

CHAPTER 1

INTRODUCTION

1.0 Overview of Chapter 1

The aim for this chapter is to outline the introduction of this study to better understand the topic. This chapter includes the problem statement, research objectives and questions. Additionally, the significance or contributions of this research are also presented and the operational definitions of the key variables used in this study are described. The final section of this paper explains the structure of the thesis with a brief description of each chapter.

1.1 Introduction to the Study

The performance of large firms, especially the public listed companies, has been a major concern as they are currently facing more challenging environment. The secret to sustainable competitive advantage for large firms in this era is not only simply to lower costs or restructure for efficiency but also the necessity to act in an entrepreneurial manner (Burns, 2008). Therefore, the aim of this study is to investigate the effects of corporate entrepreneurship behaviour on the performance of large firms. Corporate entrepreneurship refers to entrepreneurial behaviour within established and large firms (Morris et al, 2008). In this 21st century where rapidly changing environment, a large firm may not grow or survive without acquiring corporate entrepreneurship because the entrepreneurship is an essential ingredient for high performing firms (Kuratko, 2009; Kuratko et al., 2014; Peltola, 2012). Since corporate entrepreneurship is the strategy that large firms must use in order to grow

and achieve profitability, the impact of corporate entrepreneurship on the performance of large firms must be empirically studied. However, in developing countries, the term corporate entrepreneurship is considered new and therefore, empirical evidence is needed especially in a large firm setting (Chow, 2006).

In developing countries like Malaysia, most of the researches on entrepreneurship were based on small firms or individual entrepreneurs (Miller & Breton-Miller, 2011). Fundamentally, a large firm faces different challenges than the challenges faced by a small firm. This is generally because both types of firms have different organisational designs and management styles. Previous studies also indicated that the effects of corporate entrepreneurship on firm performance were different across countries (Knight, 1997; Rauch et al., 2009; Thomas & Mueller, 2000).

Many scholars and practitioners recognize that corporate entrepreneurship has potentially viable means for promoting and sustaining the competitiveness of established, large firms and publicly trading firms (Antoncic, 2007; Karacaoglu et al. 2013; Lumpkin & Dess, 1996; Mohamed & Hassan, 2007; Naman & Slevin, 1993; Guth & Ginsberg, 1990), through innovativeness, proactiveness, risk taking and corporate venturing (Morris et al., 2008). Besides, in this new era where resources are tight and the uncertain business environment is highly competitive, with rapid technological change and shortened product life cycles, firms have to be more entrepreneurial in order to survive and prosper. In addition, the organizational structure has to be more flexible, and adaptive to today's uncertain and changing business environments (Farhanghi et al., 2013). Thus, in order to survive, the large firms have to dismantle the bureaucratic structure (Burns, 2011).

This study was conducted among the large firms in Malaysia owing to the fact that they are engines for the nation's economic growth due to their vast contributions in terms of national export earnings, employment opportunities and contribution to the gross domestic product among others. For example, in 2011, the large firms in Malaysia contributed 67.5% to the gross domestic product (Bernama, 2013). Whereas the total exports for the large firms in 2006 represented 81% (Secretariat to SME Development Council, 2007). Therefore, it is essential to develop a success factor model for large firms in Malaysia. The list of the large firms were obtained from the public listed companies (PLCs) listed in the main market. The large firms were chosen because corporate entrepreneurship refers to the entrepreneurial efforts inside established large corporations (Morris et al., 2008). Generally, the Malaysian government defines a large firm as a firm with more than 150 full-time employees or with annual sales turnover exceeding RM25 million for manufacturing, manufacturing-related services and agro-based industries (National SME Development Council, 2005). Other industries such as services, primary agriculture and Information and Communication Technology (ICT) must have more than 50 employees or annual sales exceeding RM5 million (Secretariat to National SME Development Council). These characteristics can be found in public listed companies.

To develop the model for large firm performance, the study combines five independent variables such as innovativeness, proactiveness, risk taking, corporate venturing, and organic structure. It is also essential to consider the effects of the environment in which the firm operates as the business environment nowadays is more complex and uncertain. It is believed that the fit between strategies of the firm, organizational structure, and the business environment can lead to higher firm

performance (Roberts, 2004). This model was formed based on the resource-based view theory, organizational learning and contingency theory.

1.2 Statement of the Problem

The performance of large firms, especially public listed companies (PLCs), has been of increasing major concern recently as they are now facing more challenging environments. The survival rates of the listed firms were seen to be declining (Fama & French, 2004) besides suffering from lower profitability levels and often, negative profitability when they go public (Demer & Joos, 2007). They also failed to present a quality, balanced and meaningful strategy (Raja Suzana & Rahim, 2008). According to the Deputy Finance Minister of Malaysia Donald Lim Siang Chai in his speech, between 1st January 2003 and 15th July 2010, there were 143 public listed companies that have financial difficulties. From these number, 99 companies were delisted from the official list of Bursa Malaysia. These PLCs were facing financial distress as their loan amount was higher than the value of their assets and were thus, exposed to bankruptcy (The Sun Daily, 2010).

The firm's bankruptcies upset the internal (employee, managers, and founders) and external stakeholders (shareholders, suppliers, creditors, customers, government, and society). The employees and managers will lose their jobs due to the downsizing or collapse of the companies. The failure of large firms are a big loss to society because they employ a substantial number of people, thus, significantly affecting the employment rate and the economy of the area in which the company is operating. From the shareholders' and investors' perspectives, they may suffer huge financial losses as they are required to pay for any insolvencies and winding-ups (Yap et al., 2012). The collapse of large firms also impacts the nation's economic growth as they are the largest contributor to the national export and gross domestic product earnings.

Looking into these problems, it is essential to identify the appropriate business strategies of large firms in order for that they are not only survive but also prosper. Corporate entrepreneurship is recommended for highly profitable and growth oriented firms. In this new era where resources are tight and the business environment is highly competitive and uncertain, with rapid technological change and shortened product life cycles, firms that do not practice corporate entrepreneurship will be competed out of the market (Kuratko, 2009; Kuratko et al., 2014; Peltola, 2012). Recent study on effect of corporate entrepreneurship on publicly traded firms in developing country also found the positive effect on the financial performance (Karacaoglu et al., 2013). Since corporate entrepreneurship is the strategy that large firms must use in order to grow and achieve profitability, the impact of corporate entrepreneurship on the performance of large firms in Malaysia must be empirically studied.

There are at least eight research gaps needed to be addressed in this study. First, although it is essential to pursue corporate entrepreneurship to achieve higher profitability and growth, however, there is still limited study among the large firms in Malaysia. The majority of the studies on corporate entrepreneurship in relation to firm performance were conducted among SMEs in Malaysia as illustrated in Table A-1 (Appendix A) that only one was conducted involving firms listed in Bursa Malaysia and only used growth as a measure of firm performance (e.g. Mohamed & Hassan, 2007). Thus, it is timely to conduct a research on corporate entrepreneurship among the large firms to expand the literatures. By using both measures of firm performance such as profitability and growth, this study would contribute a great deal in extending the theory. Besides, the definition of corporate entrepreneurship, it itself reflects that it concerns the entrepreneurial behaviour in established and larger firms (Burns, 2005; Zahra, 1991). Not only in Malaysia, other countries also conducted more studies on

small and medium firms. In Appendix A, Table A-2 (small firms), Table A-3 (large firms) and Table A-4 (mixed sample) depicted that there are only 15 or 27% (out of 55) studies that focused solely on large firms, whilst 30 or 54% studies were conducted focusing on small firms and 10 or 18% studies were conducted with the combination of small, medium and large firms.

Second, while previous studies measured corporate entrepreneurship using different dimensions, the most widely used measurement is entrepreneurial orientation as shown in Table A-1, Table A-2, Table A-3 and Table A-4 (Appendix A). On the other hand, according to the seminal works of Morris et al. (2008), Vesper (1990), Zahra and Garvis (2000), and Zahra and Garvis (2008), corporate venturing is one of the corporate entrepreneurship dimensions. Besides, corporate venturing is the common practices amongst the large firms in developed countries especially to renew and extending their business and product offerings (Arruda et al, 2013). However, these two major measurements are used separately in most of the studies. Thus, in order to mitigate this gap, this research used both measurements as a proxy of corporate entrepreneurship in order to provide better understanding and robustness of the measure.

Third, the firm performance measure also influences the impact of the corporate entrepreneurship on firm performance (Andersen, 2010). It is also believed that the corporate entrepreneurship dimensions influenced firm performance differently. For instance, the corporate venturing may be positively related to the firm's growth in a short term but negatively related (or no relationship) to the firm's profitability. The possible reason for this is because the profitability of the firm may be affected in the short term due to the expenses in purchasing the new venture, cost of merger, alliances and funding new venture (Zahra & Garvis, 2000). Thus, corporate

entrepreneurship activities may take many years to fully pay off (Zahra & Covin, 1995). However, the corporate entrepreneurship activities are expected to be positively related to firm performance. Thus, in this research both methods to measure the firm performance were used; the unidimensional (combination of growth and profitability) and multidimensional (growth and profitability).

Fourth, most of the prior studies in corporate entrepreneurship were using primary or perceptual data to measure corporate entrepreneurship and firm performance. This is also shown in Table A-1, Table A-2, Table A-3 and Table A-4 (Appendix A) that most of the studies have been using a subjective measure of the firm performance. The use of primary data based on perception, thus it may sometimes bias, because it is based on the respondent's preferences and not the actual firm's situation. Thus, in this research, both primary and secondary data were used in this study based on the recommendation and suggestion by Miller and Breton-Miller (2011) and Zahra and Covin (1995).

Fifth, although large firms are associated with bureaucratic or mechanistic structure, but organic structure is essential in today's highly competitive and ever changing business environments. This is to become faster and adaptive to change and also to facilitate the entrepreneurial efforts. Thus, this study seeks to examine the positive relationship between organic structure and large firm performance.

Sixth, the previous studies found inconsistent results on corporate entrepreneurship-firm performance relationship. According to Raul et al. (2009), this relationship may not be that straightforward but depending on a third variable or moderating variable. The moderating variable will affect the strength or nature of the relationship between two other variables. Since the firms cannot control the business environment, they must always be ready for any circumstances. This is also supported

by the contingency theory that greater firm performance or effectiveness can be achieved in more than one way, provided that the selection of the variables must be suitable (Robertson & Chetty, 2000). Thus, the external business environment is included as it is unexpected and a firm has no control on it.

Seventh, another identified gap in this study includes; the minimum number of the studies related to the moderating effect of the dynamism and hostile of environments in the large firms setting. This can be seen in the Table 4-2 (Chapter 4), where there are only 3 or 27% (out of 11) studies conducted among the large firms that used the environments as a moderating variable (Antoncic & Hisrich, 2003; Hult et al., 2004). According to Zahra and Covin (1995), the environment can have a strong impact on the corporate entrepreneurship and firm performance of the large firms. Their finding shows that, the large firm's entrepreneurial behaviour is better predictor of the firm performance during hostile environments. However, in this 21st century, the studies on the effect of hostile and dynamism environments on corporate entrepreneurship and firm performance were limited. Thus, this study included the environment uncertainty as a moderating variable since it is well suited with today's highly competitive, unstable and dynamic business environment.

Eighth, the majority of studies on corporate entrepreneurship used unidimensional construct to measure corporate entrepreneurship or entrepreneurial orientation as shown in Table A-1, Table A-2, Table A-3 and Table A-4 (Appendix A) (e.g. Andersén, 2010; Antoncic & Hisrich, 2003; Caruana et al., 2002; Chen et al., 2012; Morgan & Strong, 2003). The drawback of the unidimensional construct is that it neglects the individual influences by each dimension and assumes that all dimensions have a similar effect on firm performance (Hughes & Morgan, 2007; Lumpkin & Dess, 2001). In addition, not all dimensions would have direct or positive

effects on firm performance (Lumpkin and Dess, 1996). It is believed that, the firms can vary in degree of innovativeness, proactiveness and risk taking. In other words, they are not equally entrepreneurial across all dimensions. However, it is recommended that all dimensions should be positively correlated (Lumpkin & Dess, 2001). Therefore, it is necessary to assess the relative impact of each dimension on entrepreneurial orientation (Kraus et al., 2012; Monsen & Boss, 2009). In order to enhance a firm's performance, these dimensions often work together (Dess & Lumpkin, 2005). However, even if only some dimensions of entrepreneurial orientation exist within a firm; the organization can still be very successful (Lumpkin & Dess, 2001).

Overall, in order to mitigate these gaps, the independent variables of this study consist of two major dimensions of corporate entrepreneurship, consisting of multidimensional entrepreneurial orientation and unidimensional corporate venturing. Another independent variable is the organic structure. The dependent variables in this study are ROA, ROS and sales growth. The primary data and secondary data are used to measure the dependent and independent variables. Finally, the hostility and dynamism of the environments are used as a moderating variable to better explain the determinants of the large firm performance, specifically the public listed companies.

1.3 Research Questions

The primary research question addressed in the study is the extent to which corporate entrepreneurship and the organic structure affect firm performance. The details of the research questions are;

1. To what extent do the dimensions of entrepreneurial orientation influence firm performance?
2. To what extent does corporate venturing influence firm performance?

3. How does the organic structure influence the firm's performance?
4. To what extent does environmental dynamism and hostility moderate the relationship between independent variables and dependent variables?

1.4 Research Objectives

The primary aims of this study are to examine the relationship between corporate entrepreneurship, organic structure, and firm performance in large organizations in Malaysia as well as the moderating effect of environmental factors. Specifically, the objectives of this study are;

1. To investigate the relationship between each of the entrepreneurial orientation dimensions (innovativeness, proactiveness, and risk taking) and firm performance;
2. To investigate the relationship between corporate venturing and firm performance;
3. To examine the relationship between organic structure and firm performance;
4. To determine whether environmental dynamism and hostility moderate the relationship between independent variables (entrepreneurial orientation dimensions, corporate venturing and organic structure) and dependent variables (firm performance).

1.5 Significance of Research

The results of this study are expected to provide useful theoretical, methodological, and practical contributions to the field of corporate entrepreneurship, organizational structure, environmental dynamism and hostility, and firm performance.

From the theoretical perspectives, this study aims to provide critical contribution to the existing literature on the importance of corporate entrepreneurship and organic structure towards firm performance. First, the findings of the study would provide evidence on the critical importance of all four dimensions of corporate entrepreneurship (innovativeness, proactiveness, risk taking, and corporate venturing) towards higher firm performance. So far, most studies on entrepreneurship have focused on small firms (Miller & Breton-Miller, 2011; Stam et al., 2013). In addition, researches on corporate entrepreneurship in Malaysia normally only uses entrepreneurial orientation to measure a firm's entrepreneurial level and neglects the role of corporate venturing despite venturing being considered as one of the core activities in corporate entrepreneurship. The previous study has found that, corporate venturing is one of the most effective strategies for a firm to grow because it creates new, internal or external businesses (Arruda et al., 2013). Thus, in this research, corporate venturing has also been included as one of the proxies of corporate entrepreneurship. Therefore, this study contributes new knowledge on how these four dimensions of corporate entrepreneurship may influence a large firms' performance in Malaysia.

Second, the organic structure is also imperative in this 21st Century in order to compete effectively in the global markets and to provide response faster and adapt to changes (Kuratko et al., 2014). Thus, this study is hoped to create new contribution in terms of the importance of organic structure on firm performance. This is due to the fact that, today's highly competitive business environment, where customers' preferences change rapidly and technology is advancing at an unprecedented rate, the organization must be able to respond and adapt to the changes faster than their competitors. Thus, the main quality of the new organizational structure is the ability of

being flexible and acclimatizes to the fast changing environment (Sekalas & Ventskus, 2007; Farhanghi et al., 2013). This is the key to succeed in today's business world. Therefore, from the entrepreneurship perspective, the firm structure must always be organic (Kuratko, 2007) to enable the firm to be more flexible and adaptive, aggressive, faster, and better at generating novel products, services, and process improvements (Morris et al., 2009).

Third, this study would identify the influence of the environmental dynamism and hostility on the success of the pursuit of corporate entrepreneurship in Malaysian large firms. Previous researchers have found that dynamism and hostility have a strong effect on the success of corporate entrepreneurship, and moderates the relationship between corporate entrepreneurship and firm performance (Martins & Rialp, 2013; Mu & Benedetto, 2011; Zahra & Garvis, 2000). However, this moderating effect was not well established in previous researches, especially among large firms, as most of the researches conducted focused on small firms (e.g. Li et al., 2005; Hameed & Ali, 2011; Martins & Rialp, 2013; Wiklund & Shepherd, 2005; Moreno & Casillas, 2008; Kreiser et al., 2002a). Thus, the findings of this study would reveal how the environmental dynamism and hostility influence the relationship between corporate entrepreneurship, organic structure, and firm performance.

Fourth, this research is also hoped to contribute to the theory of development since there are no specific theories belonging to the entrepreneurship area (Zahra, 2006). This study integrates three theories; the Resources-Based View, organizational learning, and contingency theory, in determining the performance of large firms. The integration of these theories are useful especially in addressing the fundamental question of why firms are different and how firms achieve and sustain competitive

advantages by deploying their resources to create superior firm performance (Amit & Shoemaker, 1993; Barney, 2011; Peteraf, 1993).

The final theoretical contribution of this study is that this study provides 3 main models and 8 sub-models for the determinant of large firm performance in Malaysia. All the models developed are based on the literatures related to corporate entrepreneurship. These models also strengthen the findings in the corporate entrepreneurship arena. It is hoped that this study will contribute to the further development of corporate entrepreneurship research by extending the existing models. This is crucial bearing in mind that different models may produce different results.

In terms of methodology, this study is hoped to give contribution by adding empirical support to the effective use of objective or secondary data. The subjective or primary data were widely used in previous studies in the field of entrepreneurship and firm performance. However, in this study, apart from primary data, the secondary data are also collected to measure not only the firm performance, but also the corporate entrepreneurship. This research follows the recommendations made by Miller and Breton-Miller (2011) and Zahra and Garvis (2011). It is hoped that the methodology and results are replicable and cumulative as the field progresses.

From the practical perspective, the findings of the study would be useful for large firms, shareholders, managers, employees, and policy makers. First, in regards of large firms, especially the public listed companies, the findings of the study reveal the importance to pursue corporate entrepreneurship and organic structure to achieve better firm performance. This is because, as they grow, they become larger and usually have tight procedures and formal controls of their operations (Burns & Stalker, 1961). Additionally, their size, bureaucracy, complex processes, and hierarchy inhibit entrepreneurial behaviour (Anderson & Eshima, 2011; Thornberry,

2001). Thus, large firms must seek ways of reinventing their entrepreneurial spirit that they once had because corporate entrepreneurship has long been discovered as one of the key drivers to a firm's success. Besides, organic structure is more preferable in today's business environment. Second, the shareholders, and managers will also gain important information regarding the effects of environmental dynamism and hostility on the firm's strategies and firm performance. In order to achieve higher firm performance, the firms must increase their entrepreneurial effort during uncertain and hostile business environments (Zahra & Covin, 1995). Failure to respond to changes in the external business environment affects the survival of the business. Third, this research is hoped to provide guidelines to employees on how to act entrepreneurially in order for the firm to survive and achieve higher performance. Finally, it is hoped that this study will provide useful information for the government to formulate economic policies as part of the government's effort to remain competitive in the global economy and future economic growth. For example, the government may encourage innovations by increasing the funding for innovation and tax incentives for innovative products or services. In addition, this study can assist the government to identify the support and incentives that the large firms need to stay competitive and to expand into international market. Such initiatives are essential for large firms because they are the major generator for Malaysian economy growth. This is also important in order to achieve Vision 2020, whereby the country needs to aggressively boost the GDP through innovations as a way to move forward (Azim et al., 2011).

In short, the study is useful in extending the theories of corporate entrepreneurship and also builds on the current knowledge base, especially in Malaysian large firm setting where the study on corporate entrepreneurship is still in its infancy. This study uses three models by incorporating the multidimensional and

unidimensional of firm performance by using both primary and secondary data. In addition, this present study documents the effects of contextual influences of environmental dynamism and hostility on the corporate entrepreneurship-performance relationship. Thus, by including all types of industry in this study, it is hoped that this diversity provides a basis for examining the generalizability of corporate entrepreneurship-performance relationship.

1.6 Operational Definitions of Key Words

In order to provide better understanding of the keywords frequently used in this study, the following provides the operational definitions in relation to this research.

1.6.1 Corporate Entrepreneurship

Corporate entrepreneurship is a term used to describe entrepreneurial behaviour inside existing organization, and usually practice at mid-sized and large firms (Burns, 2005; Morris et al., 2008; Sharma & Chrisman, 1999).

1.6.2 Entrepreneurial Orientation

Lumpkin and Dess (1996) define entrepreneurial orientation as the processes, practices, and decision-making styles of firms that act entrepreneurially. An entrepreneurial orientation contains of three dimensions namely, innovativeness, proactiveness, and risk-taking. The detail of each dimensions are explained further in the following subsections.

1.6.2.1 Innovativeness

Innovativeness refers to the willingness of the firm to introduce newness and novelty through experimentation and creative processes aimed at developing new products and services, as well as new processes (Lumpkin & Dess, 2005:148). The cost of Research and Development (R & D) to sales ratio for three consecutive years

is used to capture the objective measure of the firm's innovativeness (Miller & Breton-Miller, 2011).

1.6.2.2 Proactiveness

The firm's willingness to seize new opportunities by continuously monitoring environmental trends and identify future needs aimed at becoming a first mover to introduce new products, services and new methods (Dess & Lumpkin, 2005). The aggregate investment practices of the firm for three consecutive years are used to capture the objective measure of proactiveness (Miller & Breton-Miller, 2011).

1.6.3.3 Risk-taking

Risk taking is a firm's ability to take bold actions to seize a business opportunity without knowing whether the venture will be a success or failure. Sometimes, it involves making substantial resource commitments in the process of venturing forward (Dess & Lumpkin, 2005).

1.6.3 Corporate Venturing

Corporate venturing refers to the creation of new businesses within or outside an organization (Sharma & Chiraman, 1999). Examples of the new ventures include the launching of new branches, acquisition, mergers, licensing and funding new start-ups (Narayanan & Zahra, 2009). The total number of corporate venturing activities for three consecutive years is used as an objective measure in this study (Miller & Breton-Miller, 2011).

1.6.4 Organic Structure

The organic structure is informal and flexible and more appropriate in unstable, unpredictable and turbulence external business environments (Burns & Stalker, 1961; Khandwalla, 1977). It is characterized by flatness; horizontal communications and interactions, low specialization; decentralized decision making.

1.6.5 Environmental Factors

The environmental factors such as dynamism and hostility were the moderating variables in this study. First, dynamism is characterized by the rate of change in the industry and also the unpredictable actions by competitors and customers (Miller & Friesen, 1983). Secondly, hostility is the degree of threat to the firm characterized by unsafe industry setting, intense competition and lack of business opportunities (Covin & Slevin, 1989).

1.6.6 Large Firm

Large firms in this study refer to publicly listed companies, with more than 150 full-time employees for manufacturing, manufacturing-related services and agro-based industries. Other industries such as services, primary agriculture and Information and Communication Technology (ICT) must have more than 50 employees (Secretariat to National SME Development Council, 2005).

1.6.7 Firm Performance

The indicators of firm performance are conceptualised in two dimensions, firstly the firm's growth and secondly, the firm's profitability. A firm's growth is conceptualized by the average sales growth rate for three consecutive years while the firm's profitability uses the average Return on Assets (ROA) and Return on Sales (ROS) for three consecutive years (Zahra & Covin, 1995).

1.7 The Structure of the Thesis

This thesis consists of seven chapters. Chapter one presents the body of the research by describing the introduction, the problems that led to the study being undertaken, the research objectives and questions, the significance of research and also the operational definitions of keywords.

Chapter Two presents the research context, represented by the large firms in Malaysia. The definitions and contributions of the large firms are outlined in this chapter. Other than that, the public listed companies and government intervention are also presented.

Chapter Three provides part one of the literature review in this study. This chapter describes the background and definitions of the variables analysed in this study.

Chapter Four provides part two of the literature review, which describes the underpinning theory, theoretical framework, and hypotheses development. The underpinning theory used in this study consists of the Resource-Based View (RBV), organizational learning theory, and contingency theory. Subsequently, the hypotheses development and research issues are discussed within the framework of relevant theories and their hypotheses are also presented.

Chapter Five presents the research methodology utilized in this study. It consists of the theoretical framework, research design, the instrumentation, and data analysis for the three models. This study developed three models using primary and secondary data. The partial least squares (PLS) was used to analyse the data.

Chapter Six illustrates the data analysis and results of the measurement and structural models of all three models. The respondents' and firms' profile were also demonstrated in this chapter. The validity and reliability as well as the empirical evidence of the relationship between corporate entrepreneurship and large firm performance are presented.

Chapter Seven is the final chapter in this thesis, which is, demonstrates the discussion of findings. Conclusions are drawn, several theoretical, practical, and methodological contribution identified and recommendations are outlined.

1.8 Summary of Chapter 1

This chapter laid the foundations for this study. The first part of this chapter is the introduction of the study, followed by the statement of the problem. Next, the objectives and research questions were presented, with the significance of the research also highlighted. In order to be familiarize readers with the issues in this study, each key variable was defined. Lastly, the structure of the thesis was briefly described as a guideline. The following chapter reviews the research context, represented by the large firms in Malaysia.

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