-paying experience (55.6%), followed by 4 to 6 years (31.9%).

Table 2 Respondents Demographic Analysis Result

No.	Demographic	Frequency (N)	Percentage (%)
1.	**Gender:**		
	Male	69	33.3
	Female	138	66.7
2.	**Age Group:**		
	21 – 30 years old	90	43.5
	31 – 40 years old	101	48.8
	41 – 50 years old	15	7.2
	Above 50 years old	1	0.5
3.	**Marital Status:**		

	Single	105	50.7
	Married	97	46.9
	Divorced/Widowed	5	2.4
4.	**Highest Education:**		
	Secondary School	3	1.4
	Diploma	55	26.6
	Bachelor's Degree	143	69.1
	Master's Degree	5	2.4
	Professional Member	1	0.5
5.	**Employment Status:**		
	Government Sector	22	10.6
	Private Sector	185	89.4
6.	**Monthly Income Level:**		
	RM3,001 – RM5,000	139	67.1
	RM5,001 – RM7,000	43	20.8
	RM7,001 – RM9,000	13	6.3
	Above RM9,000	12	5.8
7.	**Years of Paying Tax:**		
	Less than 1 year	8	3.9
	1 – 3 years	115	55.6
	4 – 6 years	66	31.9
	7 – 10 years	14	6.8
	More than 10 years	4	1.9

Table 3 presents the descriptive statistics for tax compliance behavior. Among the five statements, "I acknowledge that non-compliance with tax return regulations may result in a tax investigation" recorded the highest mean score of 4.29 (SD = 0.632), indicating that respondents strongly agreed that failure to comply with tax regulations could lead to an investigation. In contrast, "The fairness of tax deductions and rebates encourages me to comply with my tax obligations" obtained the lowest mean score of 4.12 (SD = 0.668). Although this

was the lowest-rated item, the mean score still reflects a high level of agreement. The remaining statements also recorded relatively high mean scores, including “I feel satisfied when I make an honest declaration in the income tax return" (M = 4.21, SD = 0.654), "I think the likelihood of being audited by the Inland Revenue Board is high when a tax return is incorrect" (M = 4.19, SD = 0.655), and "I will take part in the voluntary disclosure program when I fail to comply with the tax law" (M = 4.14, SD = 0.734). These findings suggest that respondents generally demonstrated positive tax compliance behavior. Overall, the construct recorded a mean score of 4.20, indicating a high level of tax compliance among the respondents. The standard deviation values ranged from 0.632 to 0.734, suggesting relatively low variation in responses and indicating that respondents held fairly consistent views regarding tax compliance behavior.

Tax Compliance Behavior

Item	Minimum	Maximum	Mean	Std. Deviation
The fairness of tax deductions and rebates encourages me to comply with my tax obligations.	2	5	**4.12**	.668
I will take part of voluntary disclosure program when I fail to comply with the tax law.	1	5	4.14	.734
I feel satisfied when I make an honest declare in the income tax return.	2	5	4.21	.654
I think the likelihood of being audited by the Inland Revenue Board is high when tax return incorrect.	2	5	4.19	.655
I acknowledge that non-compliance with tax return regulations may result in a tax investigation.	3	5	4.29	.632

Table 3 The mean and standard deviation of tax compliance behavior

Factors Influence Tax Compliance Behavior

The highest score in Table 4 was recorded by the statement "I know that taxpayers may face penalties or legal action for non-compliance with the Income Tax Act" (M = 4.89, SD = 0.344). This makes it obvious that taxpayers are well aware that the Inland Revenue Board of Malaysia (IRBM) will penalize them if they do not comply. On the flip side, knowing the exact deadlines "I know the deadlines for submitting income tax returns" got the lowest score (M = 4.73, SD = 0.532). Even though it was the lowest score in the group, a 4.73 is still incredibly high, meaning almost everyone agrees they know when their taxes are due.

Tax Knowledge (TK)

Item	Minimum	Maximum	Mean	Std. Deviation
I know paying tax is a responsibility of citizens to help the government generate revenue for managing the country.	2	5	4.85	.446
I know that Malaysia does not apply a flat rate income tax system for individual taxpayers.	3	5	4.83	.471
I know that taxpayers may face penalties or legal action for non-compliance with the Income Tax Act.	3	5	4.89	.344
I know the deadlines for submitting income tax returns.	2	5	4.73	.532
I know I need to maintain all my relevant records for the whole year for tax purposes.	2	5	4.86	.408

Table 4 The mean and standard deviation of tax knowledge

The highest mean score in Table 5 belongs to the statement "The online tax filing system is more user-friendly compared to hard copy forms" (M = 4.41, SD = 0.607). This demonstrates strong taxpayer appreciation for IRBM's digital migration efforts via the MyTax portal ecosystem. Conversely, the lowest mean score was recorded for the clarity of instructional materials, specifically "The tax publications and IRB guidebooks are easy for people like me to understand" (M = 4.13, SD = 0.674). This indicates that while taxpayers appreciate online portal utility, the technical language used in regulatory guidebooks can still be a bit confusing.

Tax Simplicity (TS)

Item	Minimum	Maximum	Mean	Std. Deviation
The wording and instructions in the Individual Income Tax Return form are clear and easy to understand.	2	5	4.15	.679
The tax publications and IRB guidebooks are easy for people like me to understand.	2	5	4.13	.674
I can maintain accurate document for tax purpose easily.	2	5	4.20	.666
I find the self-assessment tax system easy to understand and use.	2	5	4.26	.661

The online tax filing system is more user-friendly compared to hard copy forms.	3	5	4.41	.607

Table 5 The mean and standard deviation of tax simplicity

Table 6 result shows that most respondents agreed with the statement "I feel comfortable if I make income tax payments within the period allowed." (M = 4.23, SD = 0.640), emphasizing a strong psychological preference for compliant behavior among salaried taxpayer. Interestingly, "I believe the government distributes the taxes I pay fairly to support low-income groups" received the lowest mean score (M = 4.00, SD = 0.741). While an absolute score of 4.00 still signals agreement, the higher standard deviation highlights that perceptions regarding institutional expenditure equity and distributive justice are the most varied among the salaried taxpayers.

Tax Morale (TM)

Item	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
I feel guilty to myself if I make an unauthorized claim/rebate.	2	5	4.19	.669
I feel comfortable if I make income tax payments within the period allowed.	3	5	4.23	.640
I feel guilty to myself if I under declare of my income.	1	5	4.14	.700
I believe the government distributes the taxes I pay fairly to support low-income groups.	2	5	4.00	.741
I believe the government utilizes a reasonable amount of tax revenue to achieve social goals.	2	5	4.02	.724

Table 6 The mean and standard deviation of tax morale

Reliability Analysis

	Cronbach's Alpha	N of items
Tax Knowledge	.911	5
Tax Simplicity	.942	5
Tax Morale	.941	5

Table 7 Reliability Analysis

Following the completion of the descriptive analysis, a formal assessment was made of the reliability of the measurement items used in this research through a comprehensive reliability. The results are presented in Table 7. This procedure was designed to determine how

consistently reliable the measurement items are to measure what they are intended to measure, ensuring that the multi-item scales are stable and free from random error before proceeding to advanced inferential testing. The use of Cronbach's alpha to assess the internal consistency of the items is highly appropriate since all variables are measured on multi-item Likert scales and must demonstrate strong inter-item covariance. Regarding the independent variable construct of tax knowledge, which comprises five individual measurement items, the obtained Cronbach's alpha value of 0.911 indicates an excellent level of reliability. This score comfortably surpasses the minimum reliability standard of 0.70 set forth in Nunnally and Bernstein (1994), proving that the internal consistency between the items within this construct is robust enough to proceed with further multivariate statistical evaluations. Regarding the tax simplicity construct, which consists of five items evaluating the systemic dimensions of the tax environment, the Cronbach's alpha analysis provides an alpha value of 0.942. This exceptionally high coefficient indicates that there exists a strong degree of internal consistency between the questions. Thus, the items within this construct appear to measure reliably and uniformly the participants' understanding and perception of their tax complexity and systemic filing challenges. Similarly, the tax morale construct, consisting of five items focusing on the psychological and ethical compliance dimensions, obtained a Cronbach's alpha value of 0.941. This outstanding alpha value indicates a highly adequate level of internal consistency, confirming that the respondents understood, interpreted, and answered the items in a highly consistent manner.

Pearson Correlation Analysis

		Tax Knowledge	**Tax Simplicity**	**Tax Morale**
Tax Behavior	Pearson Correlation	.347**	.534**	.743**
	Sig. (2-tailed)	.000	.000	.000

**. Correlation is significant at the 0.01 level (2-tailed).

Table 8 Pearson Correlation Analysis

Based on the statistical output, all three independent variables namely Tax Knowledge, Tax Simplicity, and Tax Morale have a statistically significant positive relationship with Tax Compliance Behavior ($p < 0.01$). The correlation between tax knowledge and compliance behavior is positive and weak ($r = .347$, $p = .000$). This means that as a taxpayer's understanding of tax laws, relief rules, and deadlines increases, their compliance behavior tends to improve. Having a clear grasp of the rules helps reduce errors and uncertainty, making it easier for salaried individuals to file correctly. There is a moderate positive correlation between tax simplicity and compliance behavior ($r = .534$, $p = .000$). This finding suggests that a more user-friendly tax system, such as the MyTax platform and supporting guidelines, may enhance taxpayers' perceived ease of compliance. As a result, taxpayers may experience greater confidence in completing tax-related procedures, which can contribute to improved compliance behavior. Tax morale shares a strong relationship with compliance behavior ($r = .743$, $p = .000$). This very high positive correlation indicates that a taxpayer's internal ethical values, personal honesty, and civic pride are the primary drivers of compliant behavior. Salaried employees comply largely because they believe it is an ethical requirement, making internal morals even more influential than technical knowledge or system ease-of-use.

DISCUSSION

Discussion of Findings

Salaried taxpayers demonstrated relatively high levels of tax compliance behaviour, with respondents generally reporting honest tax declarations and a strong commitment to fulfilling their tax obligations. They also recognised the importance of complying with tax laws and acknowledged that non-compliance could result in tax investigations. The descriptive findings further showed that respondents perceived the tax system as relatively simple and user-friendly, particularly the online tax filing system, which may have contributed to higher levels of tax compliance. Nevertheless, respondents expressed comparatively lower confidence in the fairness of the government's distribution of tax revenue, indicating that perceptions of fairness remain an area of concern despite the overall high level of tax morale. The reliability analysis confirmed that the measurement instruments demonstrated excellent internal consistency. Furthermore, the Pearson correlation analysis revealed significant positive relationships between tax knowledge, tax simplicity, tax morale, and tax compliance behaviour among salaried taxpayers in the Klang Valley. Based on RO1, tax knowledge was positively related to tax compliance behaviour, indicating that taxpayers with a better understanding of tax laws, regulations, and filing requirements were more likely to comply with their tax obligations. For RO2, tax simplicity also showed a positive relationship with tax compliance behaviour, suggesting that taxpayers who perceived the tax system as clear, straightforward, and easy to understand were more likely to comply voluntarily. Regarding RO3, tax morale was positively associated with tax compliance behaviour, highlighting the importance of ethical values, civic responsibility, and trust in the tax system in encouraging voluntary compliance among salaried taxpayers. Overall, tax morale appears to be the most influential factor. However, variations in taxpayers trust in the distribution of tax revenue suggest that perceptions of fairness remain an important area influencing compliance attitudes among salaried taxpayers.

Limitation of the Study

Although this study provides valuable insights into tax compliance behaviour among salaried taxpayers, several limitations should be considered when interpreting the findings. First, the study was limited to salaried taxpayers in the Klang Valley, Malaysia. As most respondents were highly educated, with the majority holding a Bachelor's degree, the findings may not be generalisable to taxpayers in other regions or to those with different educational backgrounds. Second, this study focused only on salaried taxpayers. Therefore, the findings may not be applicable to other groups of taxpayers, such as self-employed individuals or business owners, who may face different tax responsibilities and compliance challenges under the Self-Assessment System (SAS). Third, the study relied on self-administered questionnaires to collect data. As the responses were self-reported, there is a possibility of response bias, whereby respondents may have provided socially desirable answers rather than reflecting their actual tax compliance behaviour. Finally, this study adopted a cross-sectional research design, where data were collected at a single point in time. As a result, the study was unable to examine changes in taxpayers' behaviour and perceptions over time. Future studies may consider using a longitudinal approach to provide a better understanding of how tax compliance behaviour evolves as tax policies and digital tax initiatives continue to develop.

CONCLUSION

This study successfully achieved all the research objectives by examining the relationships between tax knowledge, tax simplicity, tax morale, and tax compliance behaviour among salaried taxpayers in the Klang Valley, Malaysia. The findings revealed that all three independent variables were positively and significantly related to tax compliance behaviour, with tax morale showing the strongest relationship, followed by tax simplicity and tax knowledge. The findings provide useful implications for the Inland Revenue Board of Malaysia (IRBM) and other relevant authorities. Efforts to improve taxpayers' knowledge through continuous tax education, simplify tax regulations and filing procedures, and strengthen taxpayers' trust and confidence in the tax system may encourage higher levels of voluntary tax compliance. In addition, enhancing the user-friendliness of digital tax platforms such as the MyTax portal may further support taxpayers in fulfilling their tax obligations accurately and efficiently. This study also contributes to the application of the Theory of Planned Behavior in explaining tax compliance behaviour among Malaysian salaried taxpayers. Overall, the findings provide a better understanding of the factors influencing tax compliance behaviour and may serve as a useful reference for future researchers and policymakers in developing strategies to promote voluntary tax compliance in Malaysia.

Recommendation

Based on the findings of this study, several recommendations are proposed for policymakers and future researchers. First, the Inland Revenue Board of Malaysia (IRBM) should continue to strengthen taxpayer education initiatives to improve tax compliance behaviour among salaried taxpayers. Providing clear and simplified tax guidelines, educational programmes, and user-friendly digital support can enhance taxpayers' understanding of tax regulations and increase their confidence in fulfilling their tax obligations accurately. As tax knowledge was found to be positively related to tax compliance behaviour, improving taxpayers' understanding of tax requirements may encourage greater voluntary compliance. Second, continuous improvements to the tax filing system, particularly the MyTax portal, are recommended to ensure that tax filing procedures remain simple, clear, and user-friendly. Simplifying tax regulations, filing procedures, and guidance materials may reduce taxpayers' perceived difficulties and improve their confidence in completing tax returns correctly. Since tax simplicity was positively associated with tax compliance behaviour, maintaining an accessible and easy-to-use tax system may further encourage voluntary compliance. In addition, efforts should be made to strengthen tax morale by promoting greater awareness of the importance of taxation, transparency in the use of tax revenue, and the role of taxes in supporting public services and national development. Public awareness campaigns and initiatives that enhance taxpayers' trust in the fairness of the tax system may encourage stronger civic responsibility and voluntary tax compliance. As tax morale recorded the strongest relationship with tax compliance behaviour in this study, strengthening taxpayers' ethical values and trust in the tax system should remain a priority.

Future research is recommended to examine additional factors that may influence tax compliance behaviour, such as trust in government, perceived fairness of the tax system, audit probability, and the effectiveness of tax education programmes. Future studies may also compare different groups of taxpayers, such as salaried employees and self-employed individuals, or expand the study to other regions of Malaysia to improve the generalisability of

the findings. In addition, longitudinal studies are recommended to examine changes in taxpayers' compliance behaviour over time as tax policies and digital tax initiatives continue to evolve.

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EXPLORING THE INFLUENCE OF SUSTAINABILITY EDUCATION AND CAMPAIGNS ON SUSTAINABILITY AWARENESS

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ABSTRACT
This study examines the influence of sustainability education and campaigns on sustainable awareness among accounting students at Malaysian public universities. A quantitative research approach was employed, using a structured questionnaire distributed via Google Forms to accounting students at Malaysian public universities, namely Universiti Malaya (UM), Universiti Kebangsaan Malaysia (UKM), Universiti Putra Malaysia (UPM), Universiti Sains Malaysia (USM), Universiti Teknologi Malaysia (UTM), and other institutions. A total of 100 valid responses were collected and analysed using multiple regression to examine the relationships between sustainability education and sustainability campaigns as independent variables, and sustainability awareness as the dependent variable. The findings indicate that both sustainability education and sustainability campaigns have positive and statistically significant effects on sustainability awareness. These findings suggest that universities should strengthen sustainability education and organise ongoing sustainability campaigns to encourage environmentally responsible behaviour among accounting students.

Keywords: Awareness, Sustainability Education, Sustainability Campaigns, Multiple Regression Analysis, Accounting Students

INTRODUCTION
Sustainability has become an increasingly important global concern as growing environmental challenges and the unsustainable use of natural resources threaten the well-being of present and future generations (Alharbi et al., 2025). Higher education institutions are responsible for equipping students with the knowledge, values, and skills needed to help build a sustainable future. Noor, Mamat, and Mohamad (2024) emphasise that universities play a crucial role in promoting sustainability awareness. Therefore, it is important to understand and improve the effectiveness of sustainability education and activities in these institutions. Within this context, higher education institutions (HEIs) play a vital role in promoting sustainability, as universities are key platforms for shaping students' knowledge, attitudes, and behaviour. University students represent an important group, as they are more open to learning and likely to develop long-term behavioural patterns (Alsaati, El-Nakla, & El-Nakla, 2024). As future policymakers, decision-makers, and educators, they need to possess the knowledge and skills to understand and address sustainability issues (Zakaria et al., 2024). Hence, universities, as centres of knowledge and innovation, should not only disseminate sustainability-related knowledge but also provide opportunities for students to engage in sustainability practices within real-life

contexts through campus initiatives and campaigns. Therefore, this study aims to examine the relationship between sustainability education, sustainability campaigns, and sustainability awareness among accounting students in Malaysian public universities. By investigating these dimensions, the study seeks to provide a clearer understanding of the factors that contribute to enhancing students' sustainability awareness and to offer insights for universities on promoting sustainability through education and campus initiatives.

LITERATURE REVIEW

Theory of Planned Behaviour

The Theory of Planned Behaviour (TPB), developed by Ajzen (1991), proposes that an individual's attitudes, subjective norms, and perceived behavioural control influence their behavioural intentions. The theory is widely used to explain individuals' responses to sustainability issues because it highlights how knowledge, social influence, and perceived ability shape environmental awareness and decision-making. According to Phang and Ilham (2023), TPB is widely applied in sustainability research to explain individuals' intentions and responses towards environmental and sustainable practices. Students who are knowledgeable about sustainability are more likely to recognise its importance and to develop a greater awareness of sustainable development (Huzer, Hafsari, & Ilham, 2025). Sustainability education and sustainability campaigns contribute to developing students' sustainability awareness by creating a supportive learning environment that enhances their knowledge, attitudes, and understanding of sustainability issues (Alharbi et al., 2025). Therefore, the TPB provides an appropriate theoretical framework for explaining how sustainability education and campaigns influence sustainability awareness among accounting students in Malaysian public universities.

Overview of Sustainable Awareness

Sustainability awareness is a fundamental component of sustainable development because it encourages individuals to recognise the consequences of their actions and supports informed decision-making related to environmental and social responsibility (Setiawan, Surtikanti, Kusnadi, & Riandi, 2024). Among university students, awareness of sustainability is fostered through exposure to sustainability education, institutional initiatives, and participation in sustainability-related activities. This awareness also deepens their appreciation of the importance of sustainability and their willingness to support sustainability initiatives within and beyond the university environment. Students with greater awareness and understanding of sustainability issues are more likely to recognise the importance of environmentally responsible practices, such as recycling, conserving energy and water, and reducing waste (Cruz et al., 2024). Ayob et al. (2025) stated that sustainability awareness makes a significantly contribution to students' participation in sustainability-related activities and promotes positive environmental attitudes. Consequently, sustainability awareness among accounting students is essential for supporting sustainable development and encouraging responsible environmental citizenship.

Dimensions of Sustainability Awareness

Sustainability Education

Sustainability education, commonly referred to as Education for Sustainable Development (ESD), is a vital approach to enhancing individuals' knowledge, skills, values, and awareness of sustainability issues. It aims to develop critical thinking, decision-making abilities, and socio-emotional competences that enable individuals to understand and address environmental, social, and economic sustainability challenges (Cruz et al., 2024). In higher education, sustainability education seeks to embed sustainability principles in teaching and learning processes, equipping students with the knowledge and awareness needed to support sustainable development. By integrating sustainability concepts into the educational framework, universities can strengthen students' understanding of sustainability issues and foster greater sustainability awareness among future generations. In higher education institutions, sustainability education is commonly integrated into the curriculum through courses, modules, and experiential learning approaches. These include project-based learning, case studies, and real-life sustainability activities that enable students to apply and translate theoretical knowledge to real situations (Setiawan et al., 2023). Furthermore, integrating sustainability into the educational curriculum enables students to develop a deeper understanding of the environmental, social, and economic impacts of their consumption choices and increases their awareness of the importance of sustainable development (Ayob et al., 2025). Therefore, sustainability education is regarded as a key factor in enhancing sustainability awareness among accounting students.

Sustainability Campaigns

Sustainability campaigns are initiatives implemented by higher education institutions to increase students' awareness of sustainability and enhance their understanding of the relationship between individual actions and environmental sustainability (Ayob et al., 2025). These campaigns aim to educate and engage students by providing opportunities to learn about sustainability issues through various organised activities. For example, sustainability workshops, recycling programmes, energy-saving campaigns, and eco-friendly challenges, which encourage students to become more aware of sustainability issues and their role in supporting sustainable development. Participation in sustainability campaigns has been shown to increase students' sustainability awareness by improving their understanding of environmental issues and of the importance of adopting sustainable practices, such as reducing plastic use, conserving energy, and preserving natural resources (Ntouros et al., 2021). Therefore, sustainability campaigns are considered an important mechanism for raising sustainability awareness among accounting students.

Hypotheses Development

Based on the literature, sustainability education and sustainability campaigns are important determinants of students' sustainability awareness. Therefore, this study proposes the following hypotheses:

Sustainability education is recognised as an important factor in enhancing students' awareness of sustainability. Previous studies have shown that sustainability education significantly improves students' sustainability awareness by increasing their understanding of sustainability

issues and encouraging positive attitudes towards sustainable development (Ayob et al., 2025). Therefore, it is hypothesised that sustainability education has a significant influence on sustainability awareness among accounting students in Malaysian public universities.

H1： Sustainability education has a significant influence on sustainability awareness among accounting students in Malaysian public universities

Sustainability campaigns are widely implemented to increase students' awareness of sustainability and to promote a deeper understanding of environmental, social, and economic issues through structured programmes and activities (Gherhes & Cernicova-Buca, 2025**)**. These campaigns provide students opportunities to participate in sustainability initiatives such as recycling programmes, energy conservation campaigns, environmental workshops, and green campus activities, thereby increasing their awareness of sustainable development. Previous studies have demonstrated the positive impact of sustainability campaigns on enhancing students' sustainability awareness. Ayob et al. (2025) reported that such campaigns improve students' knowledge and awareness of sustainability issues after exposure to campaign activities. Similarly, Ntouros et al. (2021) found that energy-saving campaigns in university settings increased students' awareness of environmental conservation and encouraged greater participation in sustainability initiatives. Therefore, it is hypothesised that sustainability campaigns significantly influence sustainability awareness among accounting students in Malaysian public universities.

H2： Sustainability campaigns have a significant influence on sustainability awareness among accounting students in Malaysian public universities.

Conceptual Framework

The conceptual framework is shown in the figure below. The study's dependent variable is sustainability awareness, while the independent variables are sustainability education and campaigns.

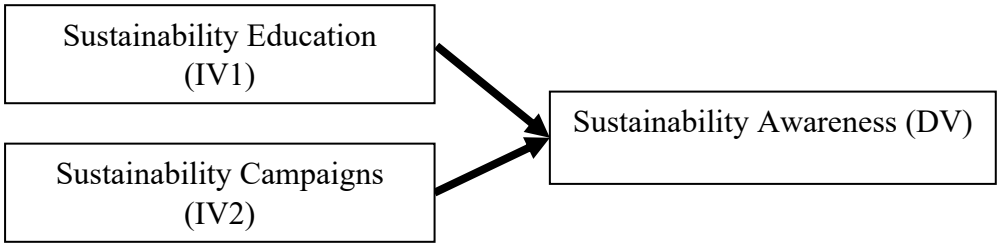

Figure 1. Research Framework

METHODOLOGY

This study adopted a quantitative research design to examine the influence of sustainability education and sustainability campaigns on sustainability awareness among accounting students in Malaysian public universities. Primary data were collected using a structured questionnaire developed with Google Forms. The questionnaire was distributed to accounting students enrolled at Malaysian public universities, namely Universiti Malaya (UM), Universiti Kebangsaan Malaysia (UKM), Universiti Putra Malaysia (UPM), Universiti Sains Malaysia

(USM), Universiti Teknologi Malaysia (UTM), and other universities. Respondents' perceptions were measured using a five-point Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree), providing a reliable and consistent basis for assessing their responses.

The survey questions were adapted from previous research and modified to align with this study's objectives. The questionnaire was prepared in English and comprised three sections. Section A collected respondents' demographic information, including gender, age, race, mode of study, and university. Section B measured respondents' perceptions of sustainability education and sustainability campaigns. Section C assessed respondents' sustainability awareness. The questionnaire comprised 25 questions to ensure comprehensive responses from all participants. The target population comprised accounting students from Malaysian public universities. The required sample size was determined using Cohen's (1992) guidelines for multiple regression analysis. According to these guidelines, a minimum of 97 respondents is required when examining two independent variables. To obtain an adequate number of responses, the online questionnaire was distributed through various social media platforms, resulting in 100 completed questionnaires for data analysis. Data analysis was conducted using descriptive statistics and multiple regression analysis. Descriptive statistics, including frequencies and percentages, were used to summarise respondents' demographic characteristics, such as gender, age, race, mode of study, and institution. Multiple regression analysis was then performed to examine the influence of sustainability education and sustainability campaigns on sustainability awareness. This analysis was used to test the proposed hypotheses and determine the significance and strength of the relationships between the independent variables and the dependent variable.

FINDINGS

Demographic Analysis

In terms of gender, most respondents were female, representing 67 (67%), while male respondents accounted for 33 (33%). Regarding age, most respondents were between 22 and 25 years old, comprising 39 (39%), followed closely by those aged 26 to 30 years, who represented 38 (38%). Respondents aged 18 to 21 years accounted for 15 (15%), while only 8 (8%) were older than 30 years. Based on race, the majority of respondents were Malay, accounting for 90.0% (n = 90). Indian respondents represented 6 (6%), while Chinese and other ethnic groups each accounted for 2 (2%). With respect to respondents' roles, 57 (57%) were part-time students, whereas 43 (43%) were full-time students. In terms of educational institution, Universiti Teknologi Malaysia (UTM) contributed the highest number of respondents, accounting for 35 (35%). Respondents from other institutions represented 36 (36%), followed by Universiti Malaya (UM) with 10 (10%), Universiti Kebangsaan Malaysia (UKM) with 7 (7%), Universiti Putra Malaysia (UPM) with 6 (6%), and Universiti Sains Malaysia (USM) with 3 (3%). Overall, the findings indicate that the respondents were predominantly female, aged between 22 and 30 years, Malay, part-time students, and mainly from UTM and other higher education institutions. These demographic characteristics provide an overview of the sample used in this study and support the subsequent statistical analyses.

Table 1 Respondents Demographic Analysis Result

No.	Demographic	Frequency (N)	Percentage (%)
1.	**Gender:**		
	Male	33	33.0
	Female	67	67.0
2.	**Age:**		
	18-21 years	15	15.0
	22-25 years	39	39.0
	26-30 years	38	38.0
	More than 30 years	8	8.0
3.	**Race:**		
	Malay	90	90.0
	Chinese	2	2.0
	Indian	6	6.0
	Other	2	2.0
4.	**Role:**		
	Full Time Student	43	43.0
	Part Time Student	57	57.0
5.	**Name of Institution:**		
	UM	10	10.0
	UKM	7	7.0
	UPM	6	6.0
	USM	3	3.0
	UTM	35	35.0
	Others	36	36.0

Multiple Regression Analysis

Multiple regression analysis was used to examine the influence of sustainability education and sustainability campaigns (independent variables) on sustainability awareness (dependent variable). In this study, multiple regression analysis was conducted to test the following hypotheses:

H1: Sustainability education has a significant influence on sustainability awareness among accounting students in Malaysian public universities.

H2: Sustainability campaigns have a significant influence on sustainability awareness among accounting students in Malaysian public universities.

Table 2 Multiple Regression Analysis Result (Model Summary & ANOVA[a])

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.596	0.355	0.341	0.64432

	F	Sig
	26.653	0.001***

Notes: ***significant on α = 0.001, ** significant on α = 0.005, * significant on α = 0.05
Source: Hussin, Ali, and Noor (2014)

The multiple regression analysis results, including the Model Summary and ANOVA results, are presented in Table 2. The R^2 value indicates the proportion of variation in the dependent variable explained by the independent variables. According to the table, the R^2 value is 0.355, meaning that 35.5 percent of the variation in sustainability awareness is accounted for by the two independent variables: sustainability education and sustainability campaigns. Furthermore, the ANOVA results show that the F value is 26.653 with a p-value of 0.001, which meets the rule of thumb α = 0.001. Therefore, the results indicate that the regression model is statistically significant and that both independent variables jointly contribute to explaining changes in the dependent variable.

Table 3 Multiple Regression Analysis Result (Coefficients[a])

Model	Independent Variables	Standardized Beta	t	Sig.
1	Sustainability Education	0.330**	2.943	0.004
	Sustainability Campaigns	0.318**	2.836	0.006

Notes:
Dependent variable: Sustainability Awareness
*Significant at $p < 0.05$ ($t > 1.645$); **Significant at $p < 0.01$ ($t > 2.326$); ***Significant at $p < 0.001$ ($t > 3.090$); ns = not significant
Source: Hussin et al. (2014)

The coefficient results presented in Table 3 indicate that both independent variables, namely sustainability education and sustainability campaigns, have positive and statistically significant effects on sustainability awareness. Sustainability education recorded a standardised beta coefficient of β = 0.330, with a t-value of 2.943 and a p-value of 0.004, indicating significance at $p < 0.01$. Similarly, sustainability campaigns showed a standardised beta coefficient of β = 0.318, with a t-value of 2.836 and a p-value of 0.006, which is also statistically significant at $p < 0.01$. These findings demonstrate that both sustainability education and sustainability campaigns contribute significantly to enhancing sustainability awareness among accounting students in Malaysian public universities. Furthermore, the standardised beta coefficients indicate that sustainability education (β = 0.330) has a slightly stronger influence on sustainability awareness than sustainability campaigns (β = 0.318). Both beta coefficients are positive, indicating that an increase in sustainability education and participation in sustainability campaigns is associated with an increase in students' sustainability awareness. Therefore, the findings provide empirical support for both H1, which states that sustainability

education significantly influences sustainability awareness, and H2, which states that sustainability campaigns significantly influence sustainability awareness among accounting students in Malaysian public universities.

DISCUSSION

The first hypothesis proposed that sustainability education has a significant influence on sustainability awareness among accounting students in Malaysian public universities. The regression analysis supports this hypothesis, with sustainability education demonstrating a positive and statistically significant relationship with sustainability awareness ($\beta = 0.330$, $t = 2.943$, $p = 0.004$). These findings indicate that students who receive greater exposure to sustainability-related education are more likely to exhibit higher levels of sustainability awareness. These findings are consistent with previous studies. Similarly, Ayob et al. (2025) found that students who receive sustainability education demonstrate higher levels of environmental awareness and a greater commitment to sustainability-related initiatives. Therefore, universities should continue to increase sustainability education by embedding sustainability concepts across academic programmes and providing experiential learning opportunities. The second hypothesis proposed that sustainability campaigns have a significant influence on sustainability awareness among accounting students in Malaysian public universities. The findings support this hypothesis, as sustainability campaigns have a positive and statistically significant effect on sustainability awareness ($\beta = 0.318$, $t = 2.836$, $p = 0.006$). These results indicate that participation in sustainability campaigns increases students' awareness of sustainability issues and promotes greater engagement with environmental initiatives. The findings are consistent with previous studies. Ayob et al. (2025) found that sustainability campaigns enhance students' environmental knowledge and awareness following participation in campaign activities. Likewise, Gherheș and Cernicova-Buca (2025) reported that communication campaigns conducted on university campuses significantly improved students' sustainability awareness. Similarly, Ntouros et al. (2021) demonstrated that sustainability campaigns effectively encouraged university students to adopt environmentally responsible practices. These studies highlight the importance of organising ongoing sustainability campaigns to improve sustainability awareness among accounting students.

CONCLUSION

This study examined the influence of sustainability education and sustainability campaigns on sustainability awareness among accounting students in Malaysian public universities. The findings revealed that both sustainability education and sustainability campaigns have significant positive effects on students' sustainability awareness. Hence, sustainability awareness should be continuously promoted and strengthened in universities through education and campaigns, as it provides many benefits to students, society, and the environment. The study also emphasises the important role of higher education institutions in fostering a culture of sustainability. Universities should continue to integrate sustainability-related content into academic curricula, while organising regular sustainability campaigns, workshops, and community engagement activities. These initiatives can increase students' awareness and encourage them to become responsible individuals who contribute to sustainable development within their communities and future workplaces. Despite its contributions, this study has several limitations. First, data were collected using an online questionnaire, which may have led to response bias because respondents may have interpreted some questions differently or provided

socially desirable answers. Second, the study involved only 100 accounting students from selected Malaysian public universities. Finally, this study examined only two determinants of sustainability awareness, namely sustainability education and sustainability campaigns, and other factors that may influence sustainability awareness were not included in the research model. Researchers are also encouraged to examine additional variables, such as environmental knowledge, attitudes, institutional support, social influence, and values, to provide a more comprehensive understanding of the factors affecting sustainability awareness. Furthermore, employing mixed-methods or longitudinal research designs could offer deeper insights into how sustainability awareness develops over time and how it influences students' long-term environmental behaviours. This study contributes to the growing body of knowledge on sustainability in higher education by providing empirical evidence that sustainability education and sustainability campaigns are significant determinants of sustainability awareness among accounting students. The findings have valuable implications for universities and policymakers seeking to improve sustainability initiatives and foster environmentally conscious graduates who can contribute to achieving sustainable development goals.

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THE FINANCIAL IMPLICATIONS OF E-INVOICING READINESS ON CORPORATE CASH FLOW MANAGEMENT IN MALAYSIA

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ABSTRACT
The implementation of e-invoicing has really changed how Malaysian companies manage tax documentation, invoice validation and their financial records. This study basically looks at the financial effects of how ready companies are for e-invoicing on corporate cash flow management in Malaysia. The four independent variables used in the study are e-invoicing readiness, technological readiness, implementation cost and accounts receivable efficiency and corporate cash flow management as the dependent variable. The research design adopted was the quantitative approach, using a structured online questionnaire which was disseminated to finance-related employees, business owners and accounting staff of the Malaysian companies. Ultimately, 94 valid responses were analyzed using SPSS, descriptive analysis, normality test, reliability test, correlation analysis and multiple regression analysis. Overall, the respondents indicated that their organisations were ready for e-invoicing. The mean scores of technological readiness, accounts receivable efficiency, implementation cost and even e-invoicing readiness were very high. The correlation analysis also revealed that there is a significant positive relationship between corporate cash flow management and e-invoicing readiness, technological readiness and implementation cost. The relationship was positive but not statistically significant for accounts receivable efficiency, so it's kind of did not "hold" in the same way. When multiple regression was run, e-invoicing readiness came out as the strongest and only significant predictor of corporate cash flow management. Therefore, it seems that the readiness of the organisation, including having clear procedures, management support, employee understanding and internal preparations, is the most critical in sustaining the cash flow in the transition to E-invoicing in Malaysia.

Keywords: E-Invoicing Readiness, Technological Readiness, Implementation Cost, Accounts Receivable Efficiency, Corporate Cash Flow Management, Malaysia

INTRODUCTION
Digital transformation has to some extent revolutionized the way business is done, especially in the field of financial management and tax administration. One of the important factors is the implementation of electronic invoicing, which facilitates companies to issue, receive, verify, and store invoices electronically. Many governments around the world have gone for e invoicing, to boost tax transparency, reduce on manual mistakes, and strengthen compliance (OECD, 2022). E-Invoicing is a step-by-step implementation process which is part of Malaysia's digitalization and tax modernization efforts by the Inland Revenue Board of Malaysia (IRBM). The system allows for electronic validation of the invoice information,

resulting in more accurate financial records and easier tracking. This change is not only for tax purposes for businesses, but also for the day-to-day accounting process, accounts receivable management, and even cash flow planning. Cash flow management is essential as businesses must ensure they have sufficient cash to meet their short-term obligations, pay suppliers and employees, and maintain smooth operations. Invoices are closely linked to payment collection and monitoring of receivables, so the preparedness to adopt e-invoicing could impact cash flow management. Therefore, this study aims to explore the correlation between the readiness for e-invoicing and cash flow management of companies in Malaysia.

Background of Study

One of the big bites of digital tax administration in many countries is e-invoicing. Previous research indicates that e-invoicing can reduce processing costs, improve the speed of invoice processing, enhance audit trails, and improve financial transparency (Billentis, 2020; OECD, 2022). But, for it to be effective, companies need to be ready with their systems, manpower, internal processes and even their finances. This e-invoicing implementation is important in Malaysia as not all companies are at the same level of digitalisation. Bigger companies might already have integrated accounting, or enterprise systems in place. In the meantime, however, smaller and medium sized businesses may face challenges such as implementation costs, system connectivity and lack of staff training. In reality, these barriers can cause the invoice to be processed more slowly and help to delay the receivables. While many studies have focussed on the theme of e-invoicing from a tax compliance and digital transformation angle, there is a lack of research on the effects of e-invoicing on corporate cash flow management. Thus, this study aims to bridge this gap by looking at the relationship between readiness factors and cash flow practices of Malaysian companies.

Problem Statement

With the enforcement of e-invoicing, Malaysian businesses are faced with opportunities and challenges. While e-invoicing can enhance efficiency and increase compliance, it could also be that some businesses are not ready to make the transition to e-invoicing. There can be hurdles like not so strong technological infrastructure, not enough employee knows how, a relatively heavy setup cost, and also problems linking the system with existing platforms. As a result, invoice processing could get delayed and cash flow may end up getting disrupted.

When readiness is not there, then companies can find themselves making invoice validation errors, having longer receivables collection times, and ultimately having a tighter working capital position. So, it's time to look under the hood and see whether e-invoicing readiness is good for corporate cash flow management and what readiness elements are most important, in practice.

Research Objectives

RO1: To examine the relationship between e-invoicing readiness and cash flow management in the companies.

RO2: To ascertain the technological readiness in the transition phase of implementing E-Invoice.

RO3: To analyse the relationship between the implementation cost on corporate cash flow management.

RO4: To assess if e-invoicing really improves the process of accounts receivable.

Research Question

The research questions are:

RQ1: What is the impact of e-invoicing readiness on companies' cash flow management?
RQ2: How is technological readiness related to liquidity performance?
RQ3: What are the financial issues in the implementation of e-invoicing?
RQ4: Does e-invoicing speed up in collecting receivables?

Significances of the Study

This research's results will provide a clear understanding to the businesses, policymakers, and researchers on the effect of e-invoicing readiness on cash flow management. For companies, the results show that adopting e-invoicing the right way helps boost working capital, speeds up billing, and cuts down on late payments. That translates to improved financial decision making as businesses transition to digital. Policymakers get a glimpse of the situation of businesses, especially small businesses, as they are facing the e-invoicing transition. This will enable them to come up with more intelligent policies and also help them in smooth transition in Malaysia. On the academic side, this study tackles a topic that hasn't been explored much: how e-invoicing readiness directly impacts cash flow. This is the first study to show this relationship, which has never been described.

Scope of the Study

The scope of this study is on Malaysian companies that are required to implement e-invoicing. There are four perspectives in the study (E-Invoice readiness, Technological readiness, Implementation cost, Accounts receivable efficiency) that analyze the impact of e-invoicing readiness on cash flow management in companies. MIA (2024) states that e-Invoicing can enhance the accuracy of invoices, minimize errors, streamline the invoice processing workflow, and aid in better cash flow management for businesses. Therefore, this study is aimed at studying the correlation between E-Invoice and Cash Flow Management of the Company. Although e-Invoicing can help to improve business efficiency and support digital transformation, there are potential hurdles that companies might face, including system readiness, compliance, and day-to-day accounting practices, as noted by Shaikh Mohammad (2025). In addition, Roslan, Azis and Mat, (2024), stated that technology readiness is crucial as e-Invoice demands the right system integration and digital infrastructure. Another area of focus of this study is technological readiness to implement e-Invoice. Other than that, Arewa and Davenport (2022) noted that government and financial system integration may be a challenge for businesses. Thus, this study is intended to explore the factors that affect the implementation of e-Invoice on corporate cash flow, specifically on e-Invoice readiness, technology readiness, implementation cost and accounts receivable efficiency.

LITERATURE REVIEW

This chapter explores the existing literature on e-invoicing, digital transformation, and cash flow management in companies. To establish a solid foundation for the study, both theoretical and empirical. Previous research highlights the role of digital financial systems in enabling businesses to operate more efficiently and transparently (OECD, 2022; PwC, 2023).

E-Invoicing

E-invoicing is the process of generating, sending, verifying and storing an invoice electronically. E-invoices are different from paper invoices as they are structured in a digital format that can be processed automatically by businesses and tax authorities. The system can enhance traceability, minimize human error, and enable real-time tracking of business transactions (OECD, 2022). E-Invoicing in Malaysia is done via the MyInvois platform and is designed to enhance tax administration, transparency, and reporting efficiency. With e-invoicing, businesses are anticipated to see a decrease in manual record-keeping, better accuracy of records, and quicker processing of invoices. However, these benefits are dependent on the readiness of each organization.

E-Invoicing Readiness

E-invoicing readiness is an organization's readiness in terms of internal processes, employee awareness, management buy-in and resources. Businesses that have well-defined processes and a commitment from management are more likely to successfully adjust to the new digital invoicing requirements.

Technological Readiness

Technological readiness refers to the availability of accounting systems, IT infrastructure, internet connectivity and digital skills for e-invoicing. Technology Readiness Index (TRI) indicates that perception, confidence and adaptability are considerations that impact readiness to adopt new technology. Technology plays a crucial role in the e-invoicing environment but needs to be complemented with implementation practices.

Implementation Cost

Implementation cost is the cost of software investment, system integration, staff training, maintenance and subscription cost. These costs can be an issue, especially for small- and medium-sized businesses. If not managed properly, implementation cost can be a financial burden during transition.

Accounts Receivable Efficiency

Accounts receivable efficiency is the speed at which a company can bill, track outstanding accounts, minimize disputes, and get paid in the timeframe expected. E-invoicing can help in the efficiency of accounts receivable by minimizing manual errors and providing better visibility into the status of invoices. But, if the payment behaviour of customers and the credit control procedure is weak, then faster issuance of invoice does not necessarily mean faster payment.

Underpinning Theories

Technology Organization Environment (TOE)

A framework, developed by Tornatzky and Fleischer (1990) which explains how technological, organizational and environmental factors influence the adoption of new technologies. According to TOE Framework, the adoption of technological innovation is related to three dimensions: technology context that indicates the presence of technological infrastructure and compatibility.

Cash Conversion Cycle (CCC)

The Cash Conversion Cycle (CCC) Theory is a measure of the time it takes a company to convert what it spends on inventory and receivables into cash (Richards & Laughlin, 1980). The shorter the cycle, the more efficient the company's cash flow management. E-invoicing can accelerate the process as it enables faster processing of invoices and reduces billing errors (Koch, 2020).

Hypothesis Development

The hypothesis of the research are as follows:

H1: There is a relationship between e-invoicing readiness and corporate cash flow management.

H2: Technological readiness and corporate cash flow management are related.

H3: There is a relationship between implementation cost and corporate cash flow management.

H4: There is a relationship between accounts receivable efficiency and corporate cash flow management.

Conceptual Framework

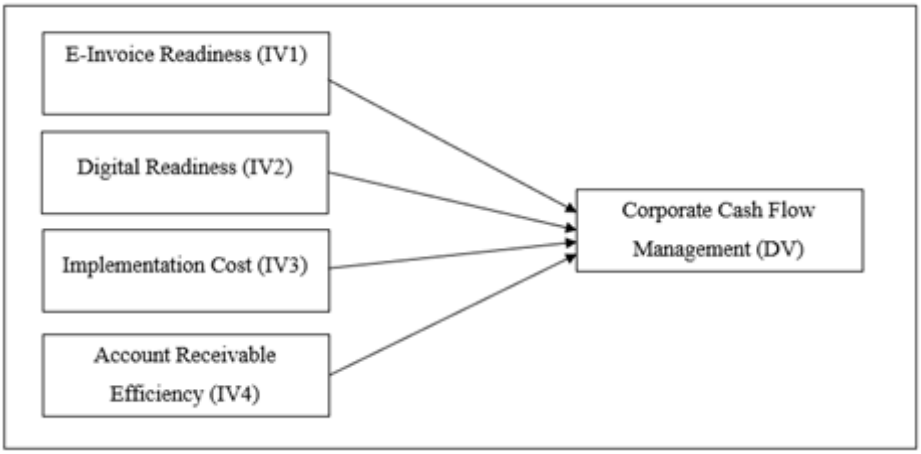

Figure 2.1. Research Framework

METHODOLOGY

This chapter explained the research design, sample, data collection method, questionnaire, and data analysis used in this study.

Research Philosophy

This study applied a quantitative research design because the objective was to measure the relationship between the independent variables and corporate cash flow management. A structured questionnaire was used to collect numerical data from respondents, and the data were analyzed using SPSS. The target respondents were finance managers, accountants, finance executives, finance officers, account clerks, business owners, and employees involved in accounting or e-invoicing processes. These respondents were selected because they are more likely to understand invoicing procedures, accounts receivable activities, and cash flow management practices.

Research Design

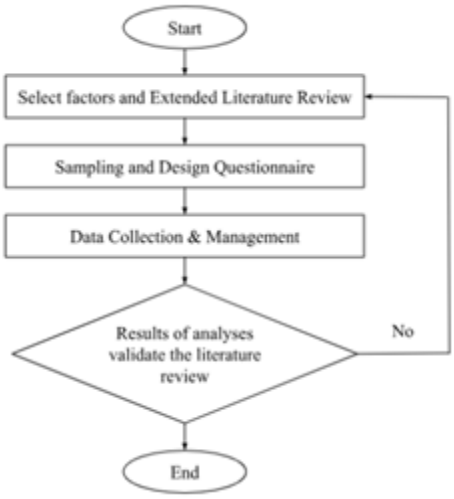

Figure 3.1. Procedure flowchart of the methodology of the research

Select Factors and Extended Literature Review

This study focuses on four factors that may influence corporate cash flow management. The factors are e-invoice readiness, technological readiness, implementation cost and accounts receivable efficiency. These factors were chosen based on previous studies and academic sources. The literature review helped the researcher understand how these factors are related to the implementation of e-invoice and corporate cash flow management. It also helped to support the research framework and research objectives.

Sampling Technique and Size

This study will focus on employees in Malaysian companies who are either already implementing or planning to implement e-invoicing. The respondents were selected as they possess knowledge/experience in accounting, finance, administration or e-invoice processes. Non-probability purposive sampling was employed in this study. This is because the respondents were chosen on the basis of certain criteria. They must be working in a Malaysian company and have basic knowledge or involvement in e-invoicing. 94 valid responses were obtained and analyzed.

Design Questionnaire

The questionnaire was developed to gather data from the respondents. It was broken up into a number of parts. The first section covered the respondents' background including their gender, age, job position, department, industry type, company size and e-invoicing experience. The second section measured the independent variables which are e-invoice readiness, technological readiness, implementation cost and accounts receivable efficiency. The last part assessed the dependent variable, corporate cash flow management.

Data Collection and Management

Google Forms were used to collect the data. The survey link was shared using online platforms such as WhatsApp and email. Responses were then collated, and data was verified to ensure

that only full responses were included. After this, the data were inputted in SPSS for analysis. SPSS was used to conduct descriptive analysis, reliability test, correlation analysis and multiple regression analysis. Descriptive analysis was used to explain the respondents' background. The consistency of the Questionnaire items was tested by using Reliability test. Correlation analysis was performed to explore the relationship between variables. Multiple regression analysis was used to determine the effect of e-invoice readiness, technological readiness, implementation cost and accounts receivables efficiency on corporate cash flow management.

RESULTS AND DISCUSSION

Demographic Analysis

A total of 94 valid responses were analyzed. The respondents were mostly female (83 respondents, 88.3%), while male respondents represented 11 respondents (11.7%). In terms of age, the majority were between 20 and 29 years old (60 respondents, 63.8%), followed by 30 to 39 years old (29 respondents, 30.9%) and 40 to 49 years old (5 respondents, 5.3%). Most respondents were finance officers (50 respondents, 53.2%) and finance executives (22 respondents, 23.4%). The majority of the respondents were from the manufacturing industry (73 respondents representing 77.7%). As to the size of the company, 54 respondents (57.4%) worked in large companies (more than 200 employees), 29 respondents (30.9%) worked in medium-sized companies and 11 respondents (11.7%) worked in small companies. 78.7% of the respondents had experience with e-invoicing and 21.3% had not. This enhances the relevance of the findings as the majority of the respondents had direct exposure to the e-invoicing processes.

Profile	Dominant Category	Frequency (N)	Percentage
Gender	Female	83	88.3%
Age	20-29 years old	60	63.8%
Occupation	Finance Officer	50	53.2%
Industry	Manufacturing	73	77.7%
Company size	Large company	54	57.4%
E-invoicing experience	Yes	74	78.7%

Table 4.1 Summary of Respondents Demographic Analysis Result

Descriptive Analysis

Descriptive analysis is employed to provide a summary and interpretation of data to understand the characteristics and patterns. To give an overview of the data and to be able to see what information is meaningful without making inferences or conclusions beyond the data obtained.

Variable	Mean	Standard Deviation	Interpretation
Corporate Cash Flow Management (DV)	3.5468	0.71252	Moderately High
E-Invoicing Readiness (IV1)	4.0638	0.99427	Moderately High
Technological Readiness (IV2)	4.5585	0.60954	High
Implementation Cost (IV3)	4.2681	0.66659	High
Accounts Receivable Efficiency (IV4)	4.4489	0.78188	High

Table 4.2 Descriptive Statistics

Based on the descriptive analysis of the results in Table 4.2, it shows that technological readiness has the highest mean score (M = 4.5585) which indicates that the respondents generally agreed that their organizations have the systems, IT infrastructure, and digital skills to support e-invoicing. The mean score for accounts receivable efficiency was also high (M = 4.4489) suggesting that the respondents believe that e-invoicing can help them in enhancing the speed of issuing invoices, tracking payments and enhancing collections. The mean score for implementation cost was 4.2681 which means that cost is still a factor. The average score of e-invoicing readiness was 4.0638, indicating a high level of internal readiness. The mean score of corporate cash flow management is 3.5468 which is moderately high indicating that companies have a reasonable level of cash flow management but cash flow stability may still be a practical concern.

Normality Analysis

Variable	Skewness	Kurtosis	Interpretation
E-Invoicing Readiness (IV1)	-1.098	1.024	Acceptable
Technological Readiness (IV2)	-1.174	0.465	Acceptable
Implementation Cost (IV3)	-0.632	0.187	Acceptable
Accounts Receivable Efficiency (IV4)	-1.778	2.416	Acceptable

Table 4.3 Normality Analysis

Normality results showed that the variables were negatively skewed, meaning that most of the respondents selected higher scores. But the skewness and kurtosis values were not extremely deviated and the data were found acceptable for further analysis. Table 4.3 indicates that the skewness and kurtosis values of all variables were acceptable. The skewness value for e-invoicing readiness (IV1) was -1.098 while the Kurtosis value was 1.024. The negative skewness indicates that majority of the respondents have scored higher, indicating that they generally agreed that their organisations are ready or preparing for e-invoicing implementation. Technological readiness (IV2) had a skewness value of -1.174, and a kurtosis value of 0.465. This indicates that most of the respondents are satisfied with the technology, accounting systems, IT infrastructure and digital skills of their companies for e-invoicing. The value of kurtosis is also reasonably normal. The skewness value of the Implementation cost (IV3) was -0.632 and the kurtosis value was 0.187. This indicates that the responses were not overly biased and reasonably balanced. It also reveals that the respondents were in consensus that one of the important factors to consider when implementing e-invoicing is the cost of

implementation. The skewness value of account receivable efficiency (IV4) was -1.778 and the kurtosis value was 2.416. This suggests that many respondents had higher scores, suggesting that e-invoicing can have a positive effect on invoice processing, payment tracking and collection monitoring. Overall, all variables are acceptable for further analysis.

Reliability Test

Reliability is the consistency and dependability of a measurement instrument to produce stable and accurate results when repeated measurements are made under the same conditions. Table 4.5 shown the findings of Cronbach's Alpha for the dependent variable and independent variables.

Variable	No. of Items	Cronbach's Alpha	Interpretation
E-Invoicing Readiness	5	0.829	Good
Technological Readiness	4	0.934	Excellent
Implementation Cost	5	0.969	Excellent
Accounts Receivable Efficiency	5	0.963	Excellent

Table 4.4 Reliability Statistics

The reliability results show that all variables had Cronbach's Alpha values above 0.80. This means that the items on the questionnaire were reliable and internally consistent. Based on Table 4.12 shows e-invoicing readiness consists of 5 items and recorded a Cronbach's Alpha value of 0.829, which indicates a good level of reliability. This demonstrates that the indicators to assess organizational readiness, preparation and support for e-invoicing implementation are uniform and appropriate for the study. Technological readiness was comprised of 4 items and had a Cronbach's Alpha of 0.934, which was excellent. This indicates that there is a high level of uniformity in the measurement of digital skills, system capacity, IT infrastructure and support for e-invoicing implementation. Implementation cost was found to have the highest Cronbach's Alpha value of 0.969, which is excellent reliability, and consists of 5 items. This indicates that the software investment, training, system integration, maintenance and cost issues are highly correlated. Accounts receivable efficiency also consists of 5 items and recorded a Cronbach's Alpha value of 0.963, which is considered excellent. This means the items are reliable in measuring invoice processing, payment tracking, collection monitoring, and receivable management. All variables recorded Cronbach's Alpha values above 0.80, indicating good to excellent reliability. Therefore, the questionnaire items are reliable and suitable for measuring the financial implications of e-invoicing readiness on corporate cash flow management in Malaysia.

Correlation Analysis

Relationship with Corporate Cash Flow Management	Pearson r	Sig. (2-tailed)	Result
E-Invoicing Readiness (IV1)	0.585	<0.001	Significant positive relationship

Technological Readiness (IV2)	0.434	<0.001	Significant positive relationship
Implementation Cost (IV3)	0.427	<0.001	Significant positive relationship
Accounts Receivable Efficiency (IV4)	0.186	0.072	Positive but not significant

Table 5. Correlation Analysis Summary

The correlation analysis shows that e-invoicing readiness has the strongest positive relationship with corporate cash flow management ($r = 0.585$, $p < 0.001$). This suggests that companies with stronger e-invoicing readiness are more likely to have better cash flow management. Technological readiness ($r = 0.434$, $p < 0.001$) and implementation cost ($r = 0.427$, $p < 0.001$) also showed significant positive relationships with corporate cash flow management.

A weak positive correlation was found between accounts receivable efficiency and corporate cash flow management ($r = 0.186$) but the correlation was not statistically significant ($p = 0.072$). This means that while quicker turnaround on invoices and monitoring of receivables can help cash flow, it is dependent on other factors including customer payment habits, credit terms and follow-up.

Multiple Regression Analysis

R	R Square	Adjusted R Square	Std. Error	F Change	Sig. F Change
0.598	0.358	0.329	0.58353	12.414	<0.001

Table 6. Regression Model Summary

The regression model recorded an R Square value of 0.358, meaning that 35.8% of the variation in corporate cash flow management can be explained by e-invoicing readiness, technological readiness, implementation cost, and accounts receivable efficiency. The model was statistically significant (F Change = 12.414, $p < 0.001$), indicating that the independent variables collectively have a significant relationship with corporate cash flow management.

Variables	B	Beta	t	Sig.	VIF	Decision
E-Invoicing Readiness (IV1)	0.327	0.457	3.198	0.002	2.830	Significant
Technological Readiness (IV2)	0.178	0.153	1.446	0.152	1.544	Not significant
Implementation Cost (IV3)	0.062	0.058	0.481	0.632	2.026	Not significant
Accounts Receivable Efficiency (IV4)	-0.002	-0.002	-0.024	0.981	1.113	Not significant

Table 7. Regression Coefficient Analysis

The regression coefficient results show that e-invoicing readiness was the only significant predictor of corporate cash flow management ($B = 0.327$, $Beta = 0.457$, $t = 3.198$, $p = 0.002$). Therefore, H1 is supported. This means that companies with better procedures, management support, employee understanding, and internal preparation are more likely to manage their cash flow effectively during e-invoicing implementation. Technological readiness, implementation

cost and accounts receivable efficiency were not significant predictors in the regression model as the p-values were greater than 0.05. So, the regression analysis did not support H2, H3, and H4. But these factors cannot be overlooked. They may still be playing a supporting role, but their impact may be reliant on other organizational and external factors like staff training, customer payment habits, credit control and management decisions.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The present study aimed to analyze the financial impact of e-invoicing readiness on cash flow management of companies in Malaysia. The results indicate that the majority of the respondents saw their organizations as being well prepared for e-invoicing, particularly in terms of technology readiness and accounts receivable efficiency. But there is a cost of implementation that companies must take care. The overall conclusion of this study is that the e-invoicing readiness has a significant positive impact on the cash flow management of the companies. This means that the readiness of the organization is more significant than technology. To make e-invoicing a positive impact on financial management, companies must have clear internal procedures, management support, employee knowledge, and adequate resources. Technological readiness, implementation cost and accounts receivable efficiency did not prove to be significant predictors in the regression model, but are important in the implementation process. The use of technology should be appropriate, cost should be managed effectively and there should be adequate credit control and follow-up for receivables.

Limitations of the Study

It is important to acknowledge the limitations as this will help future researchers to enhance the quality and accuracy of their studies. There are several limitations to this study that could impact the data collection process and interpretation of the findings. This study used a self-administered online questionnaire. This approach was convenient, but the researcher was not able to completely control the way that the respondents answered the questions. Some of the respondents may not have understood the questions, answered too hastily or answered based on general opinion and not based on actual company experience. The study also had limitations which were the number of respondents in selected companies in Malaysia which were 94. Thus, the results may not necessarily reflect the views of all companies in Malaysia. The readiness of e-invoicing may vary between different companies based on their industry, company size, financial resources, accounting system and digital adoption. This study only concentrated on four factors, namely e-invoicing readiness, technological readiness, implementation cost, and accounts receivable efficiency. Other factors like customer payment behaviour, supplier payment terms, credit policy, economic conditions and working capital practices were not considered, but they may also have an impact on corporate cash flow management. It was carried out at the present phase of e-invoicing in Malaysia. As e-invoicing is still in its infancy, businesses' preparedness and experience can evolve over time. Therefore, it is crucial to interpret the results in the context of the current stage of implementation and that the results do not necessarily represent future conditions.

Recommendations

The results indicate that e-invoicing readiness plays a crucial role in cash flow management in companies. The significant result shows that the companies which are more prepared to e-invoicing are more likely to manage their cash flow effectively. This readiness includes the following: internal processes, management support, employee awareness, system readiness, and e-invoicing requirements. Once a company is prepared, it can minimize delays, enhance the precision of the invoices, and facilitate better financial monitoring. Technological readiness was not significant, meaning that having accounting software, IT infrastructure and digital skills does not necessarily result in improvement in cash flow management. Technology is important but must be supported by skilled personnel and proper protocols and usage of the technology. The results for technological readiness, implementation cost and accounts receivable efficiency were not significant, but do not mean that these factors are unimportant. Rather, they may not have a direct impact on cash flow management in this study. Other factors such as employee behaviour, management decisions, customer payment behaviour, credit policy and collection procedures may affect their impact. While these variables can still be used to support e-invoicing implementation, their impact on cash flow management can be influenced by the company's ability to manage its people, processes, customers, and day to day financial management.

Recommendation for Future Research

The results of this study will be useful to gain insight into the effect of e-invoicing readiness on cash flow of companies in Malaysia. Future researchers can, however, enhance this study by extending the research period to determine the actual effect of e-invoicing post full adaptation of companies. For certain companies, e-invoicing is still a fairly new process, and the cash flow effects will only become more evident over time. Interviews or case studies can also be used in future research to gain insight into the real-life problems that companies encounter, including staff training, system errors, software costs, customer delays in payment and the transition from manual to digital invoicing. In addition to that, other factors may be added to the study by future researchers including customer payment behaviour, credit terms, company size, industry type and management support. They can extend this study by increasing the number of respondents, industries and research methods to gain insight into the actual effects of e-invoicing on the management of cash flows in companies.

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REDUCING FINANCIAL DISTRESS: EVALUATING THE ROLE OF BUDGETING PRACTICES AND FINANCIAL LITERACY IN PREVENTING BANKRUPTCY AMONG YOUNG WORKING ADULTS

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ABSTRACT
Working adults in Malaysia nowadays are experiencing higher financial stress because of higher cost of living, high debt, low financial literacy and societal factors that can influence their financial decision making. Thus, this research focus will be on the relationship between working adults in Malaysia on budgeting practices, financial literacy, social comparison and financial distress. This research used Theory of Planned Behaviour (TPB) to show how the financial knowledge, practice and society influence the financial behaviour of individuals. The data in this study was collected by using structured questionnaire which was distributed through Google forms to working adults in age group 20 to 35 years old. A total of 163 responses received and considered as usable data. Data were analyzed by using Statistical Package for the Social Sciences (SPSS) Version 27. In order to achieve research objective, the research used reliability test, descriptive test and Pearson correlation test to analyze the relationship between budgeting practices, financial literacy, social comparison and financial distress. The result of this research showed there were negative relationships between financial distress and the independent variable which are budgeting practices, financial literacy and social comparison. It means that working adults in Malaysia who have good budgeting practice, higher financial knowledge and positive impact of society are having lower chance to face financial distress. The results from this research suggest the importance of building up financial management skill, improving financial education program and building healthy financial socialization for reducing financial problem and prevent from bankruptcy among young adults. Finally, this research is adding on the current body of literature on personal finance management.

Keywords: Financial Distress, Budgeting Practices, Financial Literacy, Social Comparison, Young Working Adults.

INTRODUCTION
The current generation of young adults is having problems with financial matters, particularly in developing nations such as Malaysia. Factors such as the high cost of living, availability of credit and changes in consumer spending habits are creating difficulties for many young individuals when it comes to managing their finances. Financial distress refers to a situation where people find themselves incapable of fulfilling their financial commitments, which leaves them over-indebted, default on repayments and in extreme cases, leads to bankruptcy. The young working adults are highly vulnerable at the stage where they shift from being

financially dependent to becoming financially independent individuals. There are several critical financial decisions that they must take – how to earn the income, how to spend it, how to handle their debts, and how to plan for the future. Instability financially for young adults is becoming a big problem in Malaysia despite the efforts of the government in solving such issues. There is an increase in bankruptcy. As indicated in the news article by Umesh Ravikumar in The Star News (24 April 2026), there was an increased case of insolvency in Malaysia in 2025. 6,776 citizens were declared bankrupt which marked a rise of 13.4% from the 5,977 cases in 2024. The youth is getting affected, as they form 15% of all bankruptcy cases from 2021 up to early 2026. It is evident that young adults carry huge debts when starting out in their careers which affects their well-being as well as the economy of the country. According to the Ministry of Youth and Sport of Malaysia, youth is defined as the individual who is 15 years or below 30 years. This has a lot to do with the way people live on credit. In fact, statistics from the Malaysian Department of Insolvency have shown that credit card debt, car loan debt and personal loans account for about 46 percent of the bankruptcies. This means that inadequate budget management skills and financial illiteracy can cause financial problems apart from having an insufficient income level. Young Malaysians join the workforce lacking financial knowledge and, therefore, cannot handle income, debt and spending. They end up borrowing all the time to cover their expenses. The study looks into three key elements that will aid in minimizing financial problems – budgeting, financial literacy and social comparison. Budgeting assists individuals to record their incomes and expenses in order to be in control of their expenditure and reduce any debts. Financial literacy provides the knowledge needed to make smarter financial decisions. It helps people understand important ideas such as interest rates, debt and long term financial planning so that they can avoid financial mistakes and improve their money management. The concept of "social comparison" refers to the way an individual's behaviour is affected by the purchasing decisions of other people. The pressure to keep up with the lifestyles that young adults see on social media can lead them to spend too much. The research questions stated the following:

RQ1: What is the relationship between financial distress and budgeting practices among young working adults.
RQ2: What is the relationship between financial distress and financial literacy among young working adults.
RQ3: What is the relationship between financial distress and social comparison among young working adults.

The main aim of this study is to examine how to reduce financial distress and preventing bankruptcy among young working adults. The research objectives stated the following: -

RO1: To examine the relationship between budgeting practices and financial distress among young working adults.
RO2: To investigate the impact of financial literacy on financial distress among young working adults.
RO3: To analyze how social comparison affects financial distress among young working adults.

Furthermore, the primary goal is to identify the following research topics about how to reduce financial distress and avoid bankruptcy among young working individuals. Through the

process of gathering data via survey, the participants will respond to these study questions.

LITERATURE REVIEW

Theory of Planned Behaviour (TPB)

This study is underpinned by the Theory of Planned Behavior (TPB), developed by Ajzen (1991). TPB is a framework used to predict human behavior. According to the Theory of Planned Behaviour, behavioural intention serves as the most important predictor of an individual's likelihood of engaging in a specific behaviour. Three elements affect this intention: perceived behavioural control, attitude, and subjective norms. The term "attitude" describes how someone feels about a behaviour in relation to its expected outcomes. Social pressure from friends and family that affects a person's choice is referred to as subjective norms. PBC, on the other hand, is a theoretical construct that measures the simplicity or complexity of a particular behavior based on someone's skills and abilities. The TPB is commonly employed in research on various types of behavior, including financial behavior (Rehman & Mia, 2024). The Theory of Planned Behavior (TPB) provides a sound basis on which the influence of behavioral traits and financial literacy can be assessed in relation to financial outcomes, particularly financial distress experienced by young working adults. In their research, She et al., (2023) indicate that financial literacy has great potential to increase PBC and improve financial behavior. The TPB is suitable for this study since it clarifies the reasons behind financial distress among young working individuals. Budgeting techniques and financial literacy are linked with perceived behavioural control because they show how well-informed, capable, and confident people are about handling their money. Within the Theory of Planned Behaviour framework, social comparison reflects the influence of peers and societal expectations on individuals' financial decisions and is associated with subjective norms. The theory further suggests that perceived behavioural control, financial practices, and subjective norms work together to shape financial behaviour and related financial outcomes. It clarifies whether people are capable of handling their money well or are prone to financial difficulties and insolvency.

Financial Distress

An individual is said to be in financial distress if one fails to settle his bills or fails to manage his money due to the lack of income, large debt level, and poor money management skills. Financial distress indicators include late bill payments, too high a dependency on credit, inability to afford essential needs, and financial stability that is reducing. In personal finance, financial distress involves a disparity between one's income and debts, which may cause both short-term cash flow problems and financial instability in the long run (Gathergood et al., 2022; Xiao & Porto, 2022). Additionally, there are adverse behavioral and psychological consequences related to financial distress. Since financial stress affects the financial and emotional state of an individual, individuals experiencing financial distress often experience increased stress, anxiety, and dissatisfaction with life. Recent studies show that apart from income and debts, people's perception about their financial states and ability to cope with them affect the level of financial distress that people experience (Netemeyer et al., 2021)

Determinants of Financial Distress

Budgeting Practices

Dheepiga & Sivakumar (2025) provide that budgeting practices refer to the process and behavior that individuals use in organizing, managing and controlling their financial situation over a period of time. The practices involved in this case include computing the amount of income an individual receives, planning how the money will be spent, and putting away some amount of the money for savings, paying debts, personal expenditures and necessities. According to Elliyana et al. (2024), the budgeting practice is a very important aspect of the personal financial management because it helps people maintain equilibrium in their finances and ensure that their expenditure is proportionate to their income level. On the other hand, from the perspective of behaviors, the budgeting practice entails continuously monitoring and evaluating one's financial actions. This involves monitoring one's daily expenditure and ensuring that it does not exceed the planned budget. Studies by Ali et al., (2024) show that regular budgeting practices such as recording expenditure and evaluation of financial plan help improve financial self-discipline and control.

Financial Literacy

According to Lusardi (2023), financial literacy refers to an individual's ability to understand financial information and apply that knowledge when making informed financial decisions. Financial literacy involves having adequate knowledge of concepts like risk diversification, credit, investments, budgeting, and savings and also being capable of using the knowledge of financial information on a daily basis. The recent study by Lusardi (2023) indicated that financial literacy entails not only having adequate knowledge about finance but also the application of that knowledge to improve one's financial behaviour and decisions. As indicated by the research done by Xiao & Porto (2022), those individuals who are more financially literate are more inclined towards engaging in sound financial practices such as planning for the future and making prudent financial decisions. In the end, the result of all these practices is better financial security of an individual. Furthermore, financial literacy is widely acknowledged as an essential factor in promoting both economic well-being and financial stability, particularly among young individuals. Individuals who have adequate financial literacy possess better skills to handle financial emergencies and avoid going into debt and plan for future contingencies such as education and retirement.

Social Comparison

Social Comparison is the process whereby individuals compare their skills, achievements, finances, and well-being with other people. The theory was first introduced by Festinger (1954). The term continues to be widely used in scientific works to this day for the evaluation of an individual's financial and social status. Social comparison now occurs both in real life and online, where people come into contact with selected lifestyles and behavior of others (Appel et al., 2021; Vogel et al., 2022). Moreover, social comparison is connected to psychological and emotional aspects, including self-esteem, financial satisfaction, and well-being in general. In the era of social media, people are subjected to social comparison through idealized pictures of financial success and certain lifestyles. As a result, it creates pressure on people to live up to similar standards, even if the means are not sufficient (Vogel et al., 2022). As a result, social comparison significantly influences financial behaviour, particularly among

young people and working adults. Social comparison is usually associated with financial problems, increasing debts and overspending.

Relationship between Independent Variables and Financial Distress

This study examines how three key factors namely budgeting practices, financial literacy and social comparison influence financial distress among young working adult

Budgeting Practices and Financial Distress

Effective budgeting has a significant positive impact on financial stability, according to Teoh et al. (2026). Financial issues like overspending and increasing debt are more common among those who do not follow a good budget. Better financial results, like more savings and lower debt levels, are linked with greater self-control (Bai, 2023).

H1: Budgeting practices have a significant negative relationship with financial distress among young working adults

Financial Literacy and Financial Distress

Financial illiteracy can lead to poor money management in spending, saving, and investing because the individual does not understand or use financial knowledge appropriately. According to Tat et al. (2023), individual saving is positively impacted by financial literacy; that is, when all else is equal, better saving behaviour results from greater financial understanding.

H2: Financial literacy has a significant negative relationship with financial distress among young working adults

Social Comparison and Financial Distress

Recent studies from Nasir et al., (2025) show that social comparison can increase financial distress by creating pressure and dissatisfaction. Among young adults, financial stress is often linked to social expectations and the need to compare with others, which can raise overall financial pressure. Previous research also shows that individuals who compare themselves to others with higher lifestyles are more likely to feel dissatisfied, spend excessively to match others, and experience greater financial strain (Sabri et al., 2021).

H3: Social comparison has a significant negative relationship with financial distress among young working adult.

Conceptual Framework

Figure 1 below shows the theoretical framework for this study. The independent variables include budgeting behavior, financial literacy, and social comparison. Financial distress is the dependent variable.

METHODOLOGY

The methodology used in this study is the quantitative approach in order to analyse the relationship between financial distress, social comparison, financial literacy and budgeting behavior of young working adults. The use of quantitative approach is suitable for this particular study because it involves the gathering of numerical information which can then be statistically analyzed. A structured questionnaire was used to gather primary data for this

investigation. Google Forms is used to distribute the questionnaire online in order to make it easier to access and boost responder response rates. Previous research (Prawitz et al., (2006), Sabri et al., (2021) and Nurul Afiqah Shahriman, & Azira Abdul Adzis. (2026)) and established measurement scales pertaining to financial distress, budgeting techniques, financial literacy, and social comparison. The study's target group is Malaysian young adults in the workforce.

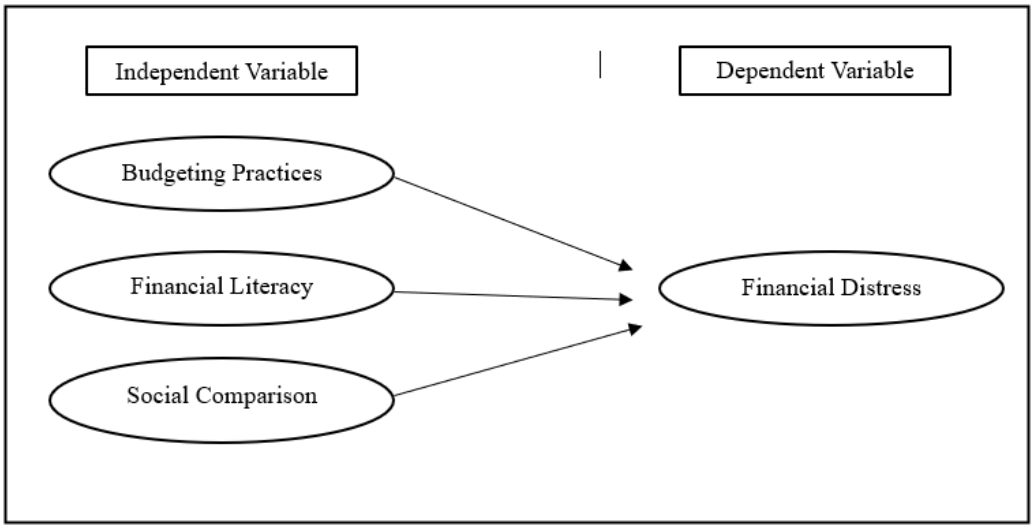

Figure 1. Research Framework

The study specifically focuses on people who are now employed in the public or private sector and are between the ages of 20 and 35. The Ministry of Youth and Sports Malaysia (KBS) defines youth as anyone who are 15 years of age or younger. However, this study broadens the age range from 20 to 35 years old to include young working adults who are moving to financial independence but remain vulnerable to financial trouble and bankruptcy. The questionnaire is composed of five segments, namely Sections A, B, C, D, and E, where each segment is intended to capture the various aspects of the research variables. Segment A captures the demographics of the respondents. Segment B captures the dependent variable, which is the financial distress of the young working adults. Segments C, D, and E capture the independent variables, which are budgeting practices, financial literacy, and social comparison respectively. The Likert scale consisting of five points is used in segments B to E to assess the statements where 1 indicates strongly disagree while 5 indicates strongly agree. According to the table of determination of the sample size by Krejcie & Morgan (1970), at least 384 respondents should be included in the survey for a population of more than one million people in the age bracket of 20 and 35 years. However, only 163 responses were obtained. All 163 responses that met the requirements for analysis were included. This constitutes a response rate of 42.45%

FINDINGS

It is clear from Table 4.1 that females constituted 57.1% of the total number of respondents, while 42.9% were males. As far as age is concerned, the highest percentage of respondents fell in the age range of 26 to 30 years (44.8%), followed by the age group 20 to 25 years

(36.8%). In terms of marital status, 46.6% of the respondents were married, while 34.4% were single. The highest percentage of respondents had either a diploma degree or a bachelor's degree, as 33.7% of the total respondents had each degree mentioned above. When it comes to employment status, 95.1% of respondents had full-time jobs, while 4.9% had part-time jobs. In terms of income, 27.6% of respondents earned between RM2,000 and RM4,000 per month, while 38% earned below RM2,000 per month. The majority of respondents (38%) had four to six years of work experience, while 32.5% had one to three years.

Table 4.1 Respondents Demographic Analysis Result

No.	Demographic	Frequency (N)	Percentage (%)
1.	**Gender:**		
	Male	70	42.9
	Female	93	57.1
2.	**Age:**		
	20-25 years	60	36.8
	26-30 years	73	44.8
	31-35 years	30	18.4
3.	**Marital Status:**		
	Single	56	34.4
	Married	76	46.6
	Divorced / Widowed	31	19.0
4.	**Highest Education Level:**		
	SPM	50	30.7
	Diploma	55	33.7
	Bachelor's Degree	55	33.7
	Master's Degree	3	1.8
	Other		
5.	**Employment Status:**		
	Full Time	155	95.1
	Part Time	8	4.9
	Self-employed	0	0
	Others	0	0
6.	**Monthly Income:**		
	Below RM2,000	62	38.0
	RM2,000 – RM4,000	45	27.6
	RM4,001 – RM6,000	41	25.2
	Above RM6,000	15	9.2
7.	**Work Experience:**		
	Less than 1 year	24	14.7
	1 – 3 years	53	32.5
	4 – 6 years	62	38.0
	More than 6 years	24	14.7

Financial Distress

Table 4.2 The mean and standard deviation of financial distress

Financial Distress (FD)		
Items	Mean	Standard Deviation
FD1: I feel financially stressed today.	2.84	1.482
FD2: I feel comfortable with my current financial situation	3.66	1.293
FD3: I am confident that I could find the money to pay for a financial emergency that costs about RM1,000.	3.60	1.194
FD4: I feel that my income is just sufficient to cover my living expenses.	3.90	1.210
FD5: I feel stressed about my personal finances in general.	2.46	1.203
FD6: I avoid going out to eat, watching movies, or doing other activities because I cannot afford them.	2.38	1.320
FD7: I worry about being able to meet my normal monthly living expenses.	2.60	1.313

Financial distress contains seven questions which are illustrated in Table 4.2 above. Out of the seven questions, FD4: “I feel that my income is barely enough to meet my expenditures” had the highest mean value (M = 3.90) meaning that most respondents agreed to this question. On the other hand, FD6: “I avoid eating out, movies and other activities since I can’t afford them” had the lowest mean value (M = 2.38) meaning that most respondents disagreed with this statement. The conclusion drawn from this is that the financial distress experienced by the respondents was moderately low. FD1, "I feel financially stressed today," recorded the highest standard deviation score (SD = 1.482), implying that the variability in the answers provided by the respondents in assessing their current financial stress level was high. FD3, “I am confident that I can get the finances needed for a financial emergency of about RM1,000,” recorded the lowest standard deviation score (SD = 1.194). This implies that there was consistency in the opinions expressed by the respondents concerning their preparedness for financial emergencies. The results indicate that, despite the opinion that the majority of the respondents earn enough to meet their basic requirements, there is still some concern regarding their financial status.

Factors Influence Financial Distress

Table 4.3 The mean and standard deviation of budgeting practices

Budgeting Practices (BP)		
Items	Mean	Standard Deviation
BP1: I spend according to my weekly or monthly budget.	3.88	1.143
BP2: I track my daily or weekly spending regularly.	3.57	1.191
BP3: I consistently set aside a portion of my income for savings or emergencies.	3.67	1.401
BP4: I keep the purchase receipt.	3.71	1.257
BP5: I check the price of the goods carefully before buying them.	3.82	1.048
BP6: I have long-term financial goals and strive to achieve them.	3.96	0.932

Table 4.4 The mean and standard deviation of financial literacy

Financial Literacy (FL)		
Items	Mean	Standard Deviation
FL1: I know about managing my personal finance.	3.75	1.224
FL2: I am satisfied with the way I control my finances.	3.93	0.933
FL3: I like to buy things because it makes me feel good.	3.81	1.086
FL4: I know about interest rates charged by bank, borrowing rates charged by financial institution.	3.49	1.244
FL5: I have better understanding of financial instrument (e.g. bonds, stocks, future contract, option and etc.)	3.59	1.151
FL6: I have better understanding how to save my money.	3.66	1.214

Table 4.5 The mean and standard deviation of social comparison

Social Comparison (SC)		
Items	Mean	Standard Deviation
SC1: People around me have discussed financial matters with me.	3.72	1.219

SC2: People around me have told me about the importance of saving money.	3.59	1.337
SC3: I make financial decisions based on what people around me have done in similar situations.	3.96	1.059
SC4: In financial management, I look at people around me as role models.	3.77	1.075
SC5: People around me have a positive influence on how I manage money.	3.95	1.121
SC6: People around me have taught me how to be a smart consumer.	3.66	1.135

Budgeting practices comprise six different factors, as indicated in Table 4.3 above. The factor "I have financial goals for the long term and I work towards realizing them," denoted by BP6, attained the highest mean of 3.96, showing that this statement was agreed upon by most of the respondents. On the other hand, BP2 ("I keep track of my expenses every day/week") obtained the lowest mean of 3.57. The aggregate findings indicate that the respondents' budgeting practices range from modest to high. BP3, "I consistently set aside a portion of my income for savings or emergencies," had the biggest standard deviation (SD = 1.401), suggesting that respondents' attitudes on this practice varied more. On the other hand, BP6, "I have long-term financial goals and strive to achieve them," had the lowest standard deviation (SD = 0.932), indicating that respondents were more consistent and in agreement. Overall, the results show that most respondents use sound budgeting techniques, especially when establishing and pursuing long-term financial objectives. FL2, "I am satisfied with the way I control my finances," had the highest mean score of 3.93 for the six-item financial literacy factor, suggesting that respondents generally have faith in their capacity to handle their financial affairs. On the other hand, FL4 ("I know about interest rates charged by banks and borrowing rates charged by financial institutions") recorded the lowest mean score (M = 3.49), suggesting a relatively weaker level of understanding in this area. Overall, the results show that respondents' financial literacy is moderate. FL4 had the biggest standard deviation (SD = 1.244), which suggests that respondents' knowledge and comprehension of interest and borrowing rates varied more. However, FL2 recorded the lowest standard deviation (SD = 0.933), indicating that respondents showed more consistent views regarding their financial management ability. This factor comprises six items measuring social comparison. The statement "I make financial decisions based on what people around me have done in similar situations" recorded the highest mean score (M = 3.96), whereas "People around me have told me about the importance of saving money" obtained the lowest mean score (M = 3.59). According to the average mean score for this feature, respondents somewhat concur that their financial behaviour and decision-making are influenced by those in their immediate vicinity. "People around me have told me about the importance of saving money" had the highest standard deviation (1.337), while "I make financial decisions based on what people around me have done in similar situations" recorded the lowest standard deviation (SD = 1.059), indicating a relatively high level of agreement among respondents for this statement.

Reliability Analysis

Table 4.8 Reliability Analysis

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Budgeting Practices	.720	.729	6
Financial Literacy	.768	.769	6
Social Comparison	.699	.707	6

Table 4.9 Cronbach's alpha Adapted from Nunnally and Bernstein (1994).

Cronbach's alpha	**Internal consistency**
$\alpha \geq 0.90$	Excellent
$0.80 \leq \alpha < 0.90$	Good
$0.70 \leq \alpha < 0.80$	Acceptable
$0.60 \leq \alpha < 0.70$	Questionable
$0.50 \leq \alpha < 0.60$	Poor
$\alpha < 0.50$	Unacceptable

The Cronbach's Alpha score for Budgeting Practices is 0.720, as indicated in Table 4.8, showing a respectable degree of dependability. At 0.768, Financial Literacy had the highest Cronbach's Alpha value, which is likewise in the acceptable reliability range. In the meantime, Social Comparison had a 0.699 Cronbach's Alpha value. This number is quite close to the acceptable level and can still be deemed suitable for social science research, although being slightly below the suggested threshold of 0.70. Internal consistency of the questionnaire was found to be appropriate due to the Cronbach's Alpha values being between 0.699 and 0.768. The reliability of scales is evident, meaning that they can be further used in correlation and regression analysis.

Pearson Correlation Analysis

Table 4.6 Pearson Correlation Analysis

		Budgeting Practices	**Financial Literacy**	**Social Comparison**
Dependent Variable: Financial Distress (FD)	Pearson Correlation (r)	-.255**	-.534**	-.743**
	Sig. (2-tailed) (p)	.001	.007	.004

**** Significant at 99% confidence interval**

Table 4.7 Correlation Coefficient, Rule of Thumb by Cohen, J. (1988)

All of the independent variables exhibit a negative correlation with financial distress, as demonstrated in Tables 4. Based on Table 4.7, the degree of correlation was determined.

Social comparison has the highest degree of correlation (r = -0.743, p = .004), followed by financial literacy (r = -0.534, p = .007), and then budgeting behaviors (r = -0.255, p = .001).

DISCUSSION

Budgeting Practice and Financial Distress

The findings reveal a significant negative correlation between budgeting behavior and financial stress among young working adults and thus confirm hypothesis H1. This finding is consistent with Theory of Planned Behavior (TPB) which states that those people who engage in constructive financial behaviors are likely to have better financial performance and less financial stress. These findings are in line with previous research of Teoh et al. (2026), Bai (2023), and Ali et al. (2024), which focused on the role of efficient budgeting in ensuring financial stability and welfare. People who keep track of their expenses, manage their incomes in an appropriate way, and set financial objectives do not experience financial problems. It is noted by this study that many respondents stated that they have financial goals and work towards their accomplishment, meaning that they practice good budgeting which prevents them from financial worries and financial instability. Nevertheless, there are certain discrepancies in respondents' budgeting habits. Although many of the respondents claimed to follow a budget when spending money and check prices prior to purchase, fewer of them stated that they kept track of their daily/weekly expenses. It means that even though people acknowledge the necessity of budgeting, they may not practice all of the budgeting methods in their everyday life.

Financial Literacy and Financial Distress

The findings support hypothesis H2, as a significant negative relationship was found between financial literacy and financial distress among young working adults. This result is consistent with the Theory of Planned Behaviour (TPB), particularly perceived behavioural control (PBC), which suggests that individuals with higher financial knowledge are better able to manage their finances and are less likely to experience financial difficulties. The current findings are consistent with the work done by Lusardi (2023), Xiao and Porto (2022), and Tat et al. (2023), where financial literacy was proven as one of the key factors in increasing financial decision-making skills while decreasing financial vulnerability. The more financially literate the individual, the higher their capability to handle their debts properly, save more often, develop a budget that is effective, and be prepared to deal with financial shocks. The findings of the research indicate that most respondents had confidence in managing their money, meaning they possess financial literacy. But the knowledge of different financial terms by respondents was inconsistent. While on one hand, the respondents felt secure about handling their own finances, they lacked knowledge of different rates and charges that are levied when they borrow from financial institutions. From the above analysis, it can be said that even though the respondents have basic knowledge about finance, there are some financial terms which are not clear to them.

Social Comparison and Financial Distress

This study's findings show that there is a significant negative association between social comparison and financial issues among young adults. This supports the H3 hypothesis. It

supports the Theory of Planned Behavior (TPB) especially the subjective norm theory because individuals' financial actions depend greatly on the influence of those around them, like friends, relatives, and colleagues. The current findings seem to agree partially with the results from previous studies done by Sabri et al. (2021), Nasir et al. (2025), and Vogel et al. (2022). These studies examined the effects of social factors on financial behaviors and financial wellbeing. These results show that social factors can positively affect financial performance unlike previous results showing financial problems due to social comparisons. Most of the respondents indicated that there were people who had an influence on their financial decisions and gave them recommendations on financial management. Most of the respondents indicated that there would still be people feeling the need to compare themselves with other people even if it is due to their social media presence and lifestyle requirements. This variation indicates that, depending on where the comparison comes from, social comparisons can lead to either beneficial or harmful outcomes. Therefore, promotion of good financial role models and socialization would help young working people financially.

Implication to the Theories

Theory of Planned Behavior (TPB) was utilized as a theoretical model underlying this research and providing insight into the problem of financial distress of young working adults. TPB is greatly enhanced by the results of this study. The results indicate that all three independent variables have a statistically significant impact on the dependent one, which confirms the applicability of TPB for financial behaviors and consequences. At first, the results confirm the existence of the TPB construct of perceived behavioral control due to the significant negative impact of financial literacy on financial distress. Perceived behavioral control implies the person's confidence in his/her capacity to carry out some behavior. As per this study, people with high levels of financial literacy had less chances to be distressed because of their increased competence in making financial decisions. On the other hand, there is another reinforcement to the behavioral part of TPB, in the form of the inverse relationship of financial distress and budgeting behavior. The results show that respondents' feelings of financial distress were lower when they actively participated in budgeting activities. This strengthens TPB's claim that positive behavioural intentions and actions result in favourable results. By giving people more control over their financial resources, effective budgeting helps people feel less stressed and vulnerable. Thirdly, the subjective norms component of TPB is supported by the strong correlation between financial distress and social comparison. The influence of the social pressure that people perceive when taking a decision on their choices is called subjective norms. Financial distress was less frequent for those respondents who had observed good financial behavior in others and received financially sound advice. This supports the TPB idea that behavioral intention can be socially influenced and that, consequently, affect financial behavior.

Limitation of the Study

First of all, it needs to be mentioned that there were certain limitations associated with the research. To begin with, information was gathered from only young working individuals who were employed either in public or private sectors in Malaysia. Consequently, the results cannot be generalized to other groups of respondents including independent contractors, unemployed young individuals, students, retirees, etc. In addition, the study’s focus on participants residing in Malaysia may limit the generalisability of the findings to other countries, as differences in financial systems, cultural norms, and economic conditions could influence financial

behaviours and outcomes. Additionally, another limitation of this research is that it was associated with the methodology used to collect the primary data. Although the questionnaires proved to be useful in collecting quantitative data, they limited the researcher's ability to get in-depth explanations from respondents about their financial activities and experiences. Thus, certain details regarding the reasons for financial issues among young working people may have been overlooked. These limitations need to be considered while analyzing the results of this research and using them elsewhere.

CONCLUSION

The current study investigated the relationship between budgeting behaviors, financial literacy, social influences, and financial stress of young working individuals in Malaysia. Based on the results from this study, it can be seen that proper budgeting strategies, high level of financial literacy, and strong social influences are key in reducing financial stress due to the presence of negative correlations among the independent variables and financial stress. Overall, the study contributes to the growing body of literature related to personal financial management and provides recommendations on how to avoid financial stress and bankruptcy among young Malaysian working people.

Recommendations to future researcher

In order to increase the ability to generalise of the results, future researchers are encouraged to expand the sample size and add respondents from various geographic areas. To provide a more thorough picture of financial distress among young working individuals, future research should also take into account additional variables such as financial attitude, self-control, sufficient income, and debt management.

Recommendations to stakeholders (respondents (youngsters), policymakers, financial institution, employers and educational institutions)

A number of recommendations are offered in the wake of the findings from the research conducted. First, efforts should be put in place to encourage young adults who work to practice effective money management practices such as budgeting, setting goals and maintaining reserves for emergencies. Second, efforts should be put in place to enhance financial education in regard to personal finance and investments through various institutions of learning, companies, and the government. Finally, positive financial socialization can be achieved through financial materials on social media and discussions within the family and peers.

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THE EFFECTS OF FINANCIAL TECHNOLOGY (FINTECH) SERVICES ON THE BUSINESS PERFORMANCE OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) IN KLANG VALLEY AREAS, MALAYSIA

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ABSTRACT
Financial technology (FinTech) services facilitate corporate transactions, financing, and risk management; nevertheless, their performance value varies between service functions. This study investigates the links between transactional FinTech services, finance FinTech services, and risk-management FinTech services, such as Insurtech or digital insurance, and the business performance of micro, small, and medium-sized enterprises (MSMEs) in Klang Valley, Malaysia. A quantitative cross-sectional survey was administered using purposive and referral sampling. 17 eligibility-unconfirmed cases were eliminated from 210 submissions, leaving 193 eligible responses for analysis with IBM SPSS Statistics. Reliability, descriptiveness, normalcy, Pearson correlation, and three distinct simple linear regression analyses were performed. Cronbach's alpha scores ranged from.923 to.953, indicating strong internal consistency across all scales. Transactional FinTech had the strongest positive association with company performance ($r = .976$, $R^2 = .953$), followed by financing FinTech ($r = .950$, $R^2 = .903$) and risk-management FinTech ($r = .937$, $R^2 = .877$), all significant at $p < .001$. The study shows that the three service categories have a substantial relationship with perceived MSME performance, but the cross-sectional and self-reported approach does not establish causality. The findings encourage improved integration of digital payments, ethical financing decisions, and more transparent digital insurance solutions for MSMEs.

Keywords: FinTech, MSMEs, Business Performance, Digital Payments, Digital Financing, Insurtech

INTRODUCTION
FinTech refers to the application of digital technologies, data, and automated procedures in financial services. Receiving and transferring payments, maintaining accounts, acquiring company financing, raising capital, and managing insurable risks are among the primary functions of MSMEs (Arner et al., 2016). According to the World Bank and the International Finance Corporation (2022), digital financial services can help smaller enterprises overcome distance, information, and process challenges. Malaysia had 1,086,386 MSMEs in 2024, accounting for 96.1% of all business establishments. Microenterprises accounted for 70.1%, small firms 28.2%, and medium firms 1.6%, with the services sector accounting for 84.4% of the MSME population (SME Corporation Malaysia, 2024). These data highlight the

importance of payment convenience, cash flow visibility, financing availability, and business protection for Malaysia's MSME industry.

Background of Study

Malaysia's FinTech ecosystem comprises digital payments, mobile and business banking applications, peer-to-peer (P2P) lending, crowdfunding, digital banking, and Insurtech. According to Mohd et al. (2024), Malaysia had 294 FinTech firms in 2021, and Shariah-compliant equity crowdfunding and peer-to-peer financing raised RM368.1 million in 2022, up from RM225.9 million the previous year. The expansion of the ecosystem improves service availability, but this alone does not guarantee that MSMEs generate real commercial benefit. Johri et al. (2024) show that digital financial inclusion can improve the ease of doing business, however Kallmuenzer et al. (2025) emphasize that performance is dependent on organizational competence and execution conditions. Digital payments and business banking systems can boost transaction speed, account access, electronic recordkeeping, and reconciliation. Moreira-Santos et al. (2022) discovered that usefulness and convenience are major factors in FinTech adoption in SMEs, whereas Li (2024) related mobile payments to financial management efficiency. Financing platforms may provide access to working capital and investors, but their benefits are dependent on effective costs, repayment requirements, and productive use of money (Sasia et al., 2024). Insurtech can help with policy access and claims, however evidence on MSMEs is limited.

Problem Statement

First, previous research usually analyzes FinTech as a single broad adoption concept. This makes it difficult to determine the precise contribution of transactional services to MSME performance. A company may accept QR payments but continue to record transactions manually, which limits the benefits of bookkeeping, reconciliation, and decision-making. Rehman et al. (2023) demonstrate that technology-enabled financial services can minimize information asymmetry, but organizational preparation and integration are still required for performance improvements. Thottoli et al. (2024) also find mediating and moderating elements that influence FinTech innovation in SMEs. Second, P2P lending, crowdlending, and crowdfunding may offer alternative financing, more efficient processes, and increased investor access. However, finance expenses, repayment pressure, transparency requirements, and unpredictable campaign outcomes can reduce the value obtained by MSMEs. Sasia et al. (2024) stress the need of evaluating access to FinTech finance with appropriateness and financing conditions. Malaysian evidence comparing financing-service effectiveness to overall MSME success is limited. Third, research on risk-management FinTech is more restricted than the literature on payments and financing. Digital insurance may help with policy comparison, coverage access, and claims administration, but its benefits can be difficult to identify before a loss occurs. Product exclusions, privacy concerns, and a lack of understanding can all have an impact on usage. This study covers these gaps by exploring transactional, financial, and risk-management FinTech services individually among MSMEs in Klang Valley.

Research Objectives

RO1: To examine the relationship between transactional FinTech services and MSME business performance in Klang Valley.

RO2: To evaluate the relationship between financing FinTech services and MSME business performance in Klang Valley.
RO3: To analyze the relationship between risk-management FinTech services and MSME business performance in Klang Valley.

Research Questions

RQ1: What is the relationship between transactional FinTech services and MSME business performance in Klang Valley?
RQ2: What is the relationship between financing FinTech services and MSME business performance in Klang Valley?
RQ3: What is the relationship between risk-management FinTech services and MSME business performance in Klang Valley?

Significance of the Study

This study is important for MSME owners and managers because it differentiates the performance contributions of three FinTech functions. The findings can guide decisions on digital payments and business-banking apps for transaction efficiency, P2P lending and crowdfunding for financing, and Insurtech or digital insurance for risk protection. MSMEs can use evidence to prioritize appropriate services, integrate digital records with bookkeeping and cash-flow monitoring, and assess financing costs or insurance coverage prior to adoption. The study is also valuable for banks, FinTech businesses, financing platforms, and insurers. Providers can increase record integration, charge transparency, repayment details, policy clarity, and customer service. Policymakers and development organizations might use the data to create targeted digital-financial capability, cybersecurity, and responsible-finance programs. Academically, the study adds Malaysian evidence by using a service-based methodology to assess transaction, financing, and risk-management FinTech independently rather than treating FinTech as a single variable.

Scope of Study

This study focuses on eligible MSMEs operating in Kuala Lumpur, Petaling Jaya, Shah Alam, Subang Jaya, and Klang. The MSME business is represented by the analysis unit, which includes owners, founders, partners, directors, managers, and finance or accounting staff who make decisions. The independent variables include transactional FinTech services, finance FinTech services, and risk-management FinTech services such as Insurtech or digital insurance. The dependent variable is MSME company performance, which is measured by perceived financial and non-financial outcomes such as sales, cash flow, efficiency, competitiveness, customer satisfaction, growth, and sustainability. A quantitative, cross-sectional Google Forms survey was distributed utilizing purposive, referral, and snowball sampling. The questionnaire included questions about business profiles, service use, a five-point Likert scale, and an optional non-adopter path. However, as every retained responder used at least one FinTech service, the empirical analysis concentrated on current users. The results are limited by non-probability sampling, self-reported perceptions, one-period data collection, and service-specific missing values when respondents chose N/A. As a result, the findings identify connections within the selected Klang Valley sample but do not establish causality or reflect all Malaysian MSMEs.

LITERATURE REVIEW

This section examines the three FinTech service groups, the Malaysian MSME setting, and the concepts that support the conceptual framework. The literature is consistent with the questionnaire and the hypotheses investigated in this study.

Financial Technology and MSMEs

FinTech refers to the application of technology and new business models to facilitate payments, finance, insurance, investment, and financial information. Vives (2019) refers to it as part of the digital disruption of banking, but Firmansyah et al. (2023) demonstrate that adoption is dependent on usefulness, trust, capability, and environmental support. FinTech benefits MSMEs by reducing transaction friction, expanding financing options, and improving financial information and risk management. The Alliance for Financial Inclusion (2023) emphasizes that inclusive FinTech involves coordinated infrastructure, capability, competition, and consumer protection.

MSMEs in Malaysia and Klang Valley

MSMEs contribute to the majority of Malaysian business activity and are mostly involved in the provision of services. Many micro and small enterprises have limited expert staff, collateral, and formal systems. This can make simple digital payment instruments appealing, but more complex finance and insurance products may require greater financial understanding and organizational preparation. Klang Valley is an appropriate location since it brings together dense business activity, financial institutions, technology suppliers, and digitally linked clients. Nagy et al. (2025) demonstrate that SME adoption varies across socioeconomic settings, reinforcing the requirement for locally based evidence.

Transactional FinTech Services

Transactional FinTech includes digital payments and mobile or corporate banking solutions. Digital payments make it easier to provide consumer receipts, pay suppliers, accept QR codes, and keep electronic records. According to Hernandez et al. (2021), small businesses prioritize usefulness, convenience, and compatibility. According to Li (2024), mobile payments can increase financial management efficiency by allowing for faster settlement and data production. Business banking applications also include real-time monitoring, approval controls, and downloadable records. Their performance value increases when transaction data is linked to bookkeeping, cash flow monitoring, and management decisions.

Financing FinTech Services

FinTech financing includes peer-to-peer lending (crowdlending) and crowdfunding. According to Claessens et al. (2018), FinTech credit can reach borrowers who are facing conventional financing friction by leveraging digital information and faster processes. Łasak (2022) considers entrepreneurial-finance platforms as complementary to bank financing. Crowd funding may also help with market validation, brand recognition, and investor reach. Nonetheless, MSMEs must examine financing costs, repayment timelines, campaign effort, disclosure regulations, and the expected return on the funds.

Risk-Management FinTech Services

Insurtech, often known as digital insurance, represents risk management FinTech. These services use digital distribution, data, and automation to help customers purchase policies, compare coverage, manage their accounts, and process claims. Convenience, customized protection, and a reduced administrative task are among the potential benefits. However, coverage gaps, data usage, product complexity, and insufficient user knowledge may all reduce perceived value. The limited MSME evidence makes this service category a significant component of the current study.

Underpinning Theories

Technology Acceptance Model (TAM)

TAM discusses technological acceptance based on perceived usefulness and ease of use (Davis, 1989). It is important because MSMEs are more likely to continue utilizing a FinTech solution that is practical, clear, and beneficial to business operations. Positive feedback on transaction speed, finance access, or claims accessibility indicates perceived utility, whereas simple interfaces and manageable procedures indicate ease of use.

Technology–Organization–Environment (TOE) Framework

The TOE framework identifies three factors that drive organizational adoption which is technology conditions, internal organizational capabilities, and the external environment. The framework is suited for MSMEs because service benefits are contingent on compatibility, management support, employee skills, financial resources, regulation, and provider assistance. Faiz et al. (2024) show that organizational and environmental factors influence digital adoption among innovative SMEs.

Diffusion of Innovation (DOI) Theory

The DOI theory defines adoption in terms of relative advantages, compatibility, complexity, testability, and observability (Rogers 2003). Digital payments provide observable transaction convenience, whereas financing and insurance goods may require more complexity and less immediate demonstration of value. DOI helps to explain why MSMEs may evaluate different FinTech services differently.

Hypotheses Development

The following hypotheses are proposed for the research:

H1: There is a significant positive relationship between transactional FinTech services and MSME business performance in Klang Valley.

H2: There is a significant positive relationship between financing FinTech services and MSME business performance in Klang Valley.

H3: There is a significant positive relationship between risk-management FinTech services and MSME business performance in Klang Valley.

Conceptual Framework

The approach includes three independent variables (transactional, financing, and risk-management FinTech services) and one dependent variable (MSME business performance).

Business performance refers to perceived financial and non-financial outcomes such as sales, cash flow, efficiency, customer satisfaction, competitiveness, growth, and sustainability.

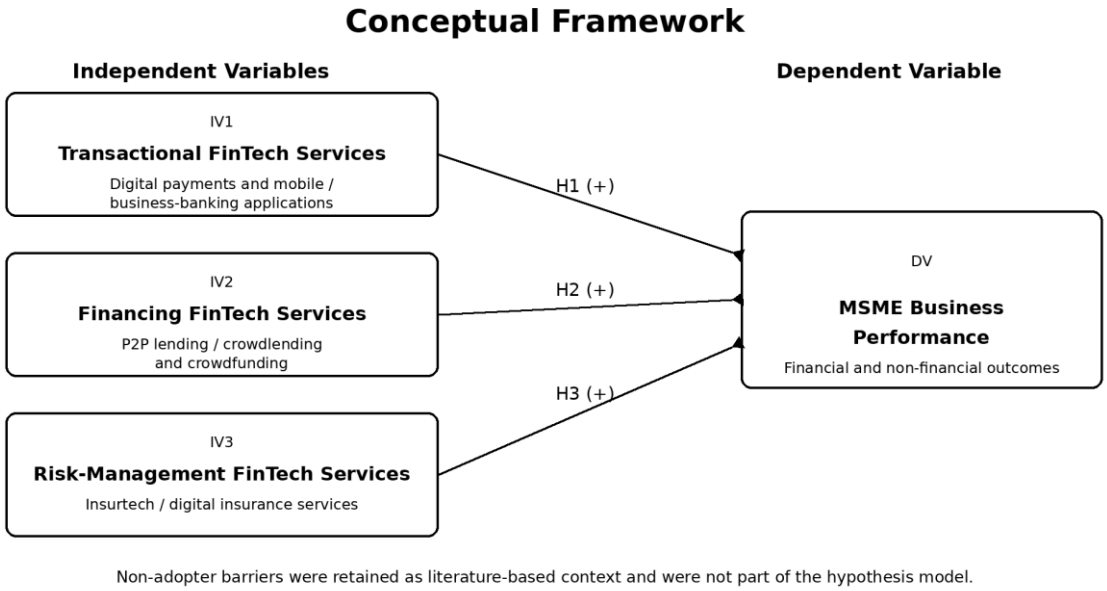

Figure 2.1. Conceptual Framework of the Study

METHODOLOGY

This section discusses the research philosophy, design, sampling, questionnaire, data collection, and statistical methods used to test the three hypotheses.

Research Philosophy

The study used a quantitative and logical method since it measured established constructs and statistically evaluated correlations between independent and dependent variables. The cross-sectional design records each MSME's experience throughout a single survey session. It is correlational rather than experimental, meaning the findings reveal relationships but do not prove that FinTech caused performance changes.

Research Design

The MSME business served as the analytical unit. Each firm had one knowledgeable respondent who answered on their behalf. Eligible informants included business owners, founders, partners, directors, managers, and finance or accounting workers involved in decision-making. Figure 3.1 summarizes the stages performed from establishing the research challenge to screening and analyzing the final results.

Select Factors and Extended Literature Review

The three service functions chosen from the literature and associated with the questionnaire are transactional FinTech, financing FinTech, and risk-management FinTech. MSME business performance was selected as the dependent variable. The literature review provided support for

service definitions, hypotheses, and the selection of financial and non-financial performance indicators.

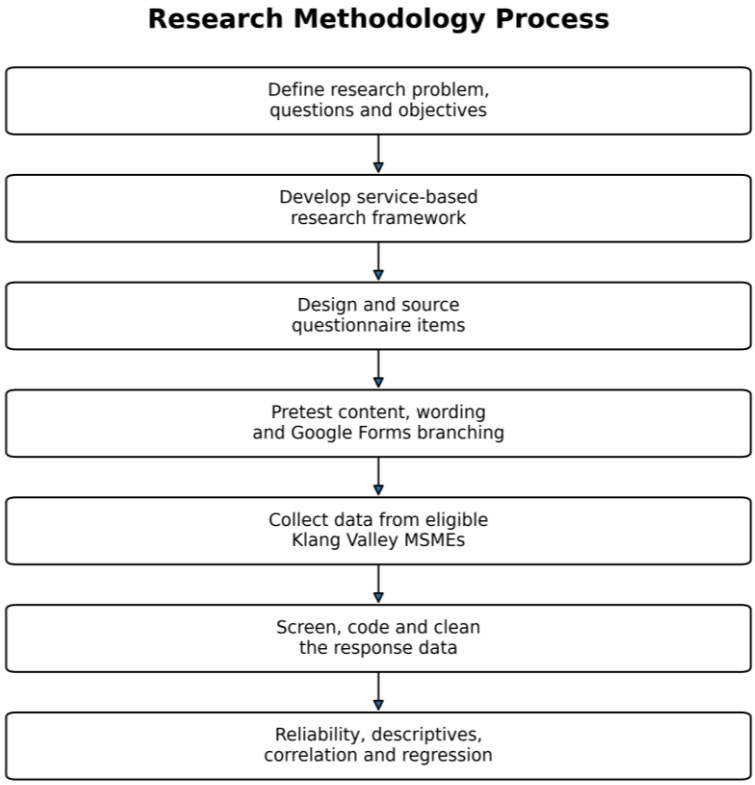

Figure 3.1. Procedure Flowchart of the Research Methodology

Sampling Technique and Size

The target population consisted of MSMEs operating in Klang Valley. As a complete sampling frame was not available, non-probability purposive sampling relied on referral or snowball distribution. The questionnaire link was circulated via WhatsApp groups, personal contacts, and business networks. Green's (1991) benchmark requires 107 cases to evaluate individual predictors in a three-predictor context; the final sample of 193 exceeded this requirement.

Design Questionnaire

The Google Forms questionnaire addressed questions about demographics and business profiles, FinTech adoption, service efficacy, and ten business performance items. The responses on the Five-point Likert scale ranged from 1 (strongly disagree) to 5 (strongly agree). Respondents marked N/A for services not used, and these responses were classified as missing on the applicable service scale. The instrument also provided a non-adopter option, although the remaining respondents used at least one FinTech service.

Data Collection and Management

A total of 210 submissions were obtained. Seventeen cases were removed because MSME eligibility could not be verified using the specified sector, employee, and turnover criteria, leaving 193 eligible responses. Frequencies, multiple-response analysis, descriptive statistics,

Cronbach's alpha, normality and diagnostic checks, Pearson correlation, and three simple linear regressions were all performed using IBM SPSS Statistics.

RESULT AND DISCUSSION

This section shows the findings of MSMEs in Klang Valley. The Google Forms questionnaire was distributed via WhatsApp groups, personal and business contacts, and referral/snowball sharing. Among 210 submissions, 17 were removed because MSME eligibility could not be validated, leaving 193 genuine responses and a 91.9% useful response rate. Demographic frequencies, multiple-response analysis, descriptive statistics, normalcy, reliability, Pearson correlation, and three simple linear regressions were all conducted using IBM SPSS Statistics. Valid sample sizes differed across service characteristics because N/A responses for services not used were considered as missing values.

Demographic Analysis

Demographic analysis describes respondents and enterprises using frequencies and percentages. Table 4.1 shows respondent characteristics such as gender, age, qualification, and organizational function, as well as business sector, entity, operating years, employee size, turnover, location, and duration of FinTech use. These variables are significant because they reveal whether the information originated from educated decision-makers and contextualize variations in business size, experience, and digital-financial exposure. Male respondents contributed to 71.5% (138) while females made up 28.5% (55). The largest age group was 30–39 years at 41.5% (80), and 63.2% (122) held a bachelor's degree. Finance or accounts personnel involved in decisions formed the largest role group at 60.1% (116), confirming that most questionnaires were completed by respondents familiar with financial operations. Retail was the largest sector at 20.2% (39), while partnerships were the most common entity at 46.6% (90). Firms operating for five years or less represented 33.7% (65), closely followed by firms operating for more than 15 years at 32.6% (63). The largest employee category was 5–29 employees at 38.3% (74), and the largest turnover category was RM3 million to less than RM15 million at 23.3% (45). Petaling Jaya contributed 28.0% (54) of respondents, while 40.4% (78) used FinTech for one to five years. Overall, the sample included varied sectors, business sizes, operating histories and levels of FinTech experience. The distribution reflects the purposive sample rather than the entire Klang Valley MSME population.

No.	Demographic	Detail	Frequency (N)	Percentage (%)
1	Gender	Male	138	71.5
		Female	55	28.5
2	Age	20–29 years	63	32.6
		30–39 years	80	41.5
		40–49 years	50	25.9
3	Highest qualification	SPM/STPM	34	17.6
		Diploma	27	14.0
		Bachelor's degree	122	63.2
		Master's degree	10	5.2

4	Role	Owner/founder	32	16.6
		Partner/director	22	11.4
		Manager	23	11.9
		Finance/accounts decision personnel	116	60.1
5	Sector	Retail	39	20.2
		F&B	35	18.1
		Services	35	18.1
		Construction	35	18.1
		Manufacturing	33	17.1
		Agriculture	16	8.3
6	Business entity	Sole proprietorship	70	36.3
		Partnership	90	46.6
		Private limited company	33	17.1
7	Years of operation	≤ 5 years	65	33.7
		6–10 years	40	20.7
		11–15 years	25	13.0
		> 15 years	63	32.6
8	Employees	< 5	29	15.0
		5–29	74	38.3
		30–74	55	28.5
		75–200	32	16.6
		> 200	3	1.6
9	Annual turnover	< RM300,000	38	19.7
		RM300,000–<RM3m	39	20.2
		RM3m–<RM15m	45	23.3
		RM15m–RM20m	40	20.7
		>RM20m–RM50m	21	10.9
		> RM50m	10	5.2
10	Location	Kuala Lumpur	48	24.9
		Petaling Jaya	54	28.0
		Shah Alam	30	15.5
		Subang Jaya	48	24.9
		Klang	13	6.7
11	FinTech use duration	< 1 year	62	32.1
		1–5 years	78	40.4
		6–10 years	32	16.6
		> 10 years	21	10.9

Table 4.1. Respondents' Demographic and Business Profile

Multiple Response Analysis

Multiple-response analysis was used since each MSME could choose more than one FinTech service. The 193 respondents made 631 selections, or around 3.3 service categories per business. As a result, the percentages in Table 4.2 represent the percentage of cases that used each service and do not add up to 100%. Digital payments were the most popular service at 73.6% (142), indicating their importance in daily receipts and transfers. Insurtech or digital insurance followed in at 71.0% (137), while mobile or business-banking applications were utilized by 62.7% (121). 60.6% (117) selected crowdfunding, while 59.1% (114) chose peer-to-peer lending. The findings indicate that many MSMEs utilized FinTech for transaction, financing, and risk management functions rather than relying on one service.

Type of FinTech Service	Frequency (N)	Percentage of Cases (%)
Digital payments	142	73.6
Insurtech/digital insurance	137	71.0
Mobile/business-banking applications	121	62.7
Crowdfunding platforms	117	60.6
P2P lending/crowdlending	114	59.1

Table 4.2. Multiple Response Analysis for FinTech Services Used

Descriptive Analysis

Descriptive analysis summarizes the average level and variability of each construct. The mean shows the average response, and the standard deviation measures how significant responses differ from that average. Table 4.3 shows that risk management FinTech had the highest mean (M = 3.923, SD = .922), followed by transactional FinTech (M = 3.841, SD = .971), MSME business performance (M = 3.794, SD = 1.040) and financing FinTech (M = 3.758, SD = 1.015). All means were above the midpoint of 3.00 and were interpreted as high, indicating generally favorable evaluations. The standard deviations show some variance between firms. Valid samples were 165, 144 and 137 for transactional, financing and risk-management FinTech respectively, compared with 193 for business performance, because N/A responses were excluded from service-specific scores.

Variable	Valid N	Mean	Standard Deviation	Interpretation
Transactional FinTech services	165	3.841	.971	High
Financing FinTech services	144	3.758	1.015	High
Risk-management FinTech services	137	3.923	.922	High
MSME business performance	193	3.794	1.040	High

Table 4.3. Descriptive Statistics

Normality Analysis

Normality analysis examined the distribution of the composite scores. Skewness represents symmetry, while kurtosis describes the shape and concentration of a distribution. All components were negatively skewed, indicating that responses were focused toward the higher

end of the scale. Transactional FinTech recorded skewness of −1.476 and kurtosis of .929; financing FinTech −1.389 and .594; risk-management FinTech −1.633 and 1.567; and business performance −1.337 and .394. Although these values remained within the broad ±2 range, every Shapiro–Wilk test was significant at $p < .001$, indicating that the data were not perfectly normal. Pearson correlation and regression were used since the samples ranged from modest to large, the relationships were linear, Durbin–Watson values were close to 2 and no Cook's distance exceeded 1. The results were thus interpreted with caution as associations rather than causal effects.

Variable	Skewness	Kurtosis	Shapiro–Wilk W	Sig.	Interpretation
Transactional FinTech	−1.476	.929	.719	< .001	Not normal
Financing FinTech	−1.389	.594	.748	< .001	Not normal
Risk-management FinTech	−1.633	1.567	.705	< .001	Not normal
MSME business performance	−1.337	.394	.730	< .001	Not normal

Table 4.4. Normality Analysis

Reliability Test

Reliability is the consistency of questionnaire items in evaluating a construct. Cronbach's alpha was used to measure internal consistency. Table 4.5 demonstrates that all six scales exceeded the accepted.70 value. MSME business performance had the highest alpha of.953. Crowdfunding scored.945, digital payments.934, peer-to-peer lending or crowdlending.931, Insurtech or digital insurance.930, and mobile or business banking.923. All were evaluated as excellent, indicating that the items effectively tested the target structures (Tavakol & Dennick, 2011). The valid N differs because reliability was calculated only for respondents who provided sufficient data for the relevant service.

Variables	N of Items	Valid N	Cronbach's Alpha	Interpretation
MSME business performance (dependent variable)	10	193	.953	Excellent
Digital payments	7	128	.934	Excellent
Mobile/business banking	7	106	.923	Excellent
P2P lending/crowdlending	7	102	.931	Excellent
Crowdfunding	7	103	.945	Excellent
Insurtech/digital insurance	7	121	.930	Excellent

Table 4.5. Reliability Statistics for Study Variables

Overall, the measurement scales were reliable and suitable for correlation and regression analysis. A single overall alpha was not calculated because the questionnaire measured six

distinct constructs rather than one common scale which combining all items may result in a misleading reliability result.

Correlation Analysis

A Pearson correlation analysis was conducted to assess the strength, direction, and statistical significance of the correlations between the three FinTech service groups and MSME business performance. The Pearson correlation coefficient ranges from −1 to +1. A positive coefficient indicates that higher scores for one variable are associated with higher scores for the other variable, whereas a coefficient closer to +1 indicates a stronger positive relationship. As shown in Table 4.6, transactional FinTech services recorded a very strong positive and statistically significant relationship with MSME business performance ($r = .976$, $p < .001$, $N = 165$). Financing FinTech services also showed a very strong positive and significant relationship with business performance ($r = .950$, $p < .001$, $N = 144$). Similarly, risk-management FinTech services, represented by Insurtech or digital insurance, had a very strong positive and significant relationship with MSME business performance ($r = .937$, $p < .001$, $N = 137$). The valid sample sizes differed because respondents selected N/A for services that their businesses did not use, and these responses were considered as missing in the relevant service analysis. Among the three service groups, transactional FinTech services had the strongest relationship with MSME business performance, followed by financing FinTech services and risk-management FinTech services. According to the findings, MSMEs that reported greater benefits from digital payments, business-banking applications, digital financing and Insurtech also tended to report stronger financial and non-financial performance. Since all significance values were below .05, the correlation findings provide preliminary support for H1, H2 and H3. Nevertheless, correlation demonstrates association rather than causation; therefore, the results do not prove that FinTech services directly caused the reported improvements in business performance.

Variable 1	Variable 2	N	Pearson r	Sig. (2-tailed)	Interpretation
Transactional FinTech	MSME business performance	165	.976	< .001	Very strong positive
Financing FinTech	MSME business performance	144	.950	< .001	Very strong positive
Risk-management FinTech	MSME business performance	137	.937	< .001	Very strong positive

Table 4.6. Correlation Analysis

Note: Correlation is significant at the 0.01 level (2-tailed).

The three independent variables were also very strongly related: transactional and financing FinTech recorded $r = .971$, transactional and risk-management FinTech $r = .961$, and financing and risk-management FinTech $r = .956$, with $p < .001$. These high correlations suggest that businesses obtaining value from one service category often reported favorable experiences with other categories. Consequently, the hypotheses were tested using separate simple regression models, and the R^2 values were not interpreted as unique effects within one combined model.

Simple Linear Regression Analysis

Three separate simple linear regressions were used to determine whether each FinTech service group substantially influenced MSME business performance. Separate models were utilized because the valid sample differed across constructs. Table 4.7 shows that transactional FinTech recorded R = .976, R^2 = .953, adjusted R^2 = .953 and F = 3324.313 ($p < .001$), indicating that 95.3% of the variation in perceived performance among its 165 valid cases was associated with transactional FinTech. Financing FinTech recorded R = .950, R^2 = .903 and F = 1328.470 ($p < .001$), while risk-management FinTech recorded R = .937, R^2 = .877 and F = 964.283 ($p < .001$). Thus, the financing and risk-management models were associated with 90.3% and 87.7% of the variation within their respective samples. The remaining variation may be related to organizational, managerial or market factors not included in each simple model.

Model	N	R	R Square	Adjusted R^2	F	Sig.
H1: Transactional FinTech	165	.976	.953	.953	3324.313	< .001
H2: Financing FinTech	144	.950	.903	.903	1328.470	< .001
H3: Risk-management FinTech	137	.937	.877	.876	964.283	< .001

Table 4.7. Model Summary of the Simple Linear Regressions

Table 4.8 indicates that all regression coefficients were positive and statistically significant. Transactional FinTech recorded the highest standardized coefficient (β = .976, B = 1.029, t = 57.657, $p < .001$), followed by financing FinTech (β = .950, B = .991, t = 36.448, $p < .001$) and risk-management FinTech (β = .937, B = .984, t = 31.053, $p < .001$). Transactional FinTech therefore showed the strongest service-specific relationship with business performance. However, the coefficients came from separate models and should not be interpreted as causal effects or unique contributions from one combined regression.

Variable	B	Std. Error	Beta	t-value	Sig.	Result
Transactional FinTech	1.029	.018	.976	57.657	< .001	Significant
Financing FinTech	.991	.027	.950	36.448	< .001	Significant
Risk-management FinTech	.984	.032	.937	31.053	< .001	Significant

Table 4.8. Regression Coefficient Analysis

Research Question	Hypothesis	Sig.	Result
RQ1	H1: There is a significant positive relationship between transactional FinTech services and MSME business performance in Klang Valley.	< .001	Supported / Accepted

RQ2	H2: There is a significant positive relationship between financing FinTech services and MSME business performance in Klang Valley.	< .001	Supported / Accepted
RQ3	H3: There is a significant positive relationship between risk-management FinTech services and MSME business performance in Klang Valley.	< .001	Supported / Accepted

Table 4.9. Hypotheses Supported by the Results

Table 4.9 supports H1, H2, and H3 with positive and significant relationships $p < .001$. Transactional, financing and risk-management FinTech services were each significantly associated with MSME business performance in Klang Valley. As a result, all research questions and objectives were met, within the limitations of cross-sectional and self-reported data.

CONCLUSION AND RECOMMENDATIONS

This section summarizes the main findings, evaluates their limitations, and presents recommendations to MSMEs, service providers, policymakers, and future researchers.

Conclusion

The study analyzed 193 eligible MSMEs and met all three research objectives. H1 was validated as transactional FinTech services had a significant positive correlation with MSME business performance ($r = .976$, $R^2 = .953$, $p < .001$). The findings show that digital payments and business-banking applications are closely connected with daily operations, transaction records, cash-flow visibility and customer convenience. Moreira-Santos et al. (2022) similarly emphasise usefulness and convenience, while Li (2024) links mobile payments with financial-management efficiency. H2 was supported because financing FinTech services were strongly related to business performance ($r = .950$, $R^2 = .903$, $p < .001$). P2P lending, crowdlending and crowdfunding can widen financing alternatives and investor reach. Rehman et al. (2023) show that FinTech can reduce information asymmetry, while Guan et al. (2025) identify improvements in SME financing efficiency. However, the result does not mean that every digital financing arrangement is beneficial; cost, repayment requirements and productive use remain essential. H3 was supported because risk-management FinTech services, represented by Insurtech or digital insurance, showed a strong positive relationship with business performance ($r = .937$, $R^2 = .877$, $p < .001$). Digital insurance may simplify policy access, protection choices and claims administration. Its benefit can be less immediately observable than payment or financing services, so MSMEs should examine coverage limits and exclusions carefully. Overall, the findings suggest a service-based approach to FinTech. Transactional, financing, and risk-management services serve different business functions but are each positively associated with perceived financial and non-financial results. The highly strong coefficients should be interpreted cautiously because the measurements were self-reported, collected at a single point in time, and obtained via non-probability sampling. The positive direction is nevertheless consistent with Teng et al. (2022) and Kurniasari et al. (2025), who discovered positive correlations between digitalization, FinTech adoption, and SME performance.

Limitations of the Study

The study used purposive and referral sampling in Klang Valley, hence the final sample may not reflect all Malaysian MSMEs. The cross-sectional study cannot determine long-term or causal consequences. Self-reported assessments can be influenced by common-method bias or positive perceptions. Valid sample sizes varied because N/A responses were considered as missing, and the service measures focused on perceived effectiveness rather than verified financial statements or transaction records.

Recommendations of the Study

MSMEs should integrate FinTech into financial routines rather than use each application in isolation. Digital payments should be linked to sales records and bookkeeping, while business-banking applications should support reconciliation, approval and cash-flow monitoring. Financing platforms should be evaluated based on their effective cost, repayment capabilities, disclosure requirements, and expected return from the funded activity. Digital insurance should be chosen after considering coverage, exclusions, prices, data usage, and claims procedures. FinTech providers and banks should increase interoperability with accounting systems, provide more transparent fees and financing information, and provide practical training to MSME users. P2P and crowdfunding platforms should strengthen suitability assessments and communicate risks transparently. Insurtech companies should simplify policy comparisons, exclusions, and claims documentation. Policymakers and development agencies should collaborate to improve digital financial competence, raise cybersecurity awareness, and provide responsible alternative-finance support, particularly for micro and small businesses with limited specialist staff. According to the findings, aligning technology, organizational readiness, and the external environment leads to higher commercial value. TAM emphasizes utility and simplicity of use, TOE emphasizes capacity and external support, and DOI clarifies relative advantage and compatibility. As a result, the proposed framework retains all three service groups as positive contributors to MSME business performance while highlighting the importance of skills, governance, and service integration.

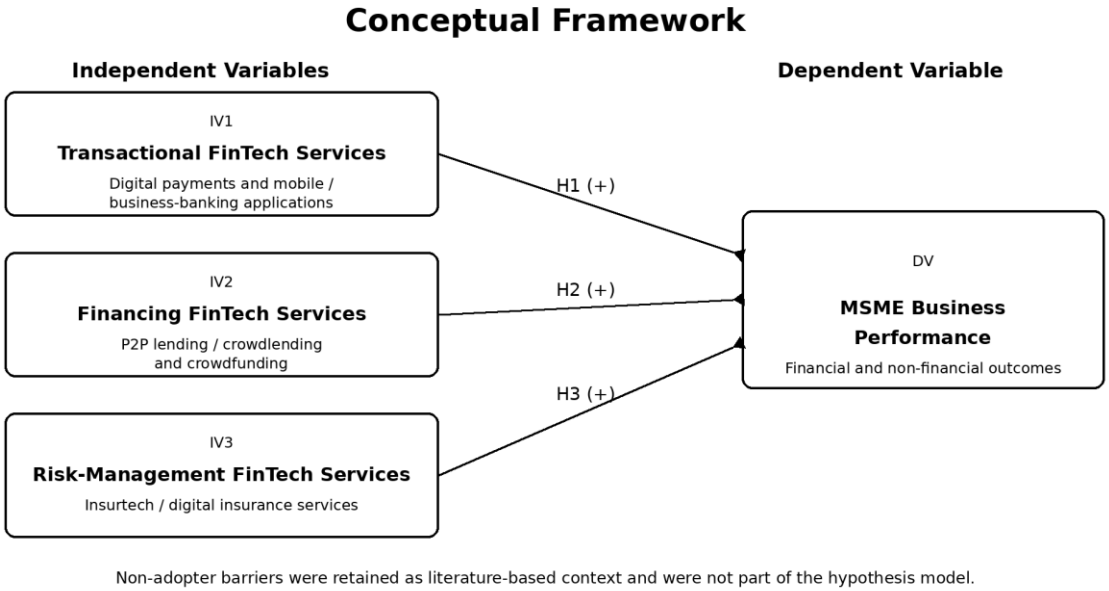

Figure 5.1. Recommended Service-Based Framework for MSMEs

Recommendation for Future Study

Future research should use probability-based or stratified sampling across multiple Malaysian areas to investigate differences between urban and rural enterprises. Researchers should also evaluate micro, small, and medium-sized businesses by industry, as transaction intensity, financing requirements, and insurance exposure might vary significantly between retailers, service firms, manufacturers, and construction businesses. Longitudinal study might show whether FinTech adoption precedes changes in sales, cash-flow stability, operating efficiency, or resilience. Survey evidence should be supported by objective financial statements, transaction records, financing histories or platform data. Interviews with owners and finance managers could also explain why some businesses benefit more from the same digital service than others. Additional research should include actual non-adopters and provide insight into awareness, cybersecurity, affordability, financial literacy, personnel capabilities, provider support and system integration. A combined model can also determine whether organizational readiness or digital financial capability mediators or moderates the FinTech-performance relationship. Insurtech needs special attention because MSME research is minimal as compared to payments and financing. Finally, future researchers should investigate whether the strong relationships found in this study remain maintained when common-method controls, alternative performance metrics, and sector-specific models are utilized. Replication over different time periods would be beneficial because FinTech services, regulations, and user expectations are constantly changing.

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THE INFLUENCE OF SAFETY MANAGEMENT PRACTICES ON SUSTAINABLE PERFORMANCE AT KAYAKU SAFETY SYSTEM MALAYSIA SDN. BHD.

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ABSTRACT
This study examined the influence of safety management practices on sustainable performance at Kayaku Safety Systems Malaysia Sdn. Bhd. Safety management practices are essential for reducing workplace hazards, promoting employee well-being, and supporting long-term organisational sustainability. A quantitative research design was employed, and data were collected using a structured questionnaire administered to employees of Kayaku Safety Systems Malaysia Sdn. Bhd. A total of 105 valid responses was analysed using the Statistical Package for the Social Sciences (SPSS). The questionnaire used a five-point Likert scale to measure safety training and awareness, safety policies, and sustainable performance. Multiple regression analysis was conducted to examine the influence of safety management practices on sustainable performance. The findings showed that safety training and awareness had a significant positive influence on sustainable performance, whereas safety policies did not have a significant influence. The study concludes that continuous investment in safety training and awareness is essential for improving employees' safety knowledge and safe work behaviours, thereby enhancing sustainable performance. These findings provide valuable insights for organisations seeking to strengthen safety management practices and achieve long-term organisational sustainability.

Keywords: Safety Management Practices, Safety Training and Awareness, Safety Policies, Sustainable Performance, Manufacturing Industry

INTRODUCTION
Workplace safety is a major concern in the manufacturing industry because employees may be exposed to machinery, chemicals, operational risks and high-risk materials. A safe working environment is important not only for legal compliance but also for protecting employee health, reducing accidents and supporting smooth business operations. Al-Dmour et al. (2025) stated that organisations need to manage workplace risks through safety management practices in order to protect employees and improve sustainable performance. Safety management practices refer to the systems and activities used by an organisation to prevent accidents and control workplace hazards. These practices may include safety training, safety awareness, safety policies, risk control, participation, and monitoring. Machingura and Muyavu (2024) explained that safety intervention practices can improve workplace safety and contribute to sustainable performance. This shows that safety practices are used not only to comply with regulations, but also to support the long-term performance of an organisation. Sustainable performance

refers to an organisation's ability to achieve long-term success by balancing economic, social and environmental outcomes. In the context of workplace safety, sustainable performance is reflected in reduced workplace accidents, improved employee health and well-being, increased operational efficiency and compliance with safety and environmental regulations. According to Lee (2018), effective safety management practices contribute to sustainable performance by creating safer workplaces, reducing operational risks and improving organisational productivity. Similarly, Machingura and Muyavu (2024) found that organisations that invest in safety interventions are more likely to achieve sustainable performance through enhanced employee well-being, better safety performance and long-term organisational effectiveness. Sustainable performance is therefore an important outcome of effective safety management practices, particularly in high-risk manufacturing industries where employee safety is closely linked to organisational success.

The manufacturing industry is recognised as a high-risk sector because employees are frequently exposed to machinery, hazardous chemicals, pyrotechnic materials, and complex production processes that increase the likelihood of workplace accidents. This study focuses on Kayaku Safety Systems Malaysia Sdn. Bhd., a manufacturing company located in Sendayan, Negeri Sembilan. The company manufactures automotive safety products such as micro gas generators, inflators and squibs, which are used in vehicle safety systems including airbags and seatbelt systems. The company has a workforce of around 599 people and has implemented several formal structures to ensure workplace safety, including a safety committee responsible for holding monthly meetings focused on health issues. As the production process involves pyrotechnic and other high-risk materials, safety management practices are crucial to ensuring safe daily operations. Although many manufacturing organisations have implemented safety management practices to minimise these risks, it remains unclear which practices contribute most effectively to sustainable performance. In particular, there is limited empirical evidence on the influence of safety training and awareness programmes, and safety policies, on sustainable performance in the Malaysian manufacturing industry (Mohamed Esa et al., 2025). As sustainable performance encompasses improved employee well-being, reduced workplace accidents, and enhanced operational efficiency, organisations must understand how different safety management practices contribute to these outcomes. Therefore, this study examines the influence of safety training and awareness, and safety policies, on sustainable performance at Kayaku Safety Systems Malaysia Sdn. Bhd., thereby addressing this research gap and providing practical insights for improving workplace safety and long-term organisational sustainability.

LITERATURE REVIEW

Human Capital Theory

Human Capital Theory, introduced by Becker (1964), suggests that employees' knowledge, skills, abilities, and competencies are valuable organisational assets that contribute to improved organisational performance. The theory proposes that organisations can enhance performance by investing in employee development through education, training, and continuous learning. In the context of this study, safety training and awareness represent investments in human capital because they enhance employees' knowledge of workplace hazards, safety procedures,

and risk prevention. Through continuous safety training, employees develop the competencies required to recognise potential hazards, comply with safety regulations, and adopt safe working behaviours (Nunez & Prieto, 2018). These competencies lead to fewer workplace accidents, improved employee well-being, greater operational efficiency, and ultimately better sustainable performance. Accordingly, Human Capital Theory provides the theoretical foundation for this study by explaining how investments in employees, through safety training and awareness, contribute to sustainable performance at Kayaku Safety Systems Malaysia Sdn. Bhd.

Dimensions of Safety Management Practices

Safety management plays a vital role in protecting employees from workplace hazards, reducing occupational accidents, and enhancing sustainable performance through effective safety practices. Safety management practices, including safety training, awareness, and the implementation of safety policies, contribute to safer work environments and improved sustainable performance.

Safety Training and Awareness

Safety training and awareness refer to organisational programmes designed to enhance employees' knowledge, skills, and awareness of workplace hazards, safety procedures, and the proper use of equipment (Kanesan et al., 2025). These programmes help employees recognise potential risks, respond appropriately to unsafe situations, and comply with organisational safety requirements. Safety training also strengthens employees' safety awareness, promotes safe work behaviours, and contributes to improved organisational safety performance (Md Yusop et al., 2024; Machingura & Muyavu, 2024). Furthermore, in line with Human Capital Theory, organisations that invest in employee training and development enhance employees' competencies and productivity, leading to improved organisational performance (Becker, 1964). In high-risk manufacturing environments such as Kayaku Safety Systems Malaysia Sdn. Bhd., continuous safety training and awareness are essential for minimising workplace accidents, improving employee well-being, and supporting sustainable performance.

Safety Policies

Safety policies are the formal rules, procedures and guidelines an organisation uses to manage workplace safety and reduce occupational risks. These policies guide employees on safe working behaviour, proper use of equipment, hazard control, and compliance with safety requirements. Bhagwat and Delhi (2021) stated that safety management involves organisational policies, systems, procedures, leadership and commitment to safety in order to promote a safe workplace.

Sustainable Performance

Previous studies have stated that safety management practices support sustainable performance by improving workplace safety, employee well-being and organisational efficiency (Lee, 2018). Safety management practices, including safety training, awareness, and safety policies, help reduce workplace hazards, encourage safe work behaviours, and support long-term organisational sustainability. Therefore, this study conceptualises sustainable performance in terms of outcomes related to workplace safety, employee well-being and operational efficiency. Based on the literature, safety training and awareness, and safety policies, are proposed as key dimensions of safety management practices that may influence sustainable performance at

Kayaku Safety Systems Malaysia Sdn. Bhd. Workplace safety plays an important role in improving sustainable organisational performance. Organisations can enhance sustainable performance by strengthening their safety management practices, particularly through continuous safety training and awareness, effective implementation of safety policies, regular hazard identification, and ongoing monitoring of workplace safety (Md Yusop et al., 2024). In this study, sustainable performance is defined as the achievement of long-term organisational outcomes through improved workplace safety, enhanced employee well-being, reduced workplace accidents, and greater operational efficiency resulting from effective safety management practices.

Hypotheses Development

Based on the literature reviewed and the conceptual framework developed for this study, safety management practices are expected to influence sustainable performance. Specifically, this study focuses on two dimensions of safety management practices: safety training and awareness, and safety policies. Previous studies have shown that safety training and awareness enhance employees' knowledge of workplace hazards, improve compliance with safety procedures, encourage safe work behaviours, and ultimately contribute to sustainable performance (Rahman et al., 2022; Md Yusop et al., 2024). Accordingly, the following hypothesis is proposed:

H1: Safety training and awareness has a significant influence on sustainable performance at Kayaku Safety System Malaysia Sdn. Bhd.

In addition, organisations with well-established safety policies are more likely to provide a structured framework for managing workplace risks, promoting regulatory compliance and supporting long-term organisational sustainability. Previous studies have suggested that effective safety policies contribute to improved sustainable performance when they are properly implemented and supported by management commitment and employee participation (Lee, 2018; Md Yusop et al., 2024). Therefore, the following hypothesis is proposed:

H2: Safety policies have a significant influence on sustainable performance at Kayaku Safety System Malaysia Sdn. Bhd.

Conceptual Framework

The conceptual framework is shown in Figure 1 below. The dependent variable of the study is sustainable performance, while the independent variables are safety training and awareness, and safety policies.

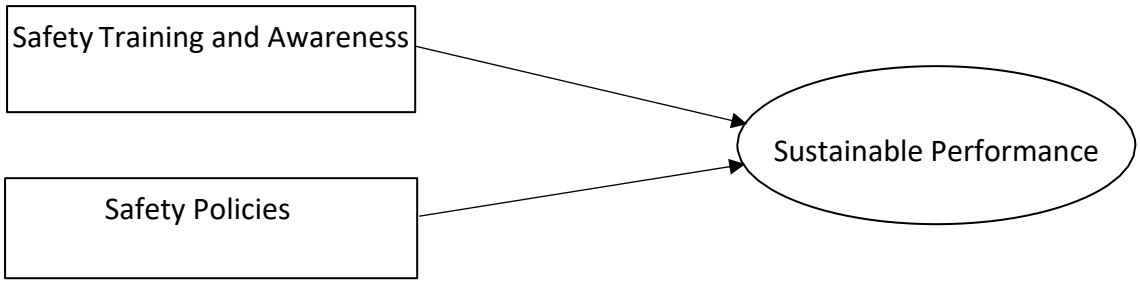

Figure 1. Research Framework

METHODOLOGY

A quantitative research design was employed to examine the influence of safety management practices on sustainable performance at Kayaku Safety Systems Malaysia Sdn. Bhd. A cross-sectional survey design was adopted, in which data were collected at a single point in time using a structured questionnaire distributed through Google Forms. The questionnaire was distributed via Google Forms with the support of the company's management. The questionnaire comprised three sections. Section A collected respondents' demographic information. Section B measured the independent variables, namely safety training and awareness, and safety policies. Section C measured the dependent variable, sustainable performance. All items were assessed using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The target population for this study comprised employees of Kayaku Safety Systems Malaysia Sdn. Bhd. The study focused on employees from various departments and job levels within the organisation to obtain a comprehensive understanding of safety management practices and sustainable performance. The sample size was determined based on Cohen's (1992) guidelines for multiple regression analysis, which recommend a minimum of 97 respondents for a model with two independent variables. A total of 105 valid responses were collected and used for data analysis.

FINDINGS

Demographic Analysis

Table 1 presents the demographic characteristics of the 105 respondents. Most respondents were male (55.2%), while female respondents accounted for 44.8%. In terms of ethnicity, most respondents were Malay (84.8%), followed by Chinese (8.6%), Indian (3.8%), and others (2.9%). The largest age group was 26–30 years (33.3%), followed by respondents aged 31–35 years (30.5%), 36 years and above (25.7%), and 18–25 years (10.5%). Regarding educational qualifications, half of the respondents held a bachelor's degree (49.5%), followed by a diploma (41.9%), while smaller proportions held an SPM qualification (6.7%) or a master's degree (1.9%). In terms of job position, the largest proportion of respondents were executives (31.4%), followed by assistant managers (10.5%) and engineers (10.5%). With respect to departmental distribution, the largest group of respondents was from the Supply Chain Management (SCM) department (20.0%), followed by the Facility and Maintenance (FM) department (10.5%) and the Human Resource and General Affairs (HRGA) department (9.5%). Finally, most respondents had between one and five years of working experience (46.7%), followed by six to ten years (24.8%), more than ten years (15.2%), and less than one year (13.3%).

Table 1 Respondents Demographic Analysis Result

Demographic	Category	Frequency (N)	Percentage (%)
Gender	Male	58	55.2
	Female	47	44.8
Race	Malay	89	84.8
	Chinese	9	8.6
	Indian	4	3.8

	Others	3	2.9
Age	18-25	11	10.5
	26-30	35	33.3
	31-35	32	30.5
	36 and above	27	25.7
Academic Qualification	SPM	7	6.7
	Diploma	44	41.9
	Undergraduate (Bachelor's Degree)	52	49.5
	Master	2	1.9
Position Level	Assistant Engineer	6	5.7
	Assistant Executive	6	5.7
	Assistant General Manager	1	1.0
	Assistant Manager	11	10.5
	Engineer	11	10.5
	Executive	33	31.4
	Manager	8	7.6
	Senior Engineer	9	8.6
	Senior Executive	9	8.6
	Senior Manager	2	1.9
	Supervisor	5	4.8
	Technician	2	1.9
	Warehouse Member	2	1.9
Department	Corporate Planning & accounting (CPA)	7	6.7
	Dojo	2	1.9
	Facility & Maintenance (FM)	12	11.4
	Human Resource & General Affairs (HRGA)	10	9.5
	Information Technology (IT)	3	2.9
	PROD 1 – Cylinder (S1)	3	2.9
	PROD 1 – Inflator (I1)	2	1.9
	PROD 1 -General Production (GP)	1	1.0
	PROD 1 -Logistic (LG)	2	1.9
	PROD 1 -Micro Gas Generator (MGG)	2	1.9
	PROD 2 – Enhancer (EH)	1	1.0
	PROD 2 – Gas General (GG)	2	1.9
	PROD 2 – Gas General Tablet (GT)	2	1.9
	PROD 2 - General Production (GP)	3	2.9
	PROD 2 – Glass To Metal Sealed Squib (GTMS)	5	4.8

	PROD 2 – Zirconium Tungsten Potassium Perchlorate (ZWPP)	5	4.8
	Quality Assurance & Quality Control (QA & QC)	9	8.6
	Safety, Health & Environment (SHE)	4	3.8
	Sales & Marketing (SM)	4	3.8
	Supply Chain Management (SCM)	21	20.0
	Technical (GQ)	5	4.8
Working Experience	Less than 1 year	14	13.3
	1-5 years	49	46.7
	6-10 years	26	24.8
	More than 10 years	16	15.2

Multiple Regression Analysis

Multiple regression analysis was used to examine the influence of safety management practices which are safety training and awareness and safety policies (independent variables) on sustainable performance (dependent variable). In this study, multiple regression analysis was conducted to test the following hypotheses:

H1: Safety training and awareness has a significant influence on sustainable performance at Kayaku Safety System Malaysia Sdn. Bhd.

H2: Safety policies have a significant influence on sustainable performance at Kayaku Safety Systems Malaysia Sdn. Bhd.

Table 2 Multiple Regression Analysis Result (Model Summary & ANOVA[a])

Model	**R**	**R^2**	**Adjusted R^2**	**Std. Error of the Estimate**
1	**0.393**	**0.154**	**0.137**	**0.434**
	F		**Sig**	
	9.290		**0.001*** **	

Notes: ***significant on α = 0.001, ** significant on α = 0.005, * significant on α = 0.05
Source: Hussin, Ali, and Noor (2014)

The multiple regression analysis results, including the Model Summary and ANOVA results, are presented in Table 2. The R^2 value indicates the proportion of variation in the dependent variable explained by the independent variables. According to the table, the R^2 value is 0.154, meaning that 15.4 percent of the variation in sustainable performance is accounted for by the two independent variables: safety training and awareness and safety policies. Furthermore, the ANOVA results show that the F value is 9.290 with a p-value of 0.001, which meets the rule of thumb α = 0.001. Therefore, the results indicate that the regression model is statistically significant and that both independent variables jointly contribute to explaining changes in the dependent variable.

Table 3 Multiple Regression Analysis Result (Coefficients[a])

Model	Independent Variables	Standardized Beta	t	Sig.
1	Safety Training and Awareness	0.483**	2.989	0.004
	Safety Policies	-0.117[ns]	-0.722	0.472

Notes: Dependent variable: Sustainable Performance
Significant at $p < 0.05$ ($t > 1.645$); **Significant at $p < 0.01$ ($t > 2.326$); ***Significant at $p < 0.001$ ($t > 3.090$); ns= not significant

Source: Hussin et al. (2014)

The table above presents the coefficient results. The findings show that both independent variables, safety training and awareness, have significant positive effects on sustainable performance. The p-value for safety training and awareness is 0.004, which is lower than the second rule-of-thumb value (0.01). In addition, the t-value is valid, as it is above 2.989. Meanwhile, the p-value for safety policies is 0.472, which is insignificant, with a t-value of -0.722. Furthermore, the standardised beta coefficient for safety training and awareness was $\beta = 0.483$, indicating a positive and statistically significant influence on sustainable performance. In contrast, the standardised beta coefficient for safety policies was $\beta = -0.117$, indicating a negative but statistically insignificant relationship with sustainable performance. These findings suggest that safety training and awareness is the stronger predictor of sustainable performance, with higher levels of safety training and awareness being associated with improved sustainable performance. Based on the regression analysis, H1, which proposed that safety training and awareness has a significant positive influence on sustainable performance, is supported. However, H2, which proposed that safety policies have a significant positive influence on sustainable performance, is not supported because the relationship is not statistically significant.

DISCUSSION

The regression analysis showed that safety training and awareness had a positive influence on sustainable performance at Kayaku Safety Systems Malaysia Sdn. Bhd. This finding indicates that employees who receive adequate safety training and possess a higher level of safety awareness are better equipped to identify workplace hazards, comply with safety procedures, and adopt safe work behaviours, thereby contributing to improved sustainable performance. The result supports the hypothesis that safety training and awareness play a significant role in enhancing sustainable performance within a high-risk manufacturing environment. This finding is consistent with the study by Machingura and Muyavu (2024), which reported that safety intervention practices improve sustainable performance by strengthening workplace safety, enhancing employee well-being, and supporting organisational effectiveness. In the

context of Kayaku Safety Systems Malaysia Sdn. Bhd., where employees are involved in manufacturing automotive safety components using hazardous materials, continuous safety training and awareness are essential to ensure compliance with safety regulations, proper handling of equipment, and effective hazard recognition. Therefore, safety training programmes can help minimise workplace accidents, improve operational efficiency, and support the company's long-term sustainability goals. The analysis indicated that safety policies did not have a significant influence on sustainable performance at Kayaku Safety Systems Malaysia Sdn. Bhd. The findings of this study are consistent with Lee (2018), who argued that safety policies are only effective when employees clearly understand, consistently follow, and actively apply them in their daily work. Without effective implementation, policies have limited impact on employees' safety behaviour and organisational performance. Therefore, safety policies should be supported by continuous communication, regular supervision, and practical safety training to ensure that employees not only understand organisational safety requirements but also explain them into safe workplace practices. These findings highlight that effectively implementing safety policies is essential for improving sustainable performance in high-risk manufacturing environments. Therefore, the findings suggest that Kayaku Safety Systems Malaysia Sdn. Bhd. should continue to prioritise safety training and awareness initiatives as part of its overall safety management strategy, in order to strengthen employee safety and achieve long-term sustainable performance.

CONCLUSION

This study examined the influence of safety management practices, specifically safety training and awareness and safety policies, on sustainable performance at Kayaku Safety Systems Malaysia Sdn. Bhd. The findings revealed that safety training and awareness significantly enhanced sustainable performance by improving employees' knowledge of workplace hazards, encouraging safe work practices, and supporting long-term organisational sustainability. In contrast, safety policies did not significantly influence sustainable performance, suggesting that policies are most effective when reinforced through continuous training, effective communication, and active employee involvement. These findings indicate that organisations operating in high-risk manufacturing environments should prioritise practical safety training and awareness initiatives alongside well-implemented safety policies to strengthen sustainable performance. Based on the findings of this study, Kayaku Safety Systems Malaysia Sdn. Bhd. should continue strengthening its safety training and awareness programmes while enhancing hazard identification, risk assessment practices, and communication of safe work procedures and equipment maintenance requirements. Since safety training and awareness were found to significantly influence sustainable performance, continuous investment in these initiatives can improve employees' understanding of workplace hazards, promote safer work behaviours, and enhance operational efficiency. These improvements can help reduce workplace accidents, increase employee confidence and productivity, and lower accident-related costs. As the company operates in a high-risk manufacturing environment, the ongoing enhancement of safety management practices is essential to safeguard employee well-being and support long-term organisational sustainability.

This study has several limitations that should be considered when interpreting the findings. First, it was conducted only at Kayaku Safety Systems Malaysia Sdn. Bhd., which limits the

generalisability of the findings to other manufacturing companies or industries with different organisational cultures and safety management practices. Second, the study employed a cross-sectional research design, with data collected at a single point in time. As a result, it could only identify relationships between variables and could not establish causal effects or examine changes in safety management practices and sustainable performance over time. Third, the sample consisted of 105 respondents, which may not fully represent the perceptions of all employees within the organisation. Finally, this study examined only two dimensions of safety management practices, namely safety training and awareness, and safety policies. Other factors, such as management commitment, safety leadership, employee involvement, safety communication, and risk assessment practices, were not included and may also influence sustainable performance. Therefore, future research should examine additional safety management practices, such as safety leadership, management commitment, employee involvement, safety communication, and hazard identification, to provide a more comprehensive understanding of the factors influencing sustainable performance. Future studies could also include manufacturing companies from different industries or states in Malaysia and use larger sample sizes to improve the generalizability of the findings. In addition, longitudinal or mixed-method research designs could be adopted to provide deeper insights into the long-term effects of safety management practices on sustainable performance.

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PERCEPTION OF TAX FAIRNESS AMONG T20, M40 AND B40 INCOME GROUPS IN MALAYSIA

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ABSTRACT
Tax fairness refers to taxpayers' perceptions of whether the tax system is equitable and whether tax burdens are distributed fairly among citizens. This study examines the perception of tax fairness among B40, M40, and T20 income groups in Malaysia. Understanding tax fairness across these income groups is important because differences in tax contributions, financial responsibilities, and government assistance may influence how taxpayers perceive the fairness of the Malaysian tax system. Specifically, this study investigates the influence of tax knowledge, tax burden, on income group perceptions of tax fairness. A quantitative research approach was adopted, and data were collected through an online questionnaire distributed via Google Forms. A total of 100 valid responses were analysed using IBM SPSS Statistics Version 27. The findings indicate that income group in Malaysia are more likely to perceive the tax system as fair when they have a better understanding of taxation and believe that government assistance is distributed fairly and effectively. This study provides useful insights for policymakers in developing fair and effective taxation policies for different income groups in Malaysia.

Keywords: Tax Fairness, Income Group B40, M40 and T20, Tax Knowledge, Tax Burden, Taxpayers.

INTRODUCTION
Taxation is an important source of government revenue that finances public services such as healthcare, education, infrastructure, and social welfare programmes. In Malaysia, taxation also supports economic development and income redistribution (Bird & Zolt, 2005). Therefore, a fair tax system is important to encourage taxpayers to comply with tax regulations and contribute to national development. In Malaysia, taxpayers come from different income levels, namely the B40 (Bottom 40%), M40 (Middle 40%), and T20 (Top 20%) income groups (Department of Statistics Malaysia [DOSM], 2024). These groups differ in terms of income, tax contributions, are evident in terms of tax knowledge, tax burden, eligibility for government financial assistance, and access to various social support programmes. Thus, the study of tax fairness perceptions is particularly relevant in the Malaysian context, as the government adopts different fiscal policies and assistance measures for the B40, M40, and T20 income groups. Examining these perceptions provides valuable feedback on how citizens evaluate the government's tax and redistribution policies, as perceptions of fairness are often associated with taxpayers' willingness to comply with tax obligations (Nathan, B., Perez-Truglia, R., & Zentner, A. (2026), Musah, A., Adenutsi, D. E., & Okyere, B. (2026), Dimitras, A., Fourlas,

V., Kirchler, E., & Peppas, G. (2025)). Such feedback enables policymakers to assess whether existing policies are achieving their intended objectives and are perceived as equitable by the public. The findings can therefore serve as an important basis for reviewing, refining, and improving current taxation and assistance policies to ensure greater fairness, effectiveness, and public acceptance. The aim of this study is to examine the perception of tax fairness among personal taxpayers in Malaysia and to investigate the influence of tax knowledge, tax burden, government assistance, and cost of living on taxpayers' perception of tax fairness. This study will focus on achieving the following research objectives:

RO1: To describe and compare the level of perceived tax fairness across the B40, M40, and T20 income groups in Malaysia.
RO2: To examine the relationship between tax knowledge and perception of tax fairness.
RO3: To analyse the relationship between perceived tax burden and tax fairness perception.

Furthermore, the main aim is to ascertain the following research questions which investigate perception of tax fairness among personal taxpayers` in Malaysia. These research questions will be answered by the participants through the process of data collection via survey:

RQ1: What is the difference in the level of perceived tax fairness among the B40, M40, and T20 income groups in Malaysia?
RQ2: Is there a significant relationship between tax knowledge and perception of tax fairness?
RQ3: What is the relationship between perceived tax burden and tax fairness perception among Malaysian?

LITERATURE REVIEW

Underlying Theory

This study is underpinned by Equity Theory, Fiscal Exchange Theory, and Ability-to-Pay Theory, which collectively explain taxpayers' perceptions of tax fairness. Equity Theory (Adams, 1965) suggests that taxpayers evaluate fairness by comparing the taxes they pay with the benefits they receive from the government. When tax burdens and public benefits are perceived as equitable, taxpayers are more likely to develop positive perceptions of tax fairness. Fiscal Exchange Theory (Bird & Zolt, 2005) argues that taxpayers view taxation as an exchange process, where fair taxation depends on the efficient use of tax revenue to provide quality public services and government assistance. Studies have shown that transparent government spending and visible public benefits strengthen taxpayers' perceptions of fairness. Ability-to-Pay Theory (Musgrave, 1959) proposes that tax fairness is achieved when individuals contribute taxes according to their financial capacity, forming the basis of progressive taxation systems. Recent evidence also highlights that fairness perceptions significantly influence taxpayers' attitudes and tax compliance behaviour. Together, these theories provide a comprehensive framework for examining how tax knowledge, tax burden, government assistance, and cost of living influence taxpayers' perception of tax fairness in Malaysia. Therefore, taxpayers from different income groups may have different perceptions of tax fairness based on their tax burden and financial circumstances.

Perception of Tax Fairness

Perception of tax fairness refers to taxpayers' evaluation of whether the tax system distributes tax burdens, tax responsibilities, and government benefits fairly across society. Tax fairness is generally conceptualised through three dimensions: distributive fairness, procedural fairness, and exchange fairness. Taxpayers who perceive the tax system as fair are more likely to trust the government and voluntarily comply with tax obligations. Recent studies indicate that tax fairness is one of the strongest determinants of voluntary tax compliance and trust in tax authorities, particularly in developing countries (Organisation for Economic Co-operation and Development [OECD], 2023; Nathan et al., 2024. Since the study compares the perceptions among income group in Malaysia, distributive fairness provides the most appropriate framework for examining whether taxpayers perceive the distribution of tax obligations and government assistance as equitable.

Tax Knowledge

Tax knowledge refers to the level of understanding taxpayers have regarding tax laws, regulations, and procedures. Taxpayers with higher tax knowledge are more likely to understand how taxes are calculated and how government revenue is used. This understanding reduces confusion and increases acceptance of the tax system. Recent studies have shown that tax knowledge positively influences taxpayers' perceptions of tax fairness and voluntary tax compliance because informed taxpayers are more likely to view the tax system as transparent and reasonable (Appiah et al., 2024; Musah et al., 2026).

Tax Burden

Tax burden refers to the amount of tax paid by taxpayers relative to their income. When taxpayers perceive the tax burden as excessive, they are more likely to view the tax system as unfair. This is particularly evident among M40 households, which often experience financial pressure while receiving limited government assistance. In Malaysia, the expansion of the Sales and Service Tax (SST) and rising living costs have further increased concerns regarding household financial burden. These changes reduce disposable income and raise the cost of daily living, especially for lower- and middle-income groups (Harun, 2020; Ismail et al., 2023). Studies also suggest that higher perceived tax burden negatively influences perceptions of tax fairness and compliance behaviour (OECD, 2022; Nathan et al., 2024).

Relationship between Perception of Tax Fairness and Independent Variables

Perception of tax fairness among Malaysian taxpayers is influenced by several economic and social factors. In this study, the independent variables include tax knowledge, tax burden, government assistance, and cost of living. These variables are closely related to current economic conditions in Malaysia, such as rising inflation, subsidy restructuring, and increasing household expenses. These issues shape how taxpayers evaluate whether the tax system is fair or not. In general, when taxpayers feel financially pressured or believe benefits are not distributed fairly, their perception of tax fairness tends to decline.

H1: There is a difference perception of tax fairness among the income group of taxpayers.

Perception of Tax Fairness and Tax Knowledge

Tax knowledge refers to taxpayers' understanding of tax regulations, procedures, and the purpose of taxation. Taxpayers with higher tax knowledge are more likely to understand how

taxes are collected and how government revenue is used. As a result, they are more likely to perceive the tax system as fair and transparent. Recent studies have shown that tax knowledge positively influences taxpayers' perceptions of tax fairness because informed taxpayers have greater confidence in the tax system and are more willing to comply with tax obligations (Hauptman et al., 2024; Appiah et al., 2024).

H2: There is a significant positive relationship between tax knowledge and perception of tax fairness among B40, M40, and T20 income groups in Malaysia

Perception of Tax Fairness and Tax Burden

Tax burden refers to the financial pressure experienced by taxpayers as a result of taxes and related costs. Rising living costs, inflation, and changes in government policies may increase taxpayers' perceptions of tax burden. When taxpayers perceive that the tax burden is excessive relative to their income or the benefits received, they are more likely to view the tax system as unfair (Mohammed & Tangl, 2024; Nathan et al., 2024). Research suggests that taxpayers' perceptions of tax burden are influenced not only by the amount of tax paid but also by whether they believe the tax system is equitable and provides sufficient public value.

H3: There is a significant negative relationship between tax burden and perception of tax fairness among B40, M40, and T20 income groups in Malaysia.

Theoretical Framework

This study is grounded in Equity Theory, Fiscal Exchange Theory, and, Ability-to-Pay Theory which explain how taxpayers evaluate the fairness of the tax system. It examines the influence of tax knowledge, tax burden, government assistance, and cost of living on the perception of tax fairness. Perception of tax fairness is the dependent variable, while the four factors are the independent variables. The study also compares tax fairness perceptions among the B40, M40, and T20 income groups. Figure 1 illustrates the conceptual framework of this study.

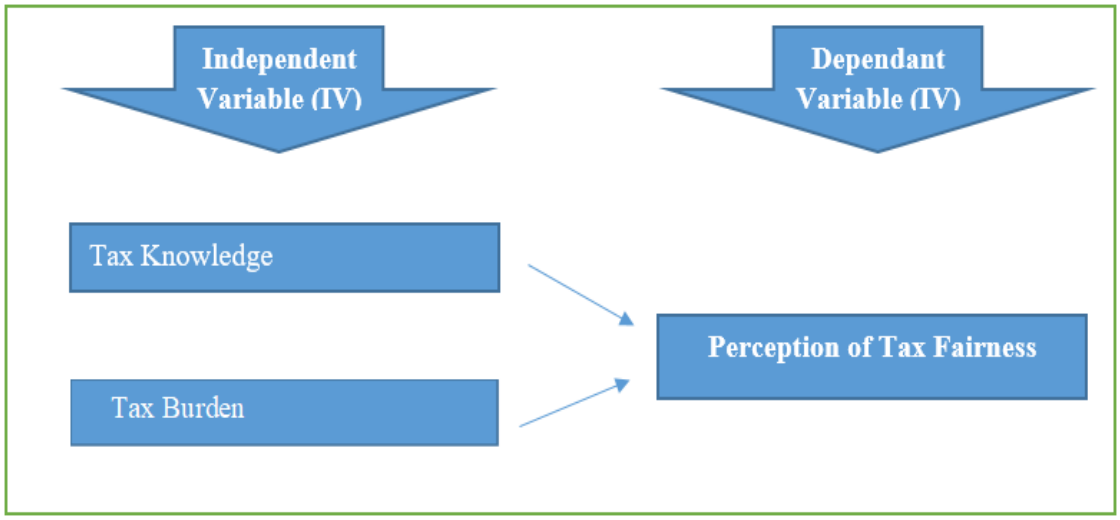

Figure 1: Research Framework

RESEARCH METHODOLOGY

This study uses a quantitative research approach to examine the factors influencing the perception of tax fairness among personal taxpayers` in Malaysia. The independent variables are tax knowledge, tax burden, government assistance, and cost of living, while perception of tax fairness is the dependent variable. Data were collected using an online questionnaire distributed through Google Forms. Online questionnaires are widely used in quantitative research because they allow researchers to collect data efficiently from a large number of respondents regardless of geographical location. They are cost-effective, time-saving, and provide automatic data recording, which reduces data entry errors and facilitates statistical analysis (Evans & Mathur, 2005; Google, 2024). The questionnaire consisted of demographic questions and items related to tax fairness, tax knowledge, tax burden, government assistance, and cost of living. Responses were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

FINDINGS

Demographic Analysis

Demographic Profile	Details	Percentages (%)	Frequency (N)
Gender	Male	55.9	55
	Female	44.1	45
Age	18 – 25	1.0	1
	26 – 35	17.6	18
	36 – 45	70.6	70
	46 – 55	10.8	11
Marital Status	Single	16.7	15
	Married	83.4	85
Highest Education Level	Diploma	7.8	8
	Bachelor's Degree	70.6	72
	Master	21.6	20
Employment Status	Full Time	98	99
	Self-employed	2	1
Monthly Household Income	Below RM 5,249 (B40)	14.7	15
	RM 5,250 – RM11,819 (M40)	61.8	63
	RM 11,820 and above (T20)	23.5	22

State of Residence	Kuala Lumpur	54.9	56
	Selangor	22.5	23
	Johor	4.9	4
	Penang	2.9	2
	Perak	1.0	1
	Kedah	1.0	1
	Negeri Sembilan	5.9	6
	Melaka	2.0	2
	Pahang	1.0	1
	Terengganu	1.0	1
	Kelantan	1.0	1
	Sabah	1.0	1
	Sarawak	1.0	1

Table 4.1 Demographic profile of respondents

Table 4.1 presents the demographic profile of the 100 respondents. Most respondents were male (55.9%), aged between 36 and 45 years old (70.6%), and married (83.4%). Most respondents held a Bachelor's Degree (70.6%) and were employed full-time (98%). Based on income group, the majority belonged to the M40 group (61.8%), followed by T20 (23.5%) and B40 (14.7%). Respondents were from various states in Malaysia, with most coming from Kuala Lumpur (54.9%) and Selangor (22.5%).

Reliability Analysis (Cronbach's Alpha)

Scale	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items	Interpretation
Perception of Tax Fairness	0.946	0.950	7	Excellent
Tax Knowledge	0.959	0.959	7	Excellent
Tax Burden	0.970	0.971	7	Excellent

Table 4.2 Reliability analysis

Table 4.2 presents the results of the reliability analysis for all study constructs. The findings show that all constructs achieved excellent reliability, with Cronbach's Alpha values ranging from 0.936 to 0.970. Among the constructs, Tax Burden recorded the highest reliability (α = 0.970). The Cronbach's Alpha values based on standardized items also exceeded 0.90 for all constructs. According to Hair et al. (2022), a Cronbach's Alpha value of 0.70 or higher indicates acceptable internal consistency, while values above 0.90 demonstrate excellent reliability. Since all constructs exceeded the recommended threshold, the measurement scales used in this study are considered highly reliable. Therefore, the questionnaire items consistently measured their intended constructs and were suitable for subsequent statistical analyses, including correlation, regression, and one-way ANOVA, to examine the factors influencing the perception of tax fairness among individual taxpayers in Malaysia.

Perception of Tax Fairness

Perception of Tax Fairness (TF)			
Code	**Items**	**Mean**	**Standard Deviation**
TF1	I believe the Malaysian tax system is fair to all income groups	3.57	0.655
TF2	The Malaysian taxation system treats taxpayers equally.	3.50	0.674
TF3	The amount of tax collected by the government is reasonable.	3.46	0.702
TF4	I believe taxpayers pays their fair share of income tax under the current tax system.	3.58	0.684
TF5	As a taxpayer, we received fair value of services from the government in return for our tax paid	3.44	0.743
TF6	The current taxation system is fair considering Malaysia's economic situation.	3.54	0.731
TF7	To be fair, the degree of punishment for evading tax should depend on the degree of non-compliance	3.81	0.873
	TOTAL	3.56	0.72

Table 4.3 The mean and standard deviation for Perception of Tax Fairness

Table 4.2 shows the respondents' perception of tax fairness in Malaysia. The overall mean score was 3.56 (SD = 0.72), indicating a moderate level of agreement that the Malaysian tax system is fair. The highest mean score was TF7 (M = 3.81), showing that respondents agreed that tax penalties should be based on the level of tax non-compliance. TF4 (M = 3.58) and TF1 (M = 3.57) also received relatively high scores, suggesting that respondents generally viewed the tax system as fair. The lowest mean score was TF5 (M = 3.44), indicating that some respondents were less satisfied with the government services and benefits received in return for taxes paid. Overall, the findings show a moderately positive perception of tax fairness among respondents.

Factors Influence Perception of Tax Fairness

Tax Knowledge (TK)			
Code	**Items**	**Mean**	**Standard Deviation**
TK1	I understand the purpose of paying taxes in Malaysia	3.90	0.689
TK2	I am familiar with the current Malaysian tax system	3.75	0.672
TK3	I understand how tax revenue is used by the government	3.57	0.640
TK4	I am aware of the tax reliefs and deductions available to taxpayers	3.81	0.662
TK5	I understand my responsibilities as a taxpayer	3.89	0.709
TK6	I regularly keep myself informed about tax policies and tax changes in Malaysia	3.64	0.644
TK7	My understanding of taxation influences my opinion about whether the tax system is fair	3.71	0.624
	Total	**3.75**	**0.66**
Tax Burden (TB)			
Code	**Items**	**Mean**	**Standard Deviation**
TB1	I feel that the taxes I pay are too high.	3.28	0.854
TB2	SST and indirect taxes increase my financial burden.	3.46	0.744
TB3	The current tax burden matches my income level.	3.28	0.854
TB4	Tax policies in Malaysia are becoming more burdensome.	3.34	0.831
TB5	I feel financially stressed because of taxes and rising expenses.	3.50	0.704

TB6	Rising prices of goods and services affect my view of tax fairness.	3.55	0.757
TB7	The tax burden is distributed unfairly among Malaysians.	3.32	0.886
	Total	**3.39**	**0.80**

Table 4.4 Mean and Standard Deviation of Factors Influencing Perceptions of Tax Fairness.

Table 4.4 presents the descriptive analysis of the factors influencing tax fairness perception. Tax knowledge recorded the highest mean score (M = 3.75) and follow by Tax burden (M = 3.39). The findings indicate that respondents generally have a good understanding of taxation and its importance. Respondents also agreed that rising living costs have affected their financial situation. Meanwhile, respondents moderately agreed that taxes create financial pressure and expressed moderate satisfaction with government assistance programmes.

Comparison of Variables

Meanwhile, table 4.4 below found that mean obtained from the data were found not to be a significant gap as mean on the perception of tax fairness among B40, M40 and T20 was 3.64, 3.36 & 4.06 respectively. The mean scores exhibited only minor differences, with all values ranging from 3 to 4, indicating that respondents generally expressed slight agreement across all items. Overall, the results show that taxpayers from different income groups have different perceptions of tax fairness. These differences may be influenced by factors such as tax burden, government assistance, and the rising cost of living.

Income Group		Tax Fairness	Tax Knowledge	Tax Burden
B40	Mean	3.64	3.79	3.28
	N	15	15	15
	Std. Deviation	0.586	0.542	0.590
M40	Mean	3.36	3.59	3.56
	N	63	63	63
	Std. Deviation	0.567	0.587	0.660
T20	Mean	4.06	4.18	2.97
	N	22	22	22
	Std. Deviation	0.564	0.428	0.893
Total	**Mean**	**3.56**	**3.75**	**3.39**
	N	**100**	**100**	**100**

	Std. Deviation	**0.631**	**0.595**	**0.743**

Table 4.5 Comparison of Variables by Income Group

Pearson Correlation Analysis

Variables		Tax Knowledge	Tax Burden
Perception of Tax Fairness (TF)	Pearson Correlation (r)	.630**	-.418**
	Sig. (2-tailed) (p)	.000	.000

Table 4.6 Pearson correlation analysis

Table 4.6 shows the relationship between the independent variables and perception of tax fairness. Government assistance has the strongest positive relationship with tax fairness ($r = 0.694$, $p < 0.001$), followed by tax knowledge ($r = 0.630$, $p < 0.001$). Tax burden has a significant negative relationship with tax fairness ($r = -0.418$, $p < 0.001$), indicating that a higher tax burden reduces perceptions of fairness. Cost of living has a weak and non-significant relationship with tax fairness ($r = -0.096$, $p = 0.340$), showing that it does not significantly influence tax fairness perception.

One-Way ANOVA Analysis

The One-Way ANOVA results in table 4.7 show significant differences in tax fairness**,** tax knowledge**,** tax burden**,** and government assistance among the B40, M40, and T20 income groups ($p < 0.05$). However, cost of living did not differ significantly among the income groups ($p = 0.140$). These findings suggest that taxpayers from different income groups have different perceptions of the Malaysian tax system, while concerns about rising living costs are shared across all income groups.

		Sum of Squares	df	Mean Square	F	Sig.
Tax Fairness	Between Groups	8.006	2	4.003	12.349	0.000
	Within Groups	31.443	97	0.324		
	Total	39.449	99			
Tax Knowledge	Between Groups	5.657	2	2.829	9.346	0.000
	Within Groups	29.357	97	0.303		
	Total	35.014	99			

Tax Burden	Between Groups	6.042	2	3.021	6.029	0.003
	Within Groups	48.605	97	0.501		
	Total	54.647	99			

Table 4.7 One-Way ANOVA Analysis

DISCUSSION

Perception of Tax Fairness and Tax Knowledge

The findings show a significant positive relationship between tax knowledge and perception of tax fairness. This indicates that respondents with better tax knowledge are more likely to perceive the tax system as fair. This finding is consistent with recent studies by Hauptman et al. (2024) and Appiah et al. (2024), which found that taxpayers with greater tax knowledge have a better understanding of the tax system, leading to higher perceptions of fairness and greater willingness to comply with tax obligations. Therefore, improving tax knowledge and awareness may strengthen public confidence in the fairness of the Malaysian tax system.

Perception of Tax Fairness and Tax Burden

The results showed a significant negative relationship between tax burden and perception of tax fairness. This suggests that respondents who perceive taxation as burdensome are less likely to consider the tax system as fair. This finding supports the Ability-to-Pay Theory, which argues that taxpayers evaluate fairness based on their financial capacity to contribute (Musgrave, 1959). When taxpayers experience financial pressure due to taxes, they may perceive the tax system as inequitable. The finding is particularly relevant in the current economic environment, where many households face increasing living expenses, housing costs, transportation costs, and inflationary pressures. As disposable income becomes more constrained, taxpayers may become more sensitive to taxation and expect a fair distribution of tax responsibilities across different income groups.

Implications to the Theories

The findings of this study provide support for several theoretical perspectives. First, the positive relationship between tax knowledge and perception of tax fairness supports Equity Theory (Adams, 1965), which suggests that individuals evaluate fairness based on their understanding of inputs and outcomes. Second, the significant relationship between government assistance and perception of tax fairness supports Fiscal Exchange Theory (Bird & Zolt, 2005), which proposes that taxpayers are more likely to perceive taxation as fair when they receive visible benefits from government expenditure. Third, the negative relationship between tax burden and perception of tax fairness supports the Ability-to-Pay Theory (Musgrave, 1959), which emphasises that taxation should reflect taxpayers' financial capacity. Taxpayers are more likely to perceive fairness when tax obligations are aligned with their ability to pay. Overall, the findings contribute to the existing literature on tax fairness by providing evidence from the Malaysian context across different income groups.

Limitations of the Study

Several limitations should be acknowledged. First, the study was based on a relatively small sample size of 102 respondents, which may limit the generalisability of the findings to the broader Malaysian population. Second, the study employed a snowball sampling technique, which may introduce sampling bias because respondents were recruited through social and professional networks. Third, the study focused only on four factors influencing perception of tax fairness. Other factors such as trust in government, tax compliance behaviour, tax morale, and transparency of public spending were not examined. Finally, the study used a cross-sectional design, which captured respondents' perceptions at a single point in time and may not reflect changes in perceptions resulting from future economic or policy developments.

Recommendations

Inland Revenue Board

Based on the findings, several recommendations are proposed. First, tax authorities should strengthen tax education and awareness programmes to improve taxpayers' understanding of taxation and tax policies. Improved tax knowledge can enhance public confidence in the tax system and increase perceptions of fairness. Second, policymakers should ensure that tax policies are designed according to taxpayers' ability to pay. This can help reduce perceptions of excessive tax burden, particularly among middle-income groups. Third, the government should continue improving the effectiveness, transparency, and accessibility of assistance programmes such as STR and SARA. Clear communication regarding how tax revenue is utilised may further enhance public trust. Finally, government agencies should continue addressing public concerns regarding inflation, rising living costs, and household financial pressures through targeted economic policies and support programmes.

Future Research

Future studies should consider expanding the sample size beyond 100 respondents to improve the generalisability of the findings. Researchers may also include respondents from all Malaysian states and compare urban and rural taxpayers to obtain a more comprehensive understanding of tax fairness perceptions. In addition, future research could examine other factors that may influence the perception of tax fairness, such as trust in government, tax morale, tax complexity, quality of public services, tax compliance behaviour, and digital tax administration. These variables may provide further insights into taxpayers' attitudes towards the Malaysian tax system. Finally, future researchers are encouraged to employ mixed-method or qualitative approaches, such as interviews or focus group discussions, to gain a deeper understanding of why taxpayers from different income groups perceive the fairness of the tax system differently.

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BUSINESS MANAGEMENT SYMPOSIUM

Business Management Symposium 2026

eISBN 978-629-93115-0-8

9 786299 311508

Faculty of Management, Universiti Teknologi Malaysia

(online)

eISBN 978-629-93115-0-8