Today, unlike in the 1970s and 1980s, for Malaysia, cheap labour is no longer a competitive advantage. Competitive and resilient SMEs are important in the growth and development process of the Malaysian economy including the adoption of appropriate strategies, as SMEs have great potential to be the engine of the economic growth as could be seen in other developed countries both in East and West like Germany and Japan (Khan and Khalique, 2014, pp. 40 – 41). With intense competition, firms are competing for resources to produce products and services demanded by the customers in the marketplace. In order to attract customers either to maintain or improve market shares, firms are forced to deliver the value added products and services which are better than their competitors. The term “value” as a concept is of interest to many disciplines including economics. Value in economics has been studied for more than 200 years and the concept is still evolving today. Thus, the adoption of strategic value creation approach is needed to steer the small and medium enterprises (SMEs) that contribute up to 90% of the economic activities of many countries in the world generally, and Malaysia particularly. This research aims to have an in-depth study on the value creating components and drivers from activity (value chain), resource-based and dynamic capability perspectives that affect performance of selected Malaysian SMEs. The case study approach adopts purposive sampling on SMEs involved in the food and beverage industry. This study is based on data collected using three common qualitative methods which are semi-structured interviews, field observations and content analysis of documents from two SMEs located in the east coast of peninsular Malaysia (in the states of Kelantan and Terengganu respectively). The data were coded and analysed using NVivo software version 10 in deductive and inductive methods to evaluate and determine the value creation components and drivers that had been created by the two companies in order to survive and be successful in the business for more than 20 years. This research suggests that value creation components are indeed the determinants of excellent achievements in the context of both SMEs studied. The results of the study also suggest that holistically, components and drivers of value creation work together and complement each other in creating value for these two SMEs. The study provides vital cues and leads that can be exemplary for other firms to emulate. These lessons drawn from the innate distillation of experiences of two relatively successful SMEs, hitherto tacit, now codified, may also be construed as falling under the realm of knowledge management. More than anything else, the findings enhance and enrich the tapestry of intricate and complex theoretical perspectives of activity, resource-based and dynamic capability seen together and applied in the context of value creation.

The research aimed to study the impacts of Earnings Management (EM) and Corporate Tax Planning (TP) on the changes of the Firm Value (FV) among public listed companies in Malaysia. Financial determinants of EM and Corporate TP which were both creative accounting strategies that formed the predictor variables, had first been identified. These were obtained from secondary data of 357 selected public listed companies from 2001 until 2012 retrieved from Thompson One Datastream database. Diagnostic analyses were performed to test normality and serial correlation of the data and obtain descriptive statistics including the analysis of variance for both EM and TP among the companies in the selected industries. Hence, in this study the measurement used for EM was related to the Accrual Earnings Management (AEM) and Real Earnings Management (REM) while the measurement for TP referred to accrual-based Effective Tax Rates (ETR1) and cash-based Effective Tax Rate (ETR2) level of the companies. Balance panel data of the selected companies within 12-year period produced 4,284 firm-year observation for further analyses determined by specification methods comprising Pooled Ordinary Least Squares, Fixed Effect and Random Effect regression analyses. The investigation were continued for the first phase of the study which related to the investigation of the financial determinants towards EM and Corporate TP among the companies. Results from the first phase initially disclosed that there was a significant relationship that existed between the selected financial transactions towards the EM and TP in the business transaction activities. In the second and third phases, the relationship between EM and changes in FV as well as the relationship between TP and changes in FV in the companies were analysed respectively. The findings revealed that there were significant relationships that existed between EM and the changes in FV as well as between TP and changes in FV. Hence, it can be concluded that both EM and TP creative accounting strategies were important to be used by the companies in order to stimulate changes in FV transactions in the business transaction activities. In the fourth phase, indirect effects of selected financial attributes of EM and Corporate TP on the changes in FV were examined. The findings provided empirical evidence of the existence of the influence of Audit Quality (AQ), Deferred Tax (DTX), Government Ownership Percentage (GOOP) and Financial Distress (FDR) to be significantly meaningful on the relationship between AEM strategies and the changes in FV as well as on the relationship between ETRs and the changes in FV. Results showed that there were partial mediation effects of the financial attributes in the relationships of EM and TP, which were measured by AEM strategies and ETR1 respectively, on FV. Finally, in the fifth phase, indirect effects of the Corporate TP on the relationship between EM and changes in the Firm Value were examined. The findings also revealed that Corporate TP was found to be partially significant in mediating the relationship between EM strategies and changes in the Firm Value in the companies. Overall, it can be concluded that both EM and Corporate TP were important creative accounting strategies that should be mutually studied because they had significant influence on the changes of the Firm Value in the companies. Therefore, the current study provided evidence regarding the usefulness of the information from EM and Corporate TP in the business transaction activities.