

**THE CREATION OF HYBRID ORGANIZATIONAL FORM:
THE COLLABORATION BETWEEN BIOTECHNOLOGY
COMPANIES, RESEARCH INSTITUTES AND UNIVERSITIES**



**RESEARCH MANAGEMENT INSTITUTE (RMI)
UNIVERSITI TEKNOLOGI MARA
40450 SHAH ALAM, SELANGOR
MALAYSIA**

BY:

**NORLIDA KAMALUDDIN
ROHAYA MOHD HUSSEIN
ANIZAH ZAINUDDIN**

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ABSTRACT

The National Biotechnology Policy was launched by Malaysian government in 2005. The aim of this policy is to provide a comprehensive framework in guiding the biotechnology industries development. The government has allotted funding of RM2 billion for year 2006 to 2010 in the hope by year 2010 there will be 400 biotechnology companies being developed. Thus, the focus of this research is to study the collaboration of the biotechnology companies, research institutes and universities which will be able to fulfil the efforts of the government. Based on the strategic behaviour approach, this study hypothesizes that cooperation attributes influence the performance of the collaborative organization. Results of the multiple regressions were used to test the direct and indirect relationships among variables indicated that: 1] trust, commitment, and interdependence predict goal achievement effectiveness; 2] trust and commitment predict profitability. This study contributes to the strategic management, organizational behaviour and management literature. The findings can be a basis for managers to be aware of the elements that influenced the collaboration.

CHAPTER 1

INTRODUCTION

This chapter provides an overview of the background of study, discussion of the problem statement, the specific research objectives and research questions of the study, justification of the research and the scope of study. Definition of terms is provided.

1.1 Background of the Study

In 2005, the National Biotechnology Policy was launched by the Malaysian government to provide comprehensive framework to guide biotechnology industries development. The government hoped that with the existence of these knowledge-based industries, they will be able to contribute to the growth and wealth creation, new investment, new employment opportunities, social and environmental benefits. The government allocation for this development funding is RM2.0 billion from 2006-2010. To date the numbers of biotechnology-related industries are 117, by the year 2010 the government expected that the number will increase to 400 biotechnology companies. By the year 2020 Malaysia expected that biotechnology companies will be able to generate revenue for the country.

Through the literature survey, most of the studies/research focuses on knowledge transfer or HR practices. Past research has not done on the collaborative effort. Due to this gap the researchers intend to study this kind of collaborative effort. Besides that the involvement of money allocate is an enormous sum, so justification and clarification need to be carried out to see the effectiveness of the collaborative effort and is there any existence of opportunistic hazard that might occur between these dyadic relationships [profit organization]. The researchers also hope that this insight will provide a richer understanding of the emergence and potential survival of this collaborative relationship. In the past cooperation between partners had a significant impact on this joint venturing performance (Sim & Ali, 1998) since the collaborative effort are companies who are focusing on profitability and win-win situation.

1.2 Problem Statement

In today's highly competitive global environment, the importance of collaboration for competitiveness is becoming very evident. A clear trend towards the formation of such collaboration is observed in many industries especially among Malaysian companies. The focus of this research is the collaboration of the biotechnology companies, research institutes and universities. The collaboration of this study will be able to fulfill the efforts of the government in launching the Biotechnology policy in 2005.