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STRATEGIC RESOURCES, ENVIRONMENTAL MANAGEMENT ACCOUNTING (EMA) AND BUSINESS PERFORMANCE OF SABAH CONSTRUCTION INDUSTRY

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ABSTRACT

The construction industry and its activities are among the major sources of economic growth and development in Malaysia and across the world. Like other countries, the construction industry in Malaysia also encounters a lot of challenges such as the delay to complete the project in time, the expenditure exceeding the budget, the building defects and over dependent on foreign workers, construction waste, and poor productivity. These consequently contribute to poor performance, especially in terms of cost and time overrun. The purpose of this study was to examine the relationship between strategic resources (tangible resources, intangible resources, and dynamic capabilities) and business performance. Additionally, the study aims to examine the moderating effect of environmental management accounting (EMA) in the relationship between strategic resources (tangible resources, intangible resources, and dynamic capabilities) and business performance. This study uses self-administered questionnaires where respondents were selected using stratified random sampling from construction companies in Sabah. Two hundred and ninety-nine (299) responses were received out of three hundred and fifty (350) questionnaires distributed. The data analyses were conducted using Statistical Package for Social Science (SPSS) Version 22.0. These include descriptive statistics, frequency tabulations, and inferential statistics which include correlation and regression analysis. The correlation analysis revealed that there are significant relationships between the three (3) dimensions of strategic resources (tangible resources, intangible resources, dynamic capabilities and the overall strategic resources) and business performance. The results obtained from the multiple regression analysis found that among the three (3) dimensions of strategic resources, dynamic capabilities shown the highest contribution on business performance. Hierarchical multiple regression analysis on the moderating effect of environmental management accounting (EMA) found that EMA has moderated the relationship between two dimensions of strategic resources (intangible resources and dynamic capabilities) and business performance. This study creates a new knowledge in terms of the importance of strategic resources, as well as environmental management accounting (EMA) towards the business performance of Sabah construction industry.

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CHAPTER ONE
INTRODUCTION

1.1 INTRODUCTION

The construction industry and its activities are among the major sources of economic growth and development in Malaysia and across the world. In other words, it maintains to be an essential sector in the Malaysia economy, where it provides strength and capability as a host of economic sectors, and at the same time supporting the social development of the country through the provision of basic infrastructure. This sector has become one of the major sectors of Malaysian economy as this sector has also relatively contributed to the national Gross Domestic Product (GDP). Although the average contribution of the construction sector in gross domestic product (GDP) during the last 20 years from 1990 to 2010 was 4.1% only, but this sector has received great attention from practitioners and scholars.

Like other countries, the construction industry in Malaysia also encounters lots of challenges such as the delay to complete the project in time, the expenditure exceeding the budget, the building defects and over dependent on foreign workers (Memon, Rahman, Asmi, & Azis, 2011), construction waste and poor productivity (Memon, Rahman Asmi & Aziz, 2012). These consequently contribute to poor performance, especially in terms of cost and time overrun. The Construction Industry Development Board (CIDB) master plan for occupational safety and health (CIDB Master Plan OSHA, 2004) highlighted that Malaysian construction industry's serious problems comprising of low quality, low productivity, poor image, economic volatility, delays, shortage of manpower, and lack of data and information. Further, the low productivity in the industry is attributed to low technology usage, poor project and site management, unskilled labor, high-input cost and duration estimation, shortage of construction manpower, high-construction wastage, poor maintenance, non-conducive, and accident-prone environment. Further, the poor image of the industry is also caused by high incidence of accidents, the absence of job security, poor management, and low wages for high-risk jobs and lack of opportunity for career development (Ibrahim, Roy, Ahmed, & Imtiaz, 2010).