

**INFLUENCING FACTORS OF MANUFACTURING CAPABILITIES
DEVELOPMENT AMONG LOCAL MANUFACTURERS IN NORTHERN
MALAYSIA**

By

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ABSTRACT

Generally, manufacturing capability is the important factor in running and developing business. Hence, this research is aimed to identifying the relationships between factors that to make sure the companies can survive among companies across industries in the northern region of Malaysia. Those identified factors are manufacturing practices, knowledge sharing and manufacturing capabilities. Other than that, the training factor moderated and enhanced companies in win to the others competitors. Through the email survey, a total of 89 companies representing various industries had responded. The hypotheses involved were tested using correlation and regression techniques. The result of the study support all the hypotheses. The multiple regression analysis indicate that there are significant relationship among the factors on each criteria to manufacturing capabilities. While hierarchical multiple regression analysis was carried out to test the role of moderating in the relationship between independent variables with dependent variables. The results of the hierarchical multiple regression indicate that training moderated the relationship between manufacturing practices, knowledge sharing to manufacturing capabilities. It is believed that results of this study will be beneficial for share holders and directors of companies to apply these manufacturing capabilities.

ABSTRAK

Secara umumnya, keupayaan pembuatan adalah faktor yang sangat penting dalam menjalankan aktiviti perniagaan. Justeru kajian ini dijalankan bagi mengenalpasti perhubungan antara faktor-faktor yang menentukan kejayaan di kalangan syarikat-syarikat semua sektor di wilayah utara Semenanjung Malaysia. Faktor-faktor yang dikenalpasti ialah amalan pembuatan, perkongsian pengetahuan dan keupayaan pembuatan. Selain itu faktor latihan turut menyederhana membantu keberjayaan dalam kejayaan syarikat-syarikat pembuatan. Melalui kaedah tinjauan melalui pos, seramai 89 orang responden yang mewakili pelbagai syarikat di pebagai sektor telah memberikan maklumbalas. Hasil analisis korelasi menunjukkan semua hipotesis di sokong. Analisis regresi pula membuktikan bahawa terdapat kesan yang signifikan yang ditunjukkan oleh keempat-empat faktor ke atas setiap kriteria dalam membawa kejayaan aktiviti perniagaan. Manakala analisis regresi berganda berperingkat pula digunakan untuk menguji peranan pembolehubah penyederhana terhadap hubungan di antara pembolehubah bersandar dan pembolehubah tidak bersandar. Hasil analisis tersebut mendapati latihan bertindak mempengaruhi hubungan antara amalan pembuatan dan perkongsian pengetahuan terhadap keupayaan pembuatan. Hasil kajian ini adalah diharapkan dapat member manfaat kepada pemegang saham dan ahli lembaga pengarah syarikat-syarikat dan industri dalam mengaplikasikan faktor-faktor keupayaan pembuatan dalam pengoperasian syarikat.

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LIST OF ABBREVIATIONS

i.	MIDA	Malaysian Industrial Development Authority
ii.	SME	Small Medium Entrepreneur
iii.	RBV	Resource Based View
iv.	ICT	Information and Communication Technology
v.	GDP	Gross Domestic Products
vi.	NIE	Newly-Industrialized Economy
vii.	R&D	Research and Development
viii.	CAD	Computer Aided Design
ix.	ASRS	Automated Storage and Retrieval System
x.	OTD	On Time Delivery
xi.	OFLT	Order Fulfillment Lead Time
xii.	IPD	Integrated Product Development
xiii.	CD-I	Computer Designed Interactive
xiv.	FMM	Federation of Malaysian manufacturers
xv.	SPSS	Statistical Package for The Social Science
xvi.	KMO	Kaiser-Meyer-Olkin
xvii.	SMIDEC	Small and Medium Industries Development Corporation

CHAPTER 1

INTRODUCTION

This chapter consists of six major sections namely (i) background of study (ii) statement of research problem (iii) research objectives (iv) contribution of the study (v) scope of study (vi) scope of the study and (vii) thesis structure. The purpose of this first chapter is to introduce the context of the research and the structure of the thesis, which explains briefly the contents of the subsequent chapters.

1.1 Research Background

The manufacturing sector is an important contributor to the economic growth and development of Malaysia which accounts for 31.6% of Malaysia's gross domestic product and exports of manufactured goods make up 78.4% of the country's total exports (MIDA,2005). One of the critical missions of the Ninth Malaysia Plan is to further move all sectors of the economy up the value chain. One of the key sectors being targeted by the Ninth Plan is the manufacturing sector. The Plan will continue to focus on enhancing the capability of the manufacturing sector to meet the competitive global environment.

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