

MALAYSIAN CULTURE CAN BE A SOURCE OF SUSTAINED COMPETITIVE ADVANTAGE FOR MALAYSIAN ORGANIZATIONS

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ABSTRACT

The current paper investigates the impact of organizational culture as a source of sustained competitive advantage to enhance performance in Malaysian organizations. Culture is a unique collection of values, beliefs, assumptions, and characters that determine how organizations manage their performance. This paper aims to reveal the influence of using new rules of (RBV) Rescores based view theory in applying Culture as a source of sustained competitive advantage to improve performance in Malaysian firms. In this sense, culture has pervasive effects on it, As the institutions in Malaysia are social institutions in social societies. The findings of this paper suggest that cultures can be a source of sustained competitive advantages in improving firm performance in Malaysian society.

Keyword: *Culture, competitive advantage, Rescores based view, performance*

1. INTRODUCTION

There are many cultural systems in the different nations, and their subdivisions are very unparalleled and cannot be described in simple expression. It takes many years to know a single cultural system for one who is not born in it. It is noticeable that they are very complex cultural systems in different societies. We need many years to recognize different cultural system for someone alien to it. Even our cultural systems we cannot introduce it to other people because they are stored in our unconscious [1].

Hofstede developed a culture framework for according to the discipline of behavioral sciences, which called for many researchers to follow him, which is applied in the study of declarations, ethical decisions, and others. So, he stimulated and coordinated research efforts after him in the field of culture.

Hofstede's research was based on the work of anthropologist Benedict Meade, the sociologist in Kielce, and the psychologist Levinson. Four cultural dimensions were drawn. This distance is called ability (from small to large), collective versus individual, femininity versus masculinity, avoiding uncertainty (from weak to strong) [2].

This study aims to reveals the effectiveness of Culture in improving performance in Malaysia firm using recourse-based view theory (RBV).

2. CULTURE DEFINITION

We will present some concepts in organizational theory which offer different definitions such as "organizational culture " [3].

No	Author	Definition	Dimensions (values)	Measurement	Reference
1	Geert Hofstede, Gert Jan Hofstede and Michael Minkov 1991	culture is a type of mental programming that affects the behavior of human communities in general, in a more or less predictable manner. Mental programming is structured along with three hierarchical levels: personality (specific to the individual), culture (specific to groups or communities) and human nature (a universal level)	individualism- collectivism. uncertainty avoidance; power distance. masculinity- femininity long-term orientation indulgence versus self-restraint.	1- ways of coping with <u>inequality</u> . 2- ways of coping with <u>uncertainty</u> . 3- the <u>relationship</u> of the individual with her or his <u>primary group</u> . 4- the emotional implications of having been born as a girl or as a boy "	Cultures and Organizations: Software of the Mind
2	R.H. Chenhall (2003)	culture is conceptualized as a set of characteristics isolated to suit the methodological and scientific needs of the research community.	1 - power distance 2 - individualism vs. collectivism 3 - uncertainty avoidance 4 - masculinity vs. femininity, 5 - subsequently, Confucian dynamism.	1 - acceptance of unequal distribution of power. 2 - placing self-interest ahead of the group. 3 - preference to avoid uncertainty and rely on rules and structures 4 - achievement, assertiveness and material success vs. modesty and preference for quality of life. 5 - status, respect for tradition, protecting one's face.	Management control systems design within its organizational context: findings from contingency-based research and directions for the future

3	JAY B. BARNEY 1986	organizational culture typically is defined as a complex set of values, beliefs, assumptions, and symbols that define how a firm conducts its business.	1 - the culture must be valuable. 2 - the culture must be rare. 3 - the culture must be imperfectly imitable.	1 -lead to high sales, low costs, high margins. 2 - must-have attributes and characteristics that are not common to the cultures of a large number of other firms. 3 - If the culture is perfectly imitable, it cannot give anyone firm a sustained competitive advantage.	Organizational Culture: Can It Be a Source of Sustained Competitive Advantage?
4	Siew Kim Jean Lee, Kelvin Yu, (2004)	something to do with the people and unique quality and style of organization" (Kilman <i>et al.</i> , 1985), "the way we do things around here" (Deal and Kennedy, 1982), or the "expressive non-rational qualities of an organization".	individualism-collectivism Innovation, support, team orientation, humanistic orientation, and task orientation	Innovation Between groups, Within-group Support Between groups, Within-group, team orientation Between groups, Within-group, humanistic orientation Between groups, Within-group task orientation Between groups, Within-group	Corporate culture and organizational performance

Table 1. Summary of previous study on culture

Some factors could affect the management of accounting information systems. such as organizational culture [4].

The culture of a firm can be a source of continuous competitive advantage, therefore also, by

embodiment, a source of continuous superior economic results.

Culture is a unique collection of values, beliefs, assumptions, and characters that determine how organizations manage their performance, in this

context, we can observe the wide-ranging effects of culture on organizations [3].

3. DIMENSIONS OF CULTURE

3.1. Individualism (IDV) vs. collectivism

This dimension measures the degree of integration of individuals into groups. In individual societies, the individual's successes and rights are on the center. This is what drives him to protect himself, his family and his choices. On the other hand, in collective societies, individuals live in groups such as families and large families to achieve the meanings of protection and are loyal to these families.

3.2. Power distance index (PDI)

"Power distance is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally." it means support low power distance expected, as well as accept extra democratic relations.

3.3. Uncertainty avoidance index (UAI)

The leniency of society together with uncertainty and ambiguity. "It sees the extent to which members of society are trying to overcome anxiety by decreasing uncertainty. In societies where there is a lot of uncertainty, individuals tend to be more emotional. they attempt to reduce the incidence of unknown conditions and comply with rules, laws, and regulations. Conversely, cultures accept low uncertainty and correspond to unstructured situations or changing environments and try to get as few rules as possible. those are pragmatic cultures, tend to more receptive to change.

3.4. Masculinity (MAS), vs. femininity

Masculinity vs. femininity: It means "The distribution of emotional roles between the genders". The values of masculine societies are competitive spirit, assertiveness, individualism, ambition, and authority. on the other hand, women's cultures offer more importance to friendships and quality of life. Gender norms in male cultures are more serious and less smooth than in female cultures. This dimension is often renamed "Quantity of Life vs. Quality of Life"

4. CULTURE AND PERFORMANCE

In recent years, culture has been examined with performance and effectiveness.

Many scholars in the field of culture went to look for the nature and definitions of culture, while the articles in culture and performance research were relatively few. [5]

[6]. found that organizations with "adaptive values" are strongly correlating with superior performance in the long term as compared to performance in the short term. This result proposes the value of "adaptiveness" in determining organizational performance.

4.1. resource-based view (RBV) theory

RBV is a theory suggests that organizations achieve a sustainable competitive advantage through scarce valuable resources if they are absorbed and used, allowing them to use value-creating strategies to be a precious resource and thus overcome their weaknesses. [3].

The word "rare" may not contain any rare criteria if most competitors have the same valuable resources and will use them in the same way. Even if the model company has valuable and rare resources, competitors will easily imitate it and the organization's competitive advantage will disappear in a short time. Resources allow organizations to develop and implement strategies, thereby improving their effectiveness by having unique resources that are difficult to replicate by other competitors. Facilitates the organization to excel in its competitive advantages towards its competitors.

4.2. Culture and Sustained Superior Financial Performance

There are three conditions for a company culture to achieve sustainable competitive advantages and a source of superior sustainable financial performance.

First, culture must be valuable; the organization can achieve high sales, low costs or high margins and thus add financial value to the company. organizational culture must have positive economic effects to achieve such superior financial performance because superior financial performance is an economic concept.

Second, culture must be rare; scarcity means that it has features not common in many other cultures and organization.

Third, culture must be imperfectly imitable.

Organizations without these cultures cannot participate in operations that alter their cultures to include the required features, and if they attempt to imitate those cultures, they will be at a disadvantage (reputation, experience, etc.) compared to the business that is attempting to imitate. Those are the three characteristics resulting from the definition of superior and continuous financial performance.

5. CULTURAL MODELS OF INDIVIDUALISM AND COLLECTIVISM

Societal perspectives differ from the viewpoint of individual culture or collective culture depending on how individuals perceive themselves concerning other members of society. In collective cultures, there is a strong tendency for mutual relations with others. On the other hand, individual cultures emphasize the individual's independence from the group. Although all cultures have an existence of individual and collective values varying proportions [9].

Important factors that contribute to differences in collective and individual characteristics are historical and religious differences. We note that differences in human thought and behavior are the origin of cultural, individual and collective attitudes, such as emotions, morals, attributes, goals, self-sense and social relationships [10].

Communities that embrace individual characteristics encourage emotional independence, firmness, autonomy, and the need for privacy when relationships between individuals are broken. [8]. In the sense that individuals tend to support independence, excellence, and self-containment.

On the other hand, collective groups tend to act in a way that maintains group cohesion and also promotes harmony with their parents, family and wider social groups.

These different attitudes lead to different relationships and different concepts of self [7]. In other words, there are fundamental differences in the behavior of individuals across different cultural communities. And different cultural system meanings. [8]

6. MALAYSIAN CULTURE

Malaysia reflects a multi-racial country with a population of 26.26 million. It includes three major ethnic groups namely Malay, Chinese, Indian "indigenous tribal cultures". The proportion of Malays, Chinese and Indian in Malaysia are 65%, 24.6%, and 6.9%, respectively.

No	Ethnic	Percentage
1	Malays	65%
2	Chinese	24.6%
3	Indian	6.9%

Table 2, The proportion of Malaysian Ethnic

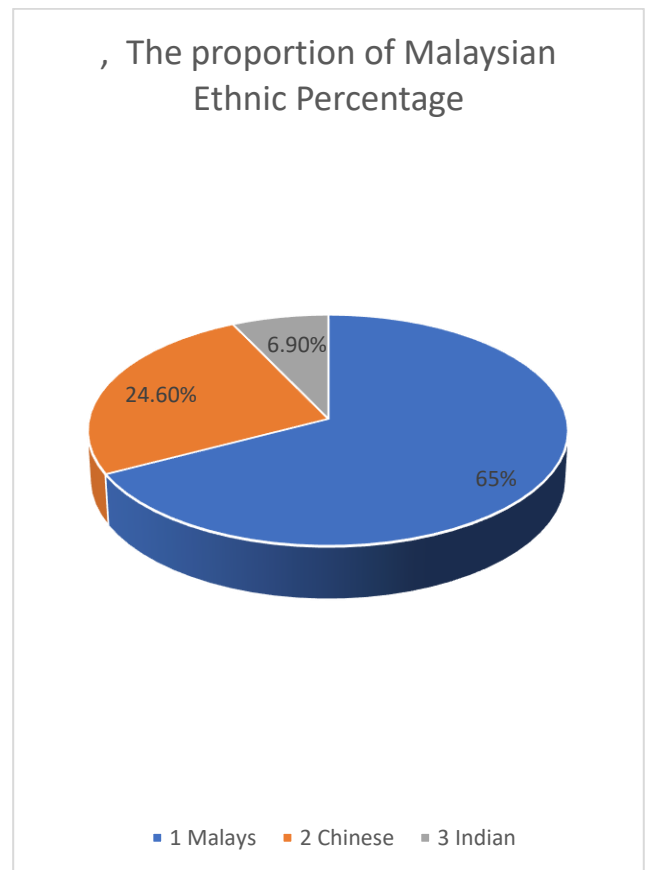


Figure 1. The proportion of Malaysian Ethnic percentage

7. DISCUSSION

managerial skills are cultural, management technique or an appropriate philosophy in a culture that is not necessarily appropriate in another culture.

Management is dealing with a man-made reality. People create organizations according to their values, and communities are made up of institutions and organizations reflecting the values of their culture. The theories also represent the culture of the community in which they have been created. There are several cultural (work-related) variations. These distinctions have an impact on the validity of leadership methods and philosophies in distinct nations in the context of jobs and the significance of planning. Managers and management practitioners need to understand the scope of specific value systems for a better culture. In a broader sense, is to coordinate people's efforts and use economic and technical resources to achieve the desired ends. Management deals with people within communities and with technology as well, so it is a technical social activity and how they work together [1].

8. CONCLUSION

We cannot expect firms without valuable, rare, or imperfectly imitable cultures to be a source of sustained competitive advantages. So how can these companies expect that attempts to alter their cultures, while effectively incorporating precious characteristics, will lead to continuous superior performance?

Typically, these attempts are imitable, only a source of temporary superior performance.

The cultural diversity of Malaysian cultures carries cultures are valuable, rare and difficult to imitate, enabling these cultures to be a sustainable competitive advantage for companies

Finally, cultures can be a source of sustained competitive advantages in improving the firm's performance in Malaysian society.

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